

VIRGINIA ISRAEL ADVISORY BOARD

Commonwealth of Virginia Office of the General Assembly

Virginia Israel Advisory Board

Annual Report

Fiscal Year 2024 December 15th 2024

Mel Chaskin - Chairman Chuck Lessin - Vice Chairman Dov Hoch - Executive Director



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The Virginia Israel Advisory Board (VIAB) is a state agency dedicated to strengthening educational, cultural, and economic ties between the Commonwealth of Virginia and Israel. In the realm of economic development, VIAB assists Israeli companies to establish their U.S. operations in Virginia, leading to increased investments, tax revenues, and job creation within the Commonwealth. Additionally, VIAB facilitates access for Virginia companies to cutting-edge Israeli technology. VIAB also assists Virginia and Israeli companies to develop partnerships that receive grants and build joint ventures in the Commonwealth.



Executive Director's Message

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I express my heartfelt appreciation for the Governor's actions and sentiment in embracing Israel following the massacre of October 7th (2023) and the year which has followed, including lowering Virginia flags to half-mast. I am also grateful to the Attorney General, who visited Israel and sent support gear, and to the Lieutenant Governor for her visit to Israel. Their efforts exemplify the unique affinity many Virginians have for Israel, a connection that spans the many religions, races and ethnic communities throughout the Commonwealth.



One of VIAB's most uplifting initiatives this year was led by Health Wagon, based in Wise County, along with the University of Virginia's Telemedicine program. Together, they deployed 100 telemedicine devices donated by TytoCare, an Israeli company, to medically underserved communities in Southwest Virginia. These TytoCare devices, supported by Starlink satellite technology arranged by a VIAB board member, allow healthcare providers to communicate with patients in remote areas.

In the realm of economic development, I am proud of how VIAB has balanced immediate-impact activities, such as the opening and expansion of Israeli companies in Virginia, with long-term initiatives, including our representation in U.S.-Israeli government grants. This year, \$3 million in Research and Development grants were awarded to Virginia-Israel partnerships, which is 12 times VIAB's budget.

Our engagement with universities is thriving, highlighted by Regent University's Institute for Israel Studies, led by VIAB Board member Dr. A. J. Nolte. I have also been pleased to lead VIAB's partnerships with Virginia Tech on several projects and to lecture at the University of Virginia, where students participate in the national Tamid Program, consulting with Israeli companies.

Finally, I thank our Board members, who consistently conceptualize and catalyze projects that are economically impactful, socially uplifting, and educationally relevant.

Dov Hoch Executive Director Virginia Israel Advisory Board



Chairman's Message

In FY 24 the VIAB met new Israeli companies and traveled to Israel and accomplished many new positive activities. Israeli companies continued their investments in Virginia over the past year amongst them Zim Shipping, Energix, Starplast, and UVision USA Corporation.

VIAB activities also continued to increase our economic impact:

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- The economic impact (increase in GDP) of only three of the more than 50 Israeli companies in Virginia exceeds \$6.5 Billion according to the Dragas Center for Economic Policy and Analysis at Old Dominion University. This economic impact, measured in increased GDP, represents 25,000 times the VIAB budget since the study's completion, these companies continue to contribute hundreds of millions of dollars annually to the Virginia economy.
- 2. Three Virginia-Israel partnerships each received \$1 Million grants from the U.S. Israel Binational R&D Fund. The \$3 Million is equivalent to 12 times VIAB's budget.
- 3. Regent University established its Institute for Israeli Studies headed by VIAB member Dr. A.J. Nolte.

I look forward to engaging with the Speaker, delegates, and senators of the General Assembly to further enhance the contribution of VIAB to the Commonwealth.

I am very grateful and proud of our Executive Director, Dov Hoch, in accomplishing these and other significant economic advantages for Virginia.

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Mel Chaskin *Chairman* Virginia Israel Advisory Board



VIAB - Who We Are and What We Do

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The Virginia Israel Advisory Board (VIAB) is an agency of the Commonwealth of Virginia (Office of the General Assembly) established in 1996 that develops and enhances cultural, educational, and economic ties between Israel and Virginia.

VIAB leverages strong synergies between Israel and Virginia, connecting Virginia and Israeli institutions and private sector ecosystems to build lasting partnerships.

In Israel:

We develop institutional awareness and mindsets that promote Virginia to companies interested in building U.S. operations.

In Virginia:

We promote the value of Israeli innovation to Virginia concerns and VIAB as a strong partner to bring projects to fruition.



In the realm of economic development, VIAB helps Israeli companies and partnerships locate and grow in Virginia and facilitates Virginia companies sourcing of innovative Israeli technologies. Our goal is to increase investment and expand the workforce in Virginia through activities aligned with Commonwealth-wide policies.

Economic Impact

The Dragas Center for Economic Policy and Analysis at Old Dominion University analyzed just three Israeli companies with U.S. headquarters in Virginia and their core operations in the Commonwealth. As of that 2019 study, the three companies had contributed \$6.5 billion to the GDP of Virginia - an economic impact of 25,000 times VIAB's annual budget. Since then, these firms' economic impact has exceeded \$100 million annually.

VIAB Board Members

The Board consists of 31 members, including the Secretaries of Education and Commerce and Trade. Members are geographically dispersed across the Commonwealth to represent the interests of each region and access resources to advance VIAB's undertakings.

▲ Don Richardson, CEO at Cassiopeia Space Systems Inc. (CSS), a Wakefield, VA company and joint venture between Va. based MIL-SAT and Israel's Over-SAT, that developed the RIGEL Satcom Terminal. BIRD provided \$1m matching funds for the R&D phase of the venture.



2024 Highlights

- Three Virginia-Israel partnerships in **Prince William County & Christiansburg** received \$1 Million grants each from the U.S. Israel Binational R&D Fund. <u>Press Release.</u> \$3 million is 12 times VIAB's budget.
- Israel Aerospace Industries opened a business accelerator at its U.S. HQ in **Herndon**, **Fairfax County**, to invest in US startups several of the startups are relocating to Virginia.
- Cassiopeia Space Systems, a joint venture between Over-Sat (Israel) & MIL-SAT Global Communications LLC (Surry Virginia), opened its U.S. headquarters in Virginia Beach.
- Elbit's Vision Goggle-Binocular nominated "Coolest Thing Made in Virginia" at the Virginia Manufacturing Association Cup. <u>Elbit acquired Harris Night Vision for \$350 million</u> and employs 500 people in **Roanoke**.
- University of Virginia (Charlottesville) 75 students consult Israeli companies and invest in stocks through an on-going with <u>Tamid</u>, that includes summer internships in Israel. VIAB is expanding the program to other Virginia campuses.
- Fresta Valley, Va. The Fresta Valley Robotics Club was awarded 3rd place at the Israel Robotics Competition.





- <u>Health Wagon</u> (Wise and Dickenson Counties) and Dr. Karen Rheuban of the University of Virginia's Telemedicine program, in Charlottesville, deployed 100 tele-medicine devices donated by Israeli company TytoCare to medically under-served communities in Southwest Va. TytoCare devices use Starlink satellites to communicate patient conditions.
- **Regent University** in Virginia Beach established <u>The Institute for Israel Studies</u> headed by VIAB Board member Dr. A. J. Nolte, who is an Associate Professor in Regent's School of Government.



• VIAB's Executive Director Dov Hoch was a keynote speaker at the Ernst and Young (EY) U.S. Israel Business Summit in Tel Aviv.



VIAB was a partner at the Israel AI and Cyber week.



Israeli companies entering the Commonwealth

Three Virginia Israel partnerships receive \$1 million each in R&D grants

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The Virginia Israel Advisory Board represents the Israel-U.S. Bi-national Industrial Research and Development Fund (BIRD) that provides R&D grants up to \$1.5 million for collaboration between Israeli and American companies. <u>Press Release</u>.

Israel - Virginia partnerships that received \$1 million grants this year



FAIRFAX COUNTY

VTC | Virginia Tech Carilion

Alexandria

Development

Partnership

Economic



Lighthouse Labs

OF AGRICULTURE AND CONSUMER SERVICES

SUMER SERVICES

VIRGINIA DEPARTMENT



VIRGINIA INNOVATION PARTNERSHIP CORPORATIO





30% of the funding round for the entire U.S. was

granted to Virginia – Israel partnerships





Virginia - Israel Partnerships

VIAB develops and enhances the cultural, educational and economic activities between Israel and Virginia.

Join VIAB on LinkedIn
Visit VIAB online





Israeli companies entering the Commonwealth



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IAI is a foundational part of the Virginia defense and aerospace ecosystem which is a core segment of the Commonwealth's economic development policy. It joins Raytheon and Boeing, both of which also recently relocated their headquarters to Virginia.

Israel Aerospace Industries (IAI) launched a Business Accelerator at their USA HQ in Herndon, Virginia.

The IAI CATALYST Business Accelerator is a 20-week program (including 3 weeks in residence) that offers a \$100,000 investment in participating companies, along with office space in Virginia, pilot projects with IAI, and access to global mentors.

The program focuses on technologies such as **quantum computing**, **AI & automation**, **space tech**, **and energy**. Several startups that completed the program are now relocating their operations to Virginia.

See Article in Virginia Business Magazine



Cassiopeia Space Systems

Cassiopeia Space Systems (Israel- VA JV) is setting-up operations in Virginia after receiving \$1M BIRD R&D funding and commercializing their research. BIRD Fund Grantees: Over-Sat (Israel) & MIL-SAT Global Communications LLC (Virginia), in collaboration with Assured Space Access Inc., established Cassiopeia Space Systems Inc. and built their US HQ in Virginia Beach.



Israeli companies expanding in the Commonwealth



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ZIM Israeli shipper expanded its U.S. HQ in Virginia – investing \$30 Million

Governor Glenn Youngkin met with ZIM American Integrated Shipping Services' Israeli leadership at the company's new U.S. headquarters in Virginia Beach, which the company purchased for \$12 million. In recognition of ZIM's growth, Virginia Beach Mayor Bobby Dyer named a street in Town Center after the company as it expands its workforce to 300 employees. Virginia Business Magazine



2022 - Starplast invested \$17 Million at its manufacturing plant and distribution center in **Chesterfield County**, and will create 200 jobs. <u>Virginia</u> <u>Business Magazine</u>

2022 - UVision opened its U.S. HQ and assembly plant in **Stafford County**

2021 - Pure Salmon is investing \$228 Million in a fish farm (**Tazewell & Russell Counties**) that will employ 200. VIAB developed the project with Virginia Tech. Cardinal News

2020 – Energix has invested \$500 Million (2020 – 2024) to build solar energy farms thoughout Virginia and opened its U.S. HQ in **Arlington** with 60 employees. Energix continues to invest.

2019 – Oran Safety Glass expanded its workforce to 215 in **Emporia, Greensville County**, with an economic impact exceeding \$400 million. <u>SEE Economic Impact</u> <u>Study Report: Oran Safety Glass</u>

2019 – Governor Northam brought an economic delegation to Israel with then-Secretary of Commerce & Trade Brian Ball and Rita McClenny President & CEO of Virginia Tourism Corp.



\$6.5 Billion Economic Impact - 25,000 times VIAB's budget

The economic impact (increase in GDP) of just three of the more than 50 Israeli companies in Virginia exceeded \$6.5 Billion over the 10 years ending in 2019, according to The Dragas Center for Economic Policy and Analysis at Old Dominion University. Link to Analysis

Company	Economic Impact	Multiple of VIAB Budget
Zim Shipping	\$918 Million	3,762
Oran Safety Glass	\$400 Million	1,639
Sabra Dipping	\$5.2 Billion	21,311
TOTAL	\$6.518 Billion	26,713

- Israeli companies have a \$100 million on-going annual economic impact on the Virginia economy.
- The analysis (2020) only measured 50% of the years the companies are in Virginia.
- Energix invested \$500 million in Virginia (2020-2024) & continues to invest.

Since the study's completion, these firms have continued to generate significant economic impact. Notably, **ZIM Shipping** committed an additional **\$30 million** in 2023 to expand its U.S. headquarters in Virginia. **Energix** has invested hundreds of millions more to develop and operate solar energy farms across Virginia and has established its U.S. headquarters in Arlington.



Economic Impact: Case Study Oran Safety Glass Oran Safety Glass, with a facility in Emporia, had an economic impact of **\$400 million** in 2019–1,600 times VIAB's budget. The company continues to contribute to Virginia's economy and has expanded its workforce to 240 employees.



Collaborations with Commonwealth Partners & Alignment with Virginia Economic Development Policy

VIAB activities are aligned with Virginia's economic development plan.

VIAB collaborates closely with Virginia's Secretaries and department leaders on initiatives across the Commonwealth, including the Departments of Commerce & Trade, Energy, Agriculture & Forestry, and Public Safety & Homeland Security, as well as the Virginia Economic Development Partnership (VEDP) and the Virginia Innovation Partnership Corporation (VIPC). VIAB also engages with regional and local economic development agencies.

VIAB's focus is on industries that align with Israel's strengths and support the Administration's economic development priorities, such as life sciences, aerospace, cybersecurity, controlled environment agriculture, and offshore wind under the "all-of-the-above" energy strategy.

Va. Target Segment	Israeli Company	Description of Activities
Aerospace & Defense	"Israel Aerospace Industries (IAI) U.S. HQ in Herndon Va. Uvision - manufacturing and US HQ Stafford "	IAI's business accelerator invests in and mentors U.S. startups - several moving to Va. IAI is a foundational part of the Virginia defense and aerospace ecosystem - a core segment of the Commonwealth's economic development policy. Raytheon and Boeing recently relocated their headquarters to Virginia.
Cyber Security	Several Israeli companies in Va. (Cellebrite) \$1.5M Cyber grant for Va. Israel partnerships	"Israel is a global leader in cyber security. VIAB was a partner at Tel Aviv Cyber Week to promote Va. as a U.S. location for Israeli cyber companies. Cyberbit partners wth Regent University "
Controlled Environment Agriculture	Pure Solomon in collaboration with Virginia Tech	Building indoor Fish Farm in Tazewell / Russell counties. \$228m investment will employ 200 workers. VIAB works with Vriginia Tech on commercial & academic Controled Environment Ag. initiatives
Life sciences	Serpin Pharma	\$1M R&D Grant for Phase II clinical trial (myocardial infarction) with Sheba Medical Center (Israel)
	ATCC, (Prince William County)	\$1M R&D grant for kit for cardiac toxicity assessment. Partner Tissue Dynamics (Israel)
All of the Above Energy	Energix	\$500 Million invesed in Solar farms in Virgina (2020-2024)



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Collaborations with Commonwealth Partners & Alignment with Virginia Economic Development Policy

VIAB is also advancing a core goal of Virginia's Economic Development Plan: "To expand Virginia's entrepreneurial ecosystem to spur startup and new business formation." Through activities such as providing R&D grants for Virginia-Israeli partnerships (including \$3 Million in 2024 and a total of 25 grants since VIAB began), VIAB fosters the creation of Virginia startups. Additionally, the **IAI Accelerator** invests in U.S. startups, many of which are relocating to Virginia.

Virginia Innovation Partnership Corporation (VIPC) "Virginia Invests"

This is an initiative that catalyzes and attracts investment into Virginiabased, innovation-driven startups and entrepreneurs. Its goals are to:

- 1. Attract \$250 million in private investment
- 2. Spur new partnerships to engage 1,000 entrepreneurs



▲ Virginia Secretary of Commerce and Trade Caren Merrick at the Israeli embassy SelectUSA event with the Israeli Economic Attache in 2023.

Synergies with the Virginia Innovation Partnership Corp.

VIRGINIA INNOVATION PARTNERSHIP CORPORATION Connecting Innovators with Opportunity	Provides research commercialization grants to universities and entrepreneurs
VIRCINIA ISRAEL	Builds & funds Va Israel partnerships with U.S Israel government R&D grants;
ADVISORY BOARD	\$3M in 2024; 25 all together including Virgina Tech
VIRGINIA INNOVATION PARTNERSHIP CORPORATION Connecting Innovators with Opportunity	Equity investments in tech-/innovation-led, early-stage/growth startup companies.
VIRCINIA ISRAEL	Israel Aerospace Industies (Herndon) - business accelerator invested \$1M U.S.
ADVISORY BOARD	startups - several moving to VA.
Virginia Invests Program Goals	Goals: (i) \$250 million of private investment in Virginia (ii) Spur new partnerships to engage 1,000 entrepreneurs
VIRCINIA ISRAEL	(i) manages R&D grants that create VA. Israel partnerships.
ADVISORY BOARD	(ii) brings Israeli tech entrepreneurs & start-ups to Virginia

Source www.virginiaipc.org

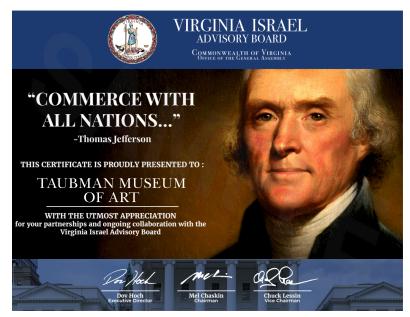
VEDP Delegation to Israel & Meeting Israeli companies in Virginia

The **Virginia Economic Development Partnership (VEDP)** led delegations of economic developers to Israel, including the Chair of the Virginia Economic Developers Association, in 2022 and 2023. This year, VIAB facilitated a meeting between the VEDP and Israeli companies at the **U.S. Chamber of Commerce**.

SelectUSA is the Department of Commerce's annual event to attract foreign direct investment to the U.S., attended by companies from 100 countries. This year, Governor Youngkin spoke at the event. VIAB worked closely with the VEDP team to engage 25 Israeli companies attending SelectUSA.



Thomas Jefferson Commerce with All Nations Awards



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The Virginia Israel Advisory Board acknowledges people and organizations who partner with VIAB in an on-going and meaningful manner. The award ceremonially cites Thomas Jefferson's "**Commerce with all Nations**".

This year's recipients included a broad range of Commonwealth-wide institutions:





Strategy and Approach



Direct Foreign Investment – VIAB balances a projects and partnerships approach. VIAB works in connection with the Virginia Economic Development Partnership (VEDP) on prospects that have site specific requirements and are interested in state incentives as many Israeli companies do not apply for state funding. Separately, VIAB develops R&D and commercial partnerships that birth new companies in Virginia.



Management Approach – lean budgets and staff that leverage partners in Israel and Virginia to render a multiplier of our resources.



Operational Approach – VIAB conceptualizes and catalyzes projects and programs, such as <u>Pure Salmon</u> and BIRD Grants, then engages Israeli institutions to promote them to prospects, e.g. <u>Israel Ministry of Defense delegation to Virginia</u>, and works with Virginia partners to bring them to fruition (VEDP, VIPC, Virginia Manufacturers Association, Virginia Tech, regional and local EDAs).



Board members actively contribute to conceptualizing and executing the VIAB's projects and programs.

Tap into Virginia's distinct social and cultural ties with Israel

The shared affinity of large numbers of Virginians for Israel and their multifaceted commitment to Israel, constitutes a unique inter-religious, multi-racial, pan-ethnic and socio-economic cross-section of the Commonwealth. This committed collective of Virginians plays a pivotal role in supporting Israel and advancing the mission of the Virginia Israel Advisory Board.

Work with Bi-partisan Leadership Supportive of Israel

Governor Youngkin ordered the government's flags to be lowered to half-staff to honor lives lost in the horrific October 7 terror attack in Israel and to hold those injured and held hostage in our thoughts and prayers.

Lt. Governor-Winsome Earle-Sears traveled to Israel with a bi-partisan delegation of U.S. officals in June 2024

Attorney General Jason Miyares asked all 123 sheriffs in the Commonwealth to donate their expired or excess law enforcement gear which was sent to Israel. <u>October 2023</u> AG Miyares also led a bipartisan delegation of eight attorneys general to Israel (<u>details</u>)

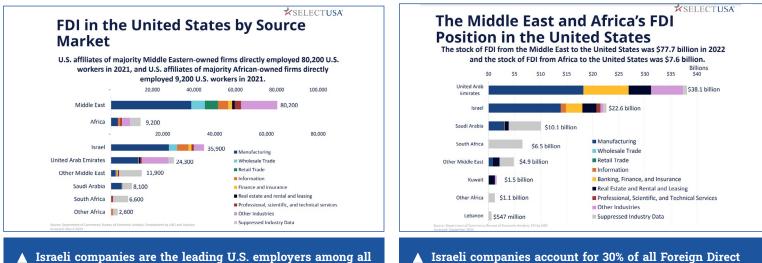
Governor Northam took an economic delegation to Israel with then-Secretary of Commerce & Trade Brian Ball and President & CEO of Virginia Tourism Corp. Rita McClenny. **Governors McAuliffe, McDonnell and Kaine** all brought Virginia economic delegations to Israel



Strategy and Approach

Economic: Several U.S. - Israel economic agreements provide <u>UNIQUE</u> resources for Virginia-Israel collaborations that do not exist with other countries.

- The Israel-U.S. Bi-national R&D Foundation (BIRD), funded by the U.S. and Israeli governments provides grants to Virginia-Israeli R&D partnerships. The grants are unique to partnerships with Israel. No other countries can access these grants. VIAB officially represents the granting agency and manages a group of 15 government departments & economic organizations to promote them in Virginia.
- The U.S. Chamber of Commerce hosts a unique <u>U.S.-Israel Business Council</u>. In 2024, VIAB brought the VEDP to meet 25 Israeli companies at the U.S. Chamber of Commerce, exclusively for Israel companies in the context of the Department of Commerce's SelectUSA event.
- The U.S. Israel Strategic Dialogue on Technology facilitates unique collaborations in key tech sectors aligned with Virginia's economic priorities (e.g. quantum computing).
- The U.S Free Trade Agreement with Israel was the first of its kind. Of the 20 subsequent FTAs, exports to Israel generate the most American jobs per dollar value. This translates into a significant economic impact for Virginia, with exports to Israel boosting worker incomes and state revenue through income taxes.
- Israel represents 30% of all investments from the Middle East and Africa into the U.S. Israel is the #1 employer, #1 in R&D expenses and #2 in Foreign Direct Investments (FDI) from the region. (U.S. Department of Commerce, June 2024)



▲ Israeli companies account for 30% of all Foreign Direct Investment in the U.S. from the Middle East and Africa. (U.S. Department of Commerce, 2024)

VIAB develops and enhances the cultural, educational and economic activities between Israel and Virginia.

of Commerce, 2024)

countries in the Middle East and Africa. (U.S. Department



Richmond Ballet – Student Programs in Israel

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Richmond Ballet – Minds In Motion is an elementary student program in Israel run by the Richmond Ballet. The program applies dance as a means of cross-cultural exchange between Jewish Israeli schools and Arab Muslim Israeli schools. The in-person program was re-instituted this year after a twoyear hiatus due to the Covid-19 pandemic. Each partnered school provides a two-week residency, with 45 minutes of professional dance training daily during school hours. After one week of separate classes, students use their new skills to meet and engage with the students from the partnered school. Following combined rehearsals, students perform in shared final performances in Jewish and Muslim Israeli communities. Building on values of teamwork, interdependence, and empathy, the program develops and enhances relationships across multiple levels: student to student, school to





school, and community to community. Minds In Motion Israel promotes positive connections by using the shared language of movement as a platform for students to meet, learn, and create together. The Israel Residency Program is generously supported by the United Jewish Federation of Tidewater with additional funding from the Jewish Federation of Richmond. Both bodies are represented on the Virginia Israel Advisory Board. The program was not able to be conducted this year.





Focus Areas and Activities for Next Year

VIAB will continue and expand its core programs and activities, including:

- Bringing Israeli companies to Virginia and expanding existing ones
- Collaborating with Regent University's Israel Studies Institute
- Bringing Virginia Delegations to Israel
- Restarting Richmond Ballet's Minds in Motion program in Israel
- R&D grant promotion through a Commonwealth-wide steering group of government departments and economic organizations.
- University students consulting with Israeli companies through the Tamid Program.
- Partnerships with statewide stakeholders to develop launching pads for international companies in Virginia.



ENTER AND GROW IN THE U.S. MARKET THROUGH VIRGINIA להיכנס ולצמוח בשווקי ארצות הברית דרך וירג'וניה