



▪ *In-Person Meeting* ▪

AGENDA

SOUTHERN VIRGINIA COMMITTEE

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

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 or **Joyce Knight** at (804) 894-9651.

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

**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.
Agribusiness				
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
Business Development				
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
Sites and Infrastructure				
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
Tourism				
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.

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 --- 7th 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.