

BLUEPRINT
VIRGINIA

A Business Plan for the Commonwealth

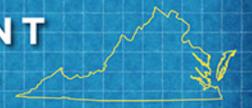
BLUEPRINT VIRGINIA

*A Business Plan for
the Commonwealth*

Barry E. DuVal

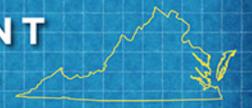
VIRGINIA
CHAMBER

THE VOICE of BUSINESS



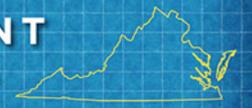
Historic Drivers to Virginia's Economic Success:

- **Pro-Business Climate**
- **Competent, Productive, Educated Workforce**
- **Connectivity to Global Markets**
- **Intellectual Capacity & Resources**
- **Entrepreneurship & Innovation**
- **Quality of Life & Place**



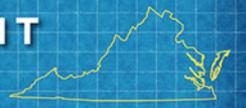
OUR CHALLENGES:

- **Competition**
- **Defense Spending is Shrinking**
- **Traditional Industries in Southside & Southwest Virginia have disappeared**
- **Unpredictable Federal Political Landscape**
- **Mounting Federal Debt**



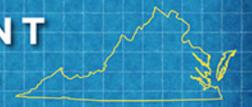
What is BLUEPRINT VIRGINIA?

- **A comprehensive effort to provide business leadership, direction and long-range economic development planning for Virginia.**



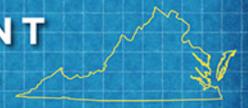
What is BLUEPRINT VIRGINIA?

- **A year long initiative to bring together all sectors of economic development to craft a strategy that will acknowledge and build on current regional plans and industry strategies.**



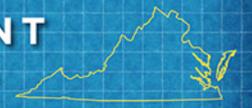
What is BLUEPRINT VIRGINIA?

- **Establish priority issues and actionable goals which will be presented to the Governor-elect of Virginia and members of the General Assembly**



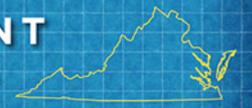
Where do we want to be 8 years from now?

- **Workforce & Education**
- **Business Climate & Economic Development**
- **National Security & Veterans Affairs**
- **Advanced Manufacturing**
- **Energy**
- **Health Care**
- **Transportation**
- **Quality of Life/Place**
- **Technology/Innovation**
- **Small Business**



Invitation

- **Invitation for Virginia's business community to participate in a long range planning process for a statewide strategy**



Approach

- **Acknowledge and build on current regional plans and industry strategies**
- **Provide a tool for analyzing the state and regional economies**
- **Recognize regional economic goals and identify overarching statewide themes**

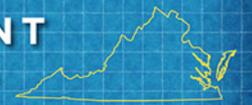


JANE N. KUSIAK
EXECUTIVE DIRECTOR

COUNCIL ON VIRGINIA'S FUTURE

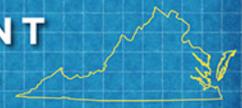
STRATEGIC PARTNER

BLUEPRINT VIRGINIA

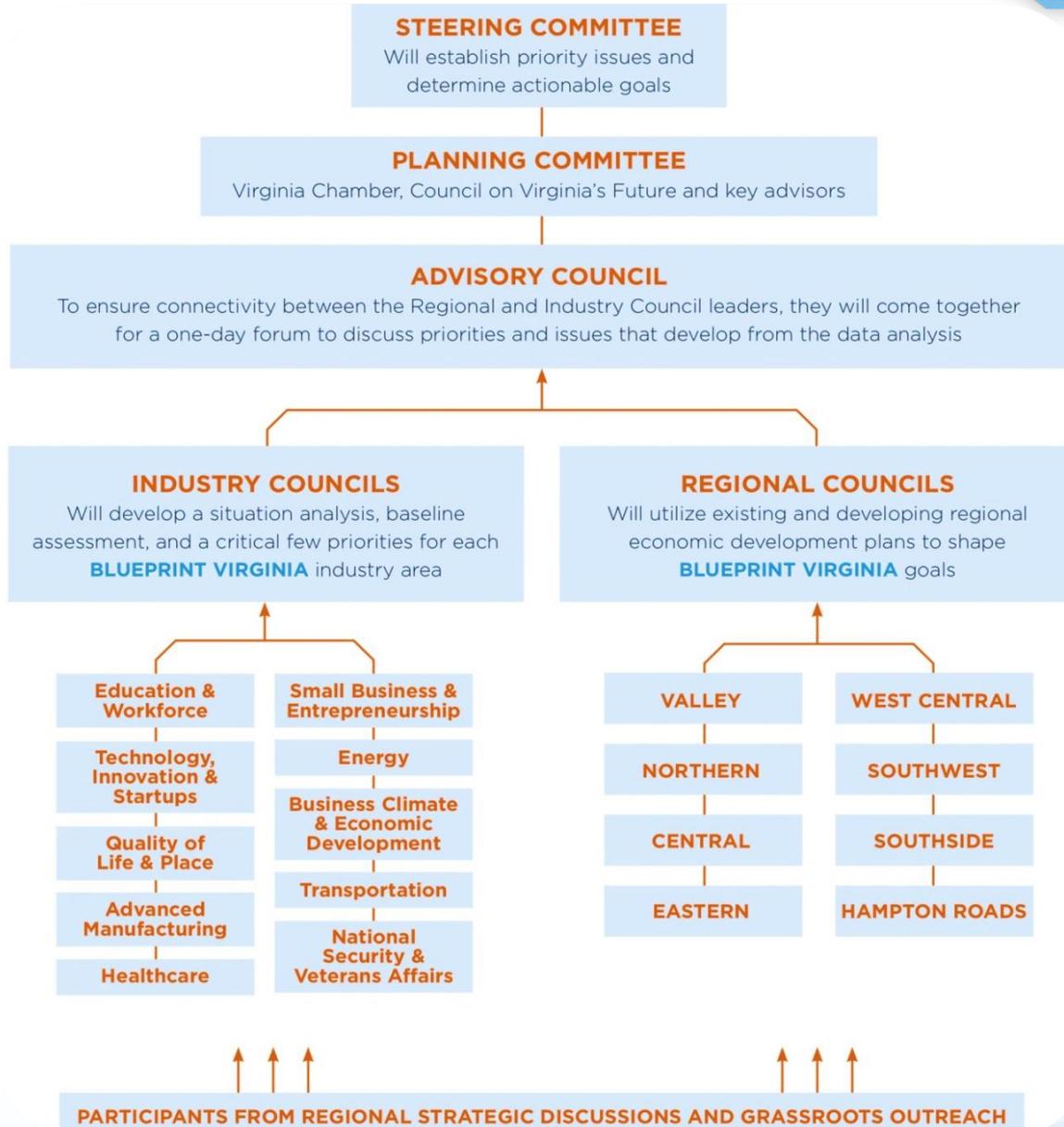


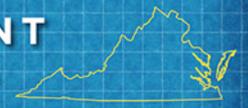
A COMMON FRAMEWORK: Six Pillars to Economic Success

- **Competent Workforce**
- **Intellectual Capacity**
- **Connectivity**
- **Entrepreneurship & Innovation**
- **Pro-Business Climate**
- **Quality of Life & Place**



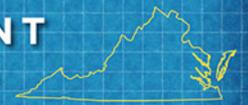
Leadership





Process

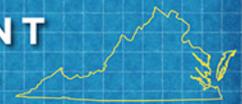
- **30 Regional Hearings held statewide**
- **Industry Council meetings in all key sectors**



Regional Meetings

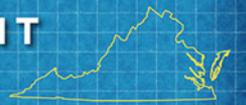
2/4/13 - Leadership Arlington at the Capital
2/6/13 - Virginia Hospital & Healthcare Association Presentation
2/7/13 - Harrisonburg-Rockingham Chamber Annual Outlook
2/20/13 - Virginia Economic Development Partnership Webinar
2/28/13 - Innsbrook Rotary Blueprint Presentation
3/6/13 - Coliseum Central Annual Meeting in Hampton
3/13/13 - Lynchburg Regional Chamber Annual Meeting
3/21/13 - VA Association of Chamber of Commerce Executives
3/28/13 - Charlottesville Regional Chamber Commonwealth Breakfast
4/12/13 - Southern Virginia STEM Summit
4/23/13 - Fredericksburg Regional Council Blueprint Event
4/23/13 - Northern Virginia: Leadership Arlington Blueprint Event
5/1/13 - Northern Virginia Economic Forum
5/9/13 - Culpeper Chamber of Commerce & Blueprint Virginia
5/15/13 - Lynchburg Regional Council Blueprint Event

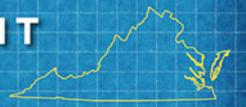
Virginia Community College System Blueprint Briefing – 5/16/13
Greater Williamsburg /VA Peninsula Chamber Event – 5/21/13
Buchanan Chamber of Commerce Blueprint Event– 5/29/13
Roanoke Regional Chamber Economic Summit – 5/30/13
Farmville Area Chamber of Commerce Blueprint Event – 6/10/13
Staunton Economic Development Business Breakfast – 6/19/13
Roanoke-Blacksburg Innovation Network/ VA Tech Event – 6/19/13
Franklin-Southampton Area Chamber of Commerce Event – 6/21/13
Senator Warner’s Leadership Summit – 6/22/13
Northern Neck Blueprint Economic Forum – 7/15/13
Virginia Workforce Council Presentation – 7/16/13
Virginia Planning District Commissions Conference – 7/25/13
Virginia Economic Developers Association Meeting – 8/15/13
South Hill Chamber of Commerce Luncheon – 9/3/13
Virginia Workforce Investment Board Meeting – 9/4/13

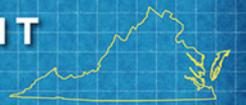


Industry Meetings

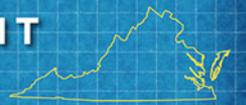
May 20, 2013	Energy Industry Council Meeting #1
May 28, 2013	National Security & Veterans Affairs Council
May 30, 2013	Energy Industry Council Meeting #2
June 21, 2013	Healthcare Industry Council Meeting #1
June 24, 2013	Technology, Innovation & Startups Council #1
July 10, 2013	Technology, Innovation & Startups Council #2
July 17, 2013	Business Climate & Economic Development/ Workforce & Education Industry Councils
July 22, 2013	Transportation Industry Council
August 1, 2013	Advanced Manufacturing Industry Council
August 12, 2013	Healthcare Industry Council Meeting #2
August 27, 2013	Quality of Life & Place Industry Council
September 20, 2013	Small Business & Entrepreneurship Industry Council

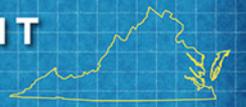






4/13 – Lynchburg **April 12th, Danville** 4/12 – Danville

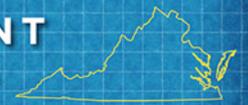




13 – Lynchburg **May 30th, Roanoke** 412 – Danville

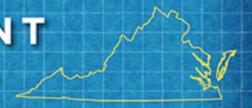
2013 Healthcare Conference

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VIRGINIA



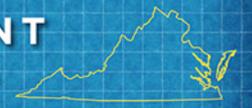
A Business Plan for the Commonwealth





Industry Council Areas of Focus . . .

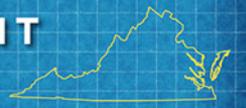
Education and Workforce		Technology, Innovation, & Startups	
<ul style="list-style-type: none"> • Early Childhood Education • K-12 • STEM-H 	<ul style="list-style-type: none"> • Higher Education • Workforce System 	<ul style="list-style-type: none"> • Innovation Incentives • Entrepreneurship • Technology Sectors 	<ul style="list-style-type: none"> • STEM Education • Collaboration • Broadband
Business Climate & Economic Development		National Security & Veterans Affairs	
<ul style="list-style-type: none"> • Incentives • Global Exports • Regulation 	<ul style="list-style-type: none"> • Federal Landscape • Tourism • Industry Sectors 	<ul style="list-style-type: none"> • BRAC • Military and State Cooperation 	<ul style="list-style-type: none"> • Veteran & Military Support Services
Healthcare		Advanced Manufacturing	
<ul style="list-style-type: none"> • Medicaid • Workforce 	<ul style="list-style-type: none"> • Wellness • Health Insurance Exchanges 	<ul style="list-style-type: none"> • STEM Workforce • Regulation 	<ul style="list-style-type: none"> • Energy • Targeted Incentives
Quality of Life & Place		Transportation	
<ul style="list-style-type: none"> • Arts • Environment 	<ul style="list-style-type: none"> • Housing 	<ul style="list-style-type: none"> • Aviation & Aerospace • Highways • Ports 	<ul style="list-style-type: none"> • Rail & Transit • Overall Competitiveness
Energy		Small Business	
<ul style="list-style-type: none"> • Energy Efficiency • Energy Assurance 	<ul style="list-style-type: none"> • Energy Generation • Consumer Education 	<ul style="list-style-type: none"> • Access to Capital • Support 	<ul style="list-style-type: none"> • Regulation



Stakeholder Input:

- **Over 7,000 business and community leaders have participated in the Blueprint Virginia process**

Workforce Development & Education (STEM+H)	33%
Economic Development/ Retention	23%
Transportation	12%
Business-Friendly Climate	7%
Infrastructure/ IT Capabilities	7%
Other	6%
Healthcare	4%
Energy	4%
Promote/ Assist Small & Existing Businesses	4%
Total	100%

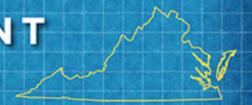


Virginia's Workforce Development & Education

Virginia and U.S. Economic Growth 2012-2017

(annual percent real change)

<u>Year</u>	<u>Virginia</u>	<u>U.S.</u>
2012	0.8	2.2
2013	1.3	1.6
2014	2.8	2.7
2015	3.4	3.5
2016	3.2	3.1
2017	3.0	3.0



Virginia's Demand for Workers

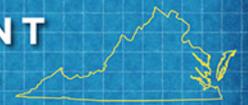
- **A total of 2.04 million new workers to support the State's economic growth over the next ten years**

Virginia's Demand for Workers

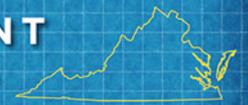
- **Economy is projected to generate 844,359 net new jobs over the 2012-2022 period**
 - **It will also need 1.2 million new workers to fill “replacement” positions**

Virginia's Demand for Workers

- **Demand for workers to fill new and replacement jobs will substantially exceed the supply of available workers in every major occupational category**
 - **If we don't invest in education and workforce training, the state will fall far short of the number of workers it will require to achieve its economic potential and hold its competitive position over the next ten years**



- **Every Virginian needs to be educated to his or her highest potential**
 - **Early childhood education programs (public and private) are critical for school readiness**
 - **After a generation of K-12 reform, it is time to assess improvements in post-secondary performance as a metric for our K-12 reforms**
 - **We need a relentless focus on STEM-H, including how to blend STEM-H with more traditional liberal arts education and career and technical education**
 - **Optimizing use of older workers, including updating skills as necessary, will be a competitive advantage for Virginia if we do it right.**



Lifelong Education for All Virginians

The transition to Kindergarten is a key “handoff” within our education system and one we need to do a better job of

Community colleges are key bridges between the classroom and the workplace

STEM-H is a major education focus and can co-exist with liberal arts excellence

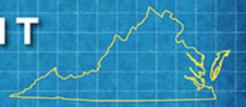
Education Begins Before Kindergarten and Lasts After Graduation

Quality preschool education has a high Return on Investment

Third grade reading is a key benchmark, too many Virginia children stumble here and never catch up

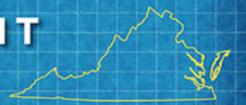
Every child needs post-secondary education training and would benefit from career certification

Education does not end at graduation; it is a lifelong challenge; the non-traditional student is the fastest growing part of higher education



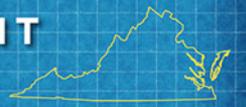
What do we need to be doing NOW to keep Virginia competitive?

- **Recruit top higher education faculty and provide incentives for faculty to spend more time teaching and working with students**
- **Performance Funding for STEM-H Degrees**
- **Increase access and affordability of higher education**
- **Ensure that workforce training programs, particularly for mid-skill workers, are aligned with regional business needs**

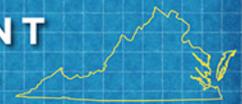


What do we need to be doing NOW to keep Virginia competitive?

- **Maintain a competitive quality-of-life and economic environment to make Virginia attractive to workers as they make choices to relocate**
- **Future business investment will follow the workers. Having a sufficient supply of qualified workers will determine the growth potential of the State's economy and its competitive position nationally and globally.**



Virginia's Transportation Strategy

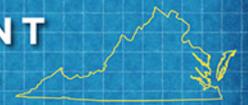


Transportation Funding Package (HB2313)

STATEWIDE PROVISIONS

- **Gas Tax Conversion -** Gas tax replaced by 3.5% tax on the wholesale price of gasoline / 6% tax on the wholesale of diesel fuel
- **Sales Tax Increase -** Statewide sales and use tax is increased by .3% along with additional .7% increase for NOVA and HR
- **Marketplace Equity Act -** Revenues collected from sales tax on Internet purchases will be allocated to transportation needs
- **General Fund Transfer -** Gradual increase from .5% to .675% of the existing general sales and use tax dedicated to transportation
- **Hybrid Registration Fee -** \$64 annual registration fee on hybrid, alternative fuel and electric motor vehicles
- **Car Titling Tax -** Tax paid on the sale of motor vehicles will increase to 4.15% from 3% over four years

Additional Transportation Statewide Funding: \$3.4 billion over 5 yrs.



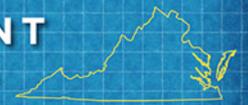
Transportation Funding Package (HB2313)

REGIONAL PROVISIONS

Northern Virginia

- **Additional Sales Tax Increase -** The sales tax in Northern Virginia would increase an additional 0.7% on top of the 0.3% statewide increase, bringing the total sales tax on purchases made in NOVA to 6%
- **Real Estate Recording Tax -** A “regional congestion fee” of 15 cents per \$100 of property value would be added to the real estate recording fee for real property for which a deed, instrument or writing is recording in Northern Virginia.
- **Transient Occupancy Tax -** The hotel tax in Northern Virginia would be increased by 2 percent.

Additional Transportation Statewide Funding: \$1.5 billion over 5 yrs.



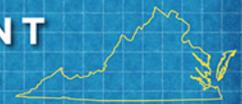
Transportation Funding Package (HB2313)

REGIONAL PROVISIONS

Hampton Roads

- **Additional Sales Tax Increase -** The sales tax in Hampton Roads would increase an additional 0.7% on top of the 0.3% percent statewide increase, bringing the total sales tax on purchases made in Hampton Roads to 6%
- **Additional Fuels Tax -** The wholesale tax on motor fuels would be boosted by an additional 2.1% beyond the statewide level for Hampton Roads.

Additional Transportation Statewide Funding: \$1 billion over 5 yrs.

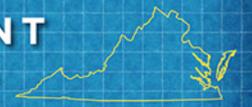


Transportation

INVESTMENT STRATEGY

<p>Aviation & Aerospace</p>	<ul style="list-style-type: none"> • Improve Ground Access to Air Facilities • Enhance transportation network to Wallops Island in Support of Commercial Space Launches • Expand Partnerships with Aerospace Industry, Military & Ed. Institutions • Enhance Aerospace Education to Address the Short Supply of Critical Job Skills in the STEM Field
<p>Highways</p>	<ul style="list-style-type: none"> • Repair Deficient Pavements • Rehabilitate Structurally Deficient Bridges • Increase Highway Capacity of I-81 in Strategic Locations • Increase Highway Capacity of I-64 Between Richmond & Hampton Roads • Increase Interstate Capacity Around the Washington, D.C. Metro. Area • Investment in Tunnels and Bridges in Hampton Roads
<p>Ports</p>	<ul style="list-style-type: none"> • Improve Multimodal Facilities at Port to Handle Anticipated Increase in Freight as a Result of the Panama Canal Expansion

Transportation



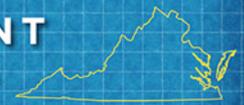
INVESTMENT STRATEGY

Rail & Transit

- **Improve Transit in Rural Areas**
- **Improve Freight Rail Along I-81**
- **Invest in High Speed Rail Between Washington, D.C., Richmond, and Hampton Roads**

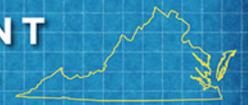
Enhance Commonwealth's Economic Competitiveness

- **Expand the Port and Related Intermodal Facilities**
- **Support Dulles International Airport and Growth of the Dulles Corridor**
- **Connect High Speed and Intercity Rail with Regional Transit Systems**
- **Improve Freight Mobility**
- **Improve Rural Connectivity**
- **Support Major Military Facilities**
- **Complete Unfinished PPTAs**



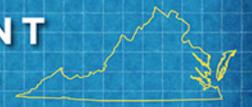
Transportation Policy: Development Approaches

- **Big Picture Focus Corridors of Statewide Significance**
 - Corridors of Regional/Statewide Significance
 - Investments that Make Greatest Difference
 - “Regional” Must Take Precedent Over “Parochial”
- **Establish Performance-Based Priorities**
 - Reduce Travel Times/Improve Travel Speeds
 - Reduce Congestion/Delays
- **Spend New Regional Transportation Funds on Projects that Make Greatest Difference**



Looking Ahead . . .

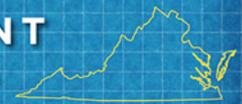
- **Blueprint Virginia is a process that will address issues over an eight year horizon. Next year, Blueprint Virginia will focus more closely on the economic competitiveness of regions.**
- **Plans are underway to host a forum in the Spring to bring regional and state leaders together to discuss economic competitiveness and workforce through a regional lens.**
- **Additionally, the 2014 Virginia Chamber of Commerce Economic Summit will address regional economic competitiveness and workforce.**



GOAL OF BLUEPRINT:

A Business Plan for the Commonwealth

- **Blueprint Virginia will recognize regional and industry strategies to establish statewide investment priorities among public and private sector leaders.**



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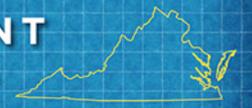
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**Virginia Chamber of
Commerce Economic Summit**

November 20, 2013

**Williamsburg Lodge
& Conference Center**

Please join us!

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VIRGINIA
CHAMBER

THE VOICE of BUSINESS