The seal is circular with a double-line border. The outer ring contains the text "COMMISSION ON TOBACCO REGIONAL REVITALIZATION" in a serif font. The inner circle features a stylized map of Virginia in shades of blue and brown, set against a light tan background.

**Virginia Tobacco Region  
Revitalization Commission**

**Fall 2023  
Committee & Commission Meetings**

**October 11-12, 2023**

**The Inn at Blackstone  
Magnolia Ballroom  
707 Fourth Street  
Blackstone, VA**



# ITINERARY



Virginia Tobacco Region Revitalization Commission  
Fall 2023 Tobacco Commission Two-Day Meetings  
The Inn at Blackstone  
The Magnolia Ballroom, Blackstone, VA  
October 11-12, 2023

## **WEDNESDAY, OCTOBER 11, 2023**

MEETING SITE: THE INN AT BLACKSTONE (THE MAGNOLIA BALLROOM)

- 1:30 - 2:30 P.M.                      SOUTHERN VIRGINIA COMMITTEE MEETING
- 2:45 - 4:45 P.M.                      EDUCATION COMMITTEE MEETING
- 4:00 P.M.                                      CHECK- IN TIME  
    THE INN AT BLACKSTONE
- 6:30 - 9:00 P.M.                      RECEPTION @ THE INN AT BLACKSTONE  
    The Courtyard  
    707 Fourth Street, Blackstone, VA

## **THURSDAY, OCTOBER 12, 2023**

MEETING SITE: THE INN AT BLACKSTONE (THE MAGNOLIA BALLROOM)

- 7:30 - 8:30 A.M.                      **COMPLIMENTARY FULL BREAKFAST OFFERED AT THE HOTEL**
- CONTINENTAL BREAKFAST AVAILABLE AT THE MEETING (Coffee, assorted teas, juice, water, breakfast bars and Fresh fruit)**
- 9:00 - 9:30 A.M.                      INCENTIVES AND LOANS COMMITTEE MEETING
- 9:30 - 10:30 AM                      SOUTHWEST VIRGINIA COMMITTEE MEETING
- 10:30 - 11:30 AM                      STRATEGIC PLANNING COMMITTEE MEETING
- 11:00 A.M.                                      CHECK- OUT TIME  
    THE INN AT BLACKSTONE
- 11:30 A.M.                                      ~~~ BOX LUNCHES SERVED ~~~
- 11:30 A.M. - 12:30 P.M.              FULL COMMISSION MEETING

**Safe Travel Home**

**DIRECTIONS**  
**THE INN AT BLACKSTONE**  
**707 Fourth Street**  
**Blackstone, VA 23824**

Take I-95 South and US-460 West to State Route 606/Cottage Road in Nottoway County.

Take the VA-606 exit from US-460 West

Take N West Ave and Nottoway Ave to your destination in Blackstone.

Turn left onto State Route 606/Cottage Road

Continue onto N West Avenue

Turn right onto Nottoway Avenue

Turn left onto N Amelia Avenue

Turn right onto Fourth Street

Turn left. You are at your destination.

# HOW OUR STORY BEGAN

## THE INN AT BLACKSTONE



### **BLACKSTONE - COLLEGE FOR GIRLS**

Over 126 years ago this grand building was a unique gesture to the area and welcomed excitement among the locals. The property initially was founded in 1894 as a female educational institute welcomed 71 students in her first year as a finishing school for girls attending 8th-12th grade studies. The campus started to grow and offered both boarding and day students with studies focused on teaching, academics, psychology, and philosophy. It officially became known as Blackstone College for Girls a century ago upon reopening after a fire in 1922 in the current classical revival

brick building. This beautiful campus was a preferred choice for socialites from surrounding states. If guests were flipping through a copy of the Acorn yearbook one will find alum such as Hollywood's Bea Arthur and a former president of Nicaragua, Violeta Chamorro.

### **FORT PICKETT**

The U.S. Army opened the nearby Camp Pickett in Blackstone. WWII provided an influx of some thousand soldiers in the area. During this wartime, the college suspended operations and the school then provided housing to active-duty servicemen and their families. Two weeks after V-J Day, Blackstone College reopened, and classes resumed for another five years, including young men in attendance. With the reactivation of Fort Pickett and the impacts of the Korean War, Blackstone soon found herself with low attendance and closed its doors as an educational institute permanently. On June 5, 1950, the college hosted her last commencement ceremony on the grounds, among the attendees was Mr. George Adams.

### **VIRGINIA UNITED METHODIST ASSEMBLY CENTER**

In 1955 the Inn opened her doors once again in the form of hospitality as she welcomed guests as the Virginia United Methodist Retreat & Conference Center. The campus quickly became part of the local community and continued to provide safe retreat and accommodations.

After 60 years of service a small fire destroyed a separate building on the property and the conference center closed officially in May 2016. The building left unattended until 2022, waiting to be restored into something new to enjoy.

Kalyan Hospitality started dreaming of this project from the inception. Our vision of opening the doors again to those traveling, ignited passion and determination to convert the building to the unique experience waiting for you upon check in.

Join us for a historical tour of the area, stay while traveling on business or reporting for duty at Fort Pickett. Allow us the privilege to welcome your out of town guests as they experience the charm of a historical destination event & wedding venue.

We are here, ready to welcome you to all her glory.



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The Magnolia Ballroom  
Blackstone, Virginia

October 11-12, 2023

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# **SOUTHERN VIRGINIA COMMITTEE**



▪ *In-Person Meeting* ▪

## AGENDA

### SOUTHERN VIRGINIA COMMITTEE

**The Inn at Blackstone**  
707 Fourth Street  
Blackstone, VA  
Wednesday, October 11, 2023  
1:30 P.M.

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The public may remotely participate in this meeting by accessing the following dial-in numbers: **1-434-230-0065** (toll) and enter conference ID: **742 579 325#**.

The Commission will not change the method by which it chooses to meet without providing a new meeting notice that is in accordance with the Va. Freedom of Information Act. If problems are experienced calling in, please contact: **Hannah Franke-Fuller** at (804)-894-9659 or [hfranke-fuller@revitalizeva.org](mailto:hfranke-fuller@revitalizeva.org) or **Joyce Knight** at (804) 894-9651.

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<b>Welcome and Call to Order</b>	<i>Mr. Walter "Buddy" Shelton, Chair</i>
<b>Call of the Roll</b>	<i>The Hon. James Campos, Acting Executive Director</i>
<b>Approval of the <u>5/18/23</u> Minutes</b>	<i>(published on website)</i>
<b>Public Comment</b>	
<b>FY2024 Southern Virginia applications</b>	<i>Ms. Sarah Capps, Southern Regional Director</i>
<b>Extensions and Modifications</b>	<i>Ms. Sarah Capps, Southern Regional Director</i>
<b>Active Grants by Investment Category</b>	<i>Ms. Vicki Humphreys, Grants Director</i>
<b>Other Business</b>	<i>Mr. Stephen Versen, Deputy Director</i>
<b>Adjournment</b>	

**FY24 Southern Virginia Program  
Staff Summaries and Recommendations  
October 11, 2023**

The Commission received thirteen applications for the June 7, 2023, application deadline of the FY24 Southern Virginia Program. The applications are grouped by investment category. The Southern Virginia Committee will act on these funding requests at its meeting October 11, 2023, at 1:30 pm.

Req#	Organization	Project Title	Requested Amount	Staff Rec.
<b>Agribusiness</b>				
4167	Campbell County	Expanded Southern Virginia Precision Agriculture and Farm Efficiency	\$ 364,000	\$ 309,000
4161	Institute for Advanced Learning and Research	Connecting Southern Virginia Producers with Markets Through Value Chain Coordination	\$ 104,452	\$ 104,452
4166	Institute for Advanced Learning and Research	Supporting Controlled Environment Agriculture Industry Growth in Virginia	\$ 145,841	\$ 145,841
4162	Southside Virginia Fruit and Vegetable Producers Association	Envisioning a Local Food Purchasing System for Southside TRRC	\$ 1,210,000	Table
<b>Business Development</b>				
4163	Institute for Advanced Learning and Research	Business Development and Talent Attraction for Investment in Southern Virginia	\$ 325,563	\$ 325,563
4164	Virginia's Growth Alliances	Refresh/Restart+ Focused Business Development	\$ 57,673	\$ 51,950
<b>Sites and Infrastructure</b>				
4159	Brunswick County	Stonewall Industrial Site Development Project	\$ 2,234,460	\$ 1,117,230
4155	Campbell County	Seneca Commerce Park Grading Project	\$ 600,000	\$ 404,918
<b>Tourism</b>				
4157	American Civil War Museum	National Advertising Campaign to Encourage Tourism to Southern and Central Virginia	\$ 41,031	\$ -
4160	Town of Brodnax	Brodnax Depot Renovation Project	\$ 183,507	\$ 183,507
4165	Town of Blackstone	Making Ends Meet	\$ 247,217	Table
4158	Town of Lawrenceville	Tobacco Heritage Trail Trailhead Ramp	\$ 232,288	\$ -
4156	West Piedmont Planning District Commission	Regional Outdoor Recreation Economy Program	\$ 118,000	\$ 118,000

**TOTAL (13 requests) / Staff Recommendation**

**\$ 5,864,032      \$2,760,461**



### Campbell County

#### *Expanded Southern Virginia Precision Agriculture and Farm Efficiency (#4167)*

**\$364,000 Requested**

**Executive Summary:** After the great success of the Southern Virginia Precision Agriculture & Farm Efficiency Grant (Project # 3891), Campbell County and Virginia Cooperative Extension are requesting additional funds for the localities with a larger agricultural presence to afford more farms the benefits of the Precision Agriculture program. Tobacco Commission funds are requested to provide additional cost share opportunities for producers in the 20 counties in the Southern Virginia Tobacco Region service area. We are requesting a maximum of \$5,000 (33%) reimbursement per producer. We are requesting an amount of \$4,000 in administrative reimbursement for the grant.

Slots in this program will be awarded to each locality in a demand ratio of number of farms in each locality relative to the slots filled in the first round of the program. This will enable the localities to serve interested producers who were not funded in the first round of the program.

The application funding structure is as follows: 1) \$360,000 is the maximum match needed from the Tobacco Commission for 72 slots at a maximum of \$5,000 awards each. 2) \$4,000 is for administration support for supplies and time from the locality to run the program for 20 counties.

#### **Matching Funds (based on Waitlist):**

- \$768,137 private match from agriculture producers participating in the program.

#### **Project Outputs (based on Waitlist):**

The original request estimated benefiting 72 agriculture producers. A total of 68 producers are on a waitlist from the first round of Agribusiness cost-share funding administered under grant #3891. The project leaders have agreed to a reduced award amount limited to supporting producers on the waitlist. Projected Agribusiness deliverables related to best management practices for this waitlist include:

- Livestock Handling Equipment, 23 producers (\$101,529 cost-share requested)
- Precision and Improvement Agriculture Technology, 15 producers (\$64,294.37 cost-share requested)
- Hay Storage, 24 producers (\$111,485 cost share requested)
- Produce Equipment / Cold Storage = 6 producers (\$27,310 cost-share requested)

If all 68 producers purchase and install best management practices the total capital outlay is estimated at \$1,072,756. Of this total \$304,618 (28%) would be TRRC funding and \$768,137 private Match.

**Staff Comments:** In January 2022, the Commission approved a \$505,000 grant (#3891) for the *Southern Virginia Precision Agriculture & Farm Efficiency Program* benefiting all 20 counties in the Southern area of the Tobacco Region. Campbell County is the grantee and leads the primary project team which includes three Virginia Cooperative Extension (VCE) agents. A second group of VCE agents join the others to serve on a larger Disbursement Oversight Committee. The original request to the Commission in 2022 was for \$800,000 and it was reduced to \$505,000 when awarded. This funding request is for an additional \$364,000 for the program based on agriculture producer interests. From the six payments issued under grant #3891 to date, a total of \$243,382 has been reimbursed for the following cost-share practices implemented and installed:

- Livestock Handling Equipment, 29 producers (\$102,279 total cost-share)
- Precision Improvements & Agriculture Technology, 18 producers (\$69,148 total cost-share)
- Hay Storage, 14 producers (\$66,543 total cost-share)
- Cold Storage, 1 producer (\$3,018 total cost-share)

A balance of \$256,617 remains on grant #3891. This is expected to support ~ \$103,513 for 22 additional approved cost-share applications from Round One to be submitted for reimbursement. Once those payments are processed, it is estimated that the amount remaining in the Transfer Payments budget category would be at least \$148,204. If a new grant is approved to support the Waitlist, then the applicant agrees with the proposed condition that the remaining amount will then be deobligated.

The project objective from the original approved application is “to encourage producers to incorporate new practices that enhance their operation’s inputs and cost savings.” The program is targeted to four categories: (1) Precision and Improved Agriculture Technology; (2) Produce Equipment & Cold Storage; (3) Produce Handling & Hay Storage Facilities; and (4) Livestock Handling Equipment. Producers will be required to spend at least \$3,000 on capital costs for equipment or construction to be eligible. A detailed list of eligible items under each category was provided with cost estimates. The justification contents support return on investment for producers. Several items/practices have been previously supported by the Commission, in some cases by hundreds of participants: Hay Storage/Hay Barns (445), Livestock Handling Equipment (415), Cold Storage (6), and Produce Production and Handling Equipment (4). To address the previous cost-share investments by the Commission and interest in new practices, the program approval includes a limitation for only first-time recipients for previously funded practices.

Interest in the program has varied significantly across the 20 counties. Some had a lot of interest, but others did not use their total allocations from the original grant. The second round of grant funding from the Commission would be used for applicants on the waitlist, supporting the program where there is documented interest and an expressed need. The original grant award limited participant numbers by county based on an equal allocation of funding for the 20 participating counties. However, the number of farm operations, and number of cattle or vegetable producers varies significantly by county. This funding will support the waitlist to balance funding where there is documented demand.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates that it is highly achievable. The applicant has an excellent track record operating this program from previous funding, and has demonstrated a waitlist of farmers who wish to participate in the program. From this data, staff was able to right-size the project budget. These farmers are leveraging their own funds against this cost-share program at a rate higher than 50%. This project provides excellent benefit for the cost.

***Staff Recommendation:*** Staff recommends a \$309,000 grant award to support \$305,000 (rounded up from \$304,618) estimated cost-share for applicants on the waitlist and \$4,000 for direct costs related to administering the grant. This approval is made on the condition of the following: 1) cost-share funding will be limited to only first-time recipients for practices previously funded by TRRC; and 2) conditioned on unobligated funds under #3891, being deobligated after final reimbursements are processed.

**Institute for Advanced Learning and Research**  
***Connecting Southern Virginia Producers with Markets Through Value Chain***  
***Coordination (#4161); \$104,452 Requested***

***Executive Summary:*** Consumer demand for local food is on the rise and is projected to grow in the decades to come, presenting an opportunity for increased farm revenue for new and existing farmers. However, many farmers lack the time and resources to promote their goods to potential customers. Simultaneously, many large institutional buyers would like to offer local produce, meat, and dairy to their employees and visitors, but they would prefer not to interact with each farmer individually. These conditions establish a need for an advocate to facilitate the interaction and drive the creation of a robust local food system where farmers' price points are met while local consumers gain greater access to their products. This proposed three-year project seeks matching funding for a value chain coordinator position to connect institutional buyers, food hubs, and other purchasers with farmers to increase net farm output and income, and diversify agribusiness in the region.

***Matching Funds:***

- \$100,000 Danville Regional Foundation (anonymous donation several years ago to Friends of the Southern Piedmont to support agribusiness value chain coordination).
- \$7,500 IALR toward travel expenses and laptop for new coordinator position

***Project Outputs:***

- Creation/provision of a regional interactive website to serve as a resource for promoting agricultural products to purchasers in and outside of the region
- New staff position to facilitate and support connecting produce purchasers and buyers.
- Estimates benefiting 10 new farmers annually with at least \$10,000 average annual increase to net farm income, for at least \$100,000 aggregate increase in annual produce sales.

***Staff Comments:*** Grant funds are for 50% of value chain coordinator over the two-year startup period, a software solution for connecting producers with buyers, website development, marketing and travel costs. Match will be used toward direct costs for the new position, laptop, travel, and supplies. The Commission previously provided funding for this initiative with a \$117,017 grant in May 2020; however, following hiring challenges and delays during the pandemic, the grant was closed with no funds spent. The current funding request includes \$20,000 for marketing, which IALR clarified will be used toward a software package titled "Local Food Connect" providing a marketing and technology solution for producers. This software, designed for food hubs and networks, will be used to connect buyers with sellers and facilitate sales transactions. The software allows for recovery of administrative costs. TRRC's encourages IALR to evaluate a fee-based structure and/or overhead revenues to sustain the initiative to support the coordinator position. IALR also plans to coordinate with West Piedmont PDC on common interests associated with the Agritourism & Agribusiness Regional Economic Impact Study and Marketing Strategy for their service area. Agribusiness outcome projections appear reasonable and will be directly measured with the software technology solution.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates a clear model and timeline for implementation by an applicant with a strong track record of project implementation. The project's budget is detailed, reasonable, appropriately scaled to the project, and provides for sufficient capacity to implement this demonstration program. In addition, the project has at least 50% match committed at the time of application. The outcomes represent a good financial investment in terms of projected cost benefit.

**Staff Recommendation:** Staff recommends approval of a \$104,452 grant award.  
**Institute for Advanced Learning and Research**  
**Supporting Controlled Environment Agriculture Industry in Southern Virginia**  
**(#4166); \$145,841 Requested**

**Executive Summary:** Controlled environment agriculture (CEA) is a multidisciplinary and technology-based approach to producing agricultural products under targeted environmental conditions. The CEA industry is growing around the world, and Virginia has become a center for this industry. The CEA industry includes producers, suppliers, and peripheral industries looking to implement their products in CEA. Two key needs identified to continue to assist in expanding CEA in the region and beyond include a third-party product/method evaluation service and research-based educational materials. This project addresses these needs by: 1) establishing a testing service for the CEA industry by hiring a research technician, and 2) expanding outreach efforts by providing educational materials to growers based on data generated from studies conducted to address common issues faced by CEA producers. This project will provide services and information that will benefit small, medium, and large CEA producers and suppliers.

**Matching Funds:**

- \$88,881 Virginia Tech for a new Postdoctoral research position at IALR
- \$48,000 IALR: \$30,000 for materials and \$18,000 in-kind for office and greenhouse bench space

**Project Outputs:**

- Establish low-cost testing and support service for the CEA industry and producers
- Educational materials for producers interested in CEA
- Projected to benefit 40 CEAs (baseline is 5). Based on 35 CEAs increasing sales revenue by \$10,000, the estimated aggregate revenue increase is at least \$350,000 during the grant period.

**Staff Comments:**

Grant funds are requested to support salary and fringe for a technician position for start-up testing services to support growth of the CEA industry. This project builds on work funded in the \$309K grant award (#3590) to IALR in January 2020, which supported establishing the Controlled Environmental Agriculture Innovation Center at IALR in partnership with Virginia Tech. The focus of testing capabilities for this project is on evaluating product/method/idea in greenhouse or indoor vertical farm, collecting data and reporting back to agribusiness companies. A broad list of testing services was identified by IALR including evaluating technology including new commercial microbial products, production systems, plant cultivars, sanitation products, water testing for precision nutrient analysis and disease monitoring and control. During the application review, staff requested a list of the existing CEA businesses in the Tobacco Region footprint to understand the project's target market more clearly. An industry analysis of CEAs in the Tobacco Region footprint, as well a list of 30 CEAs in the region for targeting was provided by IALR. This project is viewed as start-up support for proof-of-concept phase for building testing services that will help drive CEA agribusiness expansion in the region.

**Financial Viability Assessment:**

A review of key viability criteria for this project indicates a positive cost benefit supporting a high priority agribusiness segment. The project's budget is detailed, reasonable, appropriately scaled to the project, and provides for sufficient capacity to implement this demonstration program. The applicant provides evidence of a 50% match commitment. This model is poised for sustainability beyond the demonstration period by adopting a service fee structure.

**Staff Recommendation:** Staff recommends approval of a \$145,841 grant award, contingent on a report of best practices being provided prior to close-out of the grant.

**Southside Virginia Fruit and Vegetable Producers Association**

***Envisioning a Local Food Purchasing System for Southside TRRC (#4162)***

**\$1,210,000 Requested**

**Executive Summary:** The purpose of this project is to provide much needed administrative staff (for leadership and implementation), infrastructure (storage and packaging materials and equipment) and technical assistance (a comprehensive online sales system) for the Local Food Purchasing Assistance Cooperative Agreement Program (LFPA). The LFPA was established by USDA, AMS in 2022 and awarded to the Virginia Department of Agriculture and Consumer Services in 2023. This unique program has funded over \$6 million to seven sub-recipients in Virginia to source local food to individuals in need in 2023-24 and has the potential to double these funds for additional food costs in 2024-25 through the LFPA Plus. The LFPA Plus will only provide funding for food costs and will require sub-recipients to seek additional funding for support for administrative, infrastructure and technical assistance. MWH Solutions, LLC is one of the seven sub-recipients of the LFPA funds in Virginia. A large portion of the funds for food costs from the LFPA and the LFPA Plus will go to local Southside Virginia farms, including farms of the Southside Virginia Vegetable and Fruit Growers Association, and will result in a quantifiable increase in net farm income.

**Matching Funds:**

- \$1,210,000 USDA funding managed by VDACS for the Local Food Purchase Assistance program. This includes a part of a 2022 contract under the LFPA program that includes a portion of Southern Virginia, and anticipated 2023 contract from the LFPA-Plus program.

**Project Outputs:**

- Reporting on sales transactions and inventory data.

**Staff Comments:**

The need to support expanded sales opportunities for the producer's association is recognized; however, this request is extremely large and exceeds the amount and scope typically supported for an Agribusiness project. The budget includes \$800K for TRRC funding and \$800K match a total of \$1.6 million for what is described as technical edits to a proprietary software used for local food sales tracking. (Staff suggests a more affordable alternative would be to evaluate existing software solutions that also offer the benefit of being available to be used immediately.) \$250,000 is requested with an equal amount of Match for four administrative staff positions- grant administrator, finance administrator, project coordinator and hub and market managers associations. The USDA LFPA Plus funding will be for purchasing agriculture products. Agribusiness outcomes projections for the project still need to be provided. The applicant is agreement with a staff recommendation to Table this request to allow for a new application to be submitted with a revised scope and budget to be considered in January 2024.

**Financial Viability Assessment:**

A review of key viability criteria for this project reveals that as proposed, the budget is heavily slanted toward covering administrative costs and short-lived supplies, which are not allowable under current funding policy. Enhancements to software make up two-thirds of the requested funding. Outcomes for agricultural producers were not clear, nor was a sustainability plan provided. As presented, it is staff's opinion that this project is not currently financially viable.

**Staff Recommendation:** Staff recommendation is to Table and allow a new application to be submitted with revised scope and budget to be considered in January 2024.

## Business Development

### Institute for Advanced Learning and Research

#### *Business Development & Talent Attraction for Investment in Southern Virginia (#4163)*

**\$325,563 Requested**

**Executive Summary:** The Southern Virginia Regional Alliance (SVRA) seeks support from the Virginia Tobacco Region Revitalization Commission (TRRC) to expand business attraction and retention efforts with talent attraction and retention resources to meet demand and ensure high return on investment from existing and incoming businesses. The request is to add a Talent Attraction and Retention Director and marketing resources to sustain this steady pipeline of investment opportunities and can be converted from prospects to companies in the region. Adding talent attraction services ensures that SVRA is addressing the number one concern of existing and prospective companies – an available skilled workforce. While the region has 2% of the Commonwealth’s industry within the SVRA footprint, leads over the past two years have averaged well above 25% of the state’s incoming leads due to the prepared sites and buildings in the region. A talent attraction and retention manager will be added to work directly with the Executive Director and Business Investment Manager to assist localities in the attraction of companies in targeted sectors with potential for jobs with higher wages. This will be coupled with the aggressive marketing plan that TRRC has supported for the region in the past.

#### **Matching Funds:**

- \$87,781 IALR funding for Business Investment Manager position (20% budgeted to project)
- \$175,563 Danville Regional Foundation for 50% of Talent Attraction & Retention Director
- \$66,000 private contributions

#### **Project Outputs:**

- Increase staff capacity for recruiting prospects by hiring Talent Attraction and Retention Manager, and support for increased SVRA participation in business investment trips.
- Support increased marketing efforts through utilization of lead generation professional, and creation of marketing and social media materials and enhancements.
- SVRA aims to attract new businesses for the creation of at least 500 new jobs and a minimum of \$5 million capital investment annually.

#### **Staff Comments:**

This project expands the capacity of SVRA, the regional economic development marketing alliances for the City of Danville, and Patrick, Pittsylvania, and Halifax Counties. Grant funds are requested at \$175,563 to support 50% of the new Talent Attraction and Retention position over a three-year period; as well as \$150,000 for lead generation and marketing support over the three-year period. A portion of the matching funds supports a Business Investment Manager, also a new position added to SVRA staff in June 2023. Additional match will support marketing efforts. The requested marketing support is consistent with funding Commission has previously provided for the regional alliances. Core sectors targeted by the SVRA include high performance manufacturing, advanced materials, environmental and life sciences, and information technology and professional services.

The need for increased staff to address capacity limitations is supported by VEDP's study published in May 2023 on Southside-Southwest Barriers and Opportunities which focuses on strategies for accelerating regional growth in target industries. Under their current executive director and in close partnership with the local economic development efforts, the SVRA reports over 28 new companies and 31 expansions in the region since 2017, with over 5341 jobs created and \$1.55 billion private capital investment. The application included data demonstrating the increased economic activity between 2022 and 2023, increasing from 133 to 229 prospect leads, and from 30 to 43 site visits, further supporting the need for an increase in staff to support efforts to convert prospects to commitments. The Commission's funding policy limits operating support for new staff positions to a start-up period. SVRA is committing to launching a 3-year capital campaign to seek funding from private and public sector partners to provide sustainability beyond the three years of funded requested from the Commission. The Commission's policies also require advance approval of out-of-state or international travel, and these details will need to be provided and approved in advance.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates a clear model and timeline for implementation by an applicant with a strong track record of project implementation. The project's budget is detailed, reasonable, appropriately scaled to the project, and provides for sufficient capacity to implement proposed endeavors. The project has at least 50% match identified, but only a portion committed at the time of application; as such, a contingency is placed on generating a commitment for the funding of the Talent Attraction and Retention Director. The outcomes represent a good financial investment in terms of projected cost benefit in an area that is seeing a higher-than-average rate of interest from prospects.

***Staff Recommendation:***

Staff recommends approval of a \$325,563 grant award, contingent on funding for the Talent Attraction and Retention Director being limited to up to 50% of personnel costs, and contingent on advance approval of event participation fees and out-of-state or international travel.

**Virginia's Growth Alliance**

***Refresh/Restart+ Focused Business Development (#4164)***

**\$57,673 Requested**

***Executive Summary:*** The VGA's recently completed comprehensive Strategic Economic Development Action Plan (SEDAP), the first of its kind for the organization, has identified strategies and specific goals to increase business and economic development activities and success over the next 3-5 year period. A key component in the SEDAP is the Target Sector Analysis, which identified four "Core" sectors and two "Opportunity" sectors on which VGA should focus resources (human and financial), and which offer increased chances of success in attracting and growing employment and new economic opportunities for citizens of the region and surrounding areas. Business cases were also developed and presented for VGA to make to each identified sector. This project will take the SEDAP objectives and put them into action through a diverse business development program of direct and indirect methods including website modifications/enhancements, new marketing materials, working with Lead Generation specialists, hosting FAM tours of the region, and participating in key lead generation events and opportunities to network directly with prospects.

***Matching Funds:***

- \$51,950 Virginia's Growth Alliance – annual operating budget (revised from original budget)

***Project Outputs:***

- Increase from zero to at least two FAM tours annually.
- Increase site visits by prospects from 8 to at least 10 annually.
- Make meaningful contact with 100 different interests with a goal to turn them into 20 prospects, resulting in 4-5 announced projects.
- Estimated economic development outcomes are for attracting four new businesses creating aggregate of 300 jobs with average salary of \$46,886 and \$20 million private capital investment.

***Staff Comments:*** Virginia's Growth Alliance is a regional economic alliance of five counties, one city, and ten towns in Southern Virginia. Grant funds are requested to support direct costs for strategies identified in VGA's recently developed Action Plan. TRRC can support costs directly linked to increasing prospect interest in the region; with a reliance on annual local contributions for critical operating support including the executive director position, continuous charges, or other on-going support. A revised detailed project budget was provided by VGA consistent with this guidance, resulting in a reduced budget for \$51,950 of TRRC funding. A Target Sector Analysis refined the focus of the marketing efforts for VGA to four core sectors: Manufacturing, Wood and Paper Products, Information Technology, and Distribution and Logistics, and two additional opportunity sectors. Based on the targeted sectors and consistent with recent TRRC grants for regional alliances, grant funds will be used toward contracts for lead generation, FAM Tours, marketing, and participation at trade events. Where specific events are not yet identified, the Commission's funding policies require advance approval of out-of-state or international travel, and these details will need to be provided and approved in advance.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates a well-designed action plan and timeline for implementation by a known regional economic development organization. The project's budget is detailed, reasonable, appropriately scaled to the project, and provides for sufficient capacity to implement proposed endeavors. The project has at least 50% match identified and committed at the time of application. The outcomes represent a good financial investment in terms of projected cost benefit in an area that would benefit from a more amplified presence in web media and trade.

***Staff Recommendation:*** Staff recommends a \$51,950 grant award contingent on advance approval of event participation fees and out-of-state or international travel.



## Sites & Infrastructure

### Brunswick County

#### *Stonewall Industrial Site Development Project (#4159)*

**\$2,234,460 Requested**

**Executive Summary:** The Stonewall Site Development Project will provide a much-needed shovel ready pad site for Brunswick County. The scope of work will include the final A&E design for the site, clearing, grading, and all associated construction to make the site "shovel ready". A shovel ready site offers industrial prospects the ability to begin construction as soon as their building plan is approved. This significantly increases the site's marketability and potential for capital investment and job creation. This project will position Brunswick County to better compete in the highly competitive industrial site market and promote economic development.

#### **Matching Funds:**

- \$2,955,000 FY24 Congressional Appropriation for Community Project Funding (requested) to support costs for off-site infrastructure including water and sewer, natural gas and electric.

#### **Project Outputs:**

- Graded pad site on 21-acre parcel, providing for Tier 5 site readiness characterization.
- Economic outcome projections for the first new business in the park is 50 new jobs with average wage of at least \$19/hour and \$10 million private capital investment.

**Staff Comments:** Virginia's Growth Alliance identified the 398-acre Stonewall industrial park property as a development priority for the regional alliance in 2021. A certification letter from Timmons Group confirms the Tier 4 site certification for Stonewall. The Commission provided a \$27,000 grant in May 2022, to support the due-diligence engineering for this certification. Brunswick County acquired the property and has invested in engineering master planning and required infrastructure studies. The pending request is to support 100% of the 21-acre site development costs for final design costs and completing grading of a pad-ready site. A \$2,234,460 estimate was provided. Targeted sectors include Advanced Manufacturing, Aviation, Distribution and Logistics, among others. Staff inquired about how VGA differentiates prospects targeted for the Stonewall site from the MAMAC mega-site in neighboring Greenville County. VGA clarified that Stonewall and MAMAC rarely compete for the same projects. The Stonewall site is targeted for more mid-sized companies with A&E schematics showing buildings from 50K sq. ft., to mostly 150K to 250K sq. ft. range. In contrast, the Greenville mega-site, with 1600 acres and a 1000-acre contiguous parcel site, is targeted to prospects that will require 500 or more acres. A schematic for a 250,000 square foot building on the proposed graded pad site at Stonewall was provided.

Whereas the federal appropriations request was originally for \$2.955 million, Congresswoman Jennifer McClellan's office confirmed this has been reduced to \$500,000 earmarked for the project and still needs to pass in the appropriations bill. The pad-ready site can be developed first and the Tier 4 characterization certifies that all off-site infrastructure requirements can be delivered within 12 months. Recognizing this and the value of vested interest by multiple funders in development and marketing of the site, staff is recommending approval of 50% of the requested \$2,234,460 site development costs.

***Financial Viability Assessment:***

A review of key viability criteria for this project reveals an ambitious plan and timeline for developing an additional site option in Southern Virginia for mid-sized companies. The project's budget is supported by a current cost estimate; however, matching funds are slated to be less than requested from a key source. Given these constraints, staff believes scaling down the project to delivering a pad-ready site presents a more viable approach to achieving the general aims of the project.

***Staff Recommendation:*** Staff recommends an award of \$1,117,230 for 50% of the A&E and construction costs for development of the pad ready site, contingent on securing full matching funds for the project.

**Campbell County**

***Seneca Commerce Park Grading Project (#4155)***

**\$600,000 Requested**

***Executive Summary:*** Campbell County Economic Development plans to leverage awarded grant funds against existing Campbell County capital improvement funds that are designated for Seneca Commerce Park. Without the funds, the budget is insufficient to complete this project. The intention of this project is to complete revisions to engineered designs and support costs for improvement of a 100,000-square-foot pad-ready site in Seneca Commerce Park with Virginia Department of Transportation access.

***Matching Funds (for revised cost estimate):***

- \$404,919 Campbell County matching funds are committed

***Project Outputs:***

- Two sites will be combined and graded for a single parcel with an approximately 8-acre pad ready site, allowing for a maximum of up to 100,000 square foot building footprint on the site.
- With completion of site development work, VEDP's site characterization for Lots J, K, and new L will be raised from Tier 2, and properly certified at Tiers 4 and 5.
- Economic development outcomes are projected based on one or two manufacturing companies creating a total of 80 jobs with \$49,000 average salary, and \$3,000,000 private capital investment.

***Staff Comments:*** The Lynchburg Regional Alliance identified Seneca Commerce Park as a regional priority site for continued development in 2019. Campbell County and the Alliance worked to complete engineering due-diligence studies and reports for a Tier 4 site characterization. The industrial park was recommended for design and construction of a graded pad for advancement of the site for the region. This funding request was submitted at the stage where 60% engineering of was completed. The \$1.2 million was based on a \$960,574 cost estimate from Perkins & Orrison (from fall 2022) and with the county adding a 20% contingency allotment since they were still waiting on final design. A revised construction cost estimate based on 100% of engineering design and surveys being completed is estimated at \$809,836. Whereas the budget worksheet identifies TRRC funding for stormwater management, sewer, and water aspects of site development, and match for clearing and grubbing; the award recommendation is for up to 50% on all project expenses. Based on the revised estimate of \$809,836, staff recommendation is for a grant award of \$404,918 for 50% of site development costs.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates a well-designed implementation plan and timeline for implementation. The project's budget is supported by a current estimate and is appropriately scaled to the project. There is sufficient capacity to implement these improvements. The County has committed 50% matching funds at time of application. It is staff's assessment that the project is financially viable and a sound investment for the Commission.

***Staff Recommendation:***

Staff recommends a \$404,918 grant award for 50% of approved site development costs.

**Tourism**

**American Civil War Museum**

***National Advertising Campaign to Encourage Tourism to Southern and Central Virginia (#4157); \$41,031 Requested***

***Executive Summary:*** National advertising of the tourist attraction that also serves as a Welcome Center for the Town of Appomattox will bring awareness of tourism opportunities, lodging and hospitality businesses, museums, and outdoor recreation in Southern and Central Virginia. The American Automobile Association (AAA) advertising campaign provides an opportunity for national audience engagement and awareness through their reach to 2.5 million households and over 60 million digital audience members from across the United States and Canada. Advertising is proposed in both the national AAA magazine, as well as banner advertisements on the AAA website.

***Matching Funds:***

\$41,031 Match identified to come from individuals and corporate contributions.

***Project Outputs:***

Six full page advertisements in bi-monthly national magazine, banner advertisements on AAA website and two Facebook posts.

***Staff Comments:***

Grant funds are requested for museum personnel, \$8,894 for a part-time visitor engagement associate; and \$32,138 for AAA advertising for the American Civil War Museum, with an equal amount of Match for each from private donations. The applicant proposes that the AAA advertising will reach 2.5 million households and 60 million digital audience, which appears to be based on a media package provided by AAA. The Marketing Plan for the museum that was submitted with the application lacks comprehensive research on target markets and diverse methods for reaching them; it only includes the AAA campaign. It is unclear what is known about current museum visitors, or what supports this approach as the best marketing strategy for the museum. Staff questions the viability of a national advertisement campaign based primarily on full page advertisements for a single destination for having a significant impact on increasing visitation to the region. The Museum serves as the host site for the Appomattox Town Welcome Center and is a member of the regional tourism organization, Experience Appomattox. Where the Museum emphasizes that they provide regional tourism promotion, handing out maps and brochures for other destinations, staff notes that these activities are commonplace for local welcome centers and is what strong tourism partners do to support their sector.

Staff provided comments on a pre-application and met with Museum staff prior to the application submission and advised that the project did not meet the eligibility requirements under the RFP for the Southern Virginia Program. The RFP allows for consideration of regional tourism marketing campaigns with the ability to attract measurable visitor revenues from outside the region. Support for marketing focused on an individual site is not a funding priority for the Commission. Staff advised that a regional marketing program with a specific target audience and a more direct benefit to multiple sites in the region would be more in line with what could be considered. In May 2023, the Governor announced over \$3.2 million in matching grant and sponsorship funds awarded under several Virginia Tourism Corporation grant programs, for which the Appomattox Civil War Museum did not submit an application. Both the VTC VA250 Marketing Leverage Program and the VTC Marketing Leverage grant programs would be a more appropriate funding source for marketing funding for the Museum.

Whereas this application is not a funding priority for the Commission, staff suggest the Museum work with VTC's destination development staff for development of a more robust marketing plan and for pursuing the VTC funding opportunities. Recognizing concerns for setting precedents for Commission funds to be used by a tourism destination for operating support (staffing); and more importantly the precedent for funding an individual tourism destinations marketing budget, staff recommends no award.

***Financial Viability Assessment:***

A review of key viability criteria for this project reveals that while the budget is clearly described and sources for 50% match are identified, the implementation plan is solely reliant on one source for advertising. The measurement of outcomes from the advertising campaign is not clearly defined, nor was a sustainability plan provided for ongoing support of this effort beyond the project period. It is staff's opinion that this project as proposed will not provide an adequate return on investment.

***Staff Recommendation:*** Staff recommends no award.

**Town of Brodnax**

***Brodnax Depot Renovation Project (#4160)***

**\$183,507 Requested**

***Executive Summary:*** The Town of Brodnax is requesting TRRC and VDOT funds to renovate the vacant, historic Depot to serve as a trailhead facility for users of the Tobacco Heritage Trail (THT). Funds will be used to perform site work, building renovations, and purchase bike racks. This effort is expected to result in increased visitor use of the THT and increased visitor spending and tax revenue for the region.

***Matching Funds:***

- \$787,628 federal VDOT –Transportation Alternatives Program funding -- \$314,047 (previous award) and \$473,581 (application intended).
- \$13,400 from Town of Brodnax toward Southside PDC administrative fees and VDOT charges

***Project Outputs:***

- Renovation of 1,754 sq. ft. of abandoned railroad depot in the Town of Brodnax to serve as a trailhead facility and visitor center for users of the Tobacco Heritage Trail.

***Staff Comments:*** The Commission approved a \$121,030 grant (#2975) in January 2015, to support this same project. Initial VDOT funding was split into two awards (a total of \$314,047), with the second grant approved in 2017, allowing A&E design to proceed. The project faced inevitable delays related to the VDOT program's process, and further delays due to the architect's unfamiliarity with the VDOT

program requirements. The Commission approved a fourth and final extension in January 2022, providing an extension to June 30, 2023, into a ninth year of the project, contingent on the grantee identifying a source for any additional funding needed if the construction bids were over budget. The project was bid in December 2022 (no bids received); and re-advertised in March 2023 (one bid of \$830,536, substantially over budget for the available funding). A total of \$22,296 in TRRC funds were used for acquisition and A&E design services and the balance of \$98,731 has been de-obligated.

This project is focused on redevelopment of the 1860's railroad depot in the Town of Brodnax, located along US 58 on the western edge of Brunswick County. The depot is intended to serve as a trailhead facility for users of the Tobacco Heritage Trail. The existing THT includes a 3.26 mile paved segment from La Crosse to Brodnax opened in 2005, and a 14-mile gravel segment from Brodnax to Lawrenceville. As a heavily used section of the THT, there are no bathroom facilities for 5+ miles in this area, which is a common complaint of trail users. The Southside PDC has installed trail counters and estimates 8,000 passes annually at Brodnax, with this number expected to increase with addition of the trailhead facility. A THT economic impact study from 2006 is used to project visitor spending. Staff recognizes the value that redevelopment of the depot will provide to this community and the ability of the project to support increased visitors and visitor spending for Brunswick County.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates a well-designed implementation plan and timeline for implementation for a key regional tourism asset. The project's budget is supported by a current estimate and is appropriately scaled to the project against VDOT match, the requirements for which have increased the cost of the overall project. There is sufficient capacity to implement these improvements. VDOT has committed more than 50% matching funds from a previous award at time of application, but the completion of this project will hinge on approval of the second VDOT application. It is staff's assessment that, should the additional funds be approved, the project is financially viable and a sound investment for the Commission.

***Staff Recommendation:*** Staff recommends approval of a \$181,507 grant for up to 20% of approved project costs, contingent on approval of the \$473,581 VDOT award within one year, and contingent on grantee identifying other funding if construction bids are over budget.

**Town of Blackstone**

***Making Ends Meet (#4165)***

**\$247,217 Requested**

***Executive Summary:*** The overall project consists of rehab/renovations to the Harris Memorial Armory Center for use as a multi-purpose facility, including training programs for hospitality students and an event center. The job training would consist of hospitality training for the new lodging that has opened or is planned for the area to serve the recently opened Foreign Affairs Security Training Center (FASTC) facility at Fort Barfoot. The rehab and renovations include lead and asbestos abatement, removal of an underground fuel tank, and renovations to the site to make it suitable for the intended use. Part of the building would be used by Virginia State University and Virginia Union University for job training programs to provide skilled workers for support industries needed for the FASTC facility at Fort Barfoot - namely hospitality (four new hotels are planned for the area to service users of FASTC). The other parts of the building would be used as rental space for banquets and receptions. Students in the job training programs would work at these events as part of their hospitality training, to gain experience working in the hospitality industry.

***Matching Funds:***

- \$3,482,500 for Construction renovations to building from multiple funding sources including ARPA, DHCD, VEDP and the Town, and including \$581,000 from the Commission.

***Project Outputs:***

- Equipping areas to be used for hospitality job training and for hosting events.

***Staff Comments:***

The Commission awarded a \$581,000 grant (#4106) in January 2023 towards the \$3.4 million renovation costs for converting the blighted Harris Memorial Armory Building into a multi-use facility. The building is being redeveloped by the Town of Blackstone and designated uses include space for operation of a hospitality training program identified as a critical need for supporting the expanding the tourism economy in the Town. The mentioned grant award was contingent on a Hospitality Education Training Plan with details on certifications and credentials that would be offered to be approved by the Commission's executive director prior to disbursement of grant funds. This is still in development. The Town had planned for the USDA Rural Business Development Grant to be used toward costs for equipping the facility. After applying to USDA, the Town was informed that USDA's involvement would require revised architectural and construction plans following Department of Historic Resources requirements for historic preservation. Not only would this significantly delay the project schedule, but Commonwealth Architects estimated it would increase construction costs by approximately \$440,000. It is recognized that the equipping costs are essential for the Town to accomplish its goals for this facility. Staff suggests the project be Tabled to allow time for progress to be made on the required hospitality training plan, and to revise the scope of the funding request to better define equipping needs for the training areas in the facility and related cost estimates. The Town has confirmed their agreement with the Staff recommendation to Table the application to be reconsidered in January 2024.

***Financial Viability Assessment:***

A review of key viability criteria for this project reveals that the budget as presented appears unclear, and is missing key items related to the direct funding request. While the applicant presents sufficient matching funds, it appears that they may require some additional time to clearly demonstrate their capacity for carrying out the full project and to document anticipated outcomes for the educational portion of the project. As presented, it is staff's assessment that this proposal is not fundable in its current state.

***Staff Recommendation:*** Staff recommends this application be Tabled.

## Town of Lawrenceville

### *Tobacco Heritage Trail Trailhead Ramp (#4158)*

\$232,287 Requested

**Executive Summary:** The Town of Lawrenceville is seeking \$232,287 in gap funding for the Tobacco Heritage Trail Trailhead Ramp Project. The purpose of this project is to extend the existing trailhead termination, currently at South Street, approximately 550 feet to the existing Tobacco Heritage Trail Park. Construction will include an ADA compliant concrete ramp and 550 linear feet of 10-foot-wide shared use path with a gravel surface to provide better pedestrian & bicycle connectivity between the trail, the park, and downtown areas.

#### **Matching Funds:**

- \$471,812 VDOT TA Set-Aside award in Sept 2019
- \$117,953 Town of Lawrenceville local match commitment for VDOT award.

#### **Project Outputs:**

- 550 linear feet of trail constructed in gravel base (equivalent of 0.104 miles)
- Handicap accessible ramp constructed

**Staff Comments:** A primary criteria for the Commission's consideration of investment in Tourism infrastructure is the ability of the project to attract a significant number of national/international visitors and related visitor spending to the region. A trail counter near this location on the Tobacco Heritage Trails verified ~ 35 weekly visitors which would include local trail users. The primary argument the applicant uses for increasing visitation by connecting the trail to the Town owned park would be the ability to host additional events annually (such as 5K events which currently have a range of 25 to 100 participants). For the \$822,052 total project cost, staff notes that only a small section of trail would be constructed (550 linear feet, equivalent of 0.104 miles), and a significant amount of the project budget is for the handicap accessible ramp and associated retaining wall. In this same area and at the existing terminus of the trail, staff notes that the Commission has provided two grants—a \$205,920 investment (#2043) for the Turntable Park and Outdoor Center project, which included establishing a trailhead facility at the Old Southern States Building; and a separate award of \$244,873 (#3038) of which a portion of the funding was used for the acquisition of 11+ acres at this same location. This larger property appears to be a better opportunity for development as a central location for hosting an expanded number of events. While the proposed project would provide a safer route under Highway 46 for pedestrians to access the Town owned park and downtown business district, this alone does not provide a compelling argument for the projects need and ability to increase visitors and visitor spending to the region.

#### **Financial Viability Assessment:**

A review of key viability criteria for this project reveals that the budget appears to be rather large related to the length (0.104 miles) and anticipated impact of the improvement on visitor numbers (10% increase). A 2023 update of the THT Master Plan does not recognize this project in its list of recommended actions to be carried out over the next five years. Considering previous investments in this portion of the trail, staff concludes that this project provides an insufficient cost benefit for additional proposed investment at this time.

**Staff Recommendation:** Staff recommends no award.

**West Piedmont Planning District Commission**  
***Regional Outdoor Recreation Economy Program (#4156)***  
**\$118,000 Requested**

***Executive Summary:*** The West Piedmont Planning District Commission (WPPDC), which serves Franklin, Henry, Patrick and Pittsylvania Counties, the cities of Danville and Martinsville, and the Town of Rocky Mount, proposes to develop a regional outdoor economy recreation program that will collectively market and brand the West Piedmont region's outdoor recreation sites and activities as a noteworthy tourism destination. This project builds on current WPPDC programming in agritourism and the "Life in SOVA" brand in partnership with local and regional partners such as Friends of Southwest Virginia. The program will provide an outdoor recreation economy master plan and economic impact study, including asset analysis, demographics of visitors to the region's current outdoor recreation sites, evaluation of opportunities for enhancements, improvements, and expansions, and creation of an asset inventory to include locations and events offered. The asset inventory will be used to create a regional website for marketing and promotion as well as provide interactive mapping and itinerary building. The development of branding and a logo will accompany the marketing strategy.

***Matching Funds:***

- \$135,000 Appalachian Regional Commission application filed.
- \$110,000 US DOC Economic Development Administration application intended.

***Project Outputs:***

- Creation of an outdoor recreation economy master plan and impact study for West Piedmont PDC service region, providing an asset inventory and a marketing strategy with brand and logo.

***Staff Comments:***

This project reflects that strategy planning identified in the application whereby "strategic support early is proven to create a greater economic momentum." The project is proposed in partnership with Friends of Southwest Virginia (Franklin and Patrick County participate in this alliance) and is modeled after the outdoor recreation plan created by Friends of SW for the Cumberland Plateau. Use of grant funds are primarily for contractual services with \$100K allocated towards master planning and marketing, and \$18K allocated for staff from Friends of SW to assist with project development. A detailed task list for how the project will be implemented including a regional steering committee was provided. Multiple regional marketing goals from the West Piedmont PDC SEDS support the project objectives. Where initial efforts pertain to strategic planning, longer term tourism outcomes projections were not estimated. Staff suggests an award be contingent on the applicant providing tourism economic impact outcome projections following completion of the economic impact study and prior to launching the marketing campaign. Staff also suggests that securing matching funds be a contingency for the award.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates a well-designed plan and timeline for implementation for a regional tourism master planning endeavor. The project's budget is appropriately scaled, and the applicant has demonstrated sufficient capacity to carry out the project. Completion of this project will hinge on approval of intended applications for matching funds. It is staff's assessment that, should the additional funds be approved, the project is financially viable.

***Staff Recommendation:*** Staff recommends approval of a \$118,000 grant contingent on securing required Matching funds; and contingent on tourism economic outcome projections being submitted and approved by TRRC staff prior to launching the marketing campaign.



## OTHER BUSINESS

### Virginia Museum of Natural History Foundation

#### *Virginia Museum of Natural History Outdoor Education Pavilion (#3457)*

Current Project Period: 9/19/2018-9/30/2023 – Six Month Extension Requested

#### ***Project Summary:***

The VMNH Foundation is requesting a final six-month extension for the \$75,000 grant approved by the Special Projects committee in September 2018, to be used toward cost for construction of the VMNH Outdoor Education Pavilion. The Pavilion is an extension of the museum and will include an open-air roof, flexible-use outdoor seating and exhibit materials interpreting the nature features of the adjacent J. Frank Wilson Park. The project has taken longer than anticipated due to initial funding needing to be secured for match, followed by significant delays in the stages of approval during the pandemic. In October 2022, the Commission approved a fifth-year extension to September 30, 2023, and at that time the project was in the final approval process with the Virginia Department of General Services, which has oversight for construction on state owned properties. A total of \$25K of grant funds have been drawn down to support A&E costs and the \$50K balance will be used to support construction costs. A construction contract has been signed and the targeted completion is in February 2024. The Foundation is requesting a final six-month extension to allow time for construction to be completed.

#### ***Staff Recommendation:***

Staff recommends approval of a final six-month extension to March 31, 2024.

### South Boston IDA

#### *John Randolph Hotel Redevelopment Project (#3289)*

Current Project Period: 9/20/2017 – 9/30/2023 --- 7<sup>th</sup> Year Extension Requested

#### ***Project Summary:***

This \$600,000 grant from September 2017, to support A&E and renovations costs for redevelopment of the John Randolph Hotel property owned by the South Boston IDA. In September 2021 the Commission approved a sixth-year extension to September 30, 2023. There remains a balance of \$524,247 on the TRRC project account to support renovations. The grant was initially delayed when the original operator/developer pulled out of the project. The Town reached an agreement with a new developer, The Rook Hotels, in April 2022. They plan to convert the property into a boutique hotel with at least 30 rooms, a restaurant and a rooftop bar. Total renovation costs are now \$14.5 million, and financing includes a IRF grant/loan for \$3.0 million which was secured in December 2022, historic and new market tax credits for \$4.95 million, a \$4.0 million private loan secured by the Town of South Boston, and private investment of \$2.1 million. Replacement of the roof was started in August 2023, and complete construction of the hotel renovation is targeted for November 2024. Whereas the lease agreement and performance agreement provided to the Commission for approval provided for a \$1.00 purchase option (or \$350K as the default purchase option), the Commission has required an addendum to the lease for a Right to Reimbursement to be filed if the purchase option is executed to protect the Commission security interest in the property.

#### ***Staff Recommendation:***

Staff recommends approval of a seventh-year extension to September 30, 2024.

# EDUCATION COMMITTEE



▪ *In-Person Meeting* ▪

## AGENDA

### EDUCATION COMMITTEE

**The Inn at Blackstone**  
707 Fourth Street  
Blackstone, VA  
Wednesday, October 11, 2023  
2:45 P.M.

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The public may remotely participate in this meeting by accessing the following dial-in numbers: **1-434-230-0065** (toll) and enter conference ID: **742 579 325#**.

The Commission will not change the method by which it chooses to meet without providing a new meeting notice that is in accordance with the Va. Freedom of Information Act. If problems are experienced calling in, please contact: **Hannah Franke-Fuller** at (804)-894-9659 or [hfranke-fuller@revitalizeva.org](mailto:hfranke-fuller@revitalizeva.org) or **Joyce Knight** at (804) 894-9651.

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<b>Welcome and Call to Order</b>	<i>The Honorable Louise Lucas, Vice Chair</i>
<b>Call of the Roll</b>	<i>The Hon. James Campos, Acting Executive Director</i>
<b>Approval of the <u>5/17/23</u> Minutes</b>	<i>(published on website)</i>
<b>Public Comment</b>	
<b>FY2024 Competitive Education applications</b>	<i>Ms. Vicki Humphreys, Grants Director</i>
<b>VDH Talent Attraction program</b>	<i>Ms. Stephanie Kim, Director of Finance</i>
<b>Other Business</b>	<i>Mr. Stephen Versen, Deputy Director</i>
<b>Adjournment</b>	

## FY24 Competitive Education Staff Summaries & Recommendations

The Commission received 12 applications by the July 28, 2023 deadline for the FY24 Competitive Education program, one of which was withdrawn and will not be considered at this time. The applications are grouped below by focus area. The Education Committee will act on these applications at its meeting scheduled for October 11, 2023, at 2:45 p.m.

Advanced Manufacturing Workforce Training				
Req #	Organization	Project Title	Request Amount	Staff Recommendation
4176	Central Virginia Community College Educational Foundation	CVCC Advanced Manufacturing with Energy Technology Expansion	\$220,878	\$220,878
4178	Central Virginia Planning District Commission	ACA Classical & CTE Institute Welding Program	\$318,255	\$318,255
<b>Advanced Manufacturing Workforce Training Subtotal (2 requests):</b>			<b>\$ 539,133</b>	<b>\$ 539,133</b>

High School Equivalency Program				
Req #	Organization	Project Title	Request Amount	Staff Recommendation
4169	Washington County Public School System Db a Mount Rogers Regional Adult Education Program	Southwest Virginia RACE to GED/NEDP Program	\$140,000	\$140,000
<b>Workforce Training Programs Subtotal (1 request):</b>			<b>\$ 140,000</b>	<b>\$ 140,000</b>

Post-Secondary Programs with a focus in STEM-H				
Req #	Organization	Project Title	Request Amount	Staff Recommendation
4171	Patrick & Henry Community College Foundation	Healthcare Training Expansion	\$149,140	\$149,140
4170	Southwest Virginia Community College	SWCC's EquipEMT: Strengthening Emergency Medical Training through Advanced Equipment	\$71,206	\$71,206
4177	Southwest Virginia Higher Education Center Foundation	Southwest Virginia Regional Simulation Lab for Nursing and Allied Health	\$600,000	\$600,000
<b>Post-Secondary Programs with a focus in STEM-H (3 requests)</b>			<b>\$ 820,346</b>	<b>\$ 820,346</b>

## Workforce Training Programs

Req #	Organization	Project Title	Request Amount	Staff Recommendation
4179	Danville Community College Educational Foundation, Inc.	Danville Community College's Class-B Commercial Driver's License Non-Credit Workforce Program	\$291,000	\$233,081
4180	Ferrum College	Ferrum College Career and Technical Education Pathways	\$750,000	WITHDRAWN
4175	Mountain Empire Community College	Heavy Equipment Operator Program	\$92,705	\$92,705
4172	Southside Virginia Community College Foundation	Accelerating Truck Driver Training at SVCC	\$316,000	\$316,000
4173	Virginia Highlands Community College Educational Foundation	VHCC Diesel Technology Expansion	\$202,300	\$202,300
4174	Wytheville Community College	Wytheville Community College WEST – Workforce, Education, & Skills Training Center	\$277,000	\$277,000
<b>Workforce Training Programs Sub-Total (6 requests):</b>			<b>\$1,929,005</b>	<b>\$1,121,086</b>
<b>TOTAL (12 requests)</b>			<b>\$3,428,484</b>	<b>\$2,620,565</b>

## Advanced Manufacturing Workforce Training

Central Virginia Community College Educational Foundation, Inc.  
**CVCC Advanced Manufacturing with Energy Technology Expansion (#4176)**  
**\$220,877.86 Requested**

**Project Summary:** CVCC is recognized as the leading workforce trainer throughout the Central Virginia region and is committed to providing training that meets current workforce demand, accommodating student needs for both traditionally and non-traditionally timed instruction, and providing instruction on state-of-the-art equipment that meets evolving workforce standards. To satisfy this commitment, CVCC requests funds to purchase and install equipment for our Advanced Manufacturing Workforce Training programs that will: 1) expand program capacity to meet growing enrollment in response to increased employer needs in high-demand fields; and 2) advance training of CVCC's Advanced Manufacturing students on state-of-the-art equipment that accurately simulates their future work environment so they can complete their program job-ready and gain experience that will transfer to the industries in the region that they will serve upon completion.

**Matching Funds:**

- \$234,463.26 private company and private foundation funding

**Project Outputs:**

Total students completing credentials annually is anticipated to increase by 45, from 60 to 105:

- Mechatronics Associates – increase by 5 annually, from 20 to 25
- Machine Tools CSC – increase by 10 annually, from 28 to 38
- Nuclear Technology Associates, increase by 5 annually, from 3 to 8
- Industrial Maintenance CSC – increase by 23 annually, from 1 to 24
- Computer and Electronics Technology Associates – increase by 2 annually, from 8 to 10

**Staff Comments:**

Grant funds are requested to expand CVCC’s Mechatronics and Machine Tools Program supporting equipment purchases for advanced manufacturing workforce programs. This project supports the Lynchburg region’s manufacturing sector including companies that are part of a nuclear energy hub. The training programs will simulate the work environment and allow for an expansion in class size. An itemized equipment list, a strong explanation of the need for the requested equipment and cost estimates were provided. Education outcomes project at least 10% more students enrolled annually. A letter from the Central Virginia Workforce Development Board identified a regional demand for 1,480 production workers with 396 openings specific to metal fabrication. A sample list of five employers with active job listings identified a current need for 376 production workers. A list of high demand occupations specifically for the nuclear energy hub was included and shows entry level salaries ranging from \$50,900 to \$80,500. Employer letters supporting the project were from Deltra Stra, BWXT, Framatone, American Hofmann Corporation, and AMB, Inc.

**Financial Viability Assessment:**

A review of key viability criteria for this project indicates that it is a sound investment. The project budget is detailed, reasonable and backed up with current quotes for requested equipment. Half of the necessary matching funds have been committed at the time of the application, and the rest is sought through an application to a private foundation. The applicant has sufficient capacity to deliver the project to fruition, and a marketing plan outlines development of a pipeline of students into training for these high-demand, well-paying positions. It is staff’s conclusion that the project is viable as presented.

**Staff Recommendation:** Staff recommends approval of a \$220,877.86 grant award.

**Central Virginia Planning District Commission  
ACA Classical & CTE Institute Welding Program (#4178)  
\$318,255.00 Requested**

**Project Summary:** Appomattox County Government, Appomattox Christian Academy (ACA), and Central Virginia Community College (CVCC) are partnering to create the ACA Classical & CTE Academy. The partners are renovating, upfitting, and equipping the historic Carver-Price School in the town of Appomattox to include educational opportunities never before available in the county. Coming online for the 2023-2024 academic year, Phase 1 will include welding, emergency medical technician training, and performing arts. The County is providing the building. ACA is renovating and upfitting the space as well as

operating classical education programming. CVCC will expand its footprint in Appomattox to operate career and technical education for dual-enrollment students, adult certificate candidates, and workforce training participants alike. The Institute will house 22 welding booths and fabrication space that will simulate real-world working environments. The welding program will better prepare its graduates for employment with manufacturers and producers vital to the economy of Central Virginia.

***Matching Funds:***

- \$15,077 approved by Appomattox County EDA
- \$17,800 approved by Dominion Energy
- \$214,200 commitment by Central Virginia Community College
- \$400,663.50 contribution from Appomattox Christian Academy
- \$500,000 application to Go Virginia Region 2
- \$16,945 in-kind contribution for donated materials and labor

***Project Outputs:***

Welding enrollment is projected to increase by 39 students annually, from a baseline of 143 to 182 total students enrolled annually. An additional 40 certifications/credentials are projected:

- Welding Plus CSC – increase of 5 annually, from 7 to 11
- Welding Fundamentals CSC – increase of 25 annually, from 44 to 70
- Welding Technology Certificate – increase of 10 annually, from 18 to 28

***Staff Comments:***

The Central Virginia PDC provides a strong application supporting the welding sector, one of the Lynchburg region's most important base industries. This request supports the Appomattox Christian Academy's ACA Classical and CTE Institute plans for establishing a 22-booth welding and fabrication space. The location is in the historic Carver Price school in the Town of Appomattox. The plans for this new training facility have developed from a strong partnership between Appomattox Christian Academy, Appomattox County, and Central Virginia Community College who are committed to the success of the CTE Institute. CVSS will operate the career and technical education programs providing expanded opportunities for adult workforce certifications and dual enrollment to high school students. Grant funding would be used for equipping costs for welding training space, and for an additional six welding booths. Seven private sector employer letters were submitted, along with other letters of support from organizations in the region.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates it is a well-designed, highly achievable endeavor with strong support and involvement from the community. The project budget is detailed, reasonable and backed up with current quotes for requested equipment. The project has more than the minimum required match funding committed at the time of the application, and additional funds needed to support necessary capacity are sought through an application to Go Virginia. It is staff's conclusion that the project shows great promise and provides very good benefit for the cost.

***Staff Recommendation:*** Staff recommends approval of a \$318,255 grant award.

## High School Equivalency Program

### Washington County Public School System DbA Mount Rogers Regional Adult Education Program

#### *Southwest Virginia RACE to GED/NEDP Program (#4169)*

**\$140,000.00 Requested**

**Project Summary:** Commission funds are requested to provide financial assistance for high school equivalency testing in 16 Southwest region localities for a three-year period. There are currently two high school equivalency paths for adults, the GED and the National External Diploma Program (NEDP), both of which are included in the scope of this application. For those seeking a GED, TRRC funds will cover the cost of both on-demand practice testing and the GED test. Students on the NEDP track will receive tuition assistance. Commission funds will also cover the cost of the National Career Readiness Certificate (NCRC) as well as NCRC Program site license fees. Support for marketing the program is also included in the application's budget.

#### **Matching Funds:**

Matching funds will be requested from the three regional adult education programs served by this project (Wise County Public Schools – Race 1 (\$46,666.62), Russell County Public Schools – SW Regional Adult Education (\$46,933.32), and Washington County Public Schools – Mount Rogers Adult Education (\$46,800). These contributions reflect federal funds used to pay part time instructors who work with students in the testing pipeline.

#### **Project Outputs:**

- Annual enrollment across the three adult education regions will increase by 40 (120 over the three-year grant period)
- The following credentials will be awarded each year:
  - GED - 110
  - NEDP - 2
  - NCRC - 160

#### **Staff Comments:**

The Commission has a long history of supporting this regional partnership of three adult education programs serving 16 localities in SWVA. Since 2004, ten TRRC awards totaling over \$1.3 million, have assisted thousands of residents obtain high school equivalency diplomas. The program is an important tool used by the regional adult education network to recruit potential students into the pipeline and through to a successful GED or NEPD test. The application notes that 71% of those aged 24-64 years without a high school diploma are not participating in the labor force. Unfortunately, due to the pandemic and other factors, participation has declined in recent years. The last Commission grant ended in May 2022 and, for the first time in nearly two decades, financial assistance was not available. The current application seeks to reestablish this important resource and to increase the number of students participating in the program. For the first time, TRRC funds have been requested for marketing support which was previously covered by matching funds. Although Staff recognizes the need for a robust marketing plan to inform residents of the availability of services, there are questions about the effectiveness of elements of the plan (yard signs, banners, posters, etc.). The plan is similar to the one presented for a similar project underway in Southern Virginia. If marketing support will be included in future applications, it is important that the plan be



evaluated to determine its effectiveness. As a condition of this award, the grantee will be required to track the referral source of each participant and include this information with final reporting at the end of the grant period.

***Financial Viability Assessment:***

A review of key viability criteria for this project reveals a proven model by an applicant with a strong track record of project implementation. The budget is detailed, reasonable and provides for sufficient capacity to carry out the project. The financial viability of the project hinges on the approval of sufficient match funding, which was not committed at the time of application. Therefore, the placement of a contingency on approval of matching funds is recommended.

***Staff Recommendation:*** Staff recommends a grant award of \$140,000 contingent upon the following: 1) verification that all matching funds are approved and available, and 2) the grantee will track the referral source for each participant and report the information at the end of the project to evaluate effectiveness of marketing methods.

**Post-Secondary Programs with a focus in STEM-H**

**Patrick & Henry Community College Foundation  
*Healthcare Training Expansion (#4171)*  
\$149,140.00 Requested**

***Executive Summary:*** P&HCC is seeking assistance with expanding healthcare training capacity including Nurse Aide, Clinical Medical Assistant, Medication Aide, and Phlebotomy Technician training. These programs lead to short term credentials that quickly allow students to enter health careers in high demand in the region. The need for expansion is twofold. First, P&HCC’s Nurse Aide instruction is at capacity with a growing list of interested students. To expand the number of classes offered, P&HCC requires an additional instructor. Second, The Franklin Center has a growing waitlist of students interested in pursuing Nurse Aide and other healthcare training and will partner with P&HCC to offer courses on site in Franklin County. If an additional instructor is hired, P&HCC will be able to expand training for these high-demand healthcare offerings both in number of students served and in the service locations offered.

***Matching Funds:***

- \$130,909 state funding provided by Patrick & Henry Community College
- \$20,000 in-kind from The Franklin Center for use of training laboratory and office space.

***Project Outputs:***

- Nurse Aide Certification- increase of 29 credentials annually, from 36 to 65
- Certified Clinical Medical Assistant- increase of 15 credentials, from 70 to 85
- Certified Medication Aide- increase of 21 credentials, from 0 to 21
- Certified Phlebotomy Technician- increase of 17 credentials, from 28 to 45

***Staff Comments:***

This project expands on a successful Nurse Aide program that the Commission helped to establish, extending short-term credentials for students to enter high demand health care careers. An additional instructor will allow the College to address capacity limitation at P&HCC's main campus and expansion to a second location in Franklin County. Both locations currently have a wait list. Grant funds will support a portion of the salary for the additional healthcare instructor in the first two years, 70% in year one and 50% in year two. The Virginia Board of Nursing limits the instructor to student ratio to 1:10; and the instructor is required prior to consideration of approval of the second training location at The Franklin Center. The applicant reported 329 nurse aid job advertisements in their service region; and confirmation of employer demand was provided for LifePoint Hospitals, Martinsville Health and Rehab, Carillion Clinic, and Sovah Health of Martinsville.

***Financial Viability Assessment:***

A review of key viability criteria for this project reveals a proven model by an applicant with a strong track record of project implementation. A detailed budget was provided and a pro-forma analysis demonstrating sustainability following the start-up period. Required match is fully committed at the time of application. The evidence of a wait list at both locations indicates that the training has significant demand, and the current market shows ample employment opportunities for graduates. Staff has concluded that this project is financially viable and a solid investment for the Commission.

***Staff Recommendation:*** Staff recommends approval of a \$149,140 grant award.

**Southwest Virginia Community College**

***SWCC's EquipEMT: Strengthening Emergency Medical Training through Advanced Equipment (#4170)***

**\$71,206.00 Requested**

***Project Summary:*** Southwest Virginia Community College requests funding to support the purchase of training equipment to serve its Emergency Medical Services (EMS) program. The college operates the program at the SWCC campus as well as at Wytheville Community College. The proposed equipment will serve the programs at both locations. The application is seeking TRRC support for 50% (\$71,206) of the cost of multiple simulation manikins and related equipment including Atlas ALS Manikins with REALIT 360 I-Simulate (5), TruMan TraumaX systems (2), Newborn PEDI S109.PK manikin (1), 1-year-old Pediatric Airway Trainers(2), and Atlas ALS Manikins (3).

***Matching Funds:***

The Southwest Community College Educational Foundation will contribute \$37,000 to be used for equipment purchases. The applicant will also use Perkins Federal Grant Funding (\$34,206) to directly match TRRC funds for equipment purchases.

***Project Outputs:***

- The project will result in a 20% enrollment increase in three program tracks (the figures reflect enrollment across both the main campus and the WCC campus sites).
  - AAS – Emergency Medical Services Technology (increase of 6)
  - CSC – Advanced Emergency Medical Technician (increase of 3)
  - CSC – Basic EMT Skills (increase of 6)

***Staff Comments:***

Southwest Community College and Wytheville Community College along with Mountain Empire Community College and Virginia Highlands Community College comprise the Southwest Virginia Paramedic Program (SVPP). Collectively, this is the only emergency medical service program west of Radford and serves adult learners from around the region who wish to enter these career paths. Over the next seven years the need for EMTs is expected to grow by 11%. The demand for Paramedics is expected to grow by 14%. The application notes 14 EMS crews in Southwest Virginia with available positions during the next year. There is a need for 103 EMT positions, 27 Advanced EMT, and 56 paramedics.

Like other healthcare programs, the opportunity for clinical learning opportunities is extremely limited. Much of the “hands on” training must be done in a simulated healthcare setting. Unlike other simulation equipment available throughout the region which simulate a wide variety of medical situation, the equipment requested in this proposal is targeted to simulating the traumatic and emergency events typical for those in these career fields. These include simulations focused on airway, breathing, cardiac, vascular, and gastrointestinal events in both adults and pediatric patients. This project will enhance the education experience for students and will support a very modest increase in enrollment across both sites. These numbers are often reflective of the capacity of these programs. Additional outcomes will be realized over the useful life of the equipment as additional cohorts are able to utilize the equipment.

***Financial Viability Assessment:***

A review of key viability criteria for this indicates a viable project by an applicant with a strong track record of project implementation. A detailed budget was provided as well as a pro-forma analysis demonstrating sustainability of the program. Required match is fully committed at the time of application. It is the only program training EMTs in this section of the region and has considerable demand. It is staff's conclusion that this project would be a positive investment for the Commission for this important line of work.

***Staff Recommendation:*** Staff recommends approval of a \$71,206 grant award.

**Southwest Virginia Higher Education Center Foundation**  
***Southwest Virginia Regional Simulation Lab for Nursing and Allied Health (#4177)***  
**\$600,000.00 Requested**

***Project Summary:*** Commission funds are requested to support the development of the Southwest Virginia Regional Simulation Lab located at the Southwest Virginia Higher Education Center. The 1,200 sq. ft. lab will support several existing healthcare programs and will provide additional clinical training space for allied health and nursing career pathways. Commission funds will be used for equipment purchases (\$426,000), including high, medium and low fidelity adult and pediatric manikins, audio visual equipment, and other items required for simulated medical facilities (hospital room, home care and simulated ambulance). Commission funds will also be used for the renovation of space at the HEC (\$173,730) to house the Lab. Matching funds from a variety of sources will be used for equipment, supplies, and operating support.

***Matching Funds:***

Matching funds for the development of the lab will be contributed from the Wellspring Foundation (\$400,000 – approved), Appalachian Regional Commission (\$300,000 - approved), Smyth County Community Foundation (\$25,000 – application filed). The Southwest Virginia Higher Education Center (\$75,000) and its Foundation (\$100,000) have each committed funding for operational support for staffing and supplies. Funding from The A. Linwood Holton Governor’s School (\$25,000) will also be used for operational support.

***Project Outputs:***

- The lab is anticipated to serve approximately 450 students, across several programs, annually. These programs include:
  - A. Linwood Holton Governor's School - 170 students
  - Emory & Henry College's "lab school" - 60 students
  - RN to BSN and Family Nurse Practitioner programs (King University, Radford University, and UVA-Wise) – 52 students
  - Appalachian College of Pharmacy - Doctorate of Pharmacy - 42 students
  - EMT/EMS credentials through the Southwest Virginia Paramedic Education program - 100 students
  - Virginia Commonwealth University:
    - Certified Registered Nurse Anesthetists (CRNA) and Doctor of Nurse Anesthesia (DNAP) -20 students
    - Clinical Lab Technician - 6 students

***Staff Comments:***

The need for expanded clinical opportunities is a well-known issue for healthcare programs in the region. Clinical opportunities for students, in real world healthcare settings, are extremely limited. Simulation labs, such as the one under development at the SWCA HEC, serve an important role for programs by providing spaces that allow students to practice clinical decision-making skills in a controlled, life-like environment. The Commission has supported the establishment of individual simulation labs for several, if not all, of the region’s community college and four-year educational institutions. Although these are high quality and well used facilities, the demand for simulated clinical training opportunities continues to exceed the capacity of these spaces. The proposed regional lab will provide additional capacity for programs across the region while creating space for programs, such as those housed at the Higher Education Center, which do not currently have a dedicated lab. The application noted eleven existing organizations and programs likely to

use the facility. These include regional educational programs as well as healthcare organizations. The Higher Education Center has a long track record of successfully housing educational programs at all stages of the career pipeline, from K-12 through graduate level courses. The addition of the simulation lab, along with the Virtual Cadaver Lab supported by TRRC last year, will allow the HEC to offer a premium multi-disciplinary training experience for participants.

Because this facility serves existing training programs, it is not likely to result in substantial new educational outcomes (new degrees or credentials) however it will provide essential training opportunities to the region's allied health and nursing pipelines. There is very strong demand for healthcare providers in all positions and at all levels. This application documented 1,390 open positions with Ballad Health (349 of those in SWVA), 52 openings with Holston Medical Group, and 178 openings with Carilion Clinic within Virginia. Health care fields typically pay above average wages.

Although the requested amount (\$600,000) is quite large relative to other requests received during this funding round, the amount is 38% of the estimated \$1,600,000 total project cost. The applicant will supplement TRRC funds with a variety of local, state, federal, and private funding sources to fully construct, equip, operate and sustain the lab. The HEC's educational partners pay annual operating fees to the Center. These fees will now include usage of the Lab. Additional users, such as area health systems, will also have access to the Lab will allow the Lab to generate a small amount of revenue. Because the priority will be to first serve educational partners, it is difficult to estimate the amount of revenue from these users.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates a well-designed model by an applicant with a strong track record of project implementation. A detailed budget was provided and was backed up with recent vendor quotes. \$900,000 of the declared match of \$1,000,000 is fully committed at the time of application. The project is cost-effective as it allows access to high-tech health care simulation lab for several educational and training organizations across the region. Staff has concluded that this project is financially viable and a solid investment for the Commission, especially in a time where there is a shortage of nurses and other health care providers.

***Staff Recommendation:*** Staff recommends approval of a \$600,000 grant award.

## Workforce Training Programs

Danville Community College Educational Foundation, Inc.

*Danville Community College's Class-B Commercial Driver's License Non-Credit Workforce Program (#4179)*

**\$291,000.00 Requested**

**Project Summary:** In response to the college's community partners, Danville Community College (DCC) created a Class A Commercial Driver's License (CDL A) during the spring 2023 semester. Since creating the CDL A program, DCC's Workforce Services has received many requests from community partners to create a Class B Commercial Driver's License (CDL B) program to meet area needs. This proposal for funding is in direct response to the needs expressed by businesses and industries in the DCC service region. DCC has located and preliminarily secured a potential site in the City of Danville to offer the CDL B training. DCC intends to place a modular building on this site which would provide an office for a faculty member, a classroom for instruction, an onsite bathroom for the instructor and students and additional space to house a new CDL Simulator designated for CDL B students. This modular building would be temperature controlled to allow for year-round CDL B training opportunities.

**Matching Funds:**

- \$343,000 Danville Community College - Support for new staff position, supplies, continuous charges, and equipment during 2-year start-up period.
- \$15,000 City of Danville – To be requested for site development costs

**Project Outputs:**

- Establish new Class B CDL program with modular classroom and simulator
- Class B Commercial Driver's License – 60 credentials awarded annually

**Staff Comments:**

DCC is requesting grant funds for purchase of a 24' X 50' mobile modular classroom (\$122,081), and a CDL B simulator with related training services (\$111,000), which is required for start-up of a new Class B CDL program. Matching funds will support other start-up costs for the program including hiring a new instructor, site improvements, equipment, supplies and operating costs. This project expands on the Class A CDL program launched in the spring in partnership with Patrick & Henry Community College. This short-term workforce credential can be completed within 3 weeks providing workforce opportunities for jobs with average wages ranging from \$15 to \$40 per hour (depending on size of company, mileage compensation and benefits). The proposed location for the Class B CDL program is on an available property owned by the City of Danville located near DCC's main campus that meets concrete pad size and load requirements for the program. A draft lease agreement for a 5-year term renewable annually was provided. TRRC staff requested detailed cost-estimates be provided for both a lease and purchase option for the modular classroom to evaluate if leasing was a more cost-effective option. An additional \$29,081 of grant funds would be needed for the purchase option at \$122,081, providing longer term use of the classroom facility, compared to \$93,000 for a 3-year lease. The cost estimate from Boxx Modular for purchasing the modular classroom was less than originally budgeted, which reduced the funding request to \$233,081.

DCC identified six privately owned businesses with identified need to fill 52 positions immediately (Commonwealth Document Management, Danville Distributing Company, First Piedmont Corporation, Foster Fuels, Seller Brothers construction & Excavation, Supply Resources/Thrive Logistics); and listed several other private employers and public school systems in the DCC service area with expressed need to hire CDL B licensed drivers. Virginia DMV is now requiring that all new Virginia CDL drivers complete an approved Virginia CDL driver education course, and licenses are issued based on the class and type of commercial license. No other community colleges within a one-hour drive are currently offering the Class B CDL certification training program. DCC plans to offer up to ten cohorts annually, serving between 60-75 participants, and estimates 60 students will complete the program and receive CDL B certifications annually.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates it is a highly achievable endeavor with strong support and involvement from the community. The project budget is detailed, reasonable and backed up with current quotes for requested equipment. The project has more than the minimum required match funding committed at the time of the application. It is staff's conclusion that the grant would be a solid investment for the Commission and will be an asset to employers in need of these drivers.

***Staff Recommendation:*** Staff recommends approval of a \$233,081 grant award including costs for purchase of the mobile modular classroom.

**Mountain Empire Community College**  
***Heavy Equipment Operator Program (#4175)***  
**\$92,705.00 Requested**

***Project Summary:*** Mountain Empire Community College (MECC) seeks \$92,705 in funding to support the establishment of a Heavy Equipment Operator II training program at MECC's Center for Workforce and Innovation of Appalachia. This training program is put forward to meet regional and state demand for skilled workers in construction industries. Commission funds will be used to purchase equipment and supplies including a Bobcat Telehandler, Safety Cones and Barrels, and a Laser Level. This equipment is required for the NCCER HEO Level II training. The College is currently developing a HEO Level I program that will provide a pipeline of students for the Level II training. The first HEO I cohort is scheduled to begin in January 2024. HEO II will begin in July 2024.

***Matching Funds:***

The applicant will utilize a portion of an existing AMLER grant (\$44,831) to match the TRRC request. These funds will be used for renovations to the CWIA Instructional Space required for the program. This amount was calculated based upon the square footage dedicated for this program. A John Deere Compact Utility Tractor & Tiller was purchased in August 2023. This equipment was required for the HEO I Program scheduled to begin January 2024. Upon review, TRRC staff determined that the purchase (\$40,940) may serve as cash match for this application. Mountain Empire will also contribute instructional supplies (\$6,934) required for Pearson Proforma & NCCER instruction/ testing.

***Project Outputs:***

- Twenty students will enroll in HEO II annually with 15 completing the program. These students will also earn the following credentials: HEO I (prerequisite), NCCER Core, NCCER Equipment Operator Level I, and VDOT Work Zone Flagger Certification.

***Staff Comments:***

This request supports MECC's ongoing effort to establish its Center for Workforce and Innovation in Appalachia (CWIA). This facility, a former elementary school, houses several of MECC's training programs including Lineman, CDL, Dental Assisting, and the newly created Precision Machining program. Each of these programs have received TRRC funding in recent years. Since 2018 the Commission has provided nearly \$1.1 million to support renovations and program related equipment and other expenses. The establishment of the CWIA has allowed MECC to create and expand programs which, due to space constraints, could not be accommodated at the main campus.

Both the Heavy Equipment Operator Level I and Level II programs are noncredit, short-term credentials available through the VCCS FastForward Program. Employees with HEO certifications are in very high demand. The application notes that heavy equipment operators are required on multiple types of job sites including those performing construction, mining, and/ or excavation work. Several local employers including Glass Machinery, McFall Excavating, Elk Knob, Inc. and Coronado Coal, provided letters of support documenting the need for these candidates. Compensation for Heavy Equipment Operators averages \$41,900 annually.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates it is a viable endeavor that will benefit the area's construction firms with skilled, certified workers. The project budget is detailed, reasonable and backed up with current quotes for requested equipment. The project sufficient match funding committed at the time of the application, which will be used towards renovating space for the program's expansion. It is staff's conclusion that the project shows great promise and provides a positive benefit for the cost.

***Staff Recommendation:*** Staff recommends approval of a \$92,705 grant award.

**Southside Virginia Community College Foundation**  
***Accelerating Truck Driver Training at SVCC (#4172)***  
**\$316,000.00 Requested**

***Executive Summary:*** Southside Virginia Community College is proposing an expansion to its Truck Driver Training program. The truck driving industry is rapidly changing and evolving in both the state and the nation. Demand for truck drivers is at an all-time high. In response to increased workforce demand and legislation requiring CDL test-takers to complete coursework through a certified training facility, SVCC proposes adding an additional four trucks and four trailers to its fleet and hiring an additional truck driver training instructor. Two of the trucks and trailers (provided by SVCC match) will replace outdated equipment in SVCC's existing fleet, improving safety and the quality of instruction. The additional two trucks and trailers requested through TRRC Competitive Education funding will be used to expand the fleet and increase the capacity of the program. The expansion will necessitate an additional instructor, which will be covered by SVCC match.

***Matching Funds:***

- \$402,940 from Southside Virginia Community College to fund additional instructor and purchase two replacement tractor-trailers for current fleet



***Project Outputs:***

- Replacement of outdated equipment and addition of two tractor-trailers to expand fleet and access to the training program
- Increase number of cohorts from 12 to 14, with 24 additional credentials awarded annually to bring total program completions projected to 206 each year

***Staff Comments:***

Southside Virginia Community College's Truck Driver Training (TDT) school is the only TDT program that exists within SVCC's 4,200 square mile service area. Similar programs exist in Richmond and Danville. However, many students must drive long distances to access these programs. Furthermore, many students within the service area experience poverty and inadequate access to transportation, making these neighboring programs inaccessible for many individuals. SVCC has provided truck driver training since 1996.

There is high demand for qualified, certified tractor-trailer drivers in the region. The Virginia Employment Commission reports that by 2030, the industry "Transportation and Material Moving Occupations" is projected to increase by nearly 15% within the Commonwealth. The Virginia Trucking Association estimated that the driver shortage in Virginia is approximately 1,800. The demand for certified CDL training programs is even greater, because of the impact of the Federal Motor Carrier Safety Administration's mandate in February 2022 requiring entry level CDL drivers to have formal training. SVCC has established relationships with over 70 employers that actively hire TDT graduates, who report annual salaries between \$60,000 - \$75,000 plus benefits.

***Financial Viability Assessment:***

A review of key viability criteria for this project reveals a solid, sustainable model by an applicant with a strong track record of project implementation. A detailed budget was provided with documentation, and required match is fully committed at the time of application. The proposal demonstrated that the training has significant demand, and the current market shows ample employment opportunities for graduates. Staff has concluded that this project is financially viable and a good investment for the Commission.

***Staff Recommendation:*** Staff recommends approval of a \$316,000 grant award.

**Virginia Highlands Community College Educational Foundation**

***VHCC Diesel Technology Expansion (#4173)***

**\$202,300.00 Requested**

***Project Summary:*** Virginia Highlands Community College seeks funding to expand its diesel technology programming. Commission funds (\$202,300) will be used to purchase equipment including high-capacity lift systems, heavy duty forklifts, high weight capacity diesel engine stands, a live front axle with air disc brake assembly, and a large tire balancing apparatus. This equipment will allow VHCC to modernize its existing diesel technology related programs (Diesel Technology CSC, Diesel Technology AAS, and Commercial Driver's License) to meet current standards. Two new programs will be created as a result of the project. Heavy Equipment Operator (HEO) Levels I and II will added to the College's Fast Forward program offerings. Matching funds will be used to purchase additional equipment including necessary to replace worn and obsolete equipment with modern industry standard items.

**Matching Funds:** Matching funds will be provided by VHCC through VCCS Equipment Trust Funds Allocation (\$159,300) and Carl D. Perkins Funding Allocation (\$43,000)

**Project Outputs:**

- The project will result in the expansion of three programs, Diesel Technology AAS, Diesel Technology CSC, and CDL. Two new programs, HEO I and HEO II, will be created. The following credentials will be completed annually.
  - Diesel Technology CSC – 12 (increase of 4)
  - Diesel Technology AAS – 5 (increase of 3)
  - HEO I – 10
  - HEO II – 10
  - CDL – 70 (increase of 20)

**Staff Comments:**

Virginia Highlands Community College is currently the only community college location in the region that offers Diesel Technology programs that lead to an academic credential (Diesel Technology CSC and Diesel Technology AAS). Other existing programs, such as the one offered by Southwest Virginia Community College, are non-credit programs. VHCC has operated these programs since 2008 at off campus locations. The programs will move on campus once construction of the new Advanced Workforce and Technology Center is complete. The funding requested in this application will allow the college to expand its course offerings to include HEO I and II credentials while also enhancing the quality of the existing Diesel Technology programs through the purchase of modern, industry standard equipment. Each student will be provided the opportunity to earn multiple credentials.

The project will result in 52 additional credentials awarded each year. The majority of these can be attributed to the new HEO programs (20) and CDL (20). The Diesel Technology Programs will both see an increase of approximately 6 students enrolled in each of the CSC and AAS programs. According to VHCC’s internal data, 89% of students enrolled in the CSC course will successfully complete and earn the credential however a much smaller number will complete the AAS degree. When questioned about the low completion rate, VHCC provided information indicating that, due to the extremely high demand for diesel trained employees, 75% of students are employed in the field before they even complete the CSC trainings. Many students chose to enter employment and do not continue to complete an associate degree. The application noted an anticipated demand for an additional 47 skilled workers per year with average compensation of \$40,726.

**Financial Viability Assessment:**

A review of key viability criteria for this indicates a viable project by an applicant with a long history of for-credit training in diesel technology. A detailed, reasonable budget was provided with documentation of costs for equipment. Required match is fully committed at the time of application. Sustainability will be dependent on consistent enrollment driving ongoing tuition revenue and state funding. It is staff’s conclusion that this project would be a solid investment for the Commission in terms of generating skilled workers for this industry.

**Staff Recommendation:** Staff recommends approval of a \$202,300 grant award.

## Wytheville Community College

### Wytheville Community College WEST - Workforce, Education, & Skills Training Center (#4174)

\$277,000.00 Requested

**Project Summary:** Commission funds are requested to assist Wytheville Community College with the development of the WCC Workforce, Education, & Skills Training (WEST) Center. This facility, a former automotive dealership, located in Marion, VA was recently acquired by Smyth County, which then leased it to the College. The WEST Center will allow WCC to open a satellite location to house Fast Forward eligible (short term) programs for automotive, off-road diesel, and welding. TRRC funds will be used for facility improvements (\$212,000) and to purchase Automotive Service Excellence (ASE) tools required to receive accreditation for the program. Additional equipment will be purchased using matching funds provided by WCC.

#### **Matching Funds:**

Wytheville Community College has committed \$277,000 of HEETF (Higher Education Equipment Trust Fund) funding for the project.

#### **Project Outputs:**

- The project will result in establishment of a new WCC satellite location. The application estimates that the facility will serve 38 students, receiving a total of 230 credentials, during the first year of operation.
  - ASE Automotive Electrical/ Electronics Program – 10 students/ 30 industry credentials
  - ASE Automotive Brakes Program – 8 students/ 30 industry credentials
  - Off-Road Diesel – 10 students/ 140 industry credentials
  - Welding – 10 students/ 30 industry credentials

#### **Staff Comments:**

This request will allow WCC to expand its workforce and occupational program offerings to the western end of its service region. The WEST Center will initially house three short term (Fast Forward and G3 eligible) training opportunities in welding, automotive, and off-road diesel. Welding is currently offered at another of WCC's satellite locations, the Crossroads Institute, in Galax. By locating a second program in Marion will allow WCC to more effectively serve students across its entire service region. The College's automotive program, currently housed at the Wythe County Schools Technology Center, will be relocated to the WEST Center. The new space will allow the program to accommodate two additional students per year. The off-road diesel program is believed to be the first program in Virginia to focus on off-road equipment (UTV's zero-turn mowers, tractors, excavators, skid steers, etc.).

Letters of support documenting the need for graduates of these programs were provided by Crabtree Buick & GMC, Boone Tractor, and Smyth County Machine. The creation of the WEST Center will provide 38 potential employees for these and other regional employers the first year and in future years. WCC plans to add additional programs to the WEST Center as the development of the center continues.

***Financial Viability Assessment:***

A review of key viability criteria for this project indicates high demand for an expansion of occupational training in key job sectors, to be completed by an applicant with a strong track record of project implementation. The budget is detailed, reasonable and provides for sufficient capacity to carry out the project. However, estimates were not able to be provided in time to fully confirm the costs of equipment and renovation. As such, the placement of a contingency on approval of budget after confirmation of cost estimates is recommended. Notwithstanding that, the project appears to be straightforward and financially viable, with sustainability to be driven by consistent student enrollment.

***Staff Recommendation:*** Staff recommends approval of a grant award up to \$277,000, conditioned upon the Grants Director's approval of final documented cost estimates from vendors/contractors for equipment and renovations.

# **INCENTIVES AND LOANS COMMITTEE**



▪ *In-Person Meeting* ▪

## AGENDA

### INCENTIVES & LOANS COMMITTEE

**The Inn at Blackstone**  
707 Fourth Street  
Blackstone, VA  
Thursday, October 12, 2023  
9:00 A.M.

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The public may remotely participate in this meeting by accessing the following dial-in numbers: **1-434-230-0065** (toll) and enter **conference ID: 742 579 325#**.

The Commission will not change the method by which it chooses to meet without providing a new meeting notice that is in accordance with the Va. Freedom of Information Act. If problems are experienced calling in, please contact: **Hannah Franke-Fuller** at (804)-894-9659 or [hfranke-fuller@revitalizeva.org](mailto:hfranke-fuller@revitalizeva.org) or **Joyce Knight** at (804) 894-9651.

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<b>Welcome and Call to Order</b>	<i>The Honorable Daniel "Danny" Marshall, Chair</i>
<b>Call of the Roll</b>	<i>The Honorable James Campos, Acting Executive Director</i>
<b>Approval of the <u>7/20/23</u> Minutes</b>	<i>(published on website)</i>
<b>Public Comment</b>	
<b>Extensions &amp; Modifications</b>	<i>Mr. Jordan Butler, TROF Program Manager</i>
<b>Berry Hill Megasite</b>	<i>Mr. Jordan Butler, TROF Program Manager</i>
<b>Other Business</b>	<i>Mr. Stephen Versen, Deputy Director</i>
<b>Adjournment</b>	

# Incentives & Loans Committee

## October 12, 2023

The Incentives and Loans Committee is meeting on October 12, 2023 at 9:00 am to consider project modifications of existing projects and consider a request related to the Southern Virginia Mega Site at Berry Hill. The following summaries provide staff overview and comment on the projects mentioned above.

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### 1. Joint Industrial Development Authority of Wythe County *Blue Star NBR, LLC. (#3892)* Request for an Approval Extension.

**Staff Overview and Comments:** This is a Tobacco Region Opportunity Fund (TROF) grant award for \$1,022,000 that was awarded in September 2021 to the Joint Industrial Development Authority of Wythe County (the “JIDA”) and Blue Star NBR, LLC (the “Company”). The grant was provided in return for the Company providing 1,044 new jobs at a promised average salary of \$37,211 and a taxable capital investment of \$446 million in Wythe County. The approval letter and draft performance agreement were sent to the JIDA in January 2022 and were not returned to the Commission for execution. The unexecuted performance agreement, which required disbursement prior to performance, had a three-year performance period beginning September 22, 2021. It became clear that the project would require more time to potentially get off the ground and so the Commission approved several modifications at its spring meeting in May of this year. Those modifications included:

- TROF #3892 award approval was extended to July 20, 2023;
- Revised performance agreement prepared including award amended to post-performance disbursement; and
- With a revised award date of May 18, 2023 permitting a revised performance period for 3 years from this date – May 18, 2026.

Following the Commission’s May meeting staff prepared and sent to the locality on June 15, 2023 an updated performance agreement reflecting the change to post-performance disbursement as well as the revised award date and project performance period. Staff received the signed performance agreement on September 7<sup>th</sup>, well after the approval period ending July 20, 2023 that the Commission had specified. Counsel has advised Commission staff that they cannot accept the agreement due to the document not being signed by the specified approval period end date. JIDA Staff submitted a letter October 3, 2023 (See Attachment # on Pg. # in your books) providing a project update and requesting that “the Commission extend the date by which the agreement approved in May must be signed to November 30, 2023.”

Staff recommends that the grant agreement signed by the company and locality, received by the Commission on September 7th, be accepted and staff directed to execute the agreement.

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## **2. Pittsylvania County & The City of Danville**

### *Southern Virginia Mega Site at Berry Hill*

#### **Request for Loan, Contingent Upon Successful Attraction of Major Tenant for Berry Hill**

**Staff Overview and Comments:** In July of this year the Incentives & Loans Committee met to consider a request from the City of Danville and Pittsylvania County (the "Localities") related to the need for a new and improved gas gate at the Berry Hill Mega Site. At the time the localities, as well as the Southern Virginia Regional Alliance, expressed that they had a prospect considering the site but that increased access to natural gas was a major need. The localities noted that this is a need that had been expressed not only by the prospect then considering the site but also by many prospects who have considered the site in the past and they anticipate that this will continue to be a major need for prospects moving forward. Given that information the Committee approved an up to \$25 million Community & Business Lending loan for an expanded and improved gas gate at Berry Hill, contingent upon a firm commitment that a project will occur at Berry Hill along with a number of other conditions as detailed in the final adopted motion.

Since that time the localities have expressed to staff their desire to have this potential loan approved by the Commission as a whole. Unfortunately, the prospect considering the site when the loan was initially discussed and approved by the Incentives & Loans Committee in July did not work out. On the advice of counsel staff made the decision to bring this item before the Committee again for two reasons:

1. The loan is now being discussed in the context of Berry Hill landing any project rather than the specific project that was discussed in July and
2. Staff desires to add a sunset clause of 3 years to the conditions of the loan such that if the site has not received a firm commitment that a project will locate at Berry Hill and executed a loan agreement within that period the localities would need to approach the Commission again to have the period renewed or extended.

Staff has discussed these matters with the localities and all are in agreement that this course of action will accomplish the goal of ensuring that the gas supply/gas gate will no longer be an obstacle as Berry Hill attempts to attract the regionally transformative project it has been prepared for over many years.

**Staff recommends the approval of the Community & Business Lending loan as detailed below and subject to the conditions listed below:**

**Up to \$25,000,000 Community & Business Lending Program Loan shall be made available to the Danville-Pittsylvania Regional Industrial Facility Authority to expand and improve the gas gate that is to be designed and constructed for the long-term needs of Berry Hill for**



both volume and delivery pressure along with financing costs-of-issuance. Loan amount will be finalized after construction cost determination and shall not exceed \$25 million.

The CBL Loan shall be subject to the following conditions:

- The Regional Industrial Facility Authority shall have 3 years from the date of Commission approval of the loan to secure firm commitment that a project will occur at Berry Hill and execute a loan agreement. After the 3 year period the localities/RIFA may petition the Commission for an extension(s) to this period.
- Loan closing and disbursement of funds requires the completion of credit review by VRA with a positive outcome.
- Fixed interest rate with repayments commencing after construction completion at a term agreeable to all parties not to exceed design life.
- Disbursement of loan funds requires a firm commitment that a Project will occur at the proposed site.
- Loan funds will be disbursed to the DPRIFA for the benefit of a gas company.
- The gas company will repay DPRIFA from revenues derived from the gas line usage.
- Loan shall be further secured by a moral obligation of the City of Danville and Pittsylvania County which may be removed after gas line revenue adequacy is established and confirmed by VRA.
- Provided the Loan closes successfully and loan funds are disbursed, up to \$1.2 million of the Loan amount shall be made available for reimbursement to the DPRIFA for design and engineering costs expended prior to the loan's closing. Should the loan not close, these costs shall not be reimbursable to the DPRIFA.
- Among other loan terms as approved by the Commission's Executive Director, the Commission will consider the following:
  - Interest accrues on disbursed amounts only.
  - Flexible payment structure based on anticipated revenue. This is not intended to be a forgivable loan.

Staff further recommends that the Commission direct staff to look into federal and state incentive programs to support the \$25 million equipping costs for the natural gas infrastructure, in addition to the up to \$25,000,000 CBL loan.

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### 3. Grayson County Economic Development Authority *Oak Hall Industries (#2999)*

#### Performance Period Extension & Request for Modification of Agreement Terms/Relief from Clawback

**Staff Overview and Comments:** This is a Tobacco Region Opportunity Fund (TROF) grant for \$385,000 That was awarded to the Grayson County Economic Development Authority (The "EDA") and Oak Hall Industries (The "Company"). The original performance period was December 2014 through December 2017. The award was disbursed prior to performance and the company promised to create 100 jobs at an average annual salary of \$22,880 as well as private taxable investment of \$1.2 million. At its May 2021 meeting the Commission approved a final

performance extension through June 30, 2022 for a total performance period of 7.5 years for the project.

Staff finds that the company has met 100% of its private taxable investment obligation and has so earned that half of the grant.

The company has not met its obligations under the agreement related to jobs and wages. Currently, the company has provided 46 jobs but the wages fall short of those promised. When a company does not meet the quarterly aggregate payroll promised, the Commission reduces the qualifying employees (jobs created) in proportion to the shortfall in quarterly aggregate payroll. When this method is applied to the current project the result is that the company has produced 15 jobs meaning \$163,625 of the jobs and wages portion of the grant is currently unearned and required to be returned to the Commission.

The locality and company have approached staff requesting an extension of the performance period, to include additional jobs, as well as relief from the clawback provision in the agreement. Both the company and locality have submitted letters (See Attachments ## on Pgs. ## in your books) related to this request. Both the company and locality make note of the challenges posed by COVID, that retaining employees has been difficult and that the clawback would present a financial hardship for the company. Additionally, the company has noted that it is willing to solidify its presence in the community with a five-year extension of their lease in return for forgiveness of the \$163,625 clawback amount.

**Staff does not believe it is appropriate to make a recommendation in this case but notes that the locality and company have been responsive, accessible, and open regarding the status of the project and the challenges it has faced.**

October 2, 2023

Mr. Stephen Versen, Deputy Director  
Mr. Jordan Butler, TROF Manager  
Virginia Tobacco Region Revitalization Commission  
701 E. Franklin Street, Suite 501  
Richmond, VA 23219

*Via Email with attachments*

Re: Update on Blue Star Project

Gentlemen:

It was a pleasure speaking with you both on Monday day regarding the Blue Star project in Wythe County. I am happy to provide a brief update on the project's posture and path forward.

- 1.) Blue Star NBR constructed a nitrile butadiene rubber facility in Progress Park on Lot 24 in Wythe County. It contains a cutting-edge, world-class chemical facility with all necessary equipment to make tens of thousands of tons of NBR.
- 2.) The first contractual period ended on May 31, 2023, with the federal government signing off on Phase 1 of the project as of that date.
- 3.) Blue Star, VEDP, Wythe County, the Town of Wytheville, and the Joint IDA of Wythe County all penned letters requesting support from our federal elected officials to help break loose funding to kickstart the operation of the NBR plant as well as to support construction of the first glove facility. That had been promised through the Development Finance Corp.
- 4.) A team from Wythe County, the Town of Wytheville, VEDP, and the Joint IDA met in Washington, DC, with our entire Congressional delegation on September 20, 2023.
- 5.) A team from the company and the Joint IDA met with an official from the White House Office of Public Engagement on August 21, 2023.

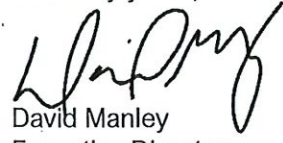
Right now, it is the hope of all partners that the anticipated and promised funding comes through to support the next phase of this critical, vertically integrated project. For your reference, I'm including the letter we sent to Sen. Warner, Sen. Kaine, and Rep. Griffith, as well as a story from Cardinal News that ran several weeks ago that details the project thus far.

I do have a request of the Commission, however. At the May 2023 Commission meeting, our previous TROF award for the Blue Star project was amended so that payout of the grant would be post-performance as well as altering the performance period to match up with the current project timeline. The Commission also extended the approval period to get the agreement signed. Regrettably and due in part to all the activity referenced above, this contractual document was ultimately signed by the company and locality beyond the specified date of July 20th. Therefore, I am requesting that the Commission accept the submitted agreement and execute it as it accurately reflects the will of the signers and, further, such a change would not alter any element of the agreement. I appreciate your consideration in this matter and thank you for this efficient recommendation.

Ultimately, the Joint IDA and our partners locally and beyond stand behind this project as we have since it was announced to great fanfare in 2021. We appreciate the Commission's ongoing interest in and support for it, as well.

We look forward to discussing this with you soon.

Sincerely yours,



David Manley  
Executive Director



August 3, 2023

The Honorable Mark R. Warner  
United States Senate  
703 Hart Senate Office Building  
Washington, DC 20510

VIA FEDEX PRIORITY OVERNIGHT AND EMAIL

The Honorable Timothy M. Kaine  
United States Senate  
231 Russell Senate Office Building  
Washington, DC 20510

The Honorable H. Morgan Griffith  
United States House of Representatives  
2202 Rayburn House Office Building  
Washington, DC 20515

Re: Blue Star project in Wythe County

Dear Senator Warner, Senator Kaine, and Congressman Griffith:

I am writing regarding the progress of the Blue Star project in Wythe County and to formally seek your assistance in helping complete the project.

On October 4, 2021, Governor Ralph Northam led the chorus of excited accolades from federal, state, and local officials in the announcement of a \$714 million, 2400+ job project in Southwest Virginia to address the domestic manufacturing of personal protective equipment (PPE). The project was hailed as a "game changer" and as the largest creation of jobs in over a generation. The transformative nature of the project was not overstated, as economic projections indicated that the economic growth would reverse the population decline felt in Wythe County from the previous census.

For decades, the production of most PPE moved offshore, largely to China, Malaysia, and Thailand. The COVID pandemic exposed a significant vulnerability in our supply chain which is directly tied to national security and to public health. The supply chain disruptions that were felt globally exacerbated the anxiety of an already nervous public and clinically unprepared society. Moreover, China's market share has *expanded* since the pandemic, going from 8% of domestic glove sales to nearly 40% through dumping product, according to industry sources. Leveling this playing field by supporting domestic manufacture of PPE (in this case nitrile gloves) supports key national security and public health goals, but also allows our American businesses to better compete for sales in the worldwide marketplace.

On May 31 of this year, Blue Star NBR completed the primary construction objectives of its nitrile butadiene rubber (NBR) facility in Progress Park near Wytheville in Wythe County, which met the contractual requirements between the company and the federal government, engaged via a Commercial Solutions Opening (CSO). Today, on Lot 24 in Progress Park, you will find an impressive, technologically advanced facility that can produce 90,000 metric tons of NBR when activated.

It is also worth noting that significant site and infrastructure improvements were made as part of this project by the company and by partners including extension of rail, water and wastewater projects, and natural gas system upgrades to name a few.

It is my assessment that the company met its commitment to build this facility as agreed. Additional communications with US Department of Health and Human Services preparedness officials further induced the project principals to expand the initial scope of production and to establish the glove manufacturing that Americans and the whole western world so desperately need.

Leadership at the state and local levels have expected additional phases of the project to activate as the timeline progressed and as benchmarks were met based on intent shared by preparedness officials at HHS. With collaboration and the support of partners including the Commonwealth of Virginia, Wythe County, and the Town of Wytheville, Blue Star NBR met its first major benchmark of the HHS CSO project in a timely fashion. A brand new NBR facility stands in Progress Park on what was one of the most desirable industrial parcels in the western half of Virginia.

The next step for the Blue Star project is to, first, activate the NBR facility and operate it, which would allow for up to 90,000 metric tons of NBR to be produced. This availability of the key ingredient is one of the most important PPE needs and is also a game changer in the marketplace. It is transformative in terms of both our domestic health care needs and for national security. Addressing domestic manufacturing of PPE on its own is a worthwhile goal but given the unrest that affects global markets and the potential for another public health crisis, it is a critical shortcoming that we owe to ourselves as a nation to address. Our recent COVID experience should tell us all we need to know about preparedness going forward.

Simultaneous with the operation of the NBR plant, the initial glove facility should be constructed and brought online to follow through on the vision of the first vertically integrated campus of its type in the world.

The communities and people of Southwest Virginia have taken note of this economic development news and follow-through is expected. For a region that has been economically beaten up in recent decades, the blow resulting from not following through with the Blue Star project would yield deep and lasting injury. As public entities, our credibility sometimes takes shots because of the reputation of the government being unresponsive to public needs and, further, being poor at execution. Should we (as the public sector) step away from our pressing commitments to national security and public health and fail to see this project launched successfully, we will have earned the reputation of being ineffective. Deservedly.

There is a path forward and a solution to the problem posed by the pause in the Blue Star project. Each of you has an undeniable affection for our part of the Commonwealth and we have all benefited from your collective leadership in Richmond and in Washington. We are asking you to help us move this project to completion.

Wythe County and the Town of Wytheville have each made significant investments into systems serving Progress Park and serving Blue Star. Public investments in the tens of millions of dollars are underway, committed, and planned. The people of our communities deserve to have their investments realized. The will to support this project has been and remains strong. Should the project not reach its potential, problematic decisions and fiscal challenges will face our local elected officials and those they represent.

The Commonwealth of Virginia and other partners in the public sector have also devoted millions to this project's success. Orphaning these efforts will have an undesirable chilling effect and damage our economic development prospects in the long term. The people of Wythe County and of Southwest Virginia have seen economic development bring a better quality of life to our region and we have another opportunity to advance that ideal instead of walking away.

I am writing to request renewed and concerted effort to fund the next phase of this project thereby addressing critical national needs while also supporting economic growth in our Commonwealth. Local government and economic development administrative leadership would like to meet with you gentlemen collectively or individually to discuss next steps and opportunities to fund and complete this effort should your schedules allow. We are happy to meet here, in Washington, or wherever is agreeable.

Thank you for your steadfast representation of and advocacy for the people of Virginia.

Very truly yours,



David Manley  
Executive Director

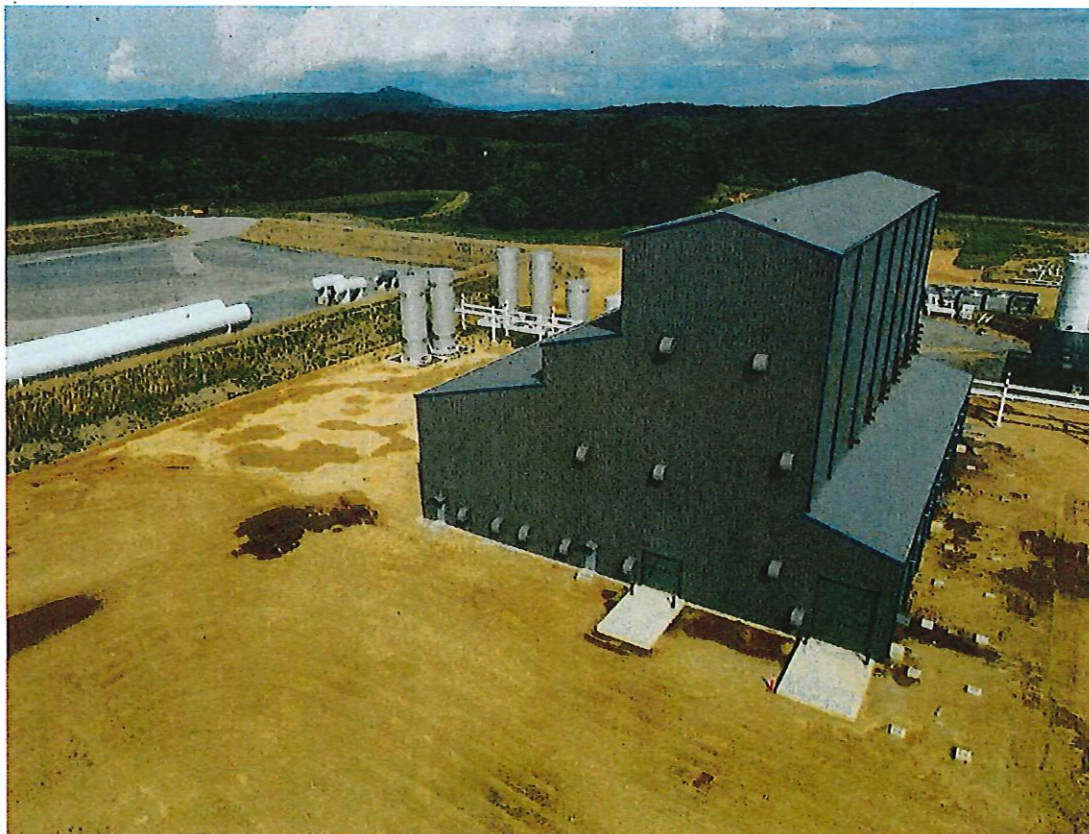
CC via email: Jason El Koubi, Virginia Economic Development Partnership CEO  
Stephen Bear, Wythe County Administrator  
Brian Freeman, Wytheville Town Manager

## Glove factory set to bring 2,500 jobs to Wythe County on hold with funding uncertain

*Blue Star NBR's CEO says a federal loan package the company was counting on to finish building its rubber glove-manufacturing facilities fell through. Now the firm needs \$230 million to get its operation up and running.*

by **Matt Busse**

August 31, 2023





The Blue Star NBR complex in Wythe County is expected to bring 2,500 manufacturing jobs to the region, but it's unclear where the company will find the money to get the operation up and running. Photo courtesy of Blue Star NBR.

It was heralded as “transformational” and “a game-changer” — “the largest job creation commitment Southwest Virginia has seen in a generation,” and part of a national goal to reshore manufacturing of critical supplies after COVID-19 disrupted global supply chains.

But nearly two years after then-Gov. Ralph Northam announced in October 2021 that a manufacturer of rubber gloves would bring 2,500 jobs to Wythe County, the project is stalled as it remains unclear how Blue Star NBR will get the money it needs to finish building its facilities and begin operations.

The company expected to use a pandemic-related federal loan package to finish the project, but after a series of delays and, ultimately, the expiration of the associated federal agency's loan-making authority, that money didn't come through, said Blue Star NBR CEO Scott Maier.

The price tag to get Blue Star up and running now stands at \$230 million.

“Everyone's ready to go. We're ready to go. We just need to figure out how can the government unlock the funding to get it done,” Maier said.

The Blue Star project was divided into two phases.

The first was to build a factory capable of producing 90,000 tons annually of nitrile butadiene rubber, or NBR, which is used to make rubber gloves such as those ubiquitous in doctors' offices and hospitals. That's enough NBR to produce six to 12 billion gloves, depending on the type and thickness of the glove.

That phase was completed in May and was funded by \$123 million from the U.S. Department of Defense, which issued the contract in partnership with the U.S. Department of Health and Human Services.

The second phase includes building a plant to produce the rubber gloves, hiring the necessary staff for both factories and getting them up and running.

By producing both the gloves and the raw material needed to make them, the Blue Star project is designed to help safeguard the U.S. against supply chain disruption and price fluctuations.

Maier said the company anticipated paying for that second phase with a loan package from the U.S. International Development Finance Corporation, or DFC.

The DFC is a federal agency that typically finances overseas economic development, but in May 2020 then-President Donald Trump issued an executive order authorizing the agency's CEO to loan money to domestic companies that produce "strategic resources needed to respond to the COVID-19 outbreak."

The executive order put a two-year time limit on that loan-making authority.

In October 2020, DFC chose Blue Star to receive financing to build facilities to produce NBR and nitrile gloves, Maier said.

In November 2020, he said, DFC instructed Blue Star to apply for funding through the Department of Defense and told Blue Star that DFC would make up any shortfall not covered by that funding.

But, Maier said, DFC delayed processing Blue Star's loan request, asked for a revised budget after Blue Star was awarded the Defense Department contract, and then, at the end of 2021, told Blue Star that DFC's loan-making authority would expire before it could finalize the financing package.

DFC officials did not respond to a request for comment.

A U.S. Government Accountability Office study published in November 2021 noted that as of mid-October of that year, DFC had received 178 applications under the Defense Production Act loan program authorized by Trump's executive order but had completed no loans.

The GAO said it undertook the study because "members of Congress have expressed concern about DFC's ability to manage DPA activities along with its international development mission."

In a response published with the study, DFC acting CEO Dev Jagadesan wrote that the agency's role in financing domestic, rather than international, loans was "unprecedented" and that most of



the authority over budgeting and project eligibility actually lay with the Department of Defense and the Department of Health and Human Services.

Now, Maier said, potential paths forward to secure the funding that Blue Star needs could involve Congress or the Biden administration directing Health and Human Services to reallocate money toward the project or designating money for the project in an upcoming continuing resolution, which is the federal government's short-term funding bill.

One factor that could complicate efforts is that debt-ceiling negotiations earlier this year to avoid the federal government defaulting on its obligations led to officials pulling back about \$27 billion in unspent funding that had been allocated to federal agencies to fight the COVID-19 pandemic.

The offices of U.S. Sen. Mark Warner, D-Virginia; U.S. Sen. Tim Kaine, D-Virginia; and U.S. Rep. Morgan Griffith, R-Salem, said in a joint statement in response to a Cardinal News inquiry that "upon learning of the issues with the development of the Blue Star plant," the three elected officials "teamed up in a bipartisan push to urge the Biden Administration and the company to come to an agreement to get the plant on track for completion."

"They are disappointed that an agreement was not reached. They will continue to look for ways to work across the aisle to support domestic manufacturing and job growth in Southwest Virginia," the statement said.

The lawmakers will meet with local officials soon to look for solutions, Kaine spokesperson Mia Fisher said in an email.

In a statement to Cardinal News, Virginia Economic Development Partnership President and CEO Jason El Koubi said, "We remain hopeful that the federal government will provide Blue Star with the funding to enable the operation of its state-of-the-art NBR plant and proceed with the glove manufacturing plant as planned, and stand ready to support this transformational project that represents 2,500 new jobs for Southwest Virginia."

Maier said Blue Star has also been exploring private financing options, but "it is not a viable option right now."

"In order to either service debt or provide an equity return the NBR facility needs to sell its entire 90,000 metric ton capacity to U.S. glove manufacturers and have long-term contracts for that capacity. Right now, there is only production up and running that requires about 17,000 metric tons of NBR," Maier said.



Maier said Blue Star has also been in touch with the U.S. Export-Import Bank — the federal government’s credit agency that assists in financing U.S. exports and which also recently launched a new program supporting domestic manufacturing — but he said that without a diverse set of purchase agreements from government and industry in place, the project contains too much risk for the bank to underwrite.

When the Blue Star project was publicly announced in October 2021, Northam praised its role in bringing the manufacturing of important personal protective equipment, or PPE, back to the United States from Asia. Most nitrile rubber gloves are made in China, Malaysia or Thailand.

At the time of the announcement, Blue Star was still working with DFC to finalize the financing, Maier said.

“Everyone was confident it was going to close,” he said. “We were dealing with an agency of the federal government. ... We got to the point where we had mapped out a closing timeline, and we even got to the point where the DFC told us to basically send a retainer in for their attorneys. My background’s private equity, and when you start paying the attorneys, you’re pretty much at the finish line.”

Maier said once the operation is running, Blue Star plans to expand over five years to the point where it has about 150 employees at the NBR plant and about 400 at each of six glove-making plants producing billions of gloves annually, reaching the figure of 2,500 jobs.

Blue Star’s [careers website](#) advertises positions such as maintenance technicians who can earn \$64,000 a year, or managers who can earn \$84,000. Maier said he anticipates entry-level jobs paying around \$18 an hour with benefits. The median household income in Wythe County is \$52,726.

With the announcement of the 2,500 pending jobs also came the news that Virginia had committed \$8.5 million to upgrade water and sewer infrastructure at Wythe County’s Progress Park, and the Virginia Tobacco Region Revitalization Commission had approved another \$1 million for additional public infrastructure for the project.

“As a community, we fully support the project and especially its goals of reshoring PPE manufacturing, capital investment and job creation in rural Southwest Virginia,” said David Manley, executive director of the Wythe County Joint Industrial Development Authority.

# OAK HALL

CAP & GOWN

July 18, 2023

Mr. Jordan Butler  
Public Relations Director & Tobacco Region Opportunity Fund Manager  
Virginia Tobacco Region Revitalization Commission  
701 E. Franklin St, Ste 501  
Richmond VA 23219

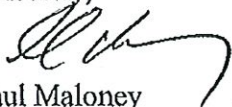
I am writing on behalf of Oak Hall Cap & Gown ("Oak Hall") regarding the Grant Repayment Agreement set forth by the Tobacco Region Revitalization Commission (the "Commission"). We have been notified that \$163,146.14 of the grant is unearned. It is my understanding that the expectation is for Oak Hall to repay this amount over a five-year period.

As you can see from the enclosed list, there were many endeavors Oak Hall explored in an attempt to increase the workforce at the Independence facility. Since we opened in 2015, we have hired over 300 employees. Unfortunately, during this time, employment terminated for 240 of those employees for various reasons resulting in a current workforce of 60. We did not lay off any employees from this facility (or as a company in general) since we opened in 2015, and even became an essential business making masks for Johns Hopkins once COVID began to keep our employees working. Throughout the years, we have worked with every employee to make him or her successful, with terminations either being the employee's choice, or misconduct so egregious that it could not be overlooked.

Given the employment struggles that we have faced since opening the facility, we would appreciate consideration to reduce the amount owed by Oak Hall. Even over the five-year period, the payback amount would create a financial hardship for the company. As explained, we have never turned someone away and have given everyone a chance at employment with our company. We have recently seen progress on the employment front as just within the past two months we have added approximately 15 employees. We would also like to solidify our presence in Independence with a five-year extension in consideration for forgiveness of this amount. By signing this five-year extension to our lease, we would not only continue to contribute to the Town of Independence's economy through real estate and personal property taxes, but we will also be able to continue providing employment to those currently in our facility, while also continuing to increase our workforce.

Thank you for your consideration.

Sincerely,



Paul Maloney  
President, Oak Hall Cap & Gown

## Efforts to Increase the Workforce

### • **Oak Hall Job Fairs**

- When the plant was initially opened in 2015, we scheduled an on-site job fair
- We conducted a follow-up job fair in 2018 looking to hire 20 employees. The marketing for the event included:
  - Ad in Gazette (3 ads run)
  - Radio spots- (between 25 – 30 spots run)
  - Indeed posting
  - Ad in the Declaration
  - Flyers dispersed around several local agencies
  - Notifications to employment offices in VA and NC
  - Notifications on various Facebook pages

The results of the second job fair in 2018 were that only 13 people attended. Of those 13, ten were offered positions and only seven accepted positions.

### • **Hiring and retention practices in general**

Oak Hall has always been willing to train employees who would like to work for our company. We never enacted a hiring freeze and rarely refused people seeking employment. Job postings were regularly done on Indeed and we erected a “Now Hiring” sign next to our Oak Hall sign in front of the building. We immediately interview and test walk-ins to see which position would suit them best. Due to the nature of our business being sewing, we are always patient with new employees learning the trade. We suspended our attendance policy in an effort to retain employees. We also suspended production metrics, hoping to give new employees ample time to succeed in their new position.

### • **Impact from Covid**

As with most companies, Covid wreaked havoc on our workforce. Oak Hall never shut down during the pandemic as we entered into a contract with Johns Hopkins medical facilities to produce personal protection equipment for their medical frontline since during this time there was a shortage. We lost employees due to them fearing contraction of Covid, their ability to take advantage of government programs (including unemployment), as well as Virginia’s Covid mandate on employers, which was the first and one of the strictest in the nation.

### • **Employee Referral Program**

In 2021 Oak Hall started an Employee Referral Program rewarding employees for referring friends and relatives to be hired. A referral that was hired immediately gave the employee \$100, with \$500 being given after three months, and \$500 each given to both parties.

- **United Way's Ignite Program**

Oak Hall explored this program, but we were unable to use these services due to them looking for high school internships. We were apprehensive of having anyone under the age of 18 in our manufacturing facility with our use of needles.

- **Department of Aging and Rehabilitative Services**

A tour was given to a representative in hopes that four students graduating from high school at the time with mild disabilities going straight into the workforce would be interested in applying.

- **Various Job Fairs**

- Cross Roads Institute Job Fairs
- Wytheville Community College Career Fair
- Core Health and Fitness (plant shutdown and we interviewed their employees)

- **Communication with VEC in Galax and Employment Commission in Sparta, NC**

Oak Hall has been in constant contact with unemployment agencies, letting them know of open positions within the factory.

RECEIVED

JUL 25 2023



**Mitchell L. Smith**  
**Deputy County Administrator**  
**Grayson County**

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Phone (276) 773-2471  
Fax: (276) 773-3673

129 Davis Street  
P.O. Box 217  
Independence, Virginia 24348

July 20, 2023

Mr. Jordan Butler  
Public Relations Director & Tobacco Region Opportunity Fund Manager  
Virginia Tobacco Region Revitalization Commission  
701 E. Franklin St, Ste.501  
Richmond, VA 23219

Dear Jordan,

I am writing this letter to the Tobacco Commission on behalf of Oak Hall Cap & Gown. The County of Grayson is very appreciative of the support the Commission has given to the County and our industries throughout the years. Your support has improved the quality of life for the citizens in our County here in Southwest Virginia.

Your support was instrumental in bringing this industry to our community and the agreement to extend the performance agreement was extremely generous.

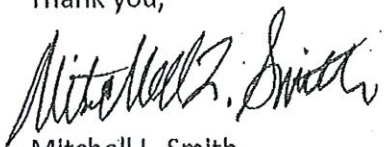
We have met with the Oak Hall management team and informed them of the unearned portion of the \$163,146.14 grant. In recent months Oak Hall has had some success with hiring more employees. We would like to see the momentum continue and ask that the Commission consider their request to reduce the claw back amount. Given the obstacles they faced during this grant cycle and their willingness to sign an extension to lease the building and continue employment for five years, Grayson County would support forgiveness of the claw back if possible. If not, then would like to request that the recently added employees be considered to reduce the amount.

In summary, Oak Hall Cap & Gown is playing a major role in the economic revitalization of the County of Grayson and the Town of Independence. While we recognize their financial obligation to the Commission and the county, we are elated they want to extend the lease agreement for five years if this can be resolved.



Any consideration given to this request will be greatly appreciated and we thank you for all you do for the County of Grayson and our citizens.

Thank you,

A handwritten signature in cursive script, appearing to read "Mitchell L. Smith".

Mitchell L. Smith

Deputy County Administrator

**SOUTHWEST VIRGINIA  
COMMITTEE**



▪ *In-Person Meeting* ▪

## AGENDA

### SOUTHWEST VIRGINIA COMMITTEE

**The Inn at Blackstone**  
707 Fourth Street  
Blackstone, VA  
Thursday, October 12, 2023  
9:30 A.M.

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The public may remotely participate in this meeting by accessing the following dial-in numbers: 1-434-230-0065 (toll) and enter conference ID: 742 579 325#.

The Commission will not change the method by which it chooses to meet without providing a new meeting notice that is in accordance with the Va. Freedom of Information Act. If problems are experienced calling in, please contact: **Hannah Franke-Fuller** at (804)-894-9659 or [hfranke-fuller@revitalizeva.org](mailto:hfranke-fuller@revitalizeva.org) or **Joyce Knight** at (804) 894-9651.

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<b>Welcome and Call to Order</b>	<i>The Honorable James "Will" Morefield, Chair</i>
<b>Call of the Roll</b>	<i>The Honorable James Campos, Acting Executive Director</i>
<b>Public Comment</b>	
<b>Approval of the <u>5/18/23</u> Minutes</b>	<i>(published on website)</i>
<b>FY24 Funding Applications – Meat Processing Projects</b>	<i>Ms. Sara Williams, Southwest Regional Director</i>
<b>Extensions and Modifications</b>	<i>Ms. Sara Williams, Southwest Regional Director</i>
<b>Other Business</b>	<i>Mr. Stephen Versen, Deputy Director</i>
<ul style="list-style-type: none"><li>• Report on FY24 application deadline</li><li>• Active Grants by Investment Category</li></ul>	<i>Ms. Vicki Humphreys, Grants Director</i>
<b>Adjournment</b>	

**FY24 Southwest Virginia Program  
Staff Summaries and Recommendations  
October 12, 2023**

The Commission received two applications by the June 1, 2023, application deadline of the FY24 Southwest Virginia Program, which was solely focused on meat processing facilities. The Southwest Virginia Committee will act on these applications at its meeting scheduled for October 12 at 9:30 a.m. The Southwest Virginia Committee will consider extensions of six existing grants.

Req #	Organization	Project Title	Request Amount
4153	Blue Ridge Plateau Initiative	Blue Ridge Plateau Meat Processing Facility	\$2,500,000
4154	Tazewell County IDA	Ponderosa	\$979,000

**TOTAL (2 requests)      \$3,479,000**

**Tazewell County IDA  
Ponderosa (#4154)  
\$979,000.00 Requested**

**Project Summary:** Commission funds are requested to construct a meat processing facility in Tazewell County. The Tazewell County IDA will own the facility, which will be leased to a local operator (Blue Ridge Butchery). Development of the facility (site and construction) is estimated to cost \$1,958,000 with the TRRC grant providing 50% (\$979,000) as allowed by this program's guidelines. Tazewell County will provide the remainder of the funds from a variety of sources. Blue Ridge Butchery (BRB) will provide all equipment for the facility at an estimated cost of \$502,225. No support for equipment was included in the application.

The 7,500 square foot facility is designed to accommodate the processing of multiple species. Cut Floor A will be dedicated to processing beef five days a week while Cut Floor B will be used to process pork, lamb, and chicken, each on a separate day. The division of the cut floors will allow USDA regulations to be maintained. Although USDA approval of the facility cannot be provided until it is operational, USDA inspectors were consulted during the design process.

**Matching Funds:** Tazewell County will provide 50% of the cost to develop the facility. These funds will be obtained from a variety of sources including a forgivable loan from the Virginia Coalfield Economic Development Authority (\$200,000). The application states that an application will be submitted to the Virginia Small Business Finance Authority for \$629,000. The County will also apply to the Agriculture and Forestry Industries Development (AFID) Fund however the

amount of the incentive is unknown and will be determined through the application and approval process. The value of the County owned property (\$100,000) is also included in the match total.

**Project Outputs:** A new USDA inspected meat processing facility will be established. The application identifies 10 local producers who have expressed interest in using the facility although, based on regional demand data, the actual number of users will likely be much higher depending on the operational capacity of the processor. During its first year of operations, the facility is expected to generate \$1,736,000 in revenue. No information was provided for additional revenues per producer, which will likely depend on each producer's usage of the facility.

**Staff Comments:**

The public/private partnership described in this application outlines an ambitious plan to quickly develop additional meat processing capacity for Tazewell County and the surrounding region. By accommodating multiple species, it will serve a variety of producers, many of which currently have little to no access to processing facilities. The business plan reports that local USDA facilities have reported a 150% increase in demand over the past 3 years. All facilities are working at max capacity and typically turn down an average of 2 customers each day. Capacity of chicken processing is especially limited, with only one chicken processor, which will no longer accept new customers.

Tazewell County has assisted in the development of this facility through a property and financial commitment. Under the terms of the draft performance and lease agreements between Tazewell and the operator, Blue Ridge Butchery will lease the facility for a 15-year period. Tazewell will receive monthly rental payments of \$5,600 during the first year (\$67,200 total). The rate will then increase by 2% each year. The tenant will also be responsible for all maintenance, taxes, insurances, operating expenses, tenant improvements, etc. The performance agreement requires BRB to employ 10 new full-time equivalent (FTE) employees within 18 months of operation. These are robust requirements that illustrate Tazewell's high expectations for the success of this business. Blue Ridge Butchery's commitment to meet these expectations also speaks to their personal commitment to the project. Blue Ridge Butchery is also responsible for the procurement of the estimated \$502K of equipment required to furnish the facility, as well as \$168,201 in working capital for the first year of operation. These funds will be requested from local lenders.

During the review process, TRRC Staff sought input from other relevant agricultural organizations including VA-FAIRS and VDACS AFID staff. The overall opinion of the business plan provided in the application was positive. The Blue Ridge Butchery principal has significant experience with meat processing as well as marketing local foods. Similar experience is reflected across the team that has been formed to lead the organization during the startup period. This is a group that understands the industry and the challenges associated with operating a meat processing facility. BRB is confident that, because the project will be adding additional processing capacity to a region with an enormous amount of pent-up demand, the facility will generate adequate cash flow to meet its financial obligations.

Staff agrees with the presumption that while there is sufficient demand to provide initial customers for the facility and to earn revenue, it is unlikely to provide enough operating capital to cover all expenses during the initial months of operation. The proforma included with the application shows a deficit of operating income of \$99,722 during the first year with the majority of this (\$90,334)

occurring during the first month. By the second month the deficit drops to \$24,534 and continues to decrease over the course of the year. By the fifth month operating income is \$1,346 and stays mostly positive through month 12. During months five thru twelve, the operating margin ranges from a high of 6% in month six to a low of -5.5% in month ten. The margin for other months in this range is 3.3% Although this illustrates gradual progress throughout the startup period, it does indicate that Blue Ridge Butchery will require additional operating support during the first year. Commission staff provided the applicants with a list of potential grant sources which, if appropriate, may be able to reduce the initial financial strain. For example, TRRC funds could be requested by Tazewell on behalf of Blue Ridge Butchery to support 25% of the equipment cost. The award, subject to a performance agreement, could help reduce the debt incurred by BRB for equipping the facility.

These concerns do not reflect a distrust of the business plan or the overall project. They merely reflect the operational and financial challenges encountered by other similar projects. Meat processing is a difficult industry to enter due, in part, to the large financial commitment. Additional grant support from all reasonable federal, state (including TRRC and VDACS programs), and potentially private sources will allow the business to begin operations in the best financial place possible. Commission Staff sees tremendous potential for this project and will continue to monitor its development.

***Financial Viability Assessment:***

A review of key viability criteria indicates that this project involves reliable, bonafide partners with the capacity and expertise to complete and sustain the project. The project as proposed demonstrates good promise of viability, but based on the financial information presented, the costs assignable to Blue Ridge Butchery would benefit from some modification to lower its start-up costs. Thus, staff has provided reference to other grant sources to further support the project. Identification and current level of commitment of matching funds looks promising. The IDA and the partner have presented a realistic understanding of the timeline, key measures and projected outcomes of this undertaking.

***Staff Recommendation:***

**Staff recommends an award of \$979,000 contingent on achieving full project financing.**

**Blue Ridge Plateau Initiative**  
***Blue Ridge Plateau Meat Processing Facility (#4153)***  
**\$2,500,000.00 Requested**

***Project Summary:*** Commission funds are requested to support 50% of the estimated \$5M cost to develop a new USDA inspected meat processing facility in Carroll County. TRRC support is requested for land preparation, building design and construction, holding pen construction, slaughter and processing equipment. The Carroll County Economic Development Authority (EDA) will provide a site for the facility.

***Matching Funds:*** Matching funds for this project are largely uncommitted. The application lists the following sources of match: Carroll County EDA (\$275,000 for property purchase), Blue Ridge Plateau Initiative (\$1,398,576 to be provided from unnamed private and/ or government lenders), AFID Facilities and Infrastructure Grants (\$820,187).

***Project Outputs:*** The application estimates that the facility will serve 1,400 producers annually. This figure represents the total number of red meat producers in the surrounding 4 counties of VA and NC that will have access to the facility. Each producer will earn \$24,000 in annual sales revenue. No additional information was provided to document the practicality of this estimate.

***Staff Comments:***

The Blue Ridge Plateau Initiative has been working for many years to establish a meat processing facility in the Carroll County region. The Commission, matched by Appalachian Regional Commission funding, provided a \$50,000 award in 2010 to support a feasibility study and initial business plan for the facility. Since that time the project has struggled to progress beyond the planning phase to reach a point where construction of the facility appears imminent. There does not appear to be any single reason for the delays, however turnover at Carroll County and issues related to the selection of an appropriate site have contributed. Multiple ownership structures have been presented, including an original plan for the non-profit owner to lease the facility to a private operator. The current business plan, updated in 2023, describes an ownership arrangement where BRPI, a non-profit, will own the facility but will delegate oversight of operations to a seven-member Executive Board. A General Manager/ certified butcher will lead an initial staff of two line workers and one office support position.

Since the project's inception more than a decade ago, TRRC has supported its development efforts. In January 2019, a \$500,000 grant was awarded to BRPI to serve as seed money for the project in hopes that it could be leveraged to entice other funders to assist the project. Unfortunately, additional funding did not materialize and finally, in January 2023, the TRRC funds were rescinded. At that time the applicant was encouraged to continue to develop the project with a goal of applying to this special funding round. The project, and the related business plan, has evolved over the years and a new application reflecting the most current project status seemed appropriate.

The application submitted to this program's June 1 deadline continues to show a lack of progress and development for the project. At the time of application, a site had not been identified. In early September, the applicant informed Staff that Carroll County recently purchased a parcel of land outside of Hillsville to be provided for the facility. This is a very promising update and is a good indicator that the County is committed to assisting BRPI in successfully implementing this project.

Commission support for publicly or non-profit owned value-added processing facilities such as the one described in this application is limited to no more than 50% of capital (facility and equipment) costs. The \$5M total project cost presented in this application was clearly designed to justify the maximum possible award for this special funding round (\$2.5M). Upon closer examination of the budget, there were substantial funds allocated for operating capital which cannot be included in the TRRC eligible project total. Based on the cost estimates provided, it appears that the total capital cost is \$4,326,701. The amount eligible for support from TRRC is \$2,163,350.

Due to the age of the cost estimates provided with the application it is not possible to determine if the costs are a reasonable reflection of current market prices. The construction quote is from 2011 however, the application states that the amounts had been modified “after consulting with experts in the construction field.” The modified amounts appear to be the basis for the budget however no documentation from third party “experts” was provided to corroborate the figures. The same approach was applied to the quotes for equipment. These quotes are from 2018. Because current estimates have not been provided it is not possible to calculate an accurate total project cost. The situation is further complicated by the very recent selection of the site. The 2011 estimates do not reflect construction at the current site. The application states that the 2011 floor plan is for reference only. A new building design, and associated cost estimates, will be required for the development of the final site.

The lack of accurate cost estimates is a strong indicator that an award to support the construction of the facility, which has yet to complete final design, would be extremely premature. Other than Carroll County’s recent property purchase, no additional funds are committed for the project. The applicant pledges to provide matching funds, totaling approximately \$1.4M, from monies obtained from unnamed private and/ or government lenders. The budget also states that an application has been filed with the AFID Program for \$820,187 based on BRPI’s estimation of financial need. After further discussion with both BRPI representatives and AFID staff, along with TRRC Staff’s knowledge of the AFID program, the status of the application is unclear. The budgeted \$820,187 AFID award does not appear to be a reasonable expectation considering that the AFID Facilities Program Guidelines limit awards to a maximum of \$500,000. The AFID Infrastructure program limit is \$50,000. Although this project could qualify for these programs in the future, the award amounts will certainly be much smaller than those provided in the TRRC application.

Despite the years of effort BRPI has dedicated to this project, it continues to require significant planning before it is at a point where implementation funding can be considered. A planning grant application was recently submitted to USDA’s Local Food Promotion Program (LFPP). The applicant also plans to apply for an AFID planning grant. No information for the scope of the planning activities to be funded by these potential grants has been provided. BRPI’s decision to request support for additional planning, rather than implementation, further Staff’s opinion that Commission funds should not be committed at this time.

***Financial Viability Assessment:***

A review of key viability criteria indicates that while this applicant is passionate about the project, the proposal does not demonstrate that the capacity and expertise currently exists to move the project forward. There is not a meat processing provider identified for the facility, nor is there sufficient information regarding how they will obtain sufficient match to leverage the project. The budget is not appropriately scaled so that all partners are assuming equal or similar levels of risk. It is also not supported by current construction or equipment quotes. While the effort is supported by an



adequate business plan, the project is not at a stage that staff would consider viable for investment at this time. This project requires further development to achieve viability.

***Staff Recommendation:***

Staff recommends no award at this time.

## Extensions and Modifications

Friends of Southwest Virginia

*Building Appalachian Spring: Growing the Economy of Southwest Virginia through Developing Outdoor Recreation Destinations (#3198)*

Approved for \$500,000 in September 2016 (\$206,053 balance)

Request for final extension

***Staff Overview & Comments:*** The balance of this grant is required to support development in the Town of Haysi. This project, originally proposed as the development of a Riverwalk area has encountered numerous challenges and revisions since this grant was approved seven years ago. These changes were necessary to accommodate additional flood mitigation requirements as well as right of way issues with private landowners. In its current form, the project is focused on improvements to the areas around the Town owned pavilion in Haysi. These enhancements include new sidewalks and curbs, lighting, and landscaping. The parking lot will be paved, and additional signage will be installed. These activities complement the recently completed Haysi to Breaks trail construction project also supported under this grant.

This grant was approved to support three separate and complex projects involving numerous partners and funding sources. Based on the information provided, it appears that at least one additional extension will be needed to see the final project, focused on increasing access from the Town of Haysi to the Russell Fork River and Breaks Interstate Park, to completion. The project is scheduled for completion in early 2024. A nine-month extension was requested.

Staff recommends approval of a final extension through June 30, 2024.

**Floyd County EDA**

***Floyd Regional Commerce Center Phase II Development (#3191)***

Approved for \$420,696 in September 2017 (\$406,273 balance)

Request for one-year extension

**Staff Overview & Comments:** The balance of this grant will be used for construction of utilities to serve the additional building pads under development at the Commerce Center. Phase II activities also include the construction of an access road funded through the ARC Access Road Program. The extension request approved by this Committee in October 2022 noted that the project was scheduled for completion in 2024 and would require, at minimum, one additional extension. Due to increased construction costs since the time of the grant's approval, additional funds are required to complete the project. The project was put out to bid in early 2023 with the lowest bid more than \$1M over budget. The EDA has submitted an application to US-EDA to help close the funding gap. Given these factors, it is likely that one or more additional extensions will be required for this project.

Staff recommends approval of a one-year extension through September 30, 2024.

**Floyd County EDA**

***Floyd Light Industrial Building and Growth Center Campus (#3558)***

Approved for \$497,475 in October 2019 (\$28,834 balance)

Request for final extension

**Staff Overview & Comments:** This project was approved in 2019 to support the development of a 13,000 SF building suitable to house light industrial users. The project is exceptionally well matched. To date, over \$4.8M of additional funding has been reported to TRRC. This amount includes over \$2M from US EDA. Floyd County EDA has contributed the remaining match for the project. An extension is required to allow the grantee adequate time to close out the project including payment of the retainage to the contractor. The US EDA has approved an extension until the end of January. The Commission grant should be extended to align with this end date.

Staff recommends approval of a final extension through January 31, 2024.

**Heart of Appalachia Tourism Authority**

***Coalfield Regional Tourism Destination Project (#3464)***

Approved for \$483,220 in September 2018 (\$401,598.27 balance)

Request for one year extension

**Staff Overview & Comments:** This balance of this grant is allocated for the design and site development of the now named Three Rivers Destination Center. The facility will serve as a visitor's center for the Clinch River State Park area. Design of the Center is now complete, and the construction phase is fully funded. Much of the past year was spent completing an environmental impact process before finally executing the contract with DHCD in June. The most current project estimate was provided approximately 20 months ago and indicates a total cost of \$2.8M. Significant matching funds, including a \$1.5M POWER grant (ARC), \$209K DHCD, and local in-kind support are committed for

the project. Due to rising costs, there is a funding deficit. Heart of Appalachia plans to address this deficit through a phased construction effort to allow time for additional fundraising. Lower priority items such as landscaping may also be eliminated to ensure that available funds are focused on the primary project, a complete and functioning building. Although this project has been slow to proceed, as is often the case when multiple funders are involved, it appears to finally be on track. Significant progress is expected during the next year.

**Staff recommends the approval of a one-year extension through September 30, 2024.**

## **Southwest Regional Recreation Authority**

### ***Creating a Sportsman's Economy for Southwest Virginia (#3564)***

**Approved for \$125,000 in October 2019 (\$80,676 balance)**

### **Request for final extension**

***Staff Overview & Comments:*** This grant was approved four years ago to assist with the development of a Rifle/Pistol Complex intended to allow SRRA to diversify recreation opportunities for visitors. Commission funds were allocated for Dixon Range for property and improvements and equipment. Under the original scope of the project, a historic cabin was to be restored and renovated to house restroom facilities and offices. The property was donated to SRRA by the previous owner with the requirement that the cabin be restored. Once the project was underway SRRA leadership made the decision to dismantle the cabin and to construct a pole barn to house the restrooms, offices, etc. TRRC Staff were not consulted about the change in project scope and initially declined the request to reimburse Spearhead for the pole barn. After much discussion, a compromise was reached that allowed for 50% reimbursement of the new facility once the deliverables promised in the application (restrooms and offices) were achieved. As a result, TRRC reimbursed less than the amount originally budgeted for the project. Unfortunately, the property donor's stipulation that the cabin be restored went unfulfilled. New SRRA leadership would like to rectify the situation and see the cabin restored as promised. The balance of the TRRC grant will be used for reconstruction of the cabin (~\$35,000) which will now house a First Aid Station. The property will also be surveyed to ensure boundaries are properly identified to prevent unauthorized access and create a safety zone. While these activities were not included in the original application, they are reasonable additions to the project scope. Staff is supportive of this change which will allow the conditions of the property donation to be achieved while continuing development of the site.

**Staff recommends approval of a nine-month extension through July 31, 2024.**

**Tazewell County IDA**  
***Cultural Arts of Southwest Virginia Corporation (#3557)***  
**Approved for \$225,000 in October 2019 (\$161,383 balance)**

***Staff Overview & Comments:*** This grant was approved to assist with the cost of constructing two additions totaling 2,500 square feet to be added to the building to create space suitable for live performances. Tazewell County IDA is the grantee however the beneficiary is a non-profit formed around the time of the grant's approval, Cultural Arts of Southwest Virginia Corporation. The building is owned by a for profit entity, Tazewell Cinema & Entertainment LLC, however the space developed as a result of this project is controlled by the non-profit. Since the grant's approval, only a small amount of funding has been released. These expenses reflect demolition work as well as site preparation required for the addition. An additional reimbursement request was submitted in early September. It has been held while SW Office staff work with the County and the non-profit beneficiary to determine which expenses are allowable under the scope of the award. The extension submitted in September describes problems with boundary adjustments affecting an adjacent landowner. Most of the work performed over the past year appears to be additional site development work needed to correct these problems. The project also required additional A&E design to accommodate the new property boundaries. Costs associated with both the additional site development, as well as the redesign, may not be covered by the grant. These expenses are a result of the project's lack of appropriate due diligence and are not the responsibility of the Commission.

There is no general contractor responsible for the project. All work performed to date has been self-contracted by the beneficiary, which has primarily used a single local contractor. No formal contract exists which details the scope of the work, associated costs, or an estimated completion time. There does not appear to be a certain path to completion. If additional time is provided for this project, it must be accompanied by new requirements which remedy this oversight. No additional TRRC funds should be released until the project, from this point through to completion, has been competitively bid and a professional contractor, with formal contract satisfactory to TRRC grant staff's approval, selected.

**Staff recommends approval of a one-year extension through October 31, 2024, contingent upon the project's solicitation and selection of a contractor through a competitive process, suitable to the project. The grant will be frozen until the contingency has been met.**

**Virginia Highlands Community College Educational Foundation  
Advanced Technology and Workforce Development Center (#3465)  
Approved for \$1,000,000 in September 2018 (\$1,000,000 balance)  
Request for one-year extension**

**Staff Overview & Comments:** This grant was awarded to assist with the construction of a new workforce development building located on VHCC's campus. A groundbreaking was held in November 2021 and construction began soon after. Due to rising construction costs, VHCC made the decision to begin construction while continuing fundraising to raise support to complete the facility. The initial phases of construction were completed in February 2022 (site grading, road construction, water-sewer-electric infrastructure installation, and steel package purchase and erection).

In September 2022 the Commission approved a one-year extension with the condition that the grant be used for "last dollar" construction expenses after all fundraising required to complete the project is available and spent. The anticipated total cost of the project is \$8.5M with \$5M previously raised. Some of these funds were used for the initial construction phases. An additional \$3.5M is needed to fund the project through to completion. Over the past year, VHCC has been extremely successful with fundraising efforts. In addition to a \$1M award from the Wellspring Foundation, an anonymous donor has pledged up to \$2M for the project. Only \$5K remains to be raised.

Due to the successful fundraising efforts, VHCC has requested that the contingency placed upon the project with last year's extension be removed. Staff recognizes the successful fundraising efforts and suggests a slightly altered contingency to allow, at the Grants Director's approval, the use of TRRC funding during the final construction phase. The project must be under contract and ready to proceed with construction. Documentation of the availability of all funding required to complete the project must also be provided.

**Staff recommends a one-year extension through September 30, 2024, conditioned upon the Grants Director's approval to release funds to support the final phase of construction. This approval may be requested once the project is under contract and has documented that all funds necessary to complete the project are available to use concurrently with the TRRC grant.**

# **STRATEGIC PLANNING COMMITTEE**



▪ *In-Person Meeting* ▪

**AGENDA**  
**STRATEGIC PLANNING COMMITTEE**

**The Inn at Blackstone**  
**707 Fourth Street**  
**Blackstone, VA**  
**Thursday, October 12, 2023**  
**10:30 A.M.**

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The public may remotely participate in this meeting by accessing the following dial-in numbers: **1-434-230-0065** (toll) and enter conference ID: **742 579 325#**.

The Commission will not change the method by which it chooses to meet without providing a new meeting notice that is in accordance with the Va. Freedom of Information Act. If problems are experienced calling in, please contact: **Hannah Franke-Fuller** at (804)-894-9659 or [hfranke-fuller@revitalizeva.org](mailto:hfranke-fuller@revitalizeva.org) or **Joyce Knight** at (804) 894-9651.

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<b>Welcome and Call to Order</b>	<i>The Honorable Leslie "Les" Adams, Vice Chair</i>
<b>Call of the Roll</b>	<i>The Honorable James Campos, Acting Executive Director</i>
<b>Approval of the <u>5/18/23</u> Minutes</b>	<i>(published on website)</i>
<b>Public Comment</b>	
<b>Discussion of Revised Strategic Plan</b>	<i>Mr. Stephen Versen, Deputy Director</i>
<b>Other Business</b>	<i>Mr. Stephen Versen, Deputy Director</i>
<b>Adjournment</b>	



A Strategic Plan for the  
Tobacco Region Revitalization Commission  
2023-2025

October 2023



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## ***Mission***

The Tobacco Region Revitalization Commission is created as a body corporate and a political subdivision of the Commonwealth and as such shall have, and is vested with, all of the political and corporate powers as are set forth in this chapter. The Commission is established for the purposes of determining the appropriate recipients of moneys in the Tobacco Indemnification and Community Revitalization Fund and causing distribution of such moneys for the purposes provided in this chapter, including using moneys in the Fund to ... revitalize tobacco-dependent communities.<sup>2</sup>

*Section 3.2-3101, Code of Virginia<sup>3</sup>*

## ***Vision***

In today's environment – where markets are largely global and employment is increasingly knowledge-based – the Commission seeks to accelerate regional transformation, giving citizens expansive opportunities for education and employment, and providing communities the benefits of economic stability, diversification, and enhanced prosperity. In particular, the Commission seeks to meet the region's specific challenges related to a historic dependence on tobacco production, textile and furniture manufacturing, and coal production.<sup>4</sup>

As a result, the Commission also recognizes that investments should reflect and directly advance local, regional and state priorities as established by elected and appointed officials, representatives from institutions of higher education, and other community leaders. The Commission views economic development as a partnership and will - as often as practicable - seek input from regional stakeholders to ensure its priorities align with those of the region.

The Commission's work is grounded in an objective and quantifiable economic base analysis. In general, directly productive industries, and the workforce training and development which supports them, do more to further this goal and should be favored over an increase in service industries primarily serving local markets.

Finally, the Commission must focus on ensuring the maximum impact of its expenditures, both as they relate to creating economic growth and as they relate to maintaining the Commission's fiscal sustainability as a critical source of capital to the region the Commission serves.

## ***Priorities***

The Commission must continue to adapt to meet the challenges of reduced budgets and a changing economic landscape over the next decade and beyond, if it is to continue being a catalyst for growth and increased prosperity across Southern and Southwest Virginia.

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<sup>2</sup> The statute also contains a section referring to the Commission's mission to indemnify tobacco farmers through direct payments. That portion of the mission was deemed completed and is omitted here for clarity.

<sup>3</sup> The full section of the code can be accessed at: <http://law.lis.virginia.gov/vacode/title3.2/chapter31/section3.2-3101/>

<sup>4</sup> The most updated survey economic data (and links to regional and MSA data) are available from the Bureau of Labor Statistics, accessible at: <http://www.bls.gov/eag/eag.va.htm>

Specifically, this means that the Commission will continue to be more efficient in the way it conducts business, seek to create new funding avenues through the creation of an outside nonprofit, and make the best use of staff expertise and regional marketing initiatives.

Ultimately, the Commission will transition into an organization engaged in increasing access to capital and continuing its workforce and infrastructure missions through targeted grants made from interest on the corpus, recovery of security interests, and other development activities such as receipt of grants and donations.

### **Funding & Strategic Priorities**

The Commission receives numerous applications each year and must determine how to allocate its limited annual budgets to best serve the needs of the Tobacco Region. This will become even more important as the Commission enters its third decade with a diminished corpus and reduced earnings on that corpus. While the Commission will retain the ability to fund large scale, regionally transformative projects at a high level, individual grant awards will be lower than in prior years and the requirements to acquire funding will be higher.

The three mechanisms that inform staff recommendations and Commission decisions regarding which projects to fund, whether by loan or grant, are: 1) our Key Funding Priorities, which describe the sorts of project categories that will receive preference over all others, 2) our Committee Structure and Program Outcomes and Goals metrics; and 3) our General Funding Policies, which describe specific policies related to uses of funds and project finance rules.

Notably, the Commission's work aligns with five out of the six strategies outlined in the Governor's Comprehensive Economic Development plan, "Compete to Win." These strategies include:

1. **Refine Industry Segmentation:** The Commission's programs enhance Southern and Southwest Virginia's ability to generate industry growth in economic sectors that make sense for each region's unique geography, economic assets, cultural values, and populations.
2. **Unleash a Talented Workforce:** The Commission's investments in competitive education projects and workforce financial aid for career and technical education at regional community colleges produce a labor force trained for employer-demanded skill sets utilizing state of the art facilities and equipment.
3. **Accelerate Site and Infrastructure Development:** Throughout its history, the Commission has committed to investing in the establishment and continued improvement of numerous industrial parks and sites across the region.
4. **Break Down Barriers:** The funding provided by the Commission amplifies resources for economic and workforce development in the regions, thereby removing obstacles to industry attraction and talent development.
5. **Drive Innovation:** The Commission's projects are often centered around partnerships between business, academic institutions, local and regional economic development organizations, and the regional populations to drive innovative approaches to entrepreneurship and business development.

The ongoing work of the Commission, powered by the Governor's aggressive vision for economic development, provide an opportunity to paly a new and more potent role in leading and accelerating the region's economic transformation.

## Key Funding Priorities

The Commission has narrowed its focus to areas in which it can make the highest impact while remaining a strong steward of its resources. In no particular order of preference, the Commission's funding priorities shall include:

1. **Education and workforce development:** As the national and global economies increase focus on human capital, the Commission must continue to support the region's efforts to address economic competitiveness factors and ensure employers can hire top-flight talent. This will remain a focus for the Commission as we believe it presents opportunity for high return on investment and supports long-term economic growth.

Funding will be awarded in two main categories:

- a. Competitive education grant-making, in which the Commission provides capital to post-secondary institutions for the creation of new programs or to expand existing, in-demand programs.
  - b. Workforce financial aid, in which the Commission reduces the cost of credential or degree attainment at the region's community colleges and higher education centers.
2. **Agribusiness:** Agriculture and forestry are Virginia's first and third largest industries, respectively. These industries play an even more central role in the economic vitality of the Tobacco Region, making the Commission's support of agribusiness especially important. The purpose of the Commission's Agribusiness funding strategy is to expand on the region's current strengths in agriculture and forestry, while developing new sectors that build on existing assets. In recognition of the many partners providing valuable financial, marketing and technical assistance to these industries, the Commission's Agribusiness program will focus on coordination and collaboration with these entities to maximize their combined impact in the region. Priority will be given to projects creating and expanding the infrastructure and systems that offer the region's producers new and improved market opportunities that are sustainable and build on the region's strengths.
  3. **Energy:** Access to affordable, reliable, renewable, and clean energy resources is an increasingly important location factor for industry. Therefore, it is crucial that the Commission expand its focus on ensuring the region's industrial sites can offer prospective companies ready access to sufficient energy resources and infrastructure, and support development of new energy generation, innovation, and storage projects in ways that further elevate the region's attractiveness to industry.

4. **TROF:** The purpose of the Tobacco Region Opportunity Fund (TROF) is to offer localities in the footprint an economic development tool for winning competitive economic development projects. The TROF Program will provide performance-based grants and loans to localities in the footprint to assist in the creation of new jobs and investment, whether through new business attraction or existing business expansion. Grants and loans, awarded at the Commission's discretion, are evaluated in a manner consistent with the goals of the Commission and amounts are awarded commensurate with the project's impact on the community and/or region in which the project is locating. Evaluation of award amounts are consistent throughout the region and based on the following criteria: prevailing wage rates, number of new jobs, taxable capital investment, industry type, and the possibility of related economic multiplier effect.

Incremental improvements to the TROF program have been made over time and these should continue. The program should remain discretionary, reserved for projects the staff are persuaded are truly competitive, and which might not develop absent TROF funds. Projects eligible for TROF funding must enjoy the support of economic development staff in the locality and region, and the Commission's regional marketing team (when they have been involved). TROF will be reserved for projects in traded sectors that promise to increase the locality's prevailing wage and significant preference should be given to projects that enjoy the support of sister state agency programs like the Commonwealth Opportunity Fund, Agriculture and Forestry Industries Development (AFID) grants, or similar programs.

5. **Industrial and business infrastructure:** Footprint localities (and the Commonwealth as a whole) continue to have a shortage of available and desirable locations in which to place industrial and business facilities. This shortage of both building stock and infrastructure assets puts the region at a competitive disadvantage when competing with other states to attract top employers along with the jobs and investment they bring. The Commission will continue to make grants and loans to support the creation and improvement of industrial sites, business locations, shell buildings, and telecommunications infrastructure to close this gap and ensure that localities within the Commission footprint can compete successfully for projects. Priority will be given to projects that improve the readiness of sites already under development within the region, as opposed to the acquisition and development of new sites.
6. **Business District Redevelopment:** The rural towns in the Tobacco Region serve as important community focal points and economic centers. Due to changing transportation and economic patterns, these rural communities have faced acute challenges that are often reflected in extremely low-to-medium household incomes, lack of well-paying job opportunities, high rates of out-commuting by the workforce and high building vacancy rates. Priority will be given to projects that would catalyze re-development and investment in properties serving multiple commercial and/or entrepreneurial business interests. This may include support for business development centers, shared professional offices and/or small-scale production space.

- 7. Community Assets and Opportunities:** Many rural areas in the Tobacco Region are fortunate to have natural resources and cultural assets with the potential to develop into tourist destinations. Generally tourism projects are a lower priority but the Commission will consider projects more favorably when they are regional in nature and/or required for matching substantial investment by other funders.

## Strategic Priorities

Along with changes in funding priorities it is necessary to make changes to the way in which the Commission conducts business and seek out ways to utilize existing resources more effectively.

### Committee Structure

The Commission has five standing committees, with the option to create new committees on an ad-hoc basis for special purposes. All committees meet at the call of their respective committee chairpersons.

Most committees evaluate grant and loan proposals from eligible applicants, as specified by each Request for Proposal. These committees make recommendations to the overall Commission as to what projects should be funded and in what amounts. Some committees are operational in nature and recommend policy or process changes to the Commission. The overall purpose and objectives of each committee is described below.

1. Executive - The Executive Committee is the Commission's rulemaking and administrative committee. The chair and vice-chair of the Commission serve as the chair and vice-chair of this committee.
2. Southern Virginia Committee - The Southern Virginia Committee hears proposals from applicants for grants or loans to support economic development in Southern Virginia. Previously allocated funds will continue to be assigned to specific counties, but future program funds will be available to all southern counties, cities, towns and nonprofits within the region.
3. Southwest Virginia Committee - The Southwest Virginia Committee hears proposals from applicants for grants or loans to support economic development in Southwest Virginia. Program funds are available to all southwest counties, cities, towns and nonprofits within the region, without regard to any specific tobacco-related local data, historic or current.
4. Education - The Education Committee hears proposals for grants or loans for competitive education funding as well as financial aid support at community colleges and higher education centers throughout the footprint.

5. Incentives and Loans – This committee will oversee both TROF and Community and Business lending policy and awards.
6. Such ad-hoc committees as may be necessary to accomplish specific tasks. A good example is the strategic planning committee tasked with the production of this report. As programs are established to meet the new Energy funding priority and the renewed focus on Agribusiness, separate committees, either permanent or ad hoc, to review applications to these programs may be established, or they may be reviewed by the Southern Virginia and Southwest committees. Decisions on what committee will review these applications will be made by the Executive Committee,

### **Fiscal Management**

The Commission's efforts toward sustainability have slowed the decline in Commission finances, but they have not stopped it. It is imperative that the Commission take further steps to reduce and reverse the decline in Commission assets and ensure that the Commission will remain a viable and impactful entity for change until the communities the Commission serves are at least as economically successful as the Commonwealth as a whole.

**Sustainability:** During, and upon completion of the transition to sustainability, the Commission will only reduce its overall financial position in instances of truly game-changing economic development opportunities, meaning facilities with many hundreds or thousands of jobs at or above the prevailing wage and investment in excess of \$250 million. Otherwise, the Commission's focus on sustainability will require that, moving forward, the Commission only grant from earnings on the Commission's corpus, interest on existing loans, and assets created by the new development team. In the next iteration of the Commission's strategic planning process, this fiscal transition will be evaluated, and the Strategic Planning Committee will recommend continuing, pausing, or reversing this transition based on documented financial changes.

**Asset management.** The Commission's grant agreements require that any grantee deliver, to the Commission, a security interest in any real, tangible, or intellectual property that is purchased with non-TROF grant funds. For many years these assets existed and would occasionally be transferred to the private sector and trigger a clawback, but there has only recently been a systematic approach to cataloguing our property and recording our interest in that property. This means that the Commission is the partial owner of millions of dollars of land, buildings, and high-value equipment across the footprint. Moving forward, the Commission will complete the cataloguing of this portfolio of equipment and real property that has already begun in the field offices and record right to reimbursement notices against all assets over a specific value. Once properly catalogued and right to reimbursement notices have been recorded, the Commission will also explore potential uses of this portfolio and determine if it represents something that could be leveraged to support future activities.



**Fund development.** (See: Commission Foundation) A transition to better fiscal management means that the Commission has the potential to grow in the years ahead and improve its financial position. However, the Commission also does work that could be supported by charitable contributions and grants from other entities, which would take further pressure off of the current corpus. This entity would be a new vehicle for bringing funding to support Commission projects.

To facilitate this move to outside funding, the Commission plans to create a non-governmental nonprofit to oversee the acquisition and allocation of funds for the purpose of grant making. This will require the hiring of development staff who will seek grants from the government and charitable foundations as well as individual contributions from donors that care about the success of Commission-supported communities.

### **Commission Foundation**

Much of the work the Commission undertakes in its largest budget area, education, which includes workforce development and talent attraction, is eminently eligible for funding via other grant-makers and donors. It makes good fiscal sense for the Commission to pursue the creation of an outside nonprofit, which should, once it has built up a portfolio of donors and grants, be able to fund the Commission's education and talent attraction work without requiring significant inputs from the Commission's corpus.

**Bring in outside funds.** By creating a foundation or nonprofit that resembles those operated by the Foundation for Healthy Youth or any Virginia public university, the Commission will have a vehicle to receive funds from other organizations and individuals. This nonprofit foundation will seek both private and public sector grants as a means of continuing to fund Commission programs, particularly in energy, education and economic revitalization.

**Management.** This outside entity will be managed by a board composed primarily of current members and staff of the Commission in an effort to prevent any divide between the two organizations. The Executive Committee will initially appoint the membership of the board of the nonprofit, and those members will serve two-year terms with the opportunity for multiple reappointments.

**Initial funding and staff.** The Commission will make the initial investment in this nonprofit for the purposes of hiring a development staffer who will work out of the Richmond office. It will be the job of this staffer to seek grant and donation opportunities that align with the goals of the Commission's energy, education and economic revitalization programs and pursue those opportunities.

## Investing in the Regions

**Regional Marketing and Development Efforts.** The Commission will implement measures to assess the value and productivity of its regional marketing efforts, and continue to engage partners to support funding to expand promotion of economic development opportunities in its geographical footprint.

## Program Outcomes and Goals

Each programmatic committee of the Commission does its work in pursuit of specific “project outputs,” each of which supports one or more of the “targeted outcomes,” the long-term goals of the program. Below, each committee’s work is broken out into one or more logic models that display the specific outputs supporting each programmatic goal. It is the goal of Commission staff to evaluate projects, both before awards are given and in follow-up, on how well they meet the clear metrics laid out in project outputs when grants or loans are awarded. For more detail on specific metrics, please contact Commission staff.

## **Inputs, Activities and Participants**

Broadly, TRRC has five different programs, each with one or more investment strategies. Each program and strategy has specific outputs, or deliverables from the project, which target specific outcomes in the region. Below is a comprehensive representation of the Inputs, Activities and Participants, though some may vary by program.

### **Inputs**

#### Contributions:

- Core Funding
- Matching Funding (State, Federal, Local and Private Partners)
- Central Staff
- Regional Staff
- Software
- Offices & Equipment
- Commission & Committees
- Website

#### Partners:

- Investors
- Workforce
- Policy Makers
- Other Partners

### **Activities**

- Pre-application assistance, workshops, program marketing
- Review and Evaluate Proposals
- Staff Recommendations
- Committee Recommendations
- Commission Decisions
- Grant Agreements
- Process Grant Payments (Reimbursements)
- Site Visits
- Troubleshoot Grantees
- Progress Reports
- Set Policy
- Evaluate Programs

### **Participants**

- Government Entities
- For-profit Organizations
- Non-profit Organizations
- Educational Institutions
- Regional Partnerships

## Investment Strategies, Project Outputs, and Targeted Outcomes

### Investment Strategies

- Investment Strategies are the "tracks" selected by the grant applicant.
- Each investment strategy has a specific set of associated outputs and outcome(s).

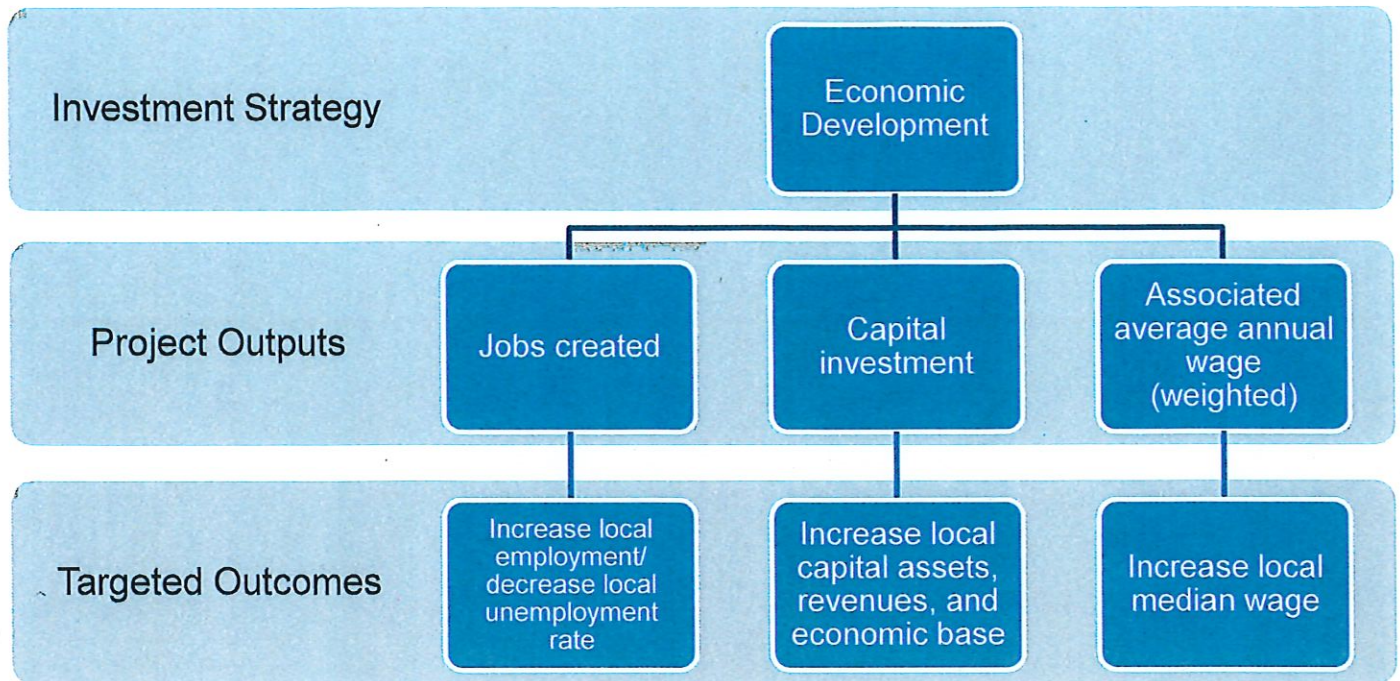
### Project Outputs

- Outputs are the legally-binding, contractual obligations specified in the grant agreement.
- Outputs may vary by program, by investment strategy, or they may be the same.
- Outputs are synonymous with "deliverables."
- *Outputs are projected, anticipated, or estimated in the application, and updated with actuals during and at the close of the project*
- For a more intuitive reference, TRRC refers to outputs as "project outputs."

### Targeted Outcomes

- Outcomes are the measures being targeted by the program.
- Outcomes are difficult to directly target on a project basis
  - For example, it is unreasonable to put as an output in the grant agreement that a project must decrease the unemployment rate in the locality which it is based.
  - Instead, the output is to create new jobs, which should have a positive effect on decreasing the unemployment rate.
- For a more intuitive reference, TRRC refers to outcomes as "targeted outcomes."

## TOBACCO REGION OPPORTUNITY FUND (TROF) LOGIC MODEL

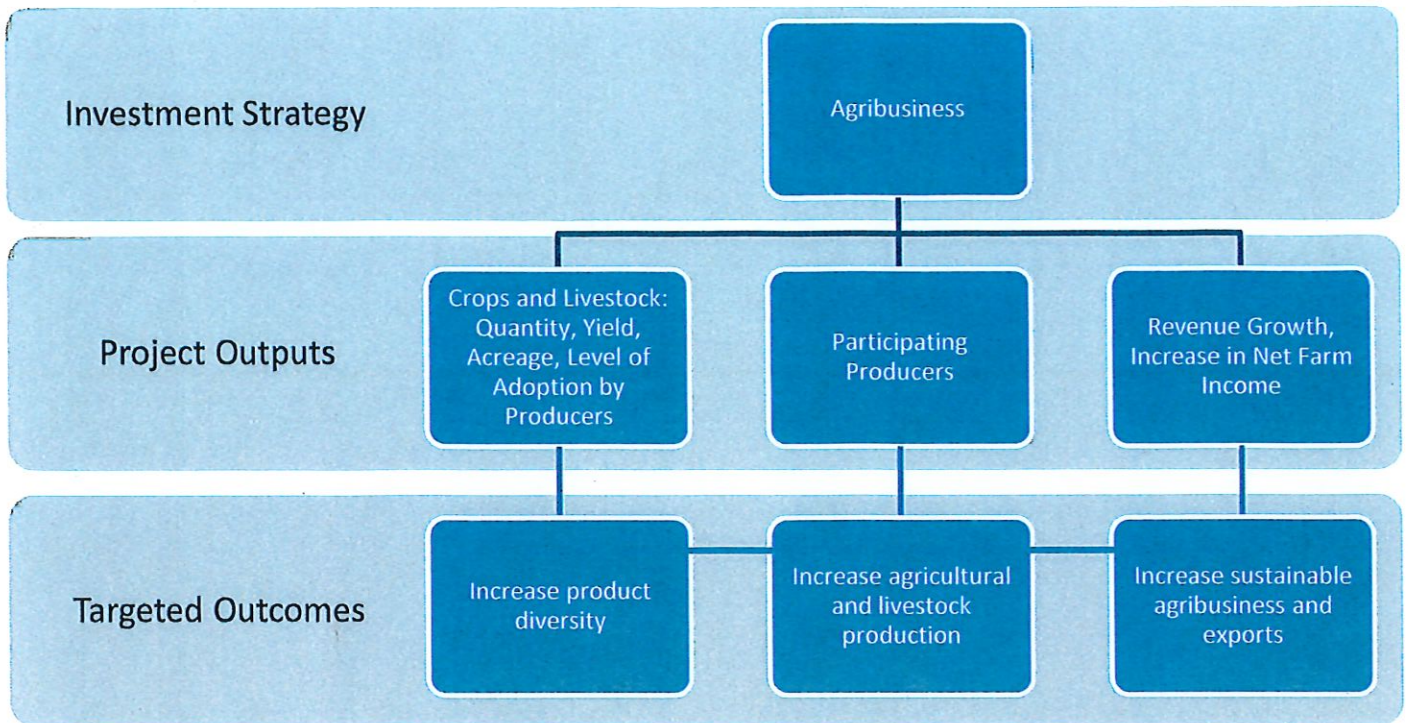


## SOUTHERN & SOUTHWEST VIRGINIA ECONOMIC DEVELOPMENT PROGRAM LOGIC MODEL

### Agribusiness

Agriculture is the dominant industry in the Commission footprint. The Commission strives to grow and diversify agribusiness in the region through investment in the following types of projects:

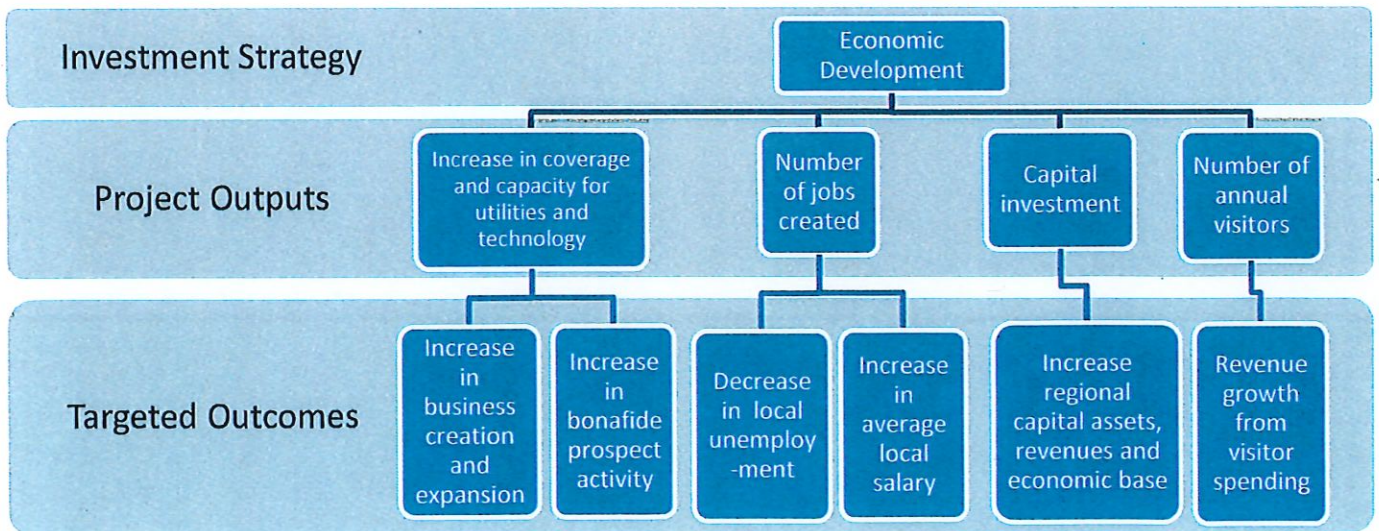
- Commercial Agriculture Product and Food Processing Facilities
- Cost Share Programs
- Crop and Livestock Demonstration
- Local Farmers Markets
- Multipurpose Agriculture Centers
- Wholesale & Retail Cooperative Marketing



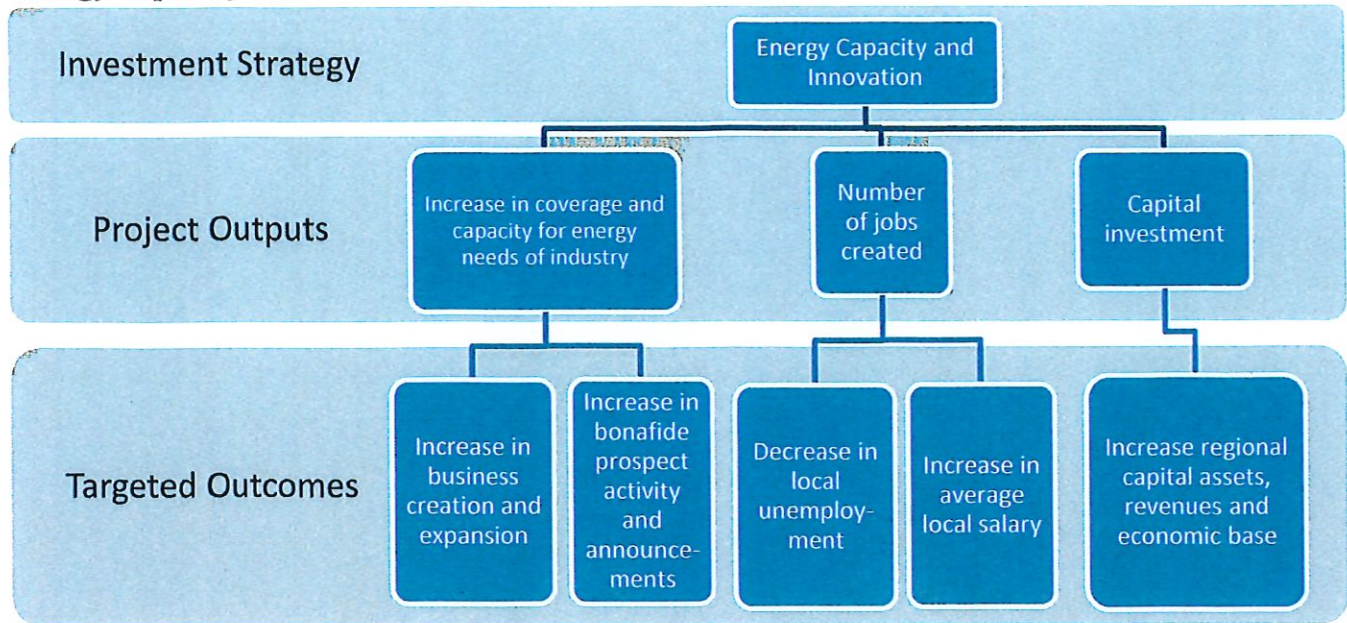
**Economic Development**

The Commission supports investment to increase capacity for economic development opportunities within the region through the following types of projects:

- Physical infrastructure improvements (industrial site development, shell buildings, water/sewer, energy generation, capacity, and infrastructure)
- Regional asset development
- Technology infrastructure and connectivity improvements



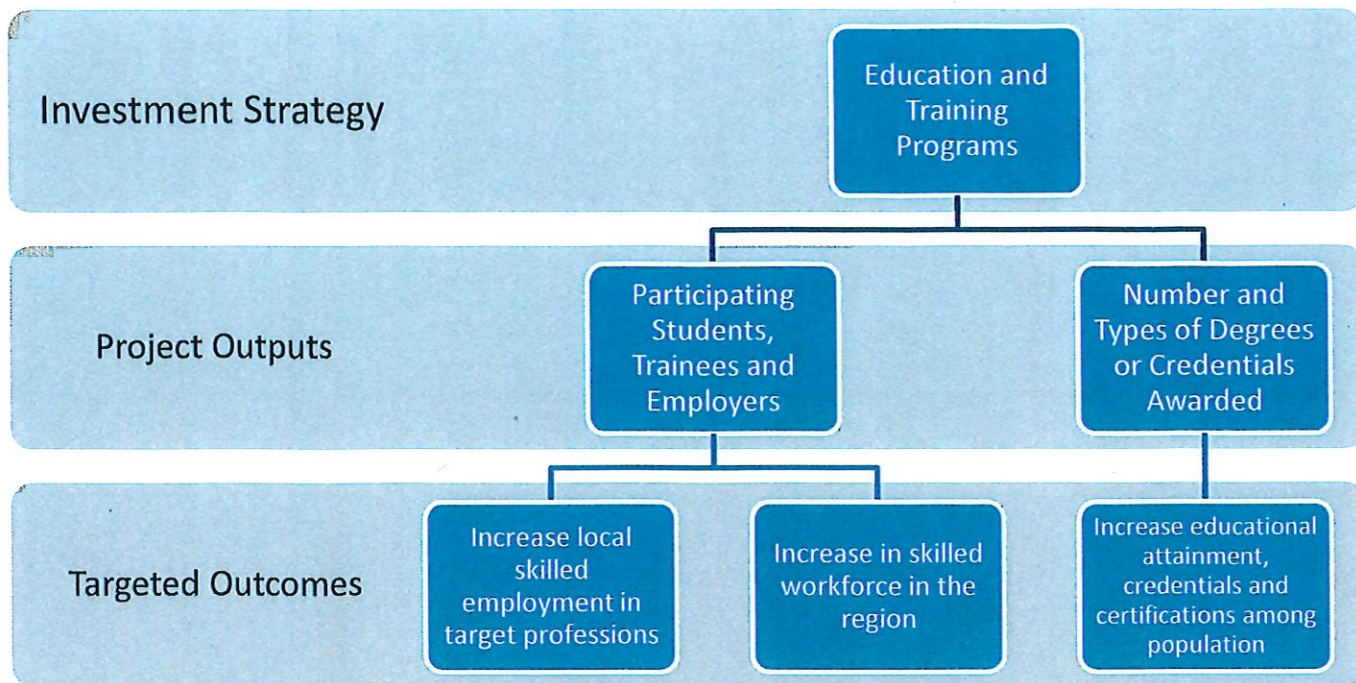
## Energy Capacity and Innovation Fund



### EDUCATION PROGRAM LOGIC MODEL

Through its education programs, the Commission seeks to prepare citizens for new-economy employment opportunities through workforce development, higher education scholarship and loan programs for the two regions and competitive grants to community colleges and other post-secondary educational entities. These types of projects include:

- Advanced Manufacturing Workforce Training Programs
- High School Equivalency (GED) Programs
- Post-Secondary Programs, with a focus on STEM-H
- Workforce Training Programs
- Community College Financial Aid



## Operations

This section describes the internal operations of the Commission. Five areas are covered: Program Design, Meeting Schedule, Loan Fund Operational Description and Organization Chart.

**Program Design.** Each program has specific outputs and outcomes that are directly tied to the goals of each program. The duration of these goals can vary between programs.

- Outputs are specific deliverables required from a project by an awarded applicant (or grantee) to satisfy the obligations of the grant agreement.
- Outcomes are the measures a program targets for effecting change.

A small but important distinction is that unlike outputs, outcomes cannot be targeted directly. Program specific outputs vary because program-specific outcomes vary. Project success is judged on delivered outputs, while program success is judged on effected outcomes.<sup>5</sup>

<sup>5</sup> In practice, it is often difficult to judge a program's success on effected outcomes because of other exogenous effects on that same outcome (e.g. lowering the unemployment rate). Examining the realized outputs of a program over time is another way to judge program success. However, this approach provides no information on the outcomes the program was intentionally and specifically designed to effect.

**Every applicant to a program must clearly articulate and demonstrate how the specific project relates to the goals of the program, what outputs shall be delivered, when such outputs are delivered, and the anticipated effect of these outputs on the outcomes targeted by the program.**

Commission staff review and score submitted applications, and prepare a report containing background information, an evaluation of the financial viability of the proposed projects, a recommendation on each application, and distribute the report to the appropriate committee for review in advance of the next committee meeting. Although staff are neither members of the Commission nor members of any committee, they are available before, during, and after committee meetings to answer questions from applicants or members or the public.

If an applicant is awarded a grant, a grant agreement must be signed between the Commission as the grantor, the awarded applicant as the grantee, and the final recipient of the grant funds. Depending on the outputs of a project, the deliverables in the grant agreement may vary within or between programs. Grant agreements are legally enforceable contractual obligations between the signed parties. **Every grant agreement contains clauses that provide legal remedies, including in certain cases a clawback provision, which may be exercised in the event of any unapproved use or misuse of Commission funds, and/or outputs specified in the signed grant agreement not being met by a specified point in time.**

The grantee responds to interim assessments (surveys) on progress made toward achieving the obligated outputs. Interim assessments are program specific. The assessments are intended to provide the Commission with useful quantitative data on the progress of the project toward completion. The Commission or Commission staff may, at any time, request additional information from grantees.

A final assessment is done once a project is completed within the duration specified in the grant agreement. A project is considered complete when the obligated outputs are met or exceeded, or when the obligated outputs either have not or will not be met. In the event of the latter, a clawback may be initiated by the Commission. **Under no circumstances will a final disbursement of funds be made to any grantee before Commission staff have received, reviewed, and validated the final assessment from the grantee.**

A project is closed once all documentation is received by the Commission and all obligations are considered satisfied.

**Meeting Schedule.** The Commission meets three times each year, as described below, with committees meeting as needed in the interim and before each full Commission meeting:

1. The Commission's winter meeting shall be held in January, prior to the convening of the General Assembly.
2. The Commission's spring meeting shall be held in May or early June.
3. The Commission's fall meeting shall be held in September or early October.



Any additional meetings may be called at the request of the chair, but the Commission has a goal of accomplishing its annual business during its three regular meetings. Should a major unforeseen event occur, meetings may be rescheduled at the discretion of the Commission's chair.

With the passage of HB444 (regarding electronic meetings by public bodies) into law during the 2022 General Assembly session, the Commission will evaluate the incorporation of meeting via electronic means for some functions such as called meetings outside of the regular meeting schedule.

**Revolving Loan Fund – Operational Description.** The Tobacco Commission was authorized during the 2015 session of the General Assembly to set up a revolving loan fund in partnership with the Virginia Resources Authority (VRA).<sup>2</sup>

This loan fund is the preferred funding option for any grant applications in support of projects that are likely to generate sufficient recurring revenue to service loans. This fund is distinct from the Commission's business and community lending portfolio.

When grant or loan requests are made by localities, they are routed to the relevant committee, and evaluated by Commission staff. Commission staff recommend to the committee that the applicant receive no award, receive a grant in some amount, or be reviewed for a loan up to some amount. Should the relevant committee, and then the full Commission, choose to extend a loan, the applicant will be directed to VRA for a creditworthiness evaluation. Upon completion of that evaluation, a loan will be extended from the revolving loan fund in an amount equal to the lesser of the applicants' creditworthiness or their loan offer from the Commission. Upon notice from VRA that a loan will be extended, the amount of the loan will be deducted from the relevant committee budget and transferred to VRA. In future years, when the revolving loan fund has adequate resources from repayments, its funds will be allocated for the use of various committees during the budget process.

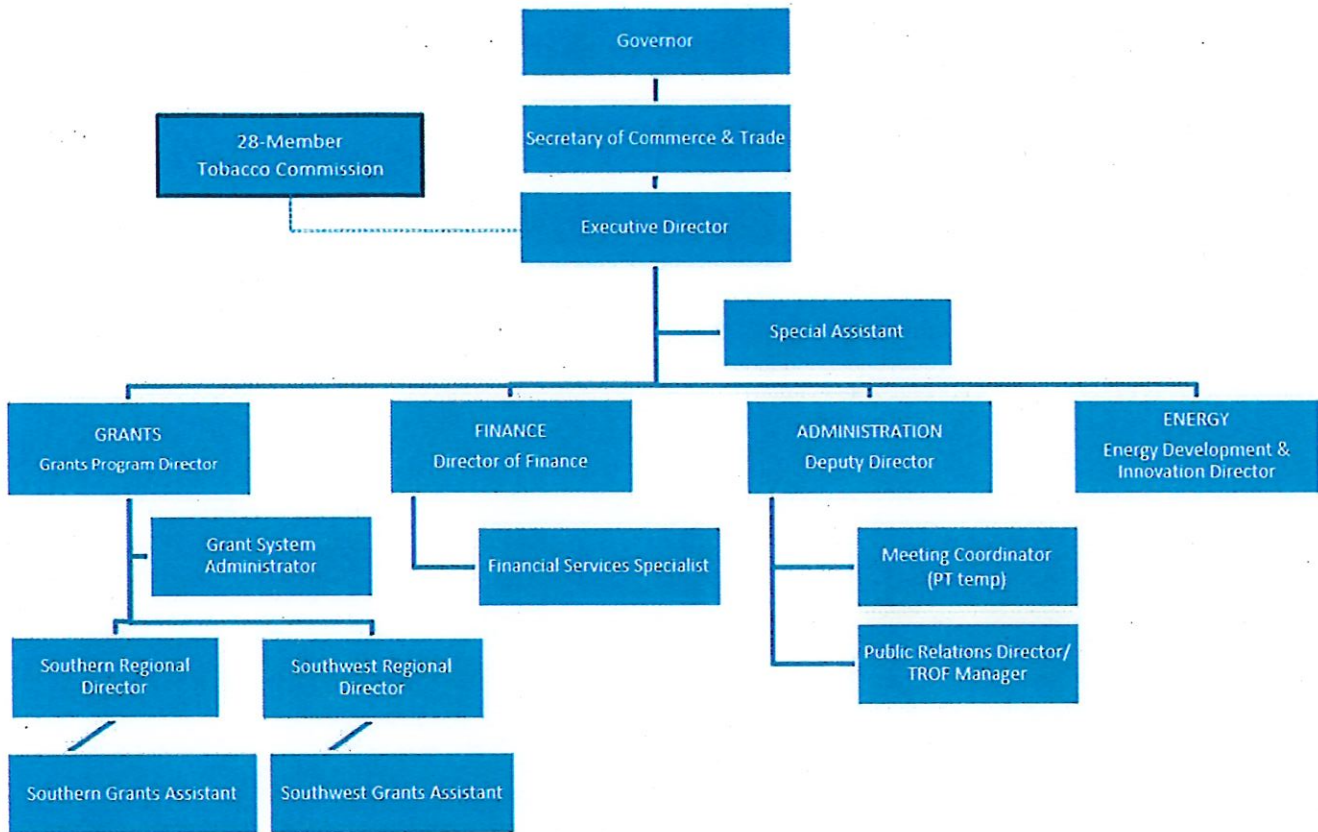
When loan requests are made directly by businesses, Commission staff, in partnership with VRA, shall determine the eligibility of the applicant business for a loan. If the applicant is eligible and Commission staff support the making of a loan, VRA staff shall extend a loan directly to the relevant business, and Commission staff shall take any measures necessary to secure pledged collateral or other security necessary to protect the taxpayers.

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<sup>2</sup> The full statute and details can be found in the Virginia Code at § 3.2-3112 et seq.

# Tobacco Region Revitalization Commission

## Organizational Chart



# FULL COMMISSION



▪ *In-Person Meeting* ▪

**AGENDA**  
**FULL COMMISSION**

**The Inn at Blackstone**  
**707 Fourth Street**  
**Blackstone, VA**  
**Thursday, October 12, 2023**  
**11:30 A.M.**

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The public may remotely participate in this meeting by accessing the following dial-in numbers: **1-434-230-0065** (toll) and enter **conference ID: 742 579 325#**.

The Commission will not change the method by which it chooses to meet without providing a new meeting notice that is in accordance with the Va. Freedom of Information Act. If problems are experienced calling in, please contact: **Hannah Franke-Fuller** at (804)-894-9659 or [hfranke-fuller@revitalizeva.org](mailto:hfranke-fuller@revitalizeva.org) or **Joyce Knight** at (804) 894-9651.

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Welcome and Call to Order	<i>The Honorable Frank Ruff, Chair</i>
Call of the Roll	<i>The Honorable James Campos, Acting Executive Director</i>
Approval of the <u>5/18/23</u> Minutes	<i>(published on website)</i>
Public Comment	
Brief on Governor's "Compete to Win" Economic Development Strategy	<i>The Honorable Caren Merrick, Secretary of Commerce and Trade</i>
Executive Committee	<i>The Honorable Frank Ruff, Chair</i>
Education Committee	<i>The Honorable Louise Lucas, Chair</i>
Incentives & Loans Committee	<i>The Honorable Danny Marshall, Chair</i>
Southern Virginia Committee	<i>Mr. Walter "Buddy" Shelton, Chair</i>
Southwest Virginia Committee	<i>The Honorable James "Will" Morefield, Chair</i>
Strategic Planning Committee	<i>The Honorable Leslie "Les" Adams, Vice Chair</i>
TROF & CBL Loan Updates	<i>Mr. Stephen Versen, Deputy Director</i>
Other Business	<i>Mr. Stephen Versen, Deputy Director</i>
Adjournment	

# FOUNDATION FOR THE ADVANCEMENT OF SOUTHERN AND SOUTHWEST VA (FASS-VA)



1

## FOUNDATION GOALS



### A PRIVATE, NOT-FOR-PROFIT 501(C)(3) "ARM" FOR THE TRRC:

- Purpose: to help revitalize Southern and Southwest Virginia
- Provide flexibility in raising funds for Tobacco Region initiatives
- Identify and apply for federal, state, and private funding related to economic revitalization of the Tobacco Region, including but not limited to:
  - Energy
  - Agriculture
  - Education
  - Economic Development
- Increase the TRRC's capacity to become an even larger catalyst for growth in Southern and Southwest Virginia

2

## FOUNDATION STRUCTURE



### Proposed Structure:

- Contractual relationship between Foundation and Commission with Commission staff providing staff support for the Foundation
- Five to nine members
  - Includes two TRRC staff
  - No more than 49% from concurrently serving Commission members (to maintain independence)
  - Two-year terms
- Executive Committee of the Commission will initially appoint the Foundation board; Foundation board will appoint thereafter
- Initial funding request of \$100,000 for legal and filing fees, grant writing consultants, accounting services and other start-up costs

3

## FOUNDATION START-UP



Proposed Funding	Amount	Description
Legal Fees	\$ 25,000	Develop governance documents, filing fees, apply for non-profit status
Grant Writer	50,000	Identify and apply for federal and private funding opportunities
Accountant	10,000	Tax filings, audits
Other	15,000	Other admin costs
<b>Total Request</b>	<b>\$100,000</b>	

4

## FOUNDATION NEXT STEPS



- Commission approval of name, purpose, board composition, and initial funding and delegate authority to the Executive Committee to approve final documents
- Attorney creates
  - Articles of Incorporation
  - Bylaws
  - IRS and SCC filings
- Executive Committee approves final documents and appoints initial members
- Obtain non-profit status (approx. six-month process)

# Tobacco Region Agribusiness Project Fund (TRAP)

## *A innovative approach for agribusiness project development*

### Objectives

- Develop and implement impactful agribusiness projects in the Tobacco Region benefiting current and prospective producers with new and expanded market opportunities
- Leverage Federal, state and private funding resources for agribusiness development through unprecedented collaboration among key partners that maximizes each partners' assistance available to quality projects
- Orient the agribusiness development towards a collaborative model of resource organizations partnering to better coordinate and serve one another's clients and to develop transformational projects in the region.

### Major Funding and Technical Assistance Partners (the TRAP Team)

The TRAP Program will be led by the Tobacco Commission's Deputy Director and Grants Staff, in collaboration with the following organizations:

- Virginia Department of Agriculture and Consumer Services (VDACS) – Office of Agriculture and Forestry Development
- United States Department of Agriculture (USDA) – Rural Development
- Virginia Foundation for Agriculture, Innovation and Rural Sustainability (VA-FAIRS)
- Virginia Small Business Financing Authority

This core team of resource organizations will be enlarged as needed to bring in other funding and assistance organization to assist with project development and implementation. These organizations may include:

- Virginia Cooperative Extension
- Planning District Commissions
- Virginia State University – Small Farmer Outreach Program
- The various agricultural commodity boards (e.g. cattle board, wine board, etc.)
- Department of Housing and Community Development GO Virginia Program
- VDACS – Specialty Crop Competitive Grant Program
- Virginia Economic Development Partnership
- Appalachian Regional Commission
- Federal Economic Development Authority

### Pre-Proposals and Project Development Assistance

Those interested in pursuing an award are encouraged to submit a non-binding Pre-Application form available on the Commission's website to obtain feedback. Projects that could benefit from technical and developmental assistance will be invited to participate in regular project development sessions hosted by the TRAP team. These forums will ensure all relevant funding partners are engaged and coordinating their assistance to the maximum benefit to the project. TRAP team guidance is advisory and applicants will ultimately submit their formal applications for TRAP funding directly to TRRC Grant Staff for processing.



## **Grant Types**

### **Catalyst Grants:**

- Smaller awards of up to \$50,000 focused on developing a major agribusiness project to a point where it can receive the funding needed for successful implementation.
- Funds are to be used primarily on capacity development expenditures, such as for administrative, professional and technical services including grant writing and grants management, project development and management, legal and engineering expenses, and capacity building expenses directly related to the project.

### **Implementation Grants:**

- Awards of any size, limited by available funding, to aid in the implementation of staff recommended agribusiness projects.
- Funds can be used for any reasonable cost allowed by Code that are necessary for the successful implementation of the project.

While the expectation and focus of this program is on awarding grant funds, also allowed is the provision of supporting project financing through low-interest loans, creation of loan-loss reserve funds or other mechanisms needed to best move a project forward, as long as total liability for the Commission is clear and capped.

### **Priority Funding Areas:**

It is expected that projects meeting the following criteria will receive the bulk of TRAP Team assistance and total program funding:

- Projects that present a clear market opportunity, build on the region's inherent assets and leverage existing business strengths.
- Projects that leverage substantial additional funding from the public, non-profit and private sectors.
- Projects that develop or expand commodity processing, aggregation or marketing infrastructure that will improve the long-term market opportunities for the region's agribusiness producers.

### **Other Funding Areas:**

Projects in the following categories are also eligible for funding. It is expected that these awards will be smaller than those supporting the Priority Funding Areas described above and provide substantial matching funds.

- Development and demonstration of high-value, low-acreage crops that support crop diversification and higher economic values of productive agricultural lands
- Cost-share programs incentivizing the adoption of proven agricultural techniques and practices that offer producers direct economic benefit
- Efforts that improve producer access to new or existing markets that increase revenue and profitability.

### Eligible Applicants

Grant Applications will only be accepted from governmental entities and non-profit organizations located in and/or providing economic revitalization programs, services, or facilities in the Tobacco Region.

Eligible applicants including the following:

- **Governmental Entities** within the Tobacco Region, including towns, cities, and counties; local or regional industrial or economic development authorities; regional authorities, and other governmental units.
- **Incorporated Non-profit organizations** designated as tax-exempt by the IRS.
- Projects primarily benefitting a **private entity** must have a public purpose and be made by an eligible applicant. For these projects, the application must describe the public purpose and the terms of the agreement must detail use of funds, ownership of grant-funded assets, and how the public benefits, including new jobs or investment, will be documented.;

### Matching Funds Requirement

As required by the Code of Virginia, all requests for grant funds require at least dollar-for-dollar (1:1) matching funds. Projects will generally be required to have no more than 25% of the match requirement from "in-kind" sources. Exceptions will be considered for smaller awards on a case by case basis.

### Agribusiness Outcomes, Deliverables and Reporting

Implementation Grants will be required to put report on specific, measurable and relevant project outcomes and deliverables for the project and for a (typically) three-year period following the end of the TRRC grant. Staff will work with applicants to help define appropriate measures.

Grantees are required to complete an annual report during the grant period. Upon completion of the grant period, grantees are required to submit a final grant report, including any grant deliverables, along with a budget close-out form including all receipts, invoices, and backup documentation. The final reimbursement payment will be made upon verification of the final grant documents.

### Project Evaluation and Award Criteria

Awards will be made on a competitive basis based on the strength of a candidate's application.

Applicants must follow the TRAP Program Application format. Stronger applications will clearly explain:

- purpose, goals and objectives of the project;
- specific issues or barriers to success that the project will help overcome;
- importance of undertaking the project;
- particular deliverables of the project, and;
- how grant and matching funds will be used.

In addition to the quality and completeness of an application, the following criteria will also be used when making award decisions:

- The project's expected impact on agribusinesses in the Tobacco Region.
- The potential for a strong return on investment for the TRRC.
- Support and involvement of private sector agribusinesses in the project.
- Does the project create critical infrastructure offering long-term benefit to the region's agriculture and forestry producers.
- The project's likelihood of success in achieving the promised deliverables.

## Rural Energy Innovation Fund (REIF)

### *A innovative approach for energy project development*

#### Objectives

- Develop and implement impactful energy projects in the Tobacco Region
- Leverage Federal, state, local and private funding resources for energy development through unprecedented collaboration among key partners such as VEDP, US Dept of Energy, and Virginia Dept of Energy, that maximizes each partners' assistance available to quality projects
- Spotlight the energy development model as a collaborative model of resource organizations partnering to better coordinate and serve each other's clients and to develop transformational energy projects in the region
- This core team of resource organizations will be enlarged to bring in other funding and assistance organizations as needed to assist with project development and implementation.

#### Major Funding and Technical Assistance Partners (the REIF Team)

- Virginia Department of Energy
- United States Department of Energy – Rural Development/Innovation/Grid Reliability
- United States Department of Commerce – Rural Development/Innovation/Tech Hub
- Virginia Economic Development Partnership(VEDP)
- Virginia Resource Authority (VRA)
- Virginia Department of Environmental Quality
- Department of Housing and Community Development – GO Virginia Program

#### Pre-Proposals and Project Development Assistance

Those interested in pursuing an award are encouraged to submit a non-binding Pre-Application form available on the Commission's website to obtain feedback. Projects that could benefit from technical and developmental assistance will be invited to participate in regular project development sessions hosted by the REIF team. These forums will ensure all relevant funding partners are engaged and coordinating their assistance to the maximum benefit to the project. REIF team guidance is advisory and applicants will ultimately submit their formal applications for REIF funding directly to TRRC Grant Staff for processing.

#### Grant Types

##### Catalyst Grants:

- Smaller awards of up to \$50,000 focused on developing a major energy project to a point where it can receive the funding needed for successful implementation.
- Funds are to be used primarily on capacity development expenditures, such as for administrative, professional and technical services, grant writing and management, project development and management, legal and engineering expenses, and capacity building expenses directly related to projects with an Energy development or Innovation focus.
- Code-mandated 1-to-1 match of funds enforced, however when circumstances demand, staff may recommend awarding funds from the Project Development Support Fund in the Commission's Administrative Budget to aid in project development.

## DRAFT DOCUMENT

### Implementation Grants:

- Awards of any size, limited by available funding, to aid in the implementation of staff recommended energy projects.
- Funds can be used for any reasonable cost allowed by Code that are necessary for the successful implementation of the project.
- Minimum 1-to-1 match of funds required, with higher levels of match expected for larger grant requests.

\* While the expectation and focus of this program is on awarding grant funds, also allowed is the provision of supporting project financing through low-interest loans, creation of loan-loss reserve funds or other mechanisms needed to best move a project forward, as long as total liability for the Commission is clear and capped.

### Priority Funding Areas:

It is expected that projects meeting the following criteria will receive the bulk of REIF Team assistance and total program funding:

- Projects that present a clear market opportunity that builds on the region's inherent assets and existing business strengths for Energy development and Energy Innovation
- Projects that leverage additional funding from the public, non-profit and private sector
- Projects that develop and expand energy infrastructure offering long-term benefits to the region.

### Eligible Applicants

Grant Applications will only be accepted from governmental entities and non-profit organizations located in and/or providing economic revitalization programs, services, or facilities in the Tobacco Region.

Eligible applicants including the following:

- **Governmental Entities** within the Tobacco Region, including towns, cities, and counties; local or regional industrial or economic development authorities; regional authorities, and other governmental units.
- **Incorporated Non-profit organizations** designated as tax-exempt by the federal Internal Revenue Service.
- Projects primarily benefitting a **private entity** must have a public purpose and be made by an eligible applicant. For these projects, the application must describe the public purpose and the terms of the agreement must detail use of funds, ownership of grant-funded assets, and how the public benefits, including new jobs or investment, will be documented.;

### Matching Funds Requirement

As required by the Code of Virginia, all requests for grant funds require at least dollar-for-dollar (1:1) matching funds. Projects will generally be required to have no more than 25% of the match requirement from "in-kind" sources. Exceptions will be considered for smaller awards on a case by case basis.

### Energy Outcomes, Deliverables and Reporting

Implementation Grants will be required to put forward specific, measurable and relevant project outcomes and deliverables, typically for a three (3) year start-up or expansion period, following the end date on the TRRC grant. Staff will work with applicants to help define appropriate measures.

Grantees are required to complete an annual grant report throughout the grant period. Upon completion of the grant period, grantees are required to submit a final grant report, including any grant deliverables, along with a budget close-out form including all receipts, invoices, and backup documentation. The final reimbursement payment will be made upon verification of the final grant documents.

### Project Evaluation and Award Criteria

Awards will be made on a competitive basis based on the strength of a candidate's application. Applicants must follow the REIF Program Application format. Stronger applications will clearly explain the:

- purpose, goals and objectives of the project;
- specific issues or barriers to success that the project will help overcome;
- importance of undertaking the project;
- particular deliverables of the project, and;
- how grant funds and local match will be used.

In addition to the quality and completeness of an application, the following criteria will also be used when making award decisions:

- The project's expected impact on Energy development and Energy Innovation in the Tobacco Region.
- The potential for a strong return on investment for the TRRC
- Support and involvement of private sector Energy development and Energy Innovation in the project.
- The project's likelihood of success in achieving the scheduled deliverables and targeted milestones.

# Community Business Lending Program Loans October 2023

Project #	Approved On	Primary Applicant/ Beneficiary	Project Sector	Requested Loan Amount	Project Term /Interest Rate	Status	Approved Loan Award	Available Balance	Notes (as of 10/6/23)
4093	8/23/2022	Local gov't/ private company	Infrastructure	\$280,000	TBD	Approved - Pending Award Documents	\$280,000	\$280,000	In process
4079	10/5/2022	Local gov't/ private company	Hospitality	\$5,985,000	TBD	Approved - Pending Award Documents	\$5,985,000	\$5,985,000	Commission approved 10/5/22. Loan Term sheet provided to locality & applicant 11/19/22. Terms have not been agreed with the locality desiring changes that staff does not find acceptable or in line with the Commission's intent.
3933	11/1/2021	private company/ private company/	Automotive	\$500,000	TBD	Approved - Pending Award Documents	\$500,000	\$500,000	Staff notified applicant that loan will be closed on 6/1/23 unless we hear otherwise. Currently following up with locality and moving to close.
3913	08/02/2021	Kinex Telecom	Telecommunications	\$4,000,000	10 years/ 4.24%	Approved - Pending Award Documents	\$4,000,000	\$0	Loan disbursed to VRA Feb 2022. VRA disbursed to local Gov't when closing occurred in May 2022
<b>TOTALS</b>				<b>\$10,765,000</b>			<b>\$10,765,000</b>	<b>\$6,765,000</b>	

TROF Awards  
 FY 2019 - FY 2023 to date

Project #	Date Approved	Status	Organization	Project Title	Jobs Promised	Capital Investment Promised	Approved Grant Amount	Approved Loan Amount	Total Approved Amount
4078	09/24/22	Approved - Pending Award Documents	Halifax County IDA	IperionX Technology LLC	108	\$ 82,135,431.00	\$ 570,000.00	\$ -	\$ 570,000.00
3965	09/19/22	Approved - active	Halifax County IDA	Skip Barber Racing School	24	\$ 8,900,000.00	\$ 32,500.00	\$ -	\$ 32,500.00
3976	08/11/22	Approved - active	Dinwiddie County	DroneUp, LLC	145	\$ 18,850.00	\$ 111,000.00	\$ -	\$ 111,000.00
3943	07/18/22	Approved - active	Halifax County IDA	Hitachi Energy USA	165	\$ 37,000,000.00	\$ 220,000.00	\$ -	\$ 220,000.00
	FY 2023 (to date)		# of Projects	4	442	\$128,054,281	\$933,500	\$0	\$933,500
3892	9/22/2021	Approved - pending award documents	Wythe County Joint IDA	Blue Star LLC	1,044	\$446,074,578	\$1,022,000	\$0	\$1,022,000
3912	9/22/2021	Approved - active	Danville-Pittsylvania Regional Industrial Facility Authority	Tyson Foods, Inc.	376	\$295,452,718	\$707,500	\$0	\$707,500
3784	7/28/2021	Approved - active	City of Danville	Kegerreis Digital Marketing, LLC	62	\$1,500,000	\$44,500	\$44,500	\$89,000
	FY 2022		# of Projects	3	1,482	\$743,027,296	\$1,774,000	\$44,500	\$1,818,500
	FY 2021		# of Projects	11	892	\$174,242,825	\$1,146,000	\$450,000	\$1,596,000
	FY 2020		# of Projects	9	1,809	\$245,184,219	\$4,106,000	\$2,516,000	\$6,622,000
	FY 2019		# of Projects	20	1,334	\$215,915,399	\$4,490,000	\$2,665,000	\$7,155,000

# TROF Loans October 2023

Project #	Date Approved	Organization	Project Title	Status	Loan Amount Approved	Remaining Loan Amount to be Repaid
3754	4/30/2021	Danville-Pittsylvania Regional Industrial Facility Authority	Walraven, Inc.	To be disbursed	\$ 48,000	\$ 48,000
3734	7/28/2021	Danville, City of	Kegerreis Digital Marketing, LLC	To be disbursed	\$ 45,500	\$ 45,500
3674	5/3/2021	Blackstone, Town of	Blackstone Hotel Partners, LLC	Disbursed - 8/27/21	\$ 44,500	\$ 35,600
3556	8/6/2019	Danville-Pittsylvania Regional Industrial Facility Authority	MEP, Ltd.	Disbursed - 9/28/21	\$ 270,000	\$ 270,000
3545	4/30/2019	Carroll County	Blue Ridge Designs, LLC	Disbursed - 7/10/19	\$ 50,000	\$ 15,000
3544	4/30/2019	Joint IDA of Wythe County, VA	Seven Sisters Brewery, LLC	Disbursed - 4/1/20	\$ 15,000	\$ 7,500
3507	6/6/2019	Russell County Industrial Development Authority	Polycap LLC	Disbursed - 8/30/19	\$ 140,000	\$ 84,000
3482	10/15/2018	Danville-Pittsylvania Regional Industrial Facility Authority	Harlow Fastech LLC	To be disbursed	\$ 630,000	\$ 630,000
3481	10/9/2018	Franklin County	Empire Bakery Commissary	Disbursed - 6/18/19	\$ 140,000	\$ 28,000
3448	6/6/2018	Nottoway County	UAV Pro, Inc.	To be disbursed	\$ 144,000	\$ 128,100
3393	12/7/2017	Buchanan County Industrial Development Authority	Trina Health of Pounding Mill, LLC DBA Trina Health Town Center	Disbursed - 6/27/18	\$ 27,500	\$ -



# TROF Loans October 2023

Project #	Date Approved	Organization	Project Title	Status	Loan Amount Approved	Remaining Loan Amount to be Repaid
3300	5/31/2017	Town of Tazewell Industrial/Economic Development Authority	Sunset Digital Communications Incorporated	Disbursed - 4/10/18	\$ 680,000	\$ -
3296	4/27/2017	Tazewell County Industrial Development Authority	Trina Health of Pounding Mill, LLC	Disbursed - 9/22/17	\$ 45,000	\$ -
<b>TOTALS</b>					<b>\$ 2,279,500</b>	<b>\$ 1,291,700</b>

Active TROFs with Concluded Performance Periods October 2023

Project Number	Date Approved	Start Date	End Date	Organization	Project Title	Performance Period Status	Status 1	Status 2	Clawback Amount	Clawback Repaid	Clawback Remaining
2724	8/23/2013	6/30/2013	6/30/2018	Danville	North American Mold Technology, LLC	Performance Period Ended	Full performance not met	Repayment plan executed	\$130,000.00	\$130,000.00	\$0.00
2845	1/14/2014	12/31/2013	12/31/2017	Scott	Secure Mountain LLC.	Performance Period Ended	Full performance not met	Repayment plan executed	\$460,000.00	\$417,408.00	\$42,592.00
2850	2/25/2014	12/31/2013	12/31/2021	Bristol	CBH Bristol, LLC.(aka Creative Boutique Hotels/The Sessions Hotel)	Performance Period Ended	Gathering Performance Data	Gathering Performance Data	TBD		
2892	5/5/2014	3/31/2014	3/31/2018	Lunenburg	Coast 2 Coast Trucking, Inc. (This is a sister company to ABC Recycling)	Performance Period Ended	Full performance not met	Repayment plan executed	\$100,000.00	\$75,000.00	\$25,000.00
2941	8/1/2014	6/30/2014	6/30/2017	Russell	APPALACHIAN BIOFUELS, LLC	Performance Period Ended	Full performance not met	Negotiated repayment plan - monitoring performance of negotiated revised performance terms	TBD		
2999	1/15/2015	12/31/2014	6/30/2022	Grayson County Economic Development Authority	Oak Hall Industries (Oak Hall Cap & Gown)	Performance Period Ended	Gathering Performance Data	repayment required	\$ 163,625.00	\$ -	\$ 163,625.00
3002	2/6/2015	12/31/2014	12/31/2017	Grayson	McAllister Mills, Inc.	Performance Period Ended	Reviewing Performance Data	Repayment plan executed	\$35,893.36	\$0.00	\$35,893.36
3101	10/8/2015	9/30/2015	9/30/2022	Tazewell County Industrial Development Authority							
3177	5/4/2016	3/31/2016	3/31/2021	Henry	Blue Wolf Sales and Service RTI Martinsville, Inc. (Project LID)	Performance Period Ended	Gathering Performance Data	repayment required	\$ 8,333.35		\$ 8,333.35
3214	8/30/2016	6/30/2016	6/30/2019	Prince Edward	Hotel Weyanoke, LLC	Performance Period Ended	Full performance not met	Repayment plan executed	\$16,778.90	\$5,592.90	\$11,186.00
3245	12/7/2016	9/30/2016	12/31/2021	Henry	Novatech USA Inc.	Performance Period Ended	Full performance not met	lump sump payment	\$37,017.29	\$37,017.29	\$0.00
3266	3/6/2017	12/31/2016	12/31/2019	Wise	DP Facilities, Inc.	Performance Period Ended	Gathering Performance Data	Reviewing Performance Data	TBD		
3295	6/8/2017	3/31/2017	6/30/2023	Greensville County	Oran Safety Glass, Inc.	Performance Period Ended	Gathering Performance Data	Reviewing Performance Data			
3296	4/27/2017	3/31/2017	3/31/2020	Tazewell	Trina Health of Pounding Mill, LLC	Performance Period Ended	Gathering Performance Data	Reviewing Performance Data	TBD		
3300	5/31/2017	3/31/2017	3/31/2020	Tazewell	Sunset Digital Communications Incorporated	Performance Period Ended	Reviewing Performance Data	Confirmed full performance	\$0.00	\$0.00	\$0.00

Active TROFs with Concluded Performance Periods October 2023

Project Number	Date Approved	Start Date	End Date	Organization	Project Title	Performance Period Status	Status 1	Status 2	Clawback Amount	Clawback Repaid	Clawback Remaining
3340	9/12/2017	6/30/2017	6/30/2020	Appomattox	Innovatio Sealing Technologies, LLC	Performance Period Ended	Full performance not met	Repayment due	\$92,000.00	\$18,400.00	\$73,600.00
3341	8/25/2017	9/30/2017	9/30/2022	Danville Pittsylvania RIFA	Unison Tube LLC	Performance Period Ended	Reviewing Performance Data	Reviewing Performance Data	n/a	n/a	n/a
3375	12/7/2017	9/30/2017	9/30/2022	St. Paul, Town of	Willis LLC c/o St. Paul IDA	Performance Period Ended	Gathering Performance Data	Gathering Performance Data	TBD		
3376	11/13/2017	9/30/2017	6/30/2023	Pittsylvania County	Panacea BioMatx	Performance Period Ended	Gathering Performance Data	Gathering Performance Data			
3393	12/7/2017	9/30/2017	9/30/2020	Buchanan	Trina Health of Pounding Mill, LLC DBA Trina Health Town Center	Performance Period Ended	Gathering Performance Data	Reviewing Performance Data	TBD		
3394	12/28/2017	9/30/2017	9/30/2022	Pittsylvania County	Amthor International, Inc.	Performance Period Ended	Gathering Performance Data	Gathering Performance Data	TBD		
3395	1/29/2018	12/31/2017	12/31/2021	Bedford, County of	KMR Aviation Services Inc.	Performance Period Ended	Gathering Performance Data	Reviewing Performance Data	TBD		
3405	2/21/2018	12/31/2017	12/31/2020	Franklin County	DuPont Credit Union	Performance Period Ended	Gathering Performance Data	Reviewing Performance Data	TBD		
3406	2/22/2018	12/31/2017	12/31/2021	Floyd County	Daley Acquisitions, LLC	Performance Period Ended	Gathering Performance Data	Reviewing Performance Data	TBD		
3428	3/27/2018	12/31/2017	12/31/2020	Scott	Mountain Top Timber Products, LLC	Performance Period Ended	Repayment Plan Executed	Default - bankruptcy	\$250,000.00	\$125,000.00	\$125,000.00
3448	6/6/2018	3/31/2018	3/31/2021	Nottoway County	UAV Pro	Performance Period Ended	just loan payments	just loan payments	n/a	n/a	n/a
3451	7/17/2018	6/30/2018	6/30/2022	Smyth County Economic Development Authority	Speyside Bourbon Cooperage, Inc.	Performance Period Ended	Gathering Performance Data	Gathering Performance Data	n/a	n/a	n/a
3452	7/17/2018	6/30/2018	6/30/2021	Smyth-Washington Regional Industrial Facilities Authority (SWIFA)	Speyside Bourbon Cooperage, Inc.	Performance Period Ended	Full performance met	Revenue Sharing Only	\$0.00	\$0.00	\$0.00
3455	7/25/2018	12/31/2017	12/31/2020	Halifax IDA	Aquatic	Performance Period Ended	Processing disbursement.	Revenue Sharing Only	\$0.00	\$0.00	\$0.00
3456	7/25/2018	6/30/2018	6/30/2023	Henry	Press Glass, Inc.	Extension Approved	n/a	n/a	\$0.00	\$0.00	\$0.00

## Tobacco Region Revitalization Commission

Financial Summary  
As of August 31, 2023

TICR Fund Balance	\$	227,710,954
Restricted Endowment Balance	\$	75,976,441
Unrestricted Endowment Balance	\$	46,109,311
Restricted Endowment Accum Interest	\$	2,249,167
Unrestricted Endowment Accum Interest	\$	1,257,732
<b>Total Cash &amp; Investments</b>	<b>\$</b>	<b>353,303,605</b>

Cash Disbursements - this month	\$	1,045,887
Cash Disbursements - FYTD	\$	3,779,806

Fund		Unobligated Balances
Education	\$	4,622,077
Education-Workforce Training	\$	3,367,850
Education-TAP	\$	3,100,000
TROF (Deal Closing)	\$	21,617,380
Southside Economic Development	\$	13,033,332
Southern Va Committee	\$	21,180,451
Southwest Va Committee	\$	7,434,776
Rural Energy Innovation	\$	12,000,000
Megasite Development	\$	17,375,889
Lending Program	\$	56,670,974
Administration	\$	1,970,711
TICRC General Account	\$	883,607
FY2024 Budget Balance	\$	163,257,046

10/2/2023

**Tobacco Region Revitalization Commission**  
Statement of Revenues, Expenditures, and Changes in Fund Balance (Cash Basis)  
As of August 31, 2023

	FY24 Budget	YTD Actual	YTD Actual as % of Budget	Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Other Revenue (all cost codes)	\$ -	\$ 139,280.88		139,280.88
Total Revenues	<u>\$ -</u>	<u>\$ 139,280.88</u>		<u>\$ 139,280.88</u>
<b><u>EXPENDITURES</u></b>				
<b>Administration</b>				
Salaries, Fringe Benefits, Per Diems	\$ 1,432,900	\$ 201,791.16	14.1%	\$ 1,231,108.84
Contractual Services	237,800	39,091.64	16.4%	198,708.36
Supplies and Materials	11,000	282.11	2.6%	10,717.89
Transfer Payments	1,045,887		0.0%	1,045,887.00
Rent, Insurance, Agency Svc Charges	213,400	22,336.21	10.5%	191,063.79
Furniture and Equipment	7,000	2,565.33	36.6%	4,434.67
Subtotal - Administration	\$ 2,947,987	\$ 266,066.45	9.0%	\$ 2,681,920.55
Community Revitalization	25,700,000	3,513,739.80		
Total Expenditures	<u>\$ 28,647,987</u>	<u>\$ 3,779,806.25</u>		
Revenues Over (Under) Expenditures	\$ (28,647,987)	\$ (3,640,525.37)		
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In (endowment and earnings)	\$ -	\$ -		
CASH BALANCE, June 30, 2023	\$ 231,351,480	\$ 231,351,479.55		
CASH BALANCE, August 31, 2023	<u>\$ 202,703,493</u>	<u>\$ 227,710,954.18</u>		

**VIRGINIA TOBACCO  
COMMISSION**

**STANDING COMMITTEES**

**VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION  
COMMISSION MEMBERS**

rev. 8/23

COMMISSIONERS	CITY AND STATE
<b>The Honorable Leslie R. "Les" Adams</b> Delegate, 16 <sup>th</sup> District	Chatham, Virginia
<b>Mr. Edward "Ed" Blevins</b>	Abingdon, Virginia
<b>Ms. Gretchen B. Clark</b>	Gretna, Virginia
<b>Ms. Amanda C. Cox</b>	Boones Mills, Virginia
<b>The Honorable Stephen E. "Steve" Cummings</b> Secretary of Finance	Richmond, Virginia
<b>Mr. Joel Cunningham, Jr.</b>	Halifax, Virginia
<b>The Honorable John S. Edwards</b> Senator, 21 <sup>st</sup> District	Roanoke, Virginia
<b>Lee "Randy" Everette</b>	Stony Creek, Virginia
<b>Watt R. Fosters, Jr.</b>	Gladys, Virginia
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