

Our Economic Future

A focus on regional prosperity through powerful partnerships

Virginia's
Gateway
Region



Energy is building in the Gateway Region, just as these lights work together at the Hilton Garden Inn in Colonial Heights.

Preparing the Region for Prime Time



KEITH BOSWELL

EDWARD "TED" RASPILLER

For VGR, 2022 has been a year of getting the region ready for what is coming. It is a wonderful challenge we face. While the pandemic years are now in the rearview mirror, we have benefitted greatly from our strategic East Coast location, affordable cost of living and dedicated workforce. New opportunities even emerged because of the global crisis.

It has been stated lately that economic development is moving South in Virginia. This is evident when we see the ecosystem developing at rapid speed around the new advanced pharmaceutical manufacturing cluster in Petersburg. The Gateway Region is getting noticed on a national stage more than ever before—by major corporations, suppliers, scientists, skilled workers, and college graduates. Both the state and federal governments are investing in this cluster for the greater good of Americans who need access to affordable medicine. Our region was thrilled to receive one of only 21 Build Back Better grants nationwide from the U.S. Economic Development Administration in September. To prepare for this growth, Brightpoint Community College is training students to fill exciting new pharmaceutical manufacturing jobs coming to the area. Their short-term credentials are designed to deliver skills that employers value and prepare students for work in one year or less.

Unmanned systems also made a big debut in the region in 2022. DroneUp announced plans in August to invest \$20.2 million in the Gateway Region through establishment of a testing, training, and R&D center at Richard Bland College (RBC) in Dinwiddie County creating 145 new jobs. RBC is streamlining career pathways and developing a curriculum for an unmanned aviation program.

The VGR Team spent much of the year on site development work, including receiving multiple grant awards through GO Virginia. One of the grants evaluated water supply alternatives to serve the Sussex County Mega Site. Another grant focused on site evaluation work for 10 properties within the VGR region. We feel this work is critical as it elevates the region's standing when prospects are considering new or expanding operations.

Finally, VGR is forging new partnerships. Whether it's working to establish a Regional Industrial Facilities Authority for our seven communities or seeking a deeper relationship with Virginia State University, VGR is focused on long-term economic development. An example of this momentum is the attention that Governor Youngkin's administration is making to the region through its Partnership for Petersburg initiative. These positive developments demonstrate the commitment of important stakeholders to help VGR level the playing field as we live out our vision of "uniting the region for economic prosperity."

We hope you enjoy this report and the highlights of 2022. Onward!

Sincerely,

KEITH BOSWELL
VGR President & CEO

DR. EDWARD "TED" RASPILLER
VGR Board Chairman

Our region was thrilled to receive one of only 21 Build Back Better grants nationwide from the U.S. Economic Development Administration.

2022 Top Deals

DroneUp

DroneUp, LLC announced plans in August to invest \$20.2 million in the Gateway Region through establishment of a testing, training, and R&D center at Richard Bland College in Dinwiddie County. DroneUp is a homegrown Virginia company at the forefront of Unmanned Aircraft Systems development, headquartered in Virginia Beach. The innovative facility for drone operators coming to Richard Bland College will create 145 new jobs for the region.



Restoration Bioproducts

Restoration Bioproducts LLC will construct the Commonwealth's first biochar production facility in Sussex County. Co-located in the Town of Waverly with wood pellet manufacturer Wood Fuel Developers, the company will use pyrolysis technology to convert waste wood from the mill into biochar and syngas, a form of natural gas. Over the next three years, Restoration Bioproducts will invest \$5.8 million into this first-of-its-kind green energy facility. The company will also create five high-paying jobs and purchase 34,560 tons of Virginia-grown wood products.



Worldwide Retail Solutions

Worldwide Retail Solutions signed a lease with The Hollingsworth Companies for a 194,000 square-foot building located in the SouthPoint Business Park. The relocation is expected to bring approximately 60 new jobs to Prince George County. The total capital investment for the building and project upgrades totals approximately \$4 million. The company offers design and development, engineering, prototyping, assembly project management warehousing, consolidation distribution and logistics for retail storefront businesses.

Facilitate Business Opportunities

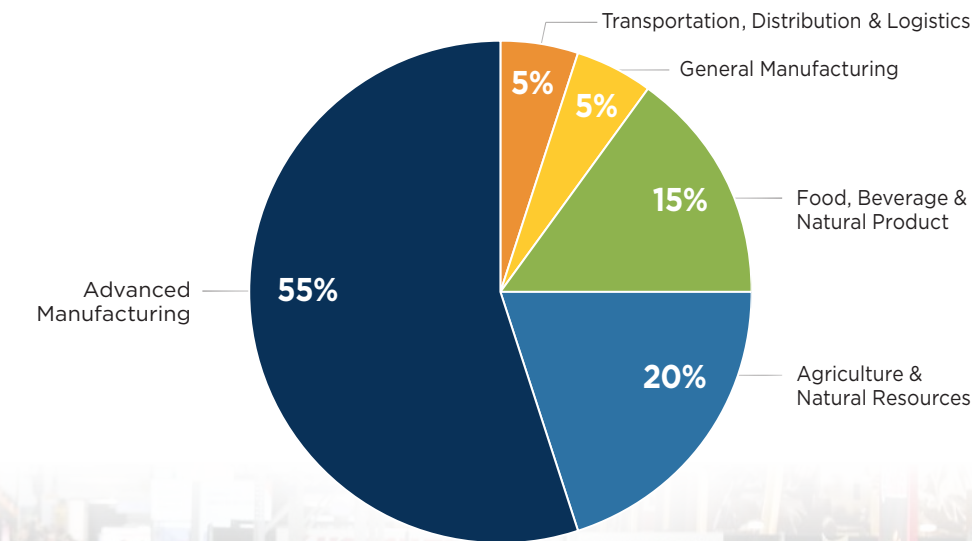
Lead Generation

- 53** Business attraction meetings
- 4** Prospect visits
- 27** Properties submitted
- 9** Properties visited

Business Development

- 47** New projects
- 23** Project proposals (RFIs) & information submitted
- 5** States visited
- 7** Countries visited

Project Industry Composition



Support Existing Business

Virginia's Gateway Region understands that the strength of existing businesses is vital to our regional economy. Whether locally-owned or internationally-owned, we prioritize engagement with local companies, along with our state and local partners. By regularly meeting with local business leaders, VGR strives to find solutions by connecting companies with appropriate resources.

Workforce and logistical challenges and research requests are identified and answered. Growth opportunities are facilitated as connections are made with international trade assistance and available incentive and financial resources. In 2022, Virginia's Gateway Region met with 17 existing businesses, introducing partners and strengthening relationships.



Construction continues at Service Center Metals in Prince George County as part of their latest expansion plan.

2022 Timeline



JANUARY

Elso DiFranco, General Manager of AMPAC Fine Chemicals' recently expanded facility within Petersburg's Advanced Pharmaceutical Manufacturing Cluster is named a new VGR Board Member.



MARCH

U.S. Senators **Tim Kaine** and **Mark Warner** visit the VGR Pharma Cluster. Their visit reinforces how unique and important this opportunity is — not only for the Gateway Region, but the entire nation.



VGR COO **Ajay Sujanani** attends MODEX, the nation's premiere supply chain event, in Atlanta.

VGR President & CEO **Keith Boswell** presents at the Spring 2022 VEDA Conference with regional partners that are bringing the emerging pharmaceutical manufacturing campus to life.

MAY

VGR hosts its **Business Council**, state legislators and local elected officials who represent the Gateway Region at the Dinwiddie County Airport.



VGR celebrates **Economic Development Week**.
VGR hosts its **61st Annual Meeting** at the new, state-of-the-art Petersburg Public Library with more than 100 attendees.



JULY

VGR tours construction progress at **Civica Rx** and facilitates a presentation on the pharmaceutical cluster for its Business Council.



VGR kicks off its **Local Market Development Initiative** to help its seven communities recruit signature retail projects and revitalize their downtowns.



SEPTEMBER

VGR celebrates winning a \$53 million grant as winners of the national **Build Back Better Regional Challenge** as an integral part of the Alliance for Building Better Medicine from the USEDA.

VGR President & CEO **Keith Boswell** attends the Site Selectors Guild reception in Richmond.



NOVEMBER

Secretary of the Commonwealth **Kay Coles James** and Secretary of Commerce and Trade **Caren Merrick** attend a ribbon-cutting for the new transit station as part of the Partnership for Petersburg.

VGR moves forward to establish a **Regional Industrial Facilities Authority** to assist communities pool their resources.



FEBRUARY

VGR hosts the Federal Reserve Bank of Richmond and its President & CEO **Thomas Barkin** in the region, to update stakeholders on the U.S. economy amidst the uncertainties occurring around the globe, such as Russia's invasion of Ukraine and the lingering effects of the COVID-19 pandemic.

APRIL

VGR President & CEO **Keith Boswell** attends the Team Virginia Site Selection Consultant Symposium in the state capitol.

VGR begins working with Timmons to upgrade the region's industrial sites to higher tiers as a result of winning a GoVirginia grant.



JUNE

VGR attends **AMPAC Day 2022** in appreciation of the company's employees.



AUGUST

Restoration Bioproducts announces 5 jobs and a \$5.8 million investment in Sussex County.

DroneUp selects Richard Bland College and Dinwiddie County for a \$20 million testing, training and research and development center for drone operators creating 145 new jobs.

Governor Glenn Youngkin launches the **Partnership for Petersburg** among much local fanfare.

VGR attends the **Home Delivery Show** in Philadelphia.



OCTOBER

VGR and its **Board and Business Council** tour the Richmond Marine Terminal to discuss economic development opportunities.

VGR 2021 Annual Report wins top Award of Excellence in the Virginia PR Awards.



DECEMBER

Worldwide Retail Solutions locates in Prince George County adding 60 new jobs.

VGR hosts a **holiday open house** for valuable investors.

Ignite Powerful Partnerships

Support Member Localities with Economic Development Strategies

Local Market Development Initiative

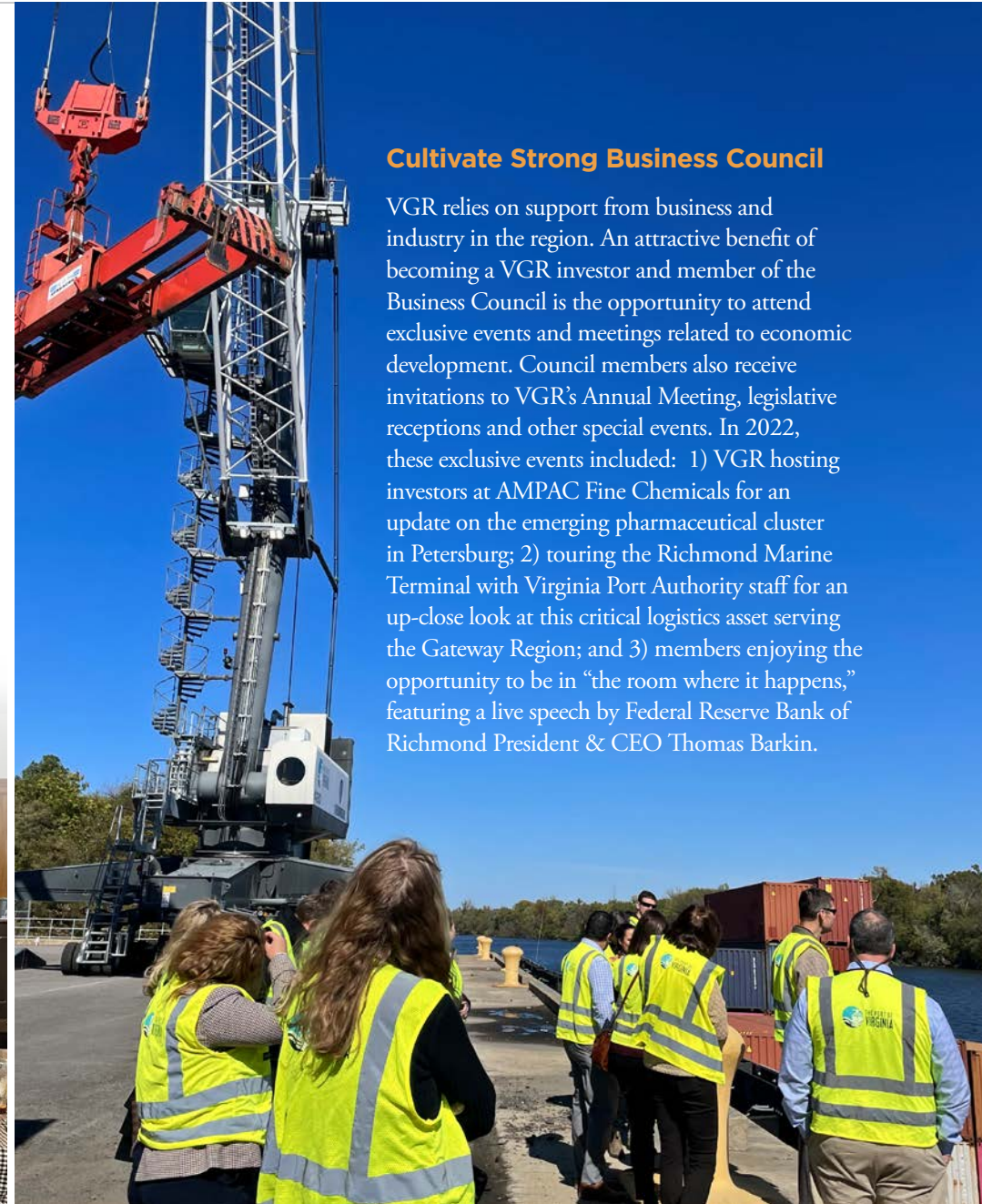
In 2022, VGR kicked off its Local Market Development Initiative. By engaging and funding consulting services through Retail Strategies, each of VGR's seven-member communities received an impartial, objective assessment of their downtown areas, along with recommendations for growth and enhancements. Each locality was also offered an opportunity for continued technical assistance or program development services through Retail Strategies via the following options:

Retail Academy: Data and reports aid the locality in developing customized pitches that target realistic retail business recruitment.

Retail Recruitment: Real estate analysis and data backed with real estate professionals connecting and advancing the community.

Community Revitalization: A partnership to rejuvenate downtown communities and business districts.

VGR understands that supporting downtown districts and small local businesses is a key component in landing major industrial projects within the region. By providing more assistance with retail and restaurant development, every community in the VGR footprint can benefit from a thriving and diverse portfolio of businesses.



Cultivate Strong Business Council

VGR relies on support from business and industry in the region. An attractive benefit of becoming a VGR investor and member of the Business Council is the opportunity to attend exclusive events and meetings related to economic development. Council members also receive invitations to VGR's Annual Meeting, legislative receptions and other special events. In 2022, these exclusive events included: 1) VGR hosting investors at AMPAC Fine Chemicals for an update on the emerging pharmaceutical cluster in Petersburg; 2) touring the Richmond Marine Terminal with Virginia Port Authority staff for an up-close look at this critical logistics asset serving the Gateway Region; and 3) members enjoying the opportunity to be in "the room where it happens," featuring a live speech by Federal Reserve Bank of Richmond President & CEO Thomas Barkin.

Leverage Local, Regional, State and Federal Relationships

Legislative Reception

The Dinwiddie Airport was the venue for VGR's 2022 Legislative Reception and it was a packed house! Local and state elected officials met with local economic developers and business leaders to network and discuss priorities. Thanks to Dinwiddie County for hosting this in-person event after months of virtual meetings.



2022 State of the Region

VGR welcomed business and community leaders from across the Richmond-Petersburg metro area on May 18th at their 61st Annual Meeting. The newly constructed, state-of-the-art, Petersburg Public Library was the perfect backdrop for commemorating and celebrating another year of success and achievement working together to create jobs and support local businesses. Speakers included VGR President & CEO Keith Boswell, Brightpoint Community College President Edward "Ted" Raspiller, Virginia State University President Makola Abdullah, and CCWA VP of Workforce Development Elizabeth Creamer.

The findings of a recent economic impact study commissioned by VGR has determined that the regional economy is approximately \$8 billion. More importantly, VGR has been instrumental in improving the region's prosperity over the past five years by assisting a number of new and expanding companies during this time. The study concluded the regional group has positively impacted the gross regional product by \$1.4 billion in direct economic output over the recent five year period.

Partnership for Petersburg

In one of the most significant announcements targeted to the region this year by the Commonwealth of Virginia, Governor Glenn Youngkin launched the Partnership for Petersburg initiative with state, local, community, and faith leaders. With support from the Commonwealth, they have jointly created a partnership giving the City of Petersburg full ownership of this meaningful initiative focused on making Petersburg one of the best cities in which to live, work, and raise a family.

"Today, we formally launch the Partnership for Petersburg, a holistic partnership bringing more than 40 initiatives under six separate pillars to make a significant difference in the lives and livelihoods of Petersburg's great people, as well as the economic health of the city itself," said Governor Glenn Youngkin. "It is my sincerest hope to be able to point to the Partnership as a model for our work with other cities across the Commonwealth."



Advocate for the Region

RIFA

In an effort to foster collaboration between neighboring localities and advance the region's opportunities for significant economic development projects, VGR initiated the creation of a Regional Industrial Facilities Authority (RIFA) this year. With VGR covering the cost of legal expertise to develop the framework and governance of the Authority, member localities can elect to join the RIFA – a mechanism provided by the State Code of Virginia that allows participating localities to both share in and benefit from large-scale, site development activities and investments.

Fed President and CEO Visits the Region

Federal Reserve Bank of Richmond President & CEO, Thomas Barkin, visited the region in February to provide an update on the U.S. economy, particularly amidst the uncertainties occurring around the globe and the lingering impacts of the COVID-19 pandemic. Mr. Barkin offered a sense of hope and reality as he spoke at a luncheon hosted by VGR at the Keystone Antique Truck and Tractor Museum in Colonial Heights. He said the U.S. economy is strong enough and inflation is high enough that adjusting interest rates towards pre-pandemic levels is possible. Mr. Barkin also pointed out how the nation's economy is already larger than it was before COVID-19 entered our lives, as evidenced by the Advanced Pharmaceutical Manufacturing cluster taking root in Petersburg.



Federal Reserve Bank of Richmond President & CEO Thomas Barkin

Virginia's Two Senators Tour the Pharma Cluster

U.S. Senators Mark Warner and Tim Kaine visited the Gateway Region this year while participating in various events hosted by the Alliance for Building Better Medicine. Meeting with several key strategic partners and touring the Advanced Pharmaceutical Manufacturing campus in Petersburg, the Senators were able to play a valuable role in advocating for the \$52.9 million grant awarded to the Richmond-Petersburg Region through the U.S. Economic Development Administration's Build Back Better Regional Challenge.



Senator Mark Warner and VGR Board Chair Dr. Raspiller

Sussex Mega Site Gets Critical Water Study

VGR initiated and received grant funding through GO Virginia to facilitate a Preliminary Engineering Report for the evaluation of water supply alternatives to serve the Sussex County Mega Site. Insufficient water capacity for the Mega Site has hindered ongoing efforts to recruit large industrial users to the site. In response, VGR engaged the Timmons Group to evaluate and provide cost estimates of various options for a new finished water supply to serve the Mega Site and other properties along the important Route 460 corridor. The study considered use of groundwater and finished waterline extensions from other VGR localities.

Deliver Innovative Resources to Communities

Create Workforce Alliances and Solutions

Supporting #VGRpharma at Brightpoint

In 2022, two grants were awarded to help the region grow its Advanced Pharmaceutical Manufacturing Cluster in Petersburg.

- \$482,330 from GO Virginia
- \$241,160 from The Cameron Foundation



Brightpoint Community College and its partner, the Community College Workforce Alliance (CCWA), will leverage these grants to support the workforce development programs needed for growing the cluster within the City of Petersburg and the Gateway Region.

Over the course of the next 18 months, these grants will help fund a new Career Studies certificate in Pharmaceutical Manufacturing at Brightpoint. The development of a new workforce credential that builds on the skill sets gained through the Manufacturing Technician Level 1 training, along with a "bridge" program in pharmaceutical manufacturing, is being designed. These focused training opportunities will help underemployed residents of Petersburg and surrounding localities prepare for successful employment in this industry through Brightpoint's educational programs.

"These grants will help VGR continue to successfully foster regional prosperity and deliver innovative resources to our communities, because of the impact they will have on business growth and the collaboration we see from our powerful partnerships throughout the region."

- KEITH BOSWELL, VGR President & CEO

Supporting Unmanned Systems at Richard Bland College

Exciting developments occurred in 2022 in the unmanned systems industry and its future in the Gateway Region. After landing DroneUp in Dinwiddie County, Richard Bland College (RBC) is gearing up to grow the workforce in this arena.

VGR was thrilled to partner with Richard Bland College on a GO Virginia grant that will soon yield a new 325-acre research and business park on the RBC campus. Now that RBC has secured DroneUp as their anchor tenant, the sky is truly the limit. RBC is streamlining career pathways and developing a curriculum for an unmanned aviation program. There is real power in connecting RBC's unmanned systems certificate with DroneUp's live training.



Facilitate Sites and Buildings Readiness

Significant progress has been made this year in preparing sites for economic development activity across the region. Thanks to the GO Virginia grant approved in 2021, the Timmons Group was awarded a contract in March 2022 to initiate site evaluation work, as well as environmental and engineering studies on 10 properties within the VGR region. The grant also includes funding to complete engineering work on five sites in neighboring localities also in the GO Virginia Region 4 footprint. Despite typical delays in approval of wetlands delineations from the Army Corps of Engineers, a substantial portion of the site preparation work has been completed.



Activate Grants and Incentives Opportunities

VGR joined its partners at the Alliance for Building Better Medicine in September when the region won a \$52.9 million grant from the U.S. Economic Development Administration in the Build Back Better Regional Challenge to support the pharmaceutical cluster in Petersburg. Many team hours were spent collaborating with several organizations to prepare this grant application, but the outcome was worth it – the award was one of only 21 in the country and the only project in Virginia receiving a grant!

Here are a few highlights of its impact on the Gateway Region:

- Improved water and wastewater for the City of Petersburg
- Joint engineering degree project at VSU and VCU
- Talent pipeline development at Brightpoint Community College
- Supply chain project funding for VGR to support this target industry

Growth continues at Phlow, Civica Rx and AMPAC Fine Chemicals and VGR anticipates spin-off announcements and stronger economic growth in the advanced manufacturing industry thanks to this infusion of funding.



Deliver Regional Branding and Marketing Strategy

As the area's official regional economic development organization (REDO), VGR strives to keep its branding fresh, while actively marketing the authenticity of the area and the potential for its seven communities in a unified voice. Highlights of 2022 included:

- Contributing to the communications strategy for the new Alliance for Building Better Medicines
- A traveling photography session by award-winning photographer Mark Gormus to refresh regional images
- An opinion editorial in the Richmond Times-Dispatch by Keith Boswell
- Maintaining three active social media channels and surpassing 1,000 followers on LinkedIn
- Rebranding the monthly newsletter and achieving an average click-through rate of 43%, higher than the nonprofit average of 37%.
- Receiving the top Award of Excellence for the 2021 VGR Annual Report in the 2022 Virginia Public Relations Awards for Publications

STAFF



Keith Boswell
President & CEO



Ajay Sujamani
Chief Operating Officer



Amy Everett
Director of Customer Experience



Jill Vaughan
Marketing & Communications Consultant



Michelle Rogers
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EXECUTIVE COUNCIL



AMBASSADOR COUNCIL



CORPORATE COUNCIL



ADDITIONAL PARTNERS

- | | | |
|--|--|--------------------------------------|
| Blue Ridge Bank | Peoples Advantage Federal Credit Union | COMMUNITIES |
| Brightpoint Community College | Port of Virginia | City of Colonial Heights |
| Brinkmann Constructors | Robert Walker | City of Hopewell |
| Chmura Economics & Analytics | Southside Electric Cooperative | City of Petersburg |
| Dinwiddie County Chamber of Commerce | Southern Virginia Regional Chamber of Commerce | Dinwiddie County |
| Hopewell/Prince George Chamber of Commerce | Sussex County Chamber of Commerce | Prince George County |
| Jeff Geisz | SW Funk Industrial Contractors, Inc. | Surry County |
| Mark Turner Construction | The Country Club of Petersburg | Sussex County |
| Milestone Financial Services | Timmons Group | |
| Old Dominion Electric Cooperative | Touchstone Bank | FOUNDATIONS AND ORGANIZATIONS |
| Nicholas Walker | Waukeshaw Development, Inc. | The Cameron Foundation |
| Pam Comstock | William H. Talley & Son, Inc. | |



Virginia's
Gateway
Region

VISION

Uniting our region for economic prosperity

MISSION

VGR fosters regional prosperity through business growth, powerful partnerships and delivering innovative resources to its communities.

VALUES

Stewardship
Authentic
Respectful
Visionary

804.732.8971

GatewayRegion.com



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Photo by Mark Gormus

