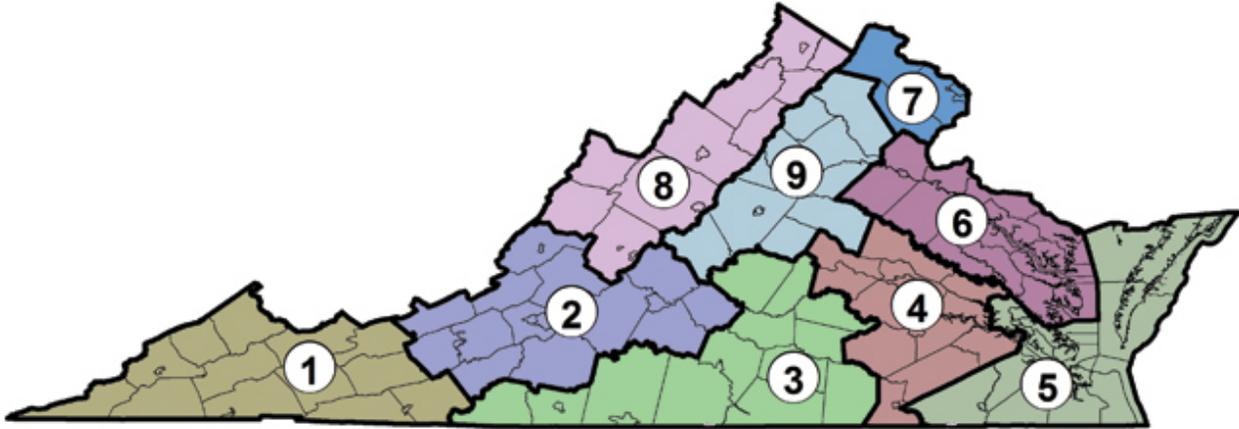# Grant Guidelines

The Mary Ball Washington Regional Council (MBWRC) is seeking applications for GO Virginia funding. MBWRC governs GO Virginia Region 6, which includes the George Washington region, Northern Neck, and Middle Peninsula (Planning Districts 16, 17, and 18).

GO Virginia is a statewide economic development initiative, that provides project-based incentives to encourage collaboration between private industry, higher education, and government partners in each region to produce results that will grow and diversify the regional economies and ultimately the Commonwealth. More information can be found on the following websites:

- GO Virginia Region 6 Website: https://www.govirginia6.org
- DHCD GO Virginia Website: http://www.dhcd.virginia.gov/index.php/go-virginia.html

I. Applicant Eligibility

Public or private entities that may pursue and administer grant funding include, but are not limited to, local governments, other political subdivisions of the state, foundations, non-profit entities, colleges and universities, other educational entities, economic development organizations, workforce boards, regional council support organizations, and other stakeholders.

While a private company may apply, in cooperation with the collaborating localities and other stakeholders, to participate in or manage a project, grant funds are not to be used as economic development incentive payments or to promote the activities of a single entity. Instead, grant funds are to be used to support the implementation of requests aligned with the Region's Economic Growth & Diversification Plan priorities and that offer broad community benefits.

Applicants must demonstrate the capacity to manage GO Virginia grant funds appropriately.

II. Project Types

A. Enhanced Capacity Building (ECB) Projects (Planning Grants)

Enhanced Capacity Building projects can request GO Virginia funding for feasibility studies, pre-development activities, plans, and capacity building activities that will lead to implementation projects that align with the Region's Economic Growth & Diversification Plan. Enhanced Capacity Building Projects will not have direct economic outcomes and are not required to submit a Return on Investment (ROI) calculation. Projects should have a direct line of sight towards an implementation project.

Applications for enhanced capacity building should:

- Inventory existing programs with similar goals,
- Identify gaps in current programs that the proposed project will fill,
- Address resources and structures needed to ensure the success of the project, and
- Explore how the project could contribute to the success of associated future grant requests.

There is no cap on the amount of GO Virginia funding that can be requested for Enhanced Capacity Building Projects, but projects requesting no more than $100,000 can seek administrative approval from DHCD. Approval requirements are detailed in *Administrative Approval Process for Grants under $100,000 from Regional Per Capita Grant Allocations*, available at:
https://www.dhcd.virginia.gov/sites/default/files/Docx/gova/Policies/board-policy3-admin-approval.pdf

Project requirements are the same as those for Implementation Projects; however, Enhanced Capacity Building Projects that seek administrative approval are not required to meet the local match requirement. *Note: Under current DHCD guidance local match has been waived for all projects until otherwise noted.

B. Implementation Projects

Implementation projects can request GO Virginia funding for Entrepreneurial Activities, Regional Site Development, and Workforce Development that align with the Region 6's Economic Growth & Diversification Plan and will have measurable outcomes. There is no cap on the amount of GO Virginia funding that can be requested for Implementation Projects.

C. Statewide Competitive Projects

These funds are a statewide discretionary pot of funding awarded by the GO Virginia Board on a competitive basis. These projects must all the requirements of a GO Virginia Enhanced Capacity Building grant or an Implementation Project, however, instead of a minimum of two localities, a minimum of two GO Virginia regions must collaborate together to apply. Applicants are encouraged to set up a meeting with Region 6 staff to discuss the project prior to submitting an Initial Project Review to the Executive Committee. Applicants are required to submit an Initial Project Review to the Executive Committee for approval, prior to creating a project with Region 6 involvement. All projects must be approved by the Regional Council before being submitted to the State Board.

D. **Economic Resilience and Recovery (ERR) Projects**

These funds are special funds allocated by the GO Virginia State Board to respond to the unprecedented economic conditions facing Virginia due to the near and long-term effects of the coronavirus on regional economies. This initiative will focus resources on economic resilience and recovery while staying true to the GO Virginia mission. Applicants may apply for Fast Access or Implementation grants, described below. All project requirements still apply for these funds.

This program will help the region build capacity to support and serve existing businesses, priority traded sectors, and essential businesses, including the healthcare system and its supply chain during this crisis.

Key activities as part of this program would include:
1. Reevaluate priorities in Growth and Diversification plans;
2. Prioritize identified industry targets based on immediate impact and influence on the regional economy;
3. Assess community and business needs; and
4. Focus resources on actionable strategies that expand or build needed capacity and that support sustaining and expanding firms in targeted industry clusters and/or highly-impacted locally traded sectors as identified by the regional councils.

Fast Access: In order to move resources quickly, DHCD will offer a Fast Access process and use its administrative approval authority for grant applications of $100,000 or less. These Fast Access requests may include pre-implementation activities (needs assessments, etc.) and implementation or smaller-scale implementation projects. Applicants are encouraged to think holistically about the needs in their region and focus on efforts that produce near term impact in the region.

Implementation: Grant applications requesting more than $100,000 will be received under the regular grant application deadlines and review process.

Statewide Competitive: These grants are designed for extraordinary need or extraordinary positive economic impact that benefits multiple GO Virginia regions. These projects require the coordination of two or more GO Virginia regions and will be received under the regular statewide competitive grant application deadlines and review process.

For more information please check out DHCD's website here:
https://dhcd.virginiainteractive.org/sites/default/files/Docx/gova/gova-economic-resilience-recovery-program-white-paper.pdf

III. Estimated Funding Available

MBWRC estimates that the following amounts of GO Virginia funding will be available through June 30, 2021 or until all funding is allocated, to be awarded on a rolling basis to projects approved by the Region 6 Council.

Enhanced Capacity Building Projects	$700,000
Implementation Projects	$3,200,000

Statewide Competitive Projects	$14,600,000
Economic Resilience and Recovery Fast Access Projects	$300,000
Economic Resilience and Recovery Implementation Projects	$700,000
Economic Resilience and Recovery Statewide Competitive Projects	$5,600,000

IV.   Project Requirements

All projects must adhere to the requirements outlined in the following documents, which are available at https://govirginia6.org/apply/ under How to Apply:

- *Virginia Growth and Opportunity Act*
- *Virginia Growth and Opportunity Fund (GO Fund) Grant Scoring Guidelines*
- *GO Virginia Working Project Guidance and Metrics*
- *GO Virginia Future Project Guidance*
- *GO Virginia Match Policy*
- *Board Policy #3: Administrative Grant Approval Process*
- *Board Policy #4: Use of GO Virginia Funds for Scholarships and Nontraded Sectors*
- *Board Policy #8: Use of GO Virginia Funds for Investments in Broadband*
- *Board Policy #9: Use of GO Virginia Funds for Site Development Investments*
- *Board Policy # 10: GO Virginia Economic Resilience and Recovery Program*
- *Board Policy #11: Modified Per Capita Match Requirements*

It is encouraged that applicants organize a meeting with Region 6 staff prior to submitting an Initial Project Review Form to ensure that their project meets grant guidelines.

These requirements, as well as policy decisions made to date by the State Board, are summarized below.

A. Alignment with GO Virginia Strategies

The purpose of GO Virginia is to "create more higher paying jobs through incentivized collaboration, primarily through out-of-state revenue, which diversifies and strengthens the economy in every region."

Projects requesting GO Virginia funding must fall into at least one of the following categories:
- Workforce Development
- Regional Site Development
- Entrepreneurial Activities

GO Virginia does NOT fund the following:
- Healthcare (exception: Economic Resilience and Recovery Projects and projects that can demonstrate that they will generate out-of-state revenue, such as a center of excellence or specialized/innovative model)
- Quality of life projects
- Incentives to private companies
- Scholarships
- Transportation projects (unless associated with site development)

B. GO Virginia Working Project Guidance and Metrics

The GO Virginia State Board and DHCD have outlined sample guidance on what types of projects GO Virginia funds.

Workforce Development:

GO Virginia can be used to develop and implement new and innovative trainings that are not currently available within that region, or within a reasonable distance of the project location.

GO Virginia strongly encourages private-industry partnerships for all GO Virginia projects. GO Virginia projects cannot benefit one single business.

GO Virginia funds should be utilized to build the region's capacity to create jobs in the targeted clusters, and projects that demonstrate the ability to sustain that capacity will be most successful. GO Virginia cannot be used for sustainability purposes.

GO Virginia can be utilized to establish platforms that will match talent with available opportunities (jobs or training), as is being pursued throughout the Commonwealth.

GO Virginia can be used to develop stronger connections between secondary education and the creation of higher paying jobs in the traded sectors. Projects that implement new curriculum or learning opportunities that directly align with the region's targeted industries and include direct commitments from businesses will be prioritized.

Projects that lead to a new or expanded obligation to the State will be less successful than those that can be sustained through federal, private, or local funds. Funding for positions at state-funded entities such as the community colleges should only be considered where a non-state source of funding to sustain those positions can be identified.

Site Development:

GO Virginia funds can be used to advance a site up the Virginia Business Ready Sites Program (VBRSP) tier system through the Virginia Economic Development Partnership (VEDP). GO Virginia funds can be used for preliminary site due diligence, site grading and preparation, and limited infrastructure development.

GO Virginia funds can be used for site-specific improvements or infrastructure necessary for the development of that site.

GO Virginia encourages localities to collaborate through a Region Industrial Facility Authority (RIFA) that allows any two or more localities to jointly invest (a RIFA can secure debt) and share tax revenue generated from a project. Revenue sharing through a RIFA aligns with the GO Virginia requirements of local participation and local match.

Entrepreneurial Activities:

GO Virginia funds can be used to build the fundamental building blocks of regional startup ecosystems, such as incubators, accelerators, and forms of business funding (notably, seed funds).

GO Virginia can fund staffing for startup ecosystem initiatives, where a non-state revenue model has been identified to sustain those positions.

Projects that demonstrate the ability to sustain the startup ecosystem enhancements will be most successful, while projects that reflect a short-term solution should demonstrate a clear demand to justify an effort that may not be sustainable.

The above is a summary of the document "GO Virginia Working Project Guidance and Metrics". The full document with grant guidelines can be found at:
https://www.dhcd.virginia.gov/sites/default/files/Docx/gova/Policies/dhcd-gova-guidance.pdf.

Note on Broadband: It is the current policy of the GO Virginia State Board to only fund broadband projects related to middle mile implementation or planning grants. More information regarding broadband projects is available at https://www.dhcd.virginia.gov/sites/default/files/Docx/gova/board-docx/govapolicy8-broadbandpolicywithtechamendments.pdf.

C. Alignment with Region 6 Economic Growth & Diversification Plan

Projects must align with Region 6's Economic Growth & Diversification Plan. This plan creates a strategic framework for applicants to translate prioritized needs and opportunities into actionable grant requests for GO Virginia funding. The final Plan, as well as supporting documents, are available at https://govirginia6.org/documents/growth-and-diversification-plan/.

Projects must align with the Plan and at least one of its six priority clusters:
- Aquaculture / Seafood / Commercial Fishing / Marine Industries
- Forestry/Wood Products/Paper
- Manufacturing
- Logistics/Distribution
- Professional/Technical/Scientific Services
- Information/Data Centers

These industry clusters were identified as a priority for Region 6 because they have a high potential for growth, receive more than 50% of their revenue from out of state, and create higher-paying jobs (those with above average wages).

D. Local Participation

Projects must have at least two participating localities. "Participation" can include financial participation, in-kind contribution, participation on a project advisory team, and/or administration of the project.

Such local participation shall mean:
- at least two or more counties and/or cities;

- a county and/or city and one or more political subdivisions or public body corporate and politic of that county and/or city along with such similar entity in another county and/or city;
- or two or more political subdivisions or public bodies corporate and politic from at least two different counties and/or cities.

Examples of partners that count toward this requirement include:
- County/City/Town
- Local EDA/IDA
- School District
- Planning District Commission

A town and the county it is within would need to partner with an additional locality/political subdivision/public body corporate and politic to meet this requirement. The same is true for a county and its planning district commission.

E. Match Requirements

Total Match Requirement (1:1)*: Match from non-state appropriated sources (cash or in-kind) must equal or exceed the GO Virginia fund request. Match should be necessary to the completion of the project and reasonable. Funds may only be used to match one GO Virginia project; however, GO Virginia does not restrict the use of matching funds being used to match other grants if allowable by the other granting entity.

> **Potential for Waiver:** The State Board has the authority to waive up to half of the required $1:1 match, where the applicant can demonstrate significant fiscal distress or an exceptional economic opportunity in the collaborating localities.

Local Match Requirement*: Of the total match amount, 20% or $50,000 (whichever is greater) must be from local sources (cash or in-kind). Local match can be from local governments, school districts, or single-jurisdiction EDA/IDAs, including funds passed through regional or statewide entities that originated with local entities. The local contribution may take the form of cash, revenue sharing, dedication of locally-owned or controlled assets to the proposed regional project, reallocation of existing funds, in kind contributions, or other local resources.

> **Potential for Waiver:** The State Board has the authority to waive the local match requirement for projects that demonstrate the ability to benefit the majority of the region or region(s). The local match waiver should only be requested if the applicant can demonstrate that the benefitting localities were approached but unable to financially contribute to the project.

> **Potential for Waiver (Enhanced Capacity Building Projects only):** Enhanced Capacity Building Projects that seek administrative approval are not required to meet the local match requirement.

*The total match requirement has been reduced to 50% of the grant request and the local match requirement has been waived until further notice by the GO Virginia State Board to assist localities in their COVID-19 relief efforts. This reduction applies to all projects until otherwise noted.

F. Allowable Types of Match

Cash Match: Cash match includes cash contributions used to pay for project expenses.

In-Kind Match: In-kind match includes any non-cash contribution of value provided to the project including equipment, facilities, personnel/expertise, services, training, travel, waived fees, etc., that are necessary to the completion of the project, and reasonable, and do not exceed what a prudent person would do/use. GO Virginia does not restrict the portion of match (local or otherwise) that can come from in-kind contributions.

Local Match: The local contribution may come from any combination of the participating localities (cities, counties, towns) and political subdivisions thereof (school systems, EDA, IDA, RIFA, etc.). The local contribution may take the form of cash, revenue sharing, dedication of locally-owned or controlled assets to the proposed regional project, reallocation of existing funds, or in-kind contributions.

Pass-through Local Match: The local contribution may be provided by a third-party organization that receives local contributions and can reprogram those funds for the proposed project. In order to document funds as part of local match, a commitment letter from the organization should include: a list of localities that contributed to the local match, the total dollar amount received from localities, and an indication of whether the locality(s) authorized the local match through representation on the organization's Board, or through additional documentation.

Additional Leverage: Contributions of state resources shall not be included as match, but can be demonstrated for additional consideration by the Board in allocating grants.

G. Match Documentation Requirements

Cash match will be documented through letters of commitment. Local match that is passed through a regional entity requires both 1) a letter from the matching entity indicating the original source of the funds and the total funding committed and 2) a letter from the locality of origination, indicating that they contribute to the matching organization and support the reprogramming of their funds for the GO Virginia project.

In-kind match will be documented through the In-Kind Match From (template provided).

Match can be documented back to the date that the GO Virginia State Board approved the project.

H. Project Timeline

Projects must be completed within two years from the start date agreed upon in the final contract. Projects requiring State Board approval should base their timeline on beginning at least 30 days after the date of approval at the State Board meeting. Enhanced Capacity Building projects requesting no more than $100,000 and Economic Resilience and Recovery Fast Access projects can be administratively approved by DHCD staff.

I. Performance Metrics

Performance metrics should reflect both the outputs and the outcomes of a project.

Outputs reflect project activities. Examples include:
- Acreage or square feet developed
- Credentials awarded
- Individuals reached
- New participants engaged
- New partnerships established
- Plans/reports completed
- Workers trained
- Workshops hosted

Outcomes reflect project impact. Examples include:
- Businesses created
- Clusters expanded
- Costs reduced
- Graduates/trainees hired
- Jobs created/retained
- Leveraged private investment (LPI)
- Revenues increased
- Tax revenue increased

An Enhanced Capacity Building Project and an Economic Resilience and Recovery Fast Access project will have outputs but not outcomes if the project does not involve implementation. More information on examples of project metrics is available at https://www.dhcd.virginia.gov/sites/default/files/Docx/gova/regional-materials/gova-project-guidance-and-metrics.pdf.

J. Return on Investment

A Return on Investment (ROI) measures how much money or profit is made from an investment relative to the cost of the investment (%).

ROI % = (Revenues from Investment – Cost of Investment)
                          Cost of Investment

GO Virginia project ROIs should reflect the Commonwealth's return on investment over a 3-year period after initial phase outputs are complete.

Project ROIs should be calculated using the Commonwealth's total investment in the project, including the GO Virginia request and any other funding. An ROI Calculation template is provided.

ROI Calculations are not required for Enhanced Capacity Building Projects or Economic Resilience and Recovery Projects.

An ROI calculation template can be found in the application below.

K. Sustainability

Projects must be sustainable after GO Virginia funding has been exhausted. GO Virginia funds should be utilized to build the region's capacity to create jobs in the targeted clusters, and projects that demonstrate the ability to sustain that capacity will be most successful. Projects that reflect a short-term solution that is financially or functionally unsustainable will be less successful. Furthermore, projects that lead to a new or expanded obligation for the State will be less successful than those that can be sustained through non-State resources. GO Virginia cannot continue to fund projects as a means of sustainability after the grant period is completed.

V. Application Process

Each project type has its own timeline and process, outlined in the How to Apply and Timeline sections included in the materials for each project type. The section below outlines the general process for application submission and review.

A. Project Review Call with Staff

Region 6 staff are available to speak with potential applicants to discuss if their project idea fits within the guidelines of GO Virginia. These calls are optional, but recommended. Please reach out to Jennifer Morgan via email (morgan@gwregion.org) to discuss your project idea.

B. Application Submission

Applications must be submitted to Jennifer Morgan via email (morgan@gwregion.org) by the dates indicated in the posted timelines to be considered at the corresponding Regional Council or Executive Committee meeting.

Failure by an applicant to present all required application information and documentation may result in the application being declared ineligible for funding consideration.

C. Application Review

Submitted applications will go through the following levels of review at the Regional Council level:
- Region 6 Staff Review
- Review Team Review
- Regional Council/Executive Committee Review & Determination
-

Region 6 staff will review submitted applications for conformance with project requirements and GO Virginia policies. Staff will conduct the following threshold review:

THRESHOLD – *required criteria to be considered for GO Virginia funds*	
a. Does the applicant demonstrate capacity to manage the grant?	YES / NO
b. Does the project align with GO Virginia strategies?	YES / NO
c. Does the project carry out the goals/objectives of the Region 6 Economic Growth & Diversification Plan?	YES / NO
d. Does the project contribute, either directly or indirectly, to the creation of higher-paying jobs for the region?	YES / NO
e. Does the project address, either directly or indirectly, businesses that receive more than 50% of their revenue from out of state?	YES / NO
f. Does the project have at least two participating localities, political subdivisions, or public bodies corporate and politic?	YES / NO
g. Does the project have non-state source(s) of revenue at least equal to the requested GO Virginia grant? *Note: This requirement has been reduced to 50% of the grant request until otherwise note.	YES / NO
h. If no, is there a fiscal distress or unique economic opportunity justification for the reduced match? (In no instance will the match be less than half of the requested GO Virginia grant request.)	YES / NO
i. Are the participating localities contributing at least 20%, or $50,000, whichever is greater, of the required match? (Not required for Enhanced Capacity Building Projects requesting no more than $100,000.)**Note: This requirement has been waived until further notice.	YES / NO
j. If no, does the project demonstrate the ability to benefit the majority of the region or region(s) and that the benefitting localities were approached but unable to financially contribute to the project?	YES / NO
k. Is the project sustainable after GO Virginia funds?	YES / NO
l. * Economic Resilience and Recovery Projects ONLY: Does this project respond to the unprecedented economic conditions facing Virginia due to the near and long-term effects of the coronavirus on regional economies?	YES / NO

Applicants will then meet with a review team, made up of staff and Regional Council members, to present the project and respond to any questions. The review team will submit recommendations to the Regional Council or Executive Committee.

Finally, the Regional Council or Executive Committee will consider submitted applications at the corresponding Regional Council/Executive Committee meeting and take one of the following actions for each application:
- Approve the application for submission to the State Board as submitted
- Approve the application for submission to the State Board with conditions or at a lower funding level
- Request the applicant modify the application for action at a future meeting
- Deny the application

Enhanced Capacity Building Projects requesting no more than $100,000 and Economic Resilience and Recovery Fast Access Projects approved by the Regional Council/Executive Committee will be submitted to DHCD staff for administrative approval.

Enhanced Capacity Building Projects requesting more than $100,000, Implementation Projects, Statewide Competitive Projects, Economic Resilience and Recovery Implementation Projects, and Economic Resilience and Recovery Statewide Competitive Projects approved by the Regional Council/Executive Committee will go through the following levels of review at the State Board level:

- DHCD Staff Review
- Workgroup Review
- State Board Review & Determination

VI.   Staff Contact

For help with initial brainstorming, clarification on guidelines, technical assistance, or any other questions that may arise during the application process, please contact Region 6 staff:

Jennifer Morgan, Economic Development Coordinator
George Washington Regional Commission
406 Princess Anne Street
Fredericksburg, VA 22401
Phone: (540) 642-1571
Email: morgan@gwregion.org