

A Comprehensive Economic Development Policy for the Commonwealth



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INTRODUCTION

Virginia started as a business venture and has been known as a top place to do business since the founding of this country. Although the Commonwealth is perhaps best known for its important role in American history, Virginia's economic contributions are equally impressive. Virginia has been a global trade hub since colonial times and, today, is a world leader in 21st-century industries like life sciences, data centers, cybersecurity, and unmanned systems. Through it all, Virginia's success has been due to its remarkable assets, especially its people.

Despite a history of success, Virginia faces both challenges and opportunities. The Commonwealth's economy has experienced dramatic swings, due in large part to significant dependence on federal spending and competition in the global marketplace. And while Virginia, as a whole, has experienced economic growth, not all of its regions have shared in this growth. Indeed, many regions have lost jobs in recent years. These trends threaten to continue without a bold vision to make Virginia's economy one of the best of the nation.

This economic development policy contains that vision. Its ultimate goal is to ensure that every region, every community, and every household can participate and share in the fruits of the Commonwealth's economic progress. It presents a strategic path toward that goal, focusing on four key areas:

- **Maximize the Commonwealth's human, natural, and man-made assets:** Invest in the education and skills of our people; unlock the potential of our natural assets in a sustainable way; and upgrade our physical and virtual infrastructure to ensure that Virginia remains an international leader in connecting goods and people
- **Maintain and enhance our leading business climate:** Enable growth within existing industries and businesses; attract high-growth, high-impact industries and firms to the Commonwealth; and incubate the industries and firms of tomorrow
- **Support every Virginian in the pursuit of a productive, quality life:** Facilitate access to economic opportunity and, when needed, provide a helping hand and safety net as we create a more resilient workforce and stronger, more connected communities
- **Maximize the benefits of taxpayer dollars:** Run a smart, efficient, and responsive government

By executing this economic development strategy in partnership with state, regional, and local leaders, Virginia will achieve shared prosperity. This path will not be easy. Fortunately, Virginia has a wealth of economic development assets, has a strategy to maximize the value inherent in these assets, and—most importantly—can draw on its spirit of teamwork, grit, and ingenuity to improve the life of every Virginian.

This document is organized as follows: First, it outlines the mandate and process to develop the economic development policy for Governor Northam's administration. Second, it reviews the current state of Virginia's economy, its assets, and some of the challenges constraining Virginia's economic potential. Next, it highlights the strategic priorities that will drive growth and prosperity in every corner of the Commonwealth. Last, the document concludes with a call for Virginians to work together to ensure that every region, community, and household has the opportunity to work hard, provide for their families, and share in the fruits of our labor.

PROCESS

The Code of Virginia requires each gubernatorial administration to "develop and implement a written comprehensive economic development policy for the Commonwealth." To guide the development of this strategy, Secretary of Commerce and Trade Brian Ball engaged a cabinet-level committee, as well as an advisory group of agency heads, regional and local community leaders, and members of the business community across the Commonwealth.

THE STATE OF VIRGINIA'S ECONOMY

Economic context in Virginia

Virginians are back at work with a statewide unemployment rate below 3.0% and output growing at the national average. Signs of continued growth point in the right direction, but we must remain cautious as the national and global marketplaces still face heightened volatility and uncertainty. Also, growth trends have been far from balanced geographically. In the last five years, an outsized portion of the job growth was seen in northern Virginia, while growth in certain regions was slow and sporadic.

Virginia's growth has been linked to the expansions and contractions of the federal government, with over 30% of the Commonwealth's output tied to the federal government. This link has contributed to Virginia's economic swings and growth imbalances. These trends underscore the need for a more diversified, geographically-balanced economic development plan. The Northam Administration intends to accelerate that momentum by diversifying the economy, ensuring that every region grows, and emphasizing the need to return Virginia to a leading position through shared growth.

Virginia's economic competitiveness

Just like Virginia's growth trends over the last twenty years, Virginia's economy is comprised of assets that are both the envy of the rest of the country and in need of redoubled focus, investment, and commitment. This renewed focus is necessary to sustain these assets and to ensure that Virginia remains competitive in a dynamically growing, global, 21st-century economy.

- **Human capital.** Virginia is leading the nation in both our high-quality education pipeline and existing pool of high-quality talent. Educational attainment and higher education have helped

Virginians secure quality, good-paying jobs to provide for their families. Despite this tremendous pool of human capital, Virginia struggles to meet existing labor demand and ensure that residents of all educational levels have opportunities to find meaningful and fulfilling work. With a tight labor market, we must work to make sure all Virginians have the skills needed to secure high-quality jobs and provide for themselves and their families.

- **Physical and virtual infrastructure.** Virginia has invested in a strong network of infrastructure assets and benefits greatly from this expansive network of rail, air, and port assets. The Port of Virginia is the 3rd-largest port on the East Coast; Washington Dulles serves over 13 million passengers annually; and millions traverse interstates I-64, I-95, I-81, I-66, and I-77, which serve as important economic corridors for the Commonwealth. However, Virginia has an opportunity and an obligation to improve its virtual infrastructure, with broadband connectivity rates lagging in certain areas of the state. Virginia's gaps are concentrated largely in rural communities where, by one measure, broadband access is lacking for about 50% of households. Virginia is also on the cusp of transforming and modernizing its electric system to meet the growing and changing needs of homes and businesses. By ensuring its physical and virtual infrastructure is first-rate, Virginia can make sure that every household and business has the tools and access needed to be successful in the 21st-century economy.
- **Entrepreneurship and commercialization.** Securing Amazon's second headquarter location was a tremendous win for Virginia, but we already have great growth with nearly 50,000 traded-sector jobs created by startups in Virginia in the last 10 years. Virginia has a robust innovation and entrepreneurial ecosystem that, with better connectivity, shared best practices, and a "founder-first" mentality, would shift Virginia from having just a handful of leading regions to a strong statewide network that can compete globally. Virginia also has some of the best intellectual assets in the country, but these assets can have even greater impact with more support. The innovative breakthroughs occurring at our federal labs, universities, and companies have the potential to change the world. Virginia must seize the opportunity to address the innovation pipeline development from classrooms and universities to firm creation, growth stages, and beyond. Improving Virginia's ability to turn great ideas into great firms will support Virginia's quest to be a top-10 state for job growth.
- **Business climate.** Virginia's business climate is well-regarded, but there is room to improve—particularly in the cost of doing business and tax competitiveness. For instance, Virginia routinely scores among the top 15 states for business, but falls short specifically in the costs of doing business, frequently placing in the bottom half of states. By identifying specific opportunities to strategically improve Virginia's tax competitiveness, the Commonwealth can improve its attractiveness to new firms, its growth climate for existing firms, and its ability to secure long-term, dynamic economic growth.

Virginia has tremendous assets upon which to build a strong future and chart a path to enhanced economic growth. By leveraging its human capital, physical and virtual infrastructure assets, and innovation ecosystem, and integrating these efforts with targeted improvements in the business climate, the Commonwealth will have what it needs to compete.

GOALS AND STRATEGIES

The ultimate goal for this economic development strategy for the Commonwealth is to ensure that every region, household, and person participates in a growing economy and shares in the fruits of economic progress. This strategy lays out a vision and a path towards this shared prosperity, equipping Virginia's workers with the skills to succeed in today's labor market and preparing our children to be leaders in the fields of tomorrow.

We will reach our goal by focusing on the following four strategies:

- **Maximize the Commonwealth's human, natural, and man-made assets:** Invest in the education and skills of our people; unlock the potential of our natural assets in a sustainable way; and upgrade our physical and virtual infrastructure to ensure that Virginia remains an international leader in connecting goods and people
- **Maintain and enhance our leading business climate:** Enable growth within existing industries and businesses; attract high-growth, high-impact industries and firms to the Commonwealth; and incubate the industries and firms of tomorrow
- **Support every Virginian in the pursuit of a productive, quality life:** Facilitate access to economic opportunity and, when needed, provide a helping hand and safety net as we create a more resilient workforce and stronger, more connected communities
- **Maximize the benefits of taxpayer dollars:** Run a smart, efficient, and responsive government

These strategies build on the tremendous momentum and assets that already exist in every region of the Commonwealth and within every sector of the economy. For example, Virginia's farmers continue to adopt cutting-edge technologies and practices, utilizing the latest in precision agriculture to make their farms more productive, efficient, and sustainable. Across the Commonwealth, from hydroelectric storage facilities in southwestern Virginia to our emerging offshore wind industry along the Atlantic Coast, Virginians are finding ways to harness our natural assets to benefit our residents.

Virginians are also developing technologies like 3-D printing that will change how the world thinks about manufacturing, and pushing into new frontiers with emerging technologies like blockchain. These innovations have the power to transform the way people share and exchange vital information.

We are also developing new transportation technologies for the future, working to make autonomous vehicles and drone technology a part of our normal routines. And, most recently, Amazon's selection of Virginia for its newest headquarters is a testament to the Commonwealth's emerging innovation economy, world-class talent pool and higher education institutions, and attractive quality of life.

1. MAXIMIZE THE COMMONWEALTH'S HUMAN, NATURAL, AND MAN-MADE ASSETS

The Commonwealth's success depends on its ability to attract and retain talented residents while also maximizing the benefits from its natural assets safely and sustainably. In support of our residents, we must ensure that every child is strong, healthy, and prepared as she or he has access to a high-quality K-12 system. We must also continue investing in our world-class post-secondary education systems and programs to equip our young adults and adult workers for success in the 21st-century economy. We must not only make sure that we maximize the potential benefits of our natural assets for our residents today, but also make sure that these assets will be here with us tomorrow and for centuries to come. Preserving these assets for future generations requires sensible planning and strategies to mitigate the impacts of recurrent flooding, sea-level rise, and other impacts of climate change.. In support (and expansion) of our man-made assets, we must also continue investing in our networks of traditional infrastructure, like sites, roads, and ports, and also in 21st-century infrastructure like broadband – an infrastructure category that has become just as important as our more traditional infrastructure.

- **Empower Virginians to learn, work, and thrive, now and in the future:** The success of any state will depend on its ability to empower and invest in its adult workforce of today and to educate and prepare its children to be leaders of the workforce of tomorrow. Thus, our education, workforce, and economic development ecosystems are tightly interconnected.
 - Develop a world-class talent pipeline that delivers high-quality support each step of the way: The vast majority of brain development occurs in a child's earliest years, long before a child enters a kindergarten classroom. Access to high-quality early childhood care and education programs both supports working parents and enables young learners, particularly those at-risk, to enter kindergarten prepared to start a lifelong journey of learning, equipped with foundational skills to succeed in school. The Administration recognizes and is committed to expanding access to and the quality of early childhood care and education for its most at-risk young children.

Additionally, our K-12 public education system should deliver both rigorous and relevant content knowledge, and help each student develop the skills required for success in the 21st-century: critical-thinking, collaboration, communication, creativity, and community-minded citizenship. Ultimately, every high-school graduate should possess both the hard and soft skills needed to thrive in today's labor market.

- Equip our young adults with the knowledge, skills, and ambition to succeed: Virginia is home to one of the best public higher education systems in the world, as well as excellent private institutions. Whether pursuing post-secondary education for a short-term certificate or two- or four-year degree program, or graduate level work, Virginians should have a range of high-quality options that prepare them for success in the workforce. Amazon's recent selection of the Commonwealth for their next headquarters confirmed the importance of a world-class talent pool to economic competitiveness in the 21st-century. As part of the project, the Commonwealth will invest in expanding our tech-talent pipeline across Virginia, which will benefit all Virginians and all companies. In addition to new bachelors and graduate programs, the Administration will prioritize enhancements to the entire higher education ecosystem, including better alignment between our educators and employers, our K-12 schools and higher education institutions, and our community colleges and four-year institutions. Lastly, we must focus on retaining the high-quality workers that Virginia continues to produce. In a tight workforce with historically low rates of unemployment, the competition among states (and countries) is fierce, and every community must work hard to retain its talent.
- Empower our adult workers to embrace lifelong skills enhancements: The demands of the workforce and the required skills are changing rapidly, and so must Virginia's workers. The Administration is focused on not only expanding the number and breadth of post-secondary certificates, but also exploring ways to deliver these learning opportunities in ways that recognize adult learners' unique constraints from family, work, and school responsibilities. Often, adult learners face extenuating family and/or economic circumstances that prevent them from pursuing learning opportunities. With this in mind, we are working to tighten the connections between our workforce and social service providers to support our residents, especially the long-term unemployed or disengaged, in developing the skills needed to succeed at work.
- Ensure that our workforce system delivers maximum impact: Our current workforce system is a network of loosely-connected agencies and organizations all working to maintain a quality workforce but through disparate strategies. We need more focus within our system, streamlining the way we are structured and how we operate. With this in mind, we are building stronger connections within our adult workforce system, streamlining and standardizing the quality the delivery of operations while also making sure that the structure of the workforce network makes sense. Furthermore, we are intensifying our efforts to deliver quality workers in critical fields facing acute shortages like agriculture, healthcare, early childhood education and care, construction, and rapidly growing industries like information technology. A more efficient and effective workforce system will support the needs of our adult workforce as it continues to adapt to changing market needs.

- **Guarantee that our natural assets provide for Virginians, now and in the future:** Virginia is home to bountiful and diverse natural assets, from its coastlines to the Appalachian Mountains, and everything in between. The Administration is focused on using our natural resources sustainably for the benefit of all Virginians.

- Unlock the benefits of renewable energy: The economic and environmental benefits from unlocking our offshore wind and solar power potential will lower energy costs for all Virginians and boost our manufacturing sector as Virginians innovate and produce the technologies to drive this industry.

Virginia's solar energy marketplace is thriving, with over 3,000 megawatts of solar either under development or in the ground and increasing demand for more. Additionally, Virginia has tremendous potential for offshore wind, both as a resource itself and in the development of the offshore wind supply chain. With the first offshore wind turbines off Virginia's coast currently under development, and the potential to build 2,000 megawatts of offshore wind off our coast within the next decade, Virginia will become a leading state in the growing offshore wind industry. Coupled with our tremendous supply chain assets centered around the Port of Virginia, the offshore wind supply industry could generate thousands of local jobs, and the resource itself could power more than 500,000 homes with clean, renewable energy.

- Ensure an adequate supply of business-ready sites and buildings: When businesses look for a site for a new manufacturing plant, processing plant, or even research center, they need both talented workers and a site or building that can be ready for business as soon as possible. Virginia has plenty of available sites and buildings, but we need to invest to make sure these locations are connected to critical infrastructure, have completed basic environmental due diligence and permitting, and have the proper zoning. Having these elements in place in locations across the Commonwealth will ensure that when businesses come to see Virginia, we show them that we are ready to partner with them from day one. The Administration is working with the General Assembly and local and regional partners to develop innovative solutions to fill this critical gap in our economic development efforts.
- Support our largest private industries – agriculture, forestry, and aquaculture: The agriculture and forestry industries contribute \$91 billion per year to the Commonwealth's economic and help provide over 450,000 jobs. Virginia has been and will continue to be a place that values the vital contributions of these industries. First and most immediately given today's global trade environment, the Administration is committed to helping Virginia businesses navigate the changing global marketplace and continuing to find effective ways to encourage export growth of Virginia products. Second, we will continue partnering with our industries across the Commonwealth to ensure that businesses - large and small - have access to the latest tools,

technologies, and knowledge to remain competitive abroad. By working with co-operatives, land-grant universities, and membership associations, we can both help develop and expand access to integral technologies that can help producers become more efficient by overcoming critical labor shortages, improving yields while remaining good stewards of our land and resources, and ultimately enhancing the global competitiveness of our agriculture, forestry, and aquaculture enterprises. Third, we need to prepare the next generation of agriculture, forestry, and aquaculture talent. These industries and jobs are critical to many communities across the Commonwealth, but they face acute labor shortages. We will work with schools and associations to educate students and families about opportunities in these industries, engaging our next generation of talent. Last, we need to leverage our strengths to spur new industries like agri-tourism and value-added agriculture. Virginia has a long history of leveraging our natural resources-based businesses to spur growth in industries like agri-tourism, craft beer, wine, and spirits, and value-added production, but we can do more. Our partnership with the Commonwealth's world-renowned wines, craft beer, and spirits industries provides just one example of how we can leverage our strengths in one area – agriculture – to help other industries evolve, drive tourism, increase global recognition of the quality of Virginia goods, and support thousands of quality jobs. We will do all of this with sustainability in mind. Lasting economic growth replenishes and enhances our natural resources and protects the quality of our air, water, and lands for future generations.

- **Facilitate the efficient connection of people, goods, and information, now and in the future:**

Virginia has the assets and a long history serving as a gateway to international commerce and as a major artery for the movement of goods and people throughout the East Coast and beyond. Through strategic expansion and ongoing maintenance of our high-quality sea ports, airports, space port, bridges, tunnels, and highways, Virginia can continue facilitating commerce by creating access to regional, national, and world markets. And through committed investments and partnerships, Virginia can become the first state in the nation to ensure that every community and resident has access to broadband—a critical piece of 21st-century infrastructure.

- Expand access to broadband to spur economic development and opportunity: Communities across America face challenges in accessing broadband internet, which is now a critical means to stay connected, informed, and engaged at work and at home. Identifying solutions to expand broadband access to rural communities is a priority for the Administration and an opportunity for Virginia to show the rest of the country that this can be done. With increased resources, newly-appointed leadership to steer the Administration's broadband initiative, and determined effort on the part of numerous stakeholders across the public and private sectors, the Administration believes all Virginians can have broadband access within the next decade.

- Leverage the economic development potential of I-81 within Virginia and beyond: I-81 is a strategic asset not just for Virginia, but for America as a whole. The corridor has tremendous potential to serve as a major driver of economic development for regions large and small in Virginia, connecting our cities and towns to new markets. Just as important, I-81 can also serve as a broadband anchor, leveraging its rights-of-way as routes for broadband expansion into more remote parts of Virginia.
- Ensure that WMATA is adequately and appropriately resourced to move people throughout the northern Virginia region and beyond: Virginia was the first partner to pledge support to fill critical funding gaps at the Washington Metropolitan Area Transit Authority (WMATA). The Administration understands the importance of WMATA to the entire tri-jurisdiction area and remains committed to guaranteeing that WMATA remains effective and efficient. More broadly, Virginia is committed to investing in a portfolio of multimodal transportation projects to improve mobility throughout the region.
- Support growth at and around the Port of Virginia to become the port-of-choice on the East Coast: The Port of Virginia handled record volumes in 2017 and is experiencing some of the fastest volume growth among its East Coast port peers. To sustain positive growth, however, large-scale investment will be required in the Port’s capabilities and also in the surrounding areas to support business creation. The Administration is committed to making sure that the Port has the resources to deepen our channels to support the latest generation of supertankers, and that the surrounding localities and broader regions have the resources and support to support firm growth around the Port, expand its network of inland ports and infrastructure, and install the next generation of technologies to move goods into and out of Virginia.

2. MAINTAIN AND ENHANCE OUR LEADING BUSINESS CLIMATE TO DRIVE STRONG ECONOMIC GROWTH

The Commonwealth’s AAA credit rating, low and consistent corporate income tax rate, and stable political environment have all contributed to its reputation as having an attractive and stable business climate. Nonetheless, there is always room to improve Virginia’s partnership with business, especially in how we support our growth industries, partner with small business and entrepreneurs, and market our assets to the world.

- **Cultivate target industry growth clusters.** Virginia has tremendous strengths in several key sectors that, if nurtured, could drive the Commonwealth toward attaining its goal for a stronger, more balanced, and more resilient economy.
 - First, we can push new boundaries as a global leader in the information technology sector by building on strengths in cybersecurity and unmanned systems, and expanding into new frontiers like the Internet of Things (IoT) and machine learning. We already have the talent, educational assets, and catalytic companies and organizations to make this happen.

- Second, the Commonwealth should continue its steps to becoming a world-class transportation and logistics hub. Virginia benefits from a strategic location on the East Coast and has invested in significant infrastructure assets, including an expansive network of rail, air, and port assets such as Dulles International Airport, Reagan National Airport, and the Port of Virginia. Strengthening the collaboration between major transportation and logistics stakeholders will be critical to supporting growth in the transportation and logistics space.
 - Third, we should continue innovating within manufacturing to make it ready for the future. Manufacturing is critical to Virginia’s economy, where over 4,000 firms employ more than 200,000 Virginians in quality jobs paying above-average wages. Thus, a stronger manufacturing sector will have widespread impact throughout the Commonwealth by boosting exports and stimulating supply-chain activity and demand. Tweaking changes to the tax code to make Virginia more competitive to new, capital-intensive manufacturing investments; enhancing Virginia’s incentives approach to support expansion efforts of existing manufacturers and attraction efforts for new manufacturers; and launching innovative workforce strategies could make Virginia a more attractive and supportive home for the manufacturing sector.
 - Fourth, we should leverage Virginia’s advantages to attract and support industries on a regional basis. For instance, many of Virginia’s communities have the high-quality, affordable workforce that would be attractive to a variety of tech operations. Similarly, Virginia’s wealth of natural assets, combined with our quality manufacturing workforce, could attract manufacturers of regional tourism products such as kayaks or all-terrain vehicles. A locally-driven attraction, retention, and expansion economic development strategy will support communities in identifying the projects with the best chance for success.
 - Last, Virginia must make sure that every business in these and other sectors has access to local markets, as well as national and international markets. We have highly-regard international trade development programs that work with hundreds of small-to-medium-sized businesses to access new markets and expand their presence in existing markets. However, Virginia can do more to support trade between Virginia and the rest of the world. The Administration will work to help businesses meet growing demand from around the world.
- **Enhance Virginia’s economic competitiveness.** Virginia’s business environment, and its competitiveness relative to other states and countries, will define Virginia’s ability to develop, grow, and attract businesses of all types. Virginia has a compelling story for attracting business and talent that, with targeted improvements and focused messaging, can be better leveraged to drive growth. Virginia has cultivated a sophisticated network of regional and local economic development professionals and other stakeholders working diligently to drive growth in their communities. We need to make sure that localities have the tools and knowledge to develop effective strategies for

growth. By working with regional and local partners to develop a competitiveness framework to identify each community's strengths and opportunities for improvement relative to national and international peers, our economic development professionals can tailor their strategies to be as competitive as possible. Last, we need to showcase our assets and make the case for why Virginia should be the top choice for any business considering relocation. With targeted investments in sharing Virginia's story with key influencers like site selection consultants, we can return Virginia to recognition as the top state for business.

- **Support our small businesses and courageous entrepreneurs.** Small businesses are the lifeblood of Virginia's economy, numbering over 650,000 strong and employing nearly half of the private-sector workforce. The vitality of these businesses is a critical part of a strong, resilient economy. Whether a retail business on Main Street that is a community bedrock, a legacy manufacturer looking for new markets for growth, or a tech startup managing growth within a rapidly changing economy, each business should have a supportive partner in the Commonwealth. Virginia has high-quality talent and a wealth of residents with good ideas, but far too often these ideas struggle to find the mentorship, the capital, and even the peer support to see an idea to fruition. In keeping with the focus on empowering communities to develop and execute locally-driven strategies, the Administration is committed to building healthy and inclusive networks of innovators and entrepreneurs across the Commonwealth. By investing in community network-building, partnering with our world-class universities to commercialize potentially industry-changing technologies, and connecting those bright ideas to those with expertise and financial resources, Virginia's small business and startup ecosystem can create a stronger, more diversified, and resilient economy.
- **Share our assets and attractiveness with the nation and the world:** Tourism in Virginia is a \$25 billion industry, with over \$68 million spent each day by domestic travelers. The industry's impact extends beyond just dollars, ranking as the fifth-largest private employer in Virginia. To continue showcasing Virginia to the world and leveraging the industry as an important job-creator, the Administration has a six-pronged approach to support tourism growth: (1) Recruit manufacturers of tourism-related products to Virginia; (2) Assist Localities in Building Vibrant Communities; (3) Update Virginia's State Tourism Development Plan; (4) Promote the *Virginia is for Lovers* brand; and (5) Improve tourism transportation infrastructure.

3. SUPPORT EVERY VIRGINIAN IN THE PURSUIT OF A PRODUCTIVE, QUALITY LIFE

A resilient workforce and dynamic economy rests on the strength of its people and a shared commitment to support all citizens and neighbors to live healthy, productive, and fulfilling lives. Providing high quality, affordable, and effective healthcare to every resident lays the foundation for a healthier, more productive workforce. As we invest in our people, we also need to help communities to support healthy living, facilitate strong relationships, and are worthy of being called "home." By doing all of this, Virginia's residents and communities will be stronger, healthier, and more resilient.

- **Support a healthier, more productive workforce:** The Administration has five major priorities to give every adult and child a fair shot at a safe, healthy, and successful life: (1) Implementing Medicaid expansion; (2) Prioritizing behavioral health; (3) Preventing and addressing addiction problems; (4) Empowering women to make the best health decisions for themselves; and (5) Developing a healthy citizenry of tomorrow. Virginia will soon reach its goal of expanding Medicaid access to 400,000 Virginians, including 15,000 veterans. This expansion will not only enhance the quality of life for families across the Commonwealth—it will also create over 30,000 high-quality healthcare jobs. A more accessible healthcare system will be complemented with a more targeted and strategic system, focusing on critical issues like behavioral health, addiction, and maternal health. By doing all of these things well, Virginians will not only benefit from improved quality-of-life and longer life expectancies, but also a stronger, more competitive workforce.
- **Strengthen healthier, more productive communities:** The Administration is committed to making sure that all regions and communities grow and thrive. Communities often know what they need to jumpstart growth, but they may need some support in the form of resources to fund catalytic projects, technical assistance to implement sound economic development strategies, or partnerships to market a community's assets to the rest of Virginia and beyond.

 - *Support community development efforts:* We need to support our communities in executing these locally-designed and locally-driven strategies like Main Street development efforts while also managing federal programs like Opportunity Zones, which could catalyze investments in rural and/or under-invested neighborhoods. By facilitating partnerships within and across communities, the Administration wants to be a thought-partner, co-investor, and coalition member in ensuring that every community thrives.
 - *Strengthen regional cooperation:* The Administration will focus on strengthening and supporting regional efforts. Today's businesses have an impact well beyond just the city, county, or town in which they are located and thus benefit from collaborative efforts and investments on a regional scale. Each region recently developed comprehensive growth and development strategies that will guide their efforts in the coming years. In all regions, successful execution will require close collaboration and coordination; in some regions, additional resources will also be necessary. The Administration is committed to helping regional efforts become successful in achieving their locally-developed goals.
 - *Targeted focus on underserved communities:* The Administration is prioritizing investments in the people (e.g., workforce development, education), infrastructure (e.g., broadband), and strategies (e.g., agri-tourism, marketing efforts) to ensure that regions have the foundation needed to compete and thrive in today's global economy.

- *Enhance access to affordable and workforce housing:* Growth in any region will be constrained if families, regardless of income level, cannot secure quality, affordable housing and live in safe, healthy, and stable neighborhoods. The Administration has signed a new state housing policy to focus on increasing the supply of permanent supportive housing, addressing the shortage of quality affordable housing, and reducing the rate of evictions across the Commonwealth. Through these efforts, the Administration is committed to ensuring that all Virginians have access to high-quality, affordable housing and to building vibrant, sustainable communities that provide economic opportunities for all Virginians.
- **Foster innovative, more connected communities:** Virginia is blessed with world-class talent generating ideas that can change the way we live, work, and play. These game-changing ideas are generated not only in universities or in labs, but also on the farms and in the manufacturing plants where many Virginians work. Sustainable, broad-based, shared economic development is only possible if the Commonwealth supports the innovation process in every community across all industries. With this in mind, the Administration is focused on strengthening and facilitating the creation of vibrant entrepreneurial regional networks across the Commonwealth. Risk-taking entrepreneurs benefit from being around other risk-takers, with local and regional networks providing mentorship, mental support, and even capital-raising opportunities. We also cannot overlook the innovative ideas being developed and tested in our world-class universities and research labs. These ideas might create new industries or revolutionize old ones. However, ideas require a lot of work and support to transition from the lab or demonstration project to full-scale implementation and adoption. We will continue investing in regionally-driven commercialization efforts, supporting startups (especially early-stage companies) across every stage of the development pipeline, and helping companies, especially those that are woman- and/or minority-owned, access the capital and networks needed to succeed.

4. MAXIMIZE THE BENEFITS OF TAXPAYER DOLLARS

The people of Virginia work hard to provide for their families and communities. Virginians deserve to have their hard-earned dollars generate maximum benefits to the Commonwealth. The Administration is committed to managing with efficiency, streamlining initiatives with the Commonwealth's workforce programming, where dozens of agencies and programs operate with little centralized planning and coordination. By facilitating more connections across entrepreneurial and innovation networks, the Commonwealth can create synergies where none have previously existed, benefiting all Virginians in the process.

CONCLUSION

The Administration's goal is to ensure that every region, community, and household can participate and share in the fruits of the Commonwealth's economic progress. This plan focuses on maximizing Virginia's human, natural and man-made assets; maintaining and enhancing our business climate; supporting every Virginian's pursuit of a productive and quality life; and maximizing the benefits of taxpayer dollars. By executing this thoughtful economic development strategy in partnership with state, regional, and local leaders, Virginia can achieve shared prosperity.