Commonwealth of Virginia Tobacco Region Revitalization Commission

FY2024 Agribusiness Fund Program

GUIDELINES & REQUEST FOR PROPOSALS

Application Due Date: TBD



Tobacco Region Revitalization Commission FY2024 Agribusiness Program

GUIDELINES & REQUEST FOR PROPOSALS

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I. GENERAL PROGRAM INFORMATION

A. Purpose & Background

The Tobacco Region Revitalization Commission ("TRRC" or "Commission") was established by the Virginia General Assembly in 1999, as a political subdivision of the Commonwealth. The Commission makes investments to revitalize and diversify the economy of the region it supports. Projects selected for funding include initiatives that will measurably advance the Commission's priorities as a direct result of project success.

The Agribusiness Fund Program's Guidelines and Request for Proposals (together, "RFP") are issued to solicit applications through a competitive process to establish grant and loan agreements for economic development projects in the region.

Funding will be considered for projects promoting economic growth and development within the Southern and Southwest Virginia area of Virginia's Tobacco Region. Refer to Attachment B - Eligible Counties & Cities for Tobacco Commission Funding on page XX of this RFP.

Approximately \$X million is available for awards from the Agribusiness Fund Program. The application deadline is <u>00-00-0000</u>.

A Pre-Application detailing the proposed project is required and serves as an opportunity for Commission staff to conduct a preliminary assessment of the likelihood of the project's eligibility for funding, and to provide meaningful feedback to applicants before they prepare a full application package. Candidates will be notified by Commission staff if their pre-application is selected to move on to the full application process.

Full applications are evaluated by Commission staff and funding recommendations are put forward to the full Commission for further discussion and approval at its spring, fall and winter meetings.

B. Funding Priorities

The <u>Commission's Current Strategic Plan</u> identifies its current funding priorities. Logic models are included therein for the types of projects that the Commission will consider funding.

Details on priorities and the types of projects to be considered under this RFP are provided in **Section II. Guidelines**. All applicants must clearly articulate how the project relates to the goals of the program. All projects must clearly define outputs that will occur during the project period and directly relate to the use of Commission funds and matching funds. Outputs are specific to each project.

C. Eligibility – Eligible Applicants, Matching Funds, Uses of Funding

Eligible Applicants

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 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.
- <u>Non-Profit Organizations</u> Incorporated non-profit organizations designated as taxexempt by the federal Internal Revenue Service.

Guidelines for applications submitted by regional partnerships and for projects benefiting forprofit entities, are in Section III of the Commission's Funding Policies discussed below:

Use of Funds by For-Profit Entities – Applications that will benefit a private entity must have a public purpose and be made by one of the eligible applicants identified in the previous section. The following must be described in the application:

- The public purpose that will be met by assisting the private beneficiary;
- Terms of the agreement that will be executed between the governmental unit or nonprofit administrator and the for-profit entity regarding use of funds, ownership of grant-funded assets, and the private entity's commitment to create and report documented public benefits such as new jobs or taxable private capital investment within three years;
- The amount of wages and salaries to be paid to employees of the Beneficiary.

Funds may be required to be provided in the form of a loan from the governmental unit or nonprofit administrator to the for-profit entity.

Ineligible / Eligible Uses of Funding

The Tobacco Region Revitalization Commission's Funding Policies for Grant Awards: Information for Applicants & Grantees (Revised June 2020) ("Funding Policies") has information on general ineligible uses of funds, specific type of expenses not eligible for reimbursement, acceptable expense documentation for seeking reimbursement, match documentation requirements, and other important details about the Tobacco Commission's grant administration policies.

Matching Funds

As required by the Code of Virginia, all requests for grant funds require at least dollar-for-dollar (1:1) matching funds, with no more than 25% of the match requirement from "in-kind" sources. Loan requests do not have a match requirement. Expenses already included in an annual budget such as personnel and other operating costs will count toward the 25% In-Kind limit.

Applicants for grant awards must submit details on the nature, source, and timing of match contributions necessary for meeting the 1:1 match requirement. Once secured, matching funds must be committed to the project and available as needed and must not be conditioned or encumbered in any way that may preclude their use for the project during the grant period. Applicants should provide a commitment letter or equivalent document signed by an authorized representative of the organization providing matching funds to document each source of match.

If the Commission awards a grant to an applicant who has not secured acceptable matching funds at the time of award, the applicant will have up to 12 months from the date of the award to secure matching funds or else the Commission may rescind the award and de-obligate its funds.

D. Application and Submission Information

Pre-application proposals for consideration in (MONTH) 2024 must be submitted by midnight on (DATE) through the Commission's online application portal: https://vtc.smartsimple.com/s_Login.jsp.

A completed pre-application is REQUIRED for all Agribusiness funding requests and is in the grant portal as "Agribusiness/Pre-Application – Southern Region" or "Agribusiness/Pre-Application – Southwest Region," depending on the location of the project. In addition to text fields of the application, up to 10 pages of additional project description may be submitted as an attachment.

Based on the information provided in the Agribusiness/Pre-Application, applicants will be invited to submit a full funding request. Pre-applications invited to move forward to full application will submit by (DATE).

Applicants must certify they have read this RFP and the Commission's Funding Policies; that the information in their applications is true and correct; and that documentation for any claims and representations made can be made available upon request from Commission staff. The certification must be made by an authorized representative of the applicant organization.

All information expressly required by this RFP must be included. Proposals which are substantially incomplete, or lack key information, will be considered nonresponsive. These proposals will be declined for review and will not be presented to the committee.

E. Evaluation

The Commission's Southern or Southwest Virginia Committees will evaluate applications submitted in response to this RFP, depending on the location of the project. Staff recommendations to the Committee will be based upon requirements in this RFP and the Evaluation Scoring Criteria provided in Attachment A. Approval of funding is at the sole discretion of the Commission. The Commission reserves the right to cancel this RFP, to not proceed with any or all applications, to condition its award on additional terms and conditions, or to award a loan to an applicant who sought a grant.

F. TRRC Staff Contact Information

TRRC staff are available to assist with applications. For technical assistance with logging in or setting up an account with the Commission's online grants portal, please contact:

Suzette Patterson, Grants System Manager (Richmond, VA)
 (804) 894-9662, spatterson@revitalizeva.org

Contact TRRC's grants staff for assistance with project design or to discuss a pre-application:

- Sarah Capps, Southern Regional Director (Rocky Mount, VA)
 (540) 483-0179, ext. 2168, <u>scapps@revitalizeva.org</u>
- Sara Williams, Southwest Regional Director (Abingdon, VA)
 (276) 619-4235, swilliams@revitalizeva.org
- Vicki Humphreys, Grant Programs Director (Richmond, VA)
 (804) 894–9658, vhumphreys@revitalizeva.org

II. GUIDELINES

The Commission will consider awarding grants and loans for agribusiness projects that create or expand market opportunities for regional producers and that result in a quantifiable increase in net farm income. The three primary areas of interest to the Commission are the establishment of value-added processing, aggregation, and marketing facilities, and the development of emerging and new market opportunities to diversify and enhance the region's agricultural economy.

Priority will be given to regional facilities serving or benefiting multiple producers in more than one locality. Investments will support increasing sales of agricultural commodities and agricultural food products from the region. Projects must clearly demonstrate the identified need or opportunity for a new or expanding market that brings economic value to the region.

A. Objectives

- Create or expand market opportunities for Tobacco Region producers and that result in a quantifiable increase in net farm income
- Leverage Federal, State and private grant opportunities for agribusiness development
- Diversify and enhance the region's agricultural economy
- Provide an enabling environment for innovation in the agricultural entrepreneurial ecosystem

B. Major Funding and Technical Assistance Partners

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

C. Eligible Investments

Value-Added Processing, Aggregation, and Marketing Facilities

Value-added processing, aggregation and marketing facilities add value by changing the characteristics of the agricultural commodity to meet market demand. Applicants will use the *Agribusiness application* and select one of the following Agribusiness Investment strategies:

- (i) Commercial Agriculture Processing
- (ii) Community Food Processing
- (iii) Farmers Markets
- (iv) Multi-Purpose Agriculture Centers

Producer Collaboration & Cooperatives: The Commission's priority is to invest in value-added projects that support producers working in partnership through a producer-based business, agricultural association, or a member-owned cooperative that benefits multiple producers. Funding limits depend upon whether the facility is publicly or privately owned and operated.

Private Ownership:

Grants for Capital Projects - Grant requests for up to 25% of the total capital costs for
equipment for value-added processing facilities operated by a for-profit business whose
primary function involves the production, processing, or marketing of agricultural
products. Applications must be sponsored by an eligible applicant. The Commission's
funding will require a performance agreement under which the company will be required
to repay grant funds if it does not meet certain performance targets.

Public or Non-Profit Ownership:

- Grants for Capital Projects Value-added facilities owned by a government entity or a non-profit organization may apply for grants of up to 50% of total capital costs.
- Grants for Start-Up Operations Governmental entities and non-profit organizations may request grant support for start-up operating costs associated with new or expanding value-added processing and aggregation facilities. Applicants must provide a sound operating plan that shows decreasing reliance on Commission funds.

Loans

 Applicants may apply for low-interest financing assistance to support capital costs for start-up or expansion of a value-added processing facilities benefiting Tobacco Region producers regardless of public or private ownership. Loans will be recommended for projects where there is an identifiable revenue stream sufficient to repay the loan.

Development of Market Opportunities

Projects that diversify and enhance the region's agribusiness economy with a focus on new or expanded market opportunities are eligible for funding. Applicants will use the **Agribusiness application** and select one of the following Agribusiness investment strategies:

- (i) Wholesale & Retail Cooperative Marketing
- (ii) Crop Demonstrations
- (iii) Cost-Share Programs

Wholesale and Retail Cooperative Marketing < \$20,000 grants - Small matching grants of up to \$20,000 to support marketing initiatives focused on obtaining access to new or expanding markets to increase agricultural product sales revenues will be considered. All projects must benefit multiple producers. Eligible projects include those that focus on development of institutional or commercial market opportunities; creation of on-line sales systems connecting buyers to sellers; targeted marketing strategies for specialty crops; and creation of broker or expediter services where a third party connects quality agriculture products from several farms to new market opportunities.

Crop Demonstration Projects - Projects that assist producers in the development and demonstration of high-value, low acreage crops (defined as those that have a higher net return per acre compared to conventional commodity crops) will be considered. Projects seeking funds for basic research activities will not be considered.

Cost Share Programs - Cost-share programs that focus on transitioning producers into alternative agriculture enterprises or implementing new best practices, directly resulting in an increase to farmer income, will be considered. Projects must be regional and benefit a multi-county area. Cost share incentive payments will be limited to no more than 33% of capital costs or the costs of contracted services. Projects seeking funds for recurring farm expenses are not eligible.

All cost share program proposals must include the following:

- Education component with requirements for participation,
- Proposed cost-share program guidelines with eligible costs and evaluation criteria,
- Analysis of the return on investment to producers for implementing the practice(s),
- Demonstration of need and/or evidence of producer interest, and
- A defined plan for monitoring and measuring outcomes.

Requirements

In addition to any required information specified above, all proposals for Agribusiness investments must demonstrate the following:

- Benefit agriculture producers from Tobacco Region localities,
- Have a clearly identified market opportunity,
- Encourage private capital investment in farm operations or agribusiness facilities, and
- Will result in measurable increases to net farm income.

Depending on the nature of the project, applications for Agribusiness funding will require the following information (refer to Section III. **Required Documents** of this RFP):

- Service Area and Project Location Map (required for all)
- Feasibility Study or similar analysis (required for publicly owned value-added facilities)
- Business Plan or Operating Plan (required for value-added facilities)
- Operating Budget and Pro Forma (required with Business Plan or Operating Plan)
- Cost Estimate from Engineer or Construction Contractor (required for construction)
- Detailed Equipment List and Equipment Quote (required for equipment purchases)
- Marketing Plan (required for wholesale and retail cooperative marketing projects)
- Operating Agreements (required for public-private partnerships)
- Program Guidelines & Sub-Awards (required for cost-share programs)

Outputs / Deliverables – Agribusiness

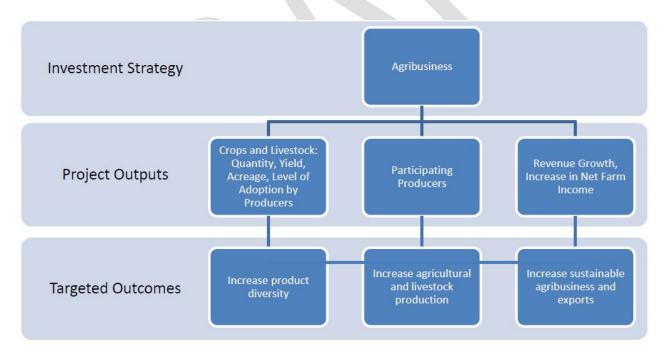
Applicants must identify the deliverables expected to result from the direct use of TRRC grant and matching funds. Deliverables are accomplished during the grant period and are directly related to use of grant funds. Examples of Agribusiness output metrics follow:

- Number of agricultural producers benefitting
- Total dollar value of Tobacco Region agricultural products to be used annually
- Increase in annual sales revenue for value-added agriculture products
- Average (per farm), and aggregate annual increase to net farm income
- Sales revenue for value-added agriculture products resulting from the project
- Number of new jobs created by new or expanding agriculture based business
- Increase in taxable private capital investment

These are the typical project metrics for estimating outputs of agribusiness projects. Applicants are expected to identify the project outputs that are most applicable to their project.

Outcomes

Applicants for Agribusiness grants must estimate aggregate agribusiness related economic development outcomes that are projected result to result within FIVE years following the grant end date. Applicants will choose the relevant outcome measures based on the project and include an outcomes narrative to explain the figures provided. Please see the following logic model for examples of outcomes.



The Commission at its discretion may entertain other types of projects provided they meet all other requirements of this RFP, are in alignment with TRRC's Strategic Plan, and address critical economic development barriers affecting the Tobacco Region. Applicants who wish to bring a project outside of the scope of this RFP must contact TRRC's grants staff in advance.

III. REQUIRED DOCUMENTS FOR FULL PROPOSAL

Depending on the nature of the project, applicants may be required to submit several other documents so the Commission and its staff are fully informed about all pertinent aspects of the project. As these will vary by project type, this list is not exhaustive and applicants should submit any other documents they believe will assist during the review process.

MAIN PROPOSAL ATTACHMENTS

- A. Project Description
- **B.** Service Area and Project Location Map
- C. Biographical Sketches for lead personnel on project
- D. Letters of Support Applicants are encouraged to provide letters from project partners, beneficiaries and others that demonstrate the commitment of resources to the project or document demand. *Redundant form letters of support are discouraged*.

FINANCIAL ATTACHMENTS

- E. Line-Item Detailed Budget All requests must include a line item detailed budget with supporting details on proposed project costs, including how Commission resources and matching funds will be used. A template available in the online application may be used to provide this information. Other line-item detail formats will be accepted provided they contain all pertinent information.
- F. Cost Estimate from Engineer or Construction Contractor Requests for construction expenses must provide a current written cost estimate from a licensed architect, engineer or contractor, as appropriate for the project. In addition, applicants must provide additional supporting documents including preliminary engineering reports, other relevant A&E documents, building plans, etc. with the application.
- G. **Detailed Equipment List and Equipment Quotes** Requests for the purchase of equipment, must provide a detailed equipment list and quotes from product vendors.

ADDITIONAL ATTACHMENTS - BASED ON TYPE OF PROJECT

- **H.** Business Plan or Operating Plan A Business Plan or Operating Plan that describes the operational requirements for the project and how those requirements will be met should be submitted, if applicable.
- Operating Budget and Pro Forma All requests for projects that will have ongoing operating costs must demonstrate how operation of the new or expanded program or facility is expected to be sustained beyond a start-up period of no more than three years. An operating budget or pro forma with revenues and expenses must be provided showing projections for how the program/facilities will be supported.

- J. Feasibility Study A feasibility study or similar analysis that demonstrates that the proposed business concept is technically and economically feasible should be submitted, if applicable. This analysis evaluates the practicality and viability of an idea and should answer the question "should we proceed with the proposed project idea".
- **K. Economic Impact Study** The potential economic impact of the project to the region must be documented. While the Commission is primarily interested in the direct impact, estimates of the indirect and induced impacts may be provided.
- L. Marketing Plan A marketing plan to describe the project's target market and the plan to capture that market must be described in the application, if applicable.
- M. Performance Agreements Provide terms for private sector performance agreements.
- N. Phase 1 Environmental Site Assessment Required for brownfield site applications.
- O. Virginia Business Ready Sites Program Assessment Report A copy of the Virginia Business Ready Site Assessment for industrial site properties; with the most recent Tier characterization certification letter, if Tier level has been updated since the assessment.
- P. Operating Agreements Agreements (Memoranda of Understanding, contracts, or similar documents) between project partners are required whenever there are multiple beneficiaries of the project.
- Q. Program Guidelines & Sub-Awards Applications requesting support for incentive programs (e.g., agriculture cost share or business development community business launch programs) must provide a copy of the proposed Program Guidelines. This will describe the governance of the program including its eligibility criteria, funding limitations, and program requirements. When the project will result in sub-awarding of TRRC funding to other recipients, the details of the sub-award arrangements including a draft of the proposed contract agreement must be provided.

IV. REQUIREMENTS OF FUNDING

A. Grants and Loans

This RFP seeks applications for both grants and loans. Staff will typically recommend that loans be awarded to projects that are expected to generate sufficient revenues to service debt even when the application sought a grant. TRRC offers competitive interest rates and will entertain flexible loan terms, such as forbearance periods during construction or startup periods and interest only payments. In addition, the Commission will also entertain applications for a combination of a grant and loan as part of the same award.

TRRC loans are administered by either the Virginia Resources Authority (VRA) or the Virginia Small Business Finance Authority (VSBFA), and prospective loan recipients must provide any additional documentation that VRA, VSBFA or TRRC requests.

B. Award Information

It is anticipated that the Commission will approve multiple awards—including grants and loans—as a result of this RFP. After the Commission makes award decisions, grant agreements will be issued for the amounts and with any conditions as approved by the Commission.

The Commission will typically use its standard restricted or unrestricted grant agreements for selected projects. All grantees are required to follow the Commission's Funding Policies as a condition of the award. The standard grant agreement and the Funding Policies are available on the Commission's webpage. The Commission reserves the right to update its standard grant agreement and Funding Policies at any time.

C. Payment of Grant Funds

Payment of grant funds will be subject to the terms of the grant agreement and will be disbursed on a reimbursement basis. Expenses incurred prior to the award date are not eligible for reimbursement. The standard reimbursement period is quarterly, unless otherwise agreed to by Commission staff. The grantee is required to provide appropriate documentation of the expenditures and use of required matching funds for the project. The Commission's Funding Policies contain additional information that applicants should review closely.

D. Reporting

Grantees must provide annual reports on the financial and quantitative progress made toward completion of the project's milestones and outputs and provide a narrative discussion of progress. A final report including a narrative on the success of the project, attainment of proposed outputs, and a description of the long-term expectations and achievements for the

project is required at the close of the project. The Commission will not process the final payment request until all the grantee has satisfied all reporting requirements.

Additionally, grantees must provide any additional or interim reporting information the Commission may request to ensure the provisions of the grant agreement are properly carried out, administered and enforced.

E. Assets

As a condition of awarding a grant, the Commission will have a claim to all property and assets in which Commission grant funds were invested and the Commission must approve any conveyances of such property and assets. This applies to investments in real property, intellectual property, and equipment purchases greater than \$5,000. The details of these requirements are included in the grant agreement and the Commission's Funding Policies.

V. ATTACHMENTS

- Attachment A Evaluation Criteria
- ➤ Attachment B Tobacco Region Map of Eligible Localities

TRRC's Southwest and Southern Virginia Regional Economic Development Program - Evaluation Criteria

OVERALL PROJECT EVALUATION (70 POINTS)

Projects will be evaluated in each area listed below for a total of 70 points for overall evaluation.

Assessment of Need & Eligibility (15 points)

<u>Problem / Need</u> - Clearly Identified problem or need to be addressed. (5)

<u>Assessment of Need & Planning</u> - Significance and strategic fit of project to the community, as demonstrated by assessment of need or opportunity, and evidence of stakeholder input and support in project design. (5)

<u>TRRC Priority</u> - Fit with the Tobacco Region Revitalization Commission's mission, Strategic Plan, investment categories and funding priorities. (5)

Methodology & Project Feasibility (25 points)

<u>Methodology</u> - Logical and feasible approach to addressing objective and meeting investment metrics/output deliverable objectives that will benefit economic revitalization in the region. (10)

<u>Timeline & Milestones</u> - Project describes how objectives will be achieved under a realistic work plan. Progress steps and estimated dates for completion provided. (5)

<u>Project Team</u> - Experience and demonstrated expertise of project team for accomplishing objectives. (5)

<u>Feasibility</u> - Focus of project planning, and feasibility to accomplish direct outcomes benefiting economic revitalization in the Tobacco Region. (5)

Project Budget and Match (15 points)

<u>Budget Detail</u> - Budget is reasonable, realistic and cost-effective. Planned use of funds supported by a budget narrative, and with quotes and estimates. (5)

<u>Match</u> - Leveraging of non-TRRC resources is evident with appropriate sources and amounts of cash commitments and other funding, and in-kind match contributions identified. (5)

Additional Match - Leveraging of non-TRRC resources exceeds minimum 1:1 requirement. (5)

Sustainability for Long-Term Success (15 points)

<u>Sustainability</u> - Demonstrated financial plans with cash-flow analysis and pro- forma budgets. Clear plan for financial sustainability and ability to maintain effort beyond the term of grant funding. (10)

<u>Long Term Impact on Region & Communities</u> - Regional cooperation and financial collaboration. Likelihood for benefits of the project to accrue regionally and/or serve as a model for other communities. (5)

INVESTMENT OUTCOMES RESULTING FROM OUTPUT METRICS & DELIVERABLES (30 POINTS)

Each project will be scored up to 30 points, under the relevant Investment Category below:

AGRIBUSINESS

Ability to create agribusiness opportunities and to increase net farm income, with an emphasis on systemic or collective benefit. Evidence of producer interest and market opportunity.

Total Score = Overall Project Evaluation plus Investment Outcomes = < 100 Points

Counties & Cities Eligible for Tobacco Commission Funding

The service area for the Virginia Tobacco Region Revitalization Commission includes 40-tobacco-dependent localities in the Southern and Southwest areas of Virginia. Eligible applicants serving these localities are eligible to apply to the Commission's grant programs for projects that will enhance the economic growth and development of the region.



SOUTHWEST AREA

Counties:

Bland
Buchanan
Carroll
Dickenson
Floyd
Grayson
Lee
Russell
Scott
Smyth
Sussex
Tazewell

Wise Wythe

Washington

SOUTHERN AREA

Counties: Amelia

Appomattox Bedford

Brunswick

Buckingham Campbell Charlotte

Cumberland Dinwiddie Franklin Greensville Halifax Henry Lunenburg

Mecklenburg Nottoway

Patrick Pittsylvania Prince Edward

Cities
Danville
Emporia
Martinsville

<u>Cities:</u>

Bristol Galax Norton