



▪ *In-Person Meeting* ▪

AGENDA

SOUTHERN VIRGINIA COMMITTEE

January 8, 2024 - 4:00 P.M.

**Delta Hotels by Marriott Richmond Downtown
Kanawha Ballroom
555 East Canal Street, Richmond, VA 23219**

The public may remotely participate in this meeting by accessing the following dial-in numbers: **1-434-230-0065** (toll) and enter conference ID: **885 164 502#**.

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 Honorable James Campos, Acting Executive Director</i>
Approval of the <u>10/11/23</u> Minutes	<i>(published on website)</i>
Public Comment	
Grant Projects	<i>Ms. Sarah Capps, Southern Regional Director</i>
Extensions and Modifications	<i>Ms. Sarah Capps, Southern Regional Director</i>
Other Business	<i>Mr. Stephen Versen, Deputy Director</i>
Adjournment	

**FY24 Southern Virginia Program
Staff Summaries and Recommendations**

The Commission received one invited out-of-cycle application which will be considered in closed session. The Commission also received revised proposals for two applications that were Tabled at the Southern Virginia Committee meeting in October 2023. Applications are grouped by investment category, The Southern Virginia Committee will act on these three funding requests at its meeting January 8, 2024, at 4:00 pm.

Req #	Organization	Project Title	Requested Amount	Staff Recommendation
CLOSED SESSION		CONFIDENTIAL PROJECT DISCUSSION	\$ -	\$ -
Agribusiness				
4210	Southside Virginia Fruit and Vegetable Producers Association	Southside Virginia Fruit and Vegetable Producers Association Aggregation Capacity Improvements	\$ 105,000	\$ 105,000
Tourism				
4165	Town of Blackstone	Making Ends Meet	\$ 247,217 \$ 121,383	\$ 121,383
Total (3 requests)			\$ 226,383	\$ 226,383

CONFIDENTIAL PROJECT DISCUSSION

Materials to be distributed in closed session.

AGRIBUSINESS

Southside Virginia Fruit and Vegetable Producers Association
Southside Virginia Fruit and Vegetable Producers Association Aggregation Capacity Improvements (#4210)
\$105,000 Requested

Executive Summary:

The Southside Virginia Fruit and Vegetable Producer Association (SVFVPA) is located in Charlotte County Virginia and is made up of 28 independent small farm operations located in eight under-

served surrounding counties. The members of the Association work together to aggregate produce and market it to larger wholesale buyers. Collectively, more than 100 acres of produce is grown including sweet corn, tomatoes, peppers, green beans, cabbage, swiss chard, collards, potatoes, and squash. The Association is seeking funds to complete the aggregation facility, purchase needed equipment, and for expansion of cooler space to increase storage and product shelf life. This project will improve the Association's ability to accept, sort and store products. It will also pave a path for non-Good Agricultural Practices (GAP) certified growers to market their products through the Association. This will allow smaller start-up farms an opportunity to enter production, and for other farms to diversify into fruit and vegetable production. This will increase revenue for each participating farm and should add additional farm-related employment opportunities to these agricultural operations in the Tobacco region.

Matching Funds:

\$105,000 USDA Rural Business Development Grant

Project Outputs:

- Complete buildout of interior of aggregation center including purchase and installation of cooler to be used for retail sales, purchase equipment, and relocation of an existing building to the associations property to be used for additional storage.
- Goals include increasing the current 28-member farms by 60% and doubling sales revenues.

Staff Comments:

The Southern Virginia Committee received a \$1,210,000 funding request from the association that was reviewed at the meeting in October 2023. That request was recommended to be Tabled, with the applicant invited to submit a new application with revised scope and budget. This more modest request addresses the association's most critical costs and removes a significant portion of the previous funding request which was for a private entity's interests related to software development.

This project will complete necessary improvements and equipping to put the new aggregation and distribution center into operation for the Southside Virginia Fruit and Vegetable Producers Association at the site in Cullen, VA (Charlotte County). Grant funds will be used towards the cost to purchase a cooler for direct to customer marketing, for purchase of an electric pallet jack to move product at the facility, and costs to relocate an existing 20' X 30' building to the site.

The Commission awarded a \$176,000 grant in January 2020 toward construction of the new aggregation facility. This 6,000 square foot shell building is in place with concrete floor and two large bays, and a gravel driveway and parking area. The association has a goal to complete building improvements supported by matching funds by the end of May 2024, to accommodate the spring growing season. The 20' X 30' building that would be moved to the site was previously purchased by Virginia State University through a grant from the Tobacco Commission. This building can be converted for additional cold storage by adding a cool-bot, or otherwise used for storage of materials used by the association and member operations.

A copy of the 2019 Business Plan for the SVFVPA was provided. The association is working with Longwood Small Business Development Center and with VAFAIRS to update their Business Plan with revised financial projections and have committed to providing staff with the updated version. With the completion of the facility, the association expects to increase farmer members by an

additional 60% and double annual sales revenues within three years. A partnership has developed with the local Amish community cheese facility, for the association to distribute their cheese products supporting further growth in cheese production in the region. Staff recognizes that the efforts of the SVFVPA, and progress to date, reflects a strong commitment by the agribusiness community to partner for expanding opportunities for small and start-up farm operations.

Financial Viability Assessment:

A review of key viability criteria for this indicates a viable project by an applicant with a long history of effective produce aggregation. A detailed, reasonable budget was provided with documentation of costs for construction. The required match is fully committed at the time of application.

Sustainability will be driven by the additional capacity provided by increased farm revenues. The applicant has been asked to update its business plan and proforma as it was five years old. It is the staff's conclusion that this project would be a good investment for the Commission for both job creation and positive economic impact for the participating farmers.

Staff Recommendation:

Staff recommends approval of a \$105,000 grant award contingent on the final budget being approved by Commission staff, and contingent on the revised Business Plan being provided prior to disbursement of grant funds.

Town of Blackstone

Making Ends Meet (#4165)

~~\$247,217.00~~ Requested ~~\$121,383~~ Revised Request

Executive Summary:

The original request of \$247,217 was reduced to \$121,383 for 50% of costs for purchase of hospitality-related equipment for the training center being developed at the Harris Memorial Armory Center. This equipment will be used to train hospitality students to serve existing and future restaurant and lodging businesses in the Town of Blackstone and the surrounding areas. Virginia State University and Virginia Union University will host classes and internships for students at the facility. Other areas of the building would be used as rental space for banquets and receptions. Students in the job training programs would work at these events to gain industry experience as part of their hospitality training. The increased demand in lodging is a result of the creation of the Foreign Affairs Security Training Center (FASTC) facility at Fort Barfoot. This facility provides training to over 10,000 personnel annually including DSS special agents, members of the US Government Foreign Affairs community, and local employed personnel from US embassies and consulates from around the world.

Currently the Harris Memorial Armory Center is under renovation in preparation for the new hospitality training program. The building renovation is targeted to be completed by August 2024 with expectations to hold the first classes in Fall 2024. The Town of Blackstone is seeking funding to purchase culinary education equipment for 10 student stations, seating and place settings for 100 guests, online and in-person educational resources and equipment, and hotel educational resources.

Matching Funds:

\$121,383.29 American Rescue Plan Act (ARPA) federal funding- money in hand

Project Outputs:

- Equip hospitality training areas for the Armory Hospitality Training Institute located within the Harris Memorial Armory Center in Blackstone allowing for hospitality training to begin.

Staff Comments:

This application was tabled at the October 2023 meeting of the Southern Virginia Committee, due to insufficient financial information, and to allow time for a required education training plan to be completed. The Town has requested a reduced amount of \$121,383 towards 50% of the \$242,766 revised cost estimate for equipment and furnishings.

Creation of the hospitality training center at the Harris Memorial Armory Center is a priority economic development initiative of the Town of Blackstone to support the town and the region's overwhelming growth in the tourism sector of the economy. The Commission approved a \$581,000 grant (#4106) in January 2023 towards the \$3.78 million estimated costs for renovating the former military armory building. The building consists of 16,400 sq. ft. providing two main floors and a basement level, and a balcony on the west end of the building. A construction and operational feasibility study completed in August 2016, identified the highest ranked use for redevelopment of the armory was for a Learning Center & Multipurpose Event Space.

A contingency on the previous Commission grant was for a hospitality education training plan with details on certifications and credentials that would be offered by the education partners. The primary education partner is Virginia Union University, who has proposed four short-term certification programs that would be offered in Blackstone through VUU's Technical College.

This funding request and match encompasses the equipping costs for culinary arts kitchen and other educational supplies and furnishings needed to train hospitality students. The Town developed the \$242,766 detailed equipment cost estimate collaborating with Virginia State University's head of hospitality and Commonwealth Architects. The training areas within the building include the event space with a 6,200 sq. ft. multipurpose room, 550 sq. ft. entertainment stage and 1,500 sq. ft. kitchen. A detailed list of small equipment purchases and long-lived supplies for start-up of the program was provided to support the request. The Town of Blackstone is requesting 50% of grants funds towards all line items for classroom equipment, front end restaurant training equipment, commercial kitchen and back-end training equipment, and hotel training materials. The targeted date for the hospitality training facility to be completed and equipped is August 2024.

Financial Viability Assessment:

A review of key viability criteria for this project reveals a well-documented budget with vendor quotes. Sufficient matching funds are in hand. The applicant has met the previous contingency with the submission of a hospitality education training plan, which helps to demonstrate their capacity more clearly for conducting the full project and to document anticipated outcomes for the educational portion of the project. As presented, it is staff's assessment that the proposed project is viable and necessary to carry out the full vision of the overall goal of establishing the training program.

Staff Recommendation: Staff recommend approval of a \$121,383 grant award for 50% of the equipping costs for establishing the hospitality training center.

Extension and Modifications

Institute for Advanced Learning and Research

Controlled Environment Agriculture: Increasing and Diversifying Agribusiness in Southern Virginia (TRRC #3590)

\$365,520 Grant – Award 1/7/2020 – 5th Year Extension Requested

Project Summary: The Commission approved a \$365,520 Agribusiness grant in January 2020 to support establishment of a Controlled Environment Agriculture (CEA) innovation and education center at IALR in Danville. The objective of this partnership of industry, academia and producers is focused on increasing net farm income and profitability while diversifying agribusiness in the region. Grant funds support a post doc position over three years; well as start-up costs for supplies, travel and funding for conducting conferences and workshops. The post-doc position started August 2020, with the third year for position being in August 2023. Payments totaling \$125,894.17 have been approved for expenditures submitted through June 30, 2022. There remains a \$239,625.83 balance on the TRRC project account. Staff notes that IALR is overdue in submitting requests for reimbursement of eligible costs between July 2022 and December 2023.

A fifth extension is requested for January 31, 2025. The additional year will allow remaining funds to be used toward hosting the third DEA Summit East; market the center utilizing the newly completed CEA Strategy and Roadmap Study and continue to run demonstration equipment supported from Matching funds. IALR also plans to hold a new CEA conference in 2024, that will focus on entrepreneurs and startup businesses. Initially delays were in filling the post doc position which occurred in the third quarter of first year, and restrictions on gatherings during Covid 19. IALR reports having 200 attendees with 17 trade show exhibitors, and 240 attendees with 20 trade show exhibitors, respectively for the CEA Summit East conferences in 2022 and 2023.

Staff Recommendation: Staff recommends approval of an extension to January 31, 2025.

