

guest 1 / appocounty  
guest 2 / Guest 2014

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#3301 Special Projs.

2882  
3098



## ITINERARY

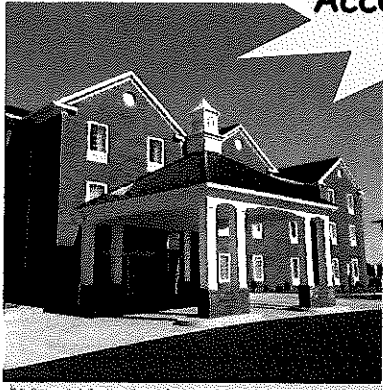
### Wednesday, May 17, 2017

- 2:30 pm                    **HOTEL CHECK-IN**  
*Appomattox Inn & Suites, 447 Old Courthouse Rd.*
- 3:00 pm                    **SOUTHSIDE ECODEV** Committee Meeting  
*Appomattox Community Center, 220 Community Ln.*
- 3:30 pm                    *Shuttle pickup @ Hotel to Community Center*
- 4:00 pm                    **SOUTHWEST** Committee Meeting  
*Appomattox Community Center, 220 Community Ln.*
- 4:00 pm                    *Shuttle pickup @ Hotel to Community Center*  
4:15 pm                    *Shuttle pickup @ Community Center to Hotel*
- 4:30 pm                    **SPECIAL PROJECTS** Committee Meeting  
*Appomattox Community Center, 220 Community Ln.*
- 4:35 pm                    *Shuttle pickup @ Hotel to Community Center*  
4:55 pm                    *Shuttle pickup @ Community Center to Hotel*
- 5:00 pm                    **R & D** Committee Meeting  
*Appomattox Community Center, 220 Community Ln.*
- 6:00 pm                    *Shuttle pickup @ Community Center to Hotel for pickup then continue to Museum*
- 6:30 – 8:30 pm            **RECEPTION**  
*Museum of the Confederacy, 159 Horseshoe Rd.*
- 7:15 pm                    *Shuttle pickup @ Museum to Hotel*  
7:45 pm                    *Shuttle pickup @ Museum to Hotel*  
8:20 pm                    *Shuttle pickup @ Museum to Hotel*

### Thursday, May 18, 2017

- 6:00 – 9:00 am            continental breakfast @ Hotel
- 8:00 am                    **EDUCATION** Committee Meeting  
*Appomattox Community Center, 220 Community Ln.*
- 8:30 am                    **AGRIBUSINESS** Committee Meeting  
*Appomattox Community Center, 220 Community Ln.*
- 9:00 am                    **COMMISSION** Meeting  
*Appomattox Community Center, 220 Community Ln.*
- 11:00 am                    *deadline for Hotel check-out*

**Accommodations**



**Appomattox Inn & Suites**  
 447 Old Courthouse Rd., Appomattox, VA 24522  
 (434) 664-2018

7                      6                      6                      6                      = 29

*4*  
 Montgomery  
 Marshall  
 Holland  
 Stanley

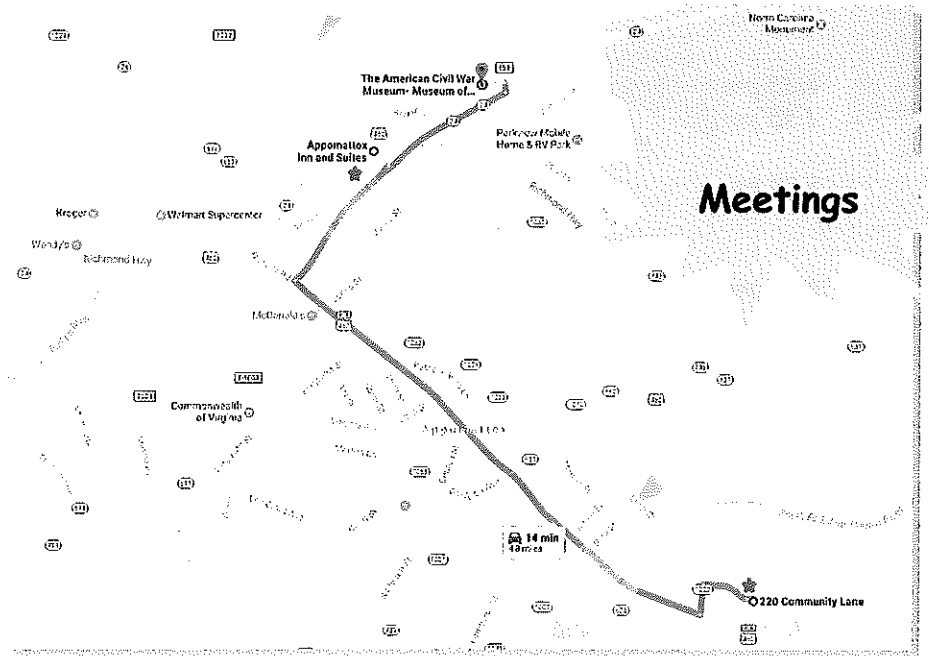
Barts	Faircloth	Meyers	Richardson
Butler	<del>Harris</del>	Mills	Ruffe
Capps	Howard	Morefield	Shell
Carrico	Kilgore	Owens	Spiers
Carter	Kim	<u>Patterson</u>	Stamper
Chafin	Lowe	Pfohl	Sutherland
Coleman	Merricks	Piper	Williams

No charges for space, AV or breaks

**Appomattox County Community Center**

220 Community Ln.  
 Appomattox, VA 24522  
 (434) 352-5996

No shows 5/18:  
 Cannon  
 Kilgore  
 Edmunds  
 Brown



**Reception**



No charge for space or beverages  
 \*Repast Catering for 100x dinner per diem + service & setup  
**Museum of the Confederacy**  
 159 Horseshoe Rd., Appomattox, VA 24522  
 (434) 352-5791



**COMMISSION Agenda**

Thursday  
May 18, 2017 @ 9:00am  
Appomattox County Community Center  
Appomattox, VA

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<b>Welcome and Call to Order</b>	<i>The Honorable Terry G. Kilgore, Chairman</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Approval of <u>1/31/17</u> minutes</b>	<i>(published on website)</i>
<b>Executive Committee</b>	<i>The Honorable Frank Ruff, Vice-Chairman</i>
<b>Agribusiness Committee</b>	<i>Robert Spiers, Chairman</i>
<b>Education Committee</b>	<i>The Honorable Frank Ruff, Vice-Chairman</i>
<b>R&amp;D Committee</b>	<i>The Honorable Kathy Byron, Chairman</i>
<b>Southside Economic Development Committee</b>	<i>The Honorable Tommy Wright, Chairman</i>
<b>Southwest Economic Development Committee</b>	<i>The Honorable Bill Carrico, Chairman</i>
<b>Special Projects Committee</b>	<i>The Honorable Danny Marshall, Chairman</i>
<b>Discussions re: #2994 City of Martinsville</b>	<i>Chris Piper, Deputy Director</i>
<b>Other Business</b>	<i>Evan Feinman, Executive Director</i>
<b>Public Comments</b>	
<b>Adjourn</b>	

*#10m set aside for broadband*



## **AGRIBUSINESS COMMITTEE AGENDA**

Thursday  
May 18, 2017 @ 8:30am  
Appomattox County Community Center  
Appomattox, VA

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**Welcome and Call to Order**

*Robert Spiers, Chairman*

**Call of the Roll**

*Evan Feinman, Executive Director*

**Approval of the 12/14/16 Minutes**

*(published on website)*

**Reconsideration of Tabled Grant  
Proposal #3231 Grayson County**

*Tim Pfohl, Grants Program Director*

**Summary of Impacts  
of Cost Share Grants**

*Sarah Capps, SS Grants Program Administrator and  
Sara Williams, SW Grants Program Administrator*

**Other Business**

**Public Comments**

**Adjournment**

## FY17 Agribusiness Summaries & Staff Recommendations – May 2017

The Commission received eighteen proposals for FY17 Agribusiness funds by the announced due date in October 2016, and ten projects were approved by the Commission in January 2017. One project described below was tabled by the Committee, and will be reconsidered at a Committee meeting at 8:30 a.m. on May 18<sup>th</sup>. The Executive summary of the proposal and staff comments/recommendation are contained below.

Other Business regarding staff research on existing Ag cost-share grants will also be presented at the meeting.

### Grayson County

*Grayson Agriculture and Technical Education (GATE) Center (#3231)*  
\$247,095 Requested – reduced to \$125,000

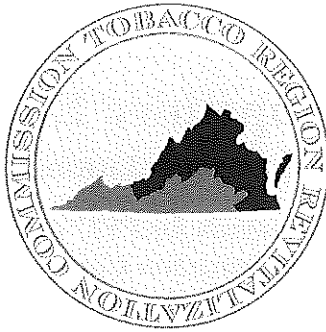
*Executive Summary Provided by Applicant:* Grayson County seeks to support its \$31 million agriculture industry by creating the Grayson Agriculture and Technical Education (GATE) Center. Unmatched anywhere in the County, the Center will occupy the former Grayson County Sheriff's Office. It will be the result of an extensive renovation project to provide offices for Virginia Cooperative Extension, an agribusiness incubator, and a Financial Stability Center serving both the county and the region. The former 10-cell jail block will be converted to a 1285 square foot conference center serving up to 90 adults and youth. The conference space will employ the latest technology for distance education. Additional upgrades will include a commercial teaching kitchen, handicap accessible restrooms, and outdoor venues for demonstrations and education. The Center will be an efficient use of County resources leveraged with federal, state, and local partners to grow our agricultural and small business economy, train our youth, and serve our citizens.

**How will this project directly assist tobacco region producers access the identified market opportunity?** The GATE Center is designed to offer multi-faceted support to local and regional farmers and agribusinesses through its design features and central location. The technology-enhanced meeting room can hold up to 90 producers with wireless capability allowing nearly unlimited access to resources and expertise such as market updates from the nation's leading farm economists. Advanced technology will allow experiential, interactive computer-based farm financial and management training using a series of high resolution TV screens viewable by all attendees. Small conference rooms will permit private consultation with producers, and offer space for facilitated farm business or estate transition sessions. The GATE Center will have outdoor educational and demonstration space, youth-led demonstration projects to support agriculture-based workforce development, and an agribusiness incubator. The commercial teaching kitchen will serve as a platform for "farm to fork" value-addition and food entrepreneurship activities, and will support regional workshops hosted in the Center.

*Staff Comments and Recommendation (December 2016):* This request for Phase II renovations of the multi-use GATE Center will allow Grayson County to relocate/consolidate existing agricultural and community development agency offices while offering additional programs such as financial literacy, housing training, conference space and a commercial kitchen. The majority of

matching funds were spent for Phase 1 renovations which are now complete. A large portion of this (\$345,000) was in-kind support from Grayson County for the donated value of the unimproved building per tax assessment, project management, surplus kitchen equipment, and furnishings. A private construction company donated labor for Phase 1 improvements (\$12,700) and VT Cooperative Extension purchased cabinets for offices (\$1,915). Grayson County will contribute \$103,900 for renovations and equipment for the project, though over half (\$55,000) is allocated to Phase I. It is unclear if the remaining contribution will be used for Phase II or was also spent during the first phase. An anonymous donor has contributed \$35,000 to the county for exterior greenspace development and construction of a main entrance and outdoor teaching venue on building's east side as part of Phase II improvements. While this variety of local and private cash and donated funding is admirable, it appears that this project may not meet the Commission's matching funding requirements due to the large amount of in-kind and the timing of the contributions. Additional information to help Staff determine the precise timing and use of the in-kind match would be helpful. More importantly, the majority of the intended uses of this facility do not closely align with the priorities and outcomes of the Agribusiness Program. It was unclear what percent of the conference and kitchen use may align with the Program's objectives, particularly given that other non-agricultural training and events are indicated (e.g. financial literacy, housing, etc.). By housing programs such as VT Extension, USDA, and the Agricultural Incubator there is no question that this facility could have an impact on the local agricultural community, however the outcomes appear to be inflated citing 350 new users annually from a baseline of 0 and over \$14M new annual revenue per producer. While this is a new facility it does not reflect that many of the programs provided are existing and will simply be relocated. Ultimately, tracking measurable agribusiness outcomes such as private capital investment and net new farm income that will directly result from this office facility and training space is difficult if not impossible.

*Staff Update and Recommendation (May 2017):* This request now seeks \$125,000 of the available Agribusiness balance of \$681,010. The project leaders report that the Grayson Board of Supervisors voted on April 13<sup>th</sup> to provide the required dollar-for-dollar local match, and the project leader has provided a revised budget for the construction/renovation expenses and associated project outcomes. Expenses include \$100k for building renovations (roof, HVAC, demo and reconstruction of conference, kitchen and bathroom spaces), and \$24k for commercial kitchen equipment. The leaders estimate the space could be a site for training up to 350 Grayson farm producers annually, however, TRRC staff notes that as a training space to serve one County, the facility would lack the multiple benefits provided by other agricultural centers funded by the Committee in recent years, which also offer show rings, livestock holding pens, farmers markets and other amenities at sites in Buckingham, Dickenson, Pittsylvania etc. As such, the benefits would be largely indirect and difficult to attribute directly to training opportunities, as opposed to projects that induce producers to invest directly and measurably in farm operations (such as cost-share incentives). It also remains unclear what percent of the conference and kitchen use may align with the Agribusiness Program's objectives, particularly given that other non-agricultural training and events are likely to use the space. Lastly, the need for regional meeting/training space can currently be met just 25 minutes east at the Crossroads Institute in Galax, on the Grayson/Carroll border. Staff therefore feels this project, while having merit by consolidating agricultural support operations, would not be the highest and best use of limited Agribusiness funds, and could result in additional future requests for local meeting spaces that do not fulfill the objectives of multi-purpose agricultural centers. **Staff recommends no award.**



## EDUCATION COMMITTEE AGENDA

Thursday  
May 18, 2017 @ 8:00am  
Appomattox County Community Center  
Appomattox, VA

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<b>Welcome and Call to Order</b>	<i>The Honorable Frank M. Ruff, Chairman</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Approval of the <u>5/3/17</u> Minutes</b>	<i>(published on website)</i>
<b>Review of Competitive Education Grant Applications and Staff Recommendations for #3276 Bluefield College and #3281 Mountain Empire Community Coll.</b>	<i>Tim Pfohl, Grants Director</i>
<b>Other Business</b>	<i>Evan Feinman, Executive Director</i>
<b>Public Comments</b>	
<b>Adjournment</b>	



## FY17 Competitive Education Committee Recommendations – May 2017

*The Commission received thirteen proposals for FY17 Competitive Education grants. The requests seek \$2.6 million dollars. The Education Committee met May 3rd to consider these proposals and made eight funding recommendations to be acted on by the Commission May 18th. The current available Education balance is \$1.7 million, and the Committee is scheduled to meet again on May 18<sup>th</sup> to reconsider the two tabled projects listed below:*

Req #	Organization	Project Title	Requested Amount	Committee Rec
3276	Bluefield College	Bluefield College Third Floor Science Center Addition	\$300,000	table ✓
3278	Central Virginia Community College Educational Foundation, Inc.	Precision Machining Equipment to Meet Growing Student and Employer Demand	\$91,582	\$91,582
3279	CODEVA INC	Building the Digital Dominion - Computer Science Education for All	\$361,625	\$361,625
3280	Danville Community College Educational Foundation, Inc.	Advanced Skills IT Academy	\$131,472	\$127,475
3274	Institute for Advanced Learning and Research	Certified Work Ready Community Expansion Initiative	\$251,641.25	\$251,641.25
3281	Mountain Empire Community College	SWVA WINS - Supply Chain Development	\$400,000	table
3270	Russell County Public Schools/Southwest Regional Adult Education	Southwest Virginia RACE to GED Program	\$225,000	\$175,000
3282	Southside Virginia Community College Foundation	Maximizing Efficiency in Workforce Readiness Training	\$135,000	\$135,000
3283	Southwest Virginia Higher Education Center Foundation	Cisco Networking & Cyber Security Academy	\$190,000	\$190,000
3284	Wytheville Community College	The WCC Credentialing Bridge Program	\$81,424	\$81,424

**Total (13 requests/8 funding recommendations)**

**\$2,585,294**

**\$1,413,747**

## **Bluefield College**

### ***Bluefield College Third Floor Science Center Addition (#3276)***

**\$300,000.00 Requested**

***Executive Summary Provided by Applicant:*** Bluefield College is working to answer the workforce demands of more STEM-H degrees and educational opportunities that will help train our area's workforce. The Science Center, the largest academic building at the College is home to all of its STEM-H programs. To expand and receive accreditation for new STEM-H programs such as the College's new Masters of Nursing Program this third floor addition must be constructed for the Science Center. The projected construction cost of the third floor is approximately \$2,200,000. A total of \$1,150,000 has been committed. The College is seeking assistance from the Commission in the combination of a grant and loan from the TRRC Revolving Loan Funds with the Virginia Resource Authority to complete the funds needed for this project.

***Staff Comments: Estimated annual outcomes*** - at least 16 additional students enrolled in Nursing programs, in addition to other programs that will use the facility (no specific numbers provided); This is the latest request from the applicant for funding to construct a third floor addition to the College's Science Center. In FY15 the Commission provided \$37,500 for this project to fund architectural design and construction documents. While the full balance of the grant remains (payment request pending since Summer 2016), the work has been completed and is the basis for the \$2.2 million construction cost. In September 2016 this Committee referred another application (#3160) to VRA for consideration of a \$1.1M loan. This action, which raised the request amount from the original \$400K application submitted in May 2016, was taken at the request of the applicant. Since that time the College has revised its enrollment numbers to reflect a decrease which would reduce the ability to cash flow a loan of that size. They are now asking that \$300,000 be awarded in the form of a grant (this request) and will continue to pursue \$750,000 in loan funding through VRA. The current outcomes worksheet shows only figures for the new programs (FNP – 14 baseline/ 24 anticipated and Masters of Nursing Leadership and Education 3 baseline/ 9 anticipated). There is no information provided in either the outcomes chart or the pro forma for the enrollment or tuition revenue expected from the other programs such as BSN that will also use the facility. Outcome numbers are modest, but must be viewed in light of the 40+ year useful life of a new structure. An update was provided on 4/20/2017 to show matching funds of \$500,000 from Bluefield College and \$672,000 from various foundations/ donations. The update also discloses that a \$500,000 application has been submitted to ARC which would be used to reduce the VRA loan amount. Without knowing the results of this application or a finalized VRA loan offer it is not possible to determine what amount of additional TRRC grant support is needed or appropriate.

**Committee tabled this request for reconsideration on May 18th.**

## **Central Virginia Community College Educational Foundation, Inc.**

### ***Precision Machining Equipment to Meet Growing Student and Employer Demand (#3278)***

**\$91,582.00 Requested**

***Executive Summary Provided by Applicant:*** CVCC's machining program has been a vital provider of trained machinists to the manufacturing employers in this region for almost 50 years. The Bureau of Labor Statistics estimates there are over 700 machining jobs in this MSA. Many of

these employers tell us they cannot find enough trained machinists. In particular they are concerned about finding replacements for the large proportion of their machining employees who are ages 55 and over. Joel Burch, the Vice President and General Manager of the Nuclear Operations Group for Campbell County's largest employer, BWX Technologies, has told me that even if BWXT could hire all of CVCC's graduating machinists it would be insufficient to meet their anticipated future needs. CVCC has significantly increased its machining graduates, thanks in part to assistance from the Tobacco Commission, but to support further growth we need to expand the number of milling machines in our machining center.

**Staff Comments:** Estimated annual outcomes - an increase of 33 students enrolled annually, with an increase of 12 receiving industry-recognized credentials annually: Grant funds are requested to support 50% of equipment costs for adding four vertical milling machines and a horizontal metal cutting band saw for CVCC's precision machining programs. The college identifies that these added machines will allow them to accommodate twelve (12) additional students annually by June 2019. This will result in an increase by twenty one (21) in the number of workforce credentials across the various industry recognized certifications, career studies certifications, and diplomas offered by the college. Employer letters were provided by Brown Machine Works, AMB Inc., and BWXT indicating the need for hiring machinists in the upcoming years. Matching funds are still to be raised but the college does not anticipate this to be a problem given the support for this program in past by the regions manufacturers. The Commission provided a \$206,972 grant award to CVCC (#2666) in September 2013, of which \$147K of the funding was used to support updates and new equipment purchases for the machining programs. While outcome numbers are modest (enrollment is projected to increase to 140 from a baseline of 107, with completers increasing from 36 to 48 annually), this request directly supports the Education program objectives targeted to filling gaps between education supply and occupational demand for advanced manufacturing career skills, and outcomes should be multiplied by the useful life of the requested equipment.

**Committee recommends approval of a \$91,582 grant award for 50% of the equipment costs.**

## **CODEVA INC**

***Building the Digital Dominion - Computer Science Education for All (#3279)***  
**\$361,625.00 Requested**

**Executive Summary Provided by Applicant:** Computer Science and Computer Science literacy is a necessary foundational skill for employment in any modern economy. Nearly all career fields, ranging from middle skills jobs paying living wages to high-skills, high-demand jobs, require at least some level of computer science literacy competency. Our project transforms the Tobacco Region's K-12 education system in line with the state's adoption of Computer Science as a core subject. It ensures not only compliance but excellence, infusing schools with early, sustained access to computer science education pathways. Building a talent pipeline requires first exposing children at a younger age to computer science and then ensuring there are opportunities to pursue CS in Middle and High school curricula. Building this pipeline is critical to the New Virginia Economy.

**Staff Comments:** Estimated annual outcomes - a net increase of 115 tobacco region teachers trained and certified (132, up from a baseline of 17): Richmond-based CodeVA is requesting funds to hire a resource coordinator to be based in and serving the tobacco region (\$115k personnel costs for two years, plus operating costs). Additionally, operating funds are requested to provide support, contracted PT trainers (\$18k), instruction, hard-copy materials, teacher stipends (\$100k) and logistics

to three stand-alone teacher cohorts and approximately two-dozen individual teachers (year-one) participating in statewide cohorts. Two multi-use facilities in the region are also proposed beyond year one as training sites (from uncommitted matching funds). Matching funds do not currently meet the required dollar-for-dollar level (\$183k match on a \$361k request). CodeVA has trained 1,500 teachers statewide since beginning in 2014, using private foundation grants. Teachers commit to 90-100 hours of training over two years that is based on Computer Science Teachers Association national standards, using curriculum and free open source software developed by Exploring Computer Science (ExploringCS.org), a National Science Foundation-funded project. The CSTA standards will in part form the basis for Virginia's CS SOLs that are currently being drafted and will be implemented in 2018. Training this year will be offered in seven statewide cohorts by Northern Virginia Community College using a \$1.1M appropriation from the General Assembly, supplemented by funds from Code.org, a national organization (CodeVA has received applications from 47 tobacco region teachers to date for this year's cohorts). Requested funds for tobacco region teacher travel will cover costs to attend this statewide training in year one. These completers will then be qualified to conduct in-region training for other local district teachers under a "train the trainer" model. Ultimately, this request will provide incentives and logistical support to provide tobacco region school districts an opportunity to accelerate the pace of teacher preparation to educate students in computer sciences and comply with the proposed SOLs, thereby supporting thousands of students and the emerging IT/CS/cybersecurity employer base in the region's data centers and a wide array of companies and institutions that rely on computer programming. In order to take better advantage of tobacco region-based institutions with overlapping computer science objectives and long-standing relationships with local school districts, Staff further suggests CodeVA could more effectively and efficiently accomplish this objective under a collaborative model with partners that could include the two public universities based in the region (Longwood and UVA-Wise), as well as the two Higher Education Centers, Institute for Advanced Learning & Research, New College Institute and potentially others that could provide in-region training space, staff support and resources for outreach and logistics, etc. Given the urgency to assist tobacco region teachers in accessing the 2017-18 training cohorts, Staff suggest the Executive Director be authorized to approve an amended budget that meets matching fund requirements and accomplishes efficiencies through partnerships with tobacco-region based partners.

**Committee recommends approval of an award not to exceed \$361,625, contingent on the Commission authorizing the Executive Director to negotiate a revised budget and project implementation plan that includes required matching funds and collaboration with partners at tobacco region higher education institutions.**

### **Danville Community College Educational Foundation, Inc.**

#### ***Advanced Skills IT Academy (#3280)***

**\$131,471.73 Requested**

***Executive Summary Provided by Applicant:*** Driven by two local IT companies, the Advanced Skills IT Academy bridges the skills gap of graduates from AAS or bachelor's programs in preparation for the continual deployment and monitoring needs of cloud based technology. Modeled after DCC's highly successful Precision Machining career pathway program, the Advanced Skills IT Academy will provide training to traditional and non-traditional students, including non-credit training for incumbent workers. The program offers four pathways: (1) software development, (2) networking, (3) cyber security, and (4) project management. Coursework,

developed through industry partnerships to include the most in-demand skills, features the opportunity to earn industry credentials while completing an Associate's degree, and culminates with the option for a third-year-college level of "Capstone" training in which students will experience real-world high-level IT industry challenges through a collaborative team-based approach. The Academy will meet the industry demand for team oriented cloud-based programming, developing a secure network, and data management/analysis.

**Staff Comments:** **Estimated annual outcomes** - 30 students receiving IT industry-certified credentials: This project is to support development of 3rd year Advanced Career Studies Certificates in Information Technology. Education outcomes include an estimated ten graduates annually by 2019 in each of the three new Advance CSC areas: Data Analysis, Cloud Development, and Cyber Security. Additional outcomes include projections for increases of + 10 annually in each of two existing Associate degree programs—Networking AAS and Software Development AAS. The majority of grant funds (\$120K) are requested for contractual services for a cloud-based curriculum consultant; with smaller amounts requested for equipment (\$8,000) and release time for one DCC faculty member (\$3,472). The majority of matching funds is \$92K for a blade server from contributions by DCC, City of Danville and Pittsylvania County. Additional match is in personal contributions of \$41K from DCC for a percentage of salary for the Director of Institutional Planning and release time for two faculty members, as well as \$8K in-kind contributions from Noblis, which operates the Center for Applied High Performance and Computing located in the City. Employer demand is identified from Noblis and Microsoft in Boydton and additional demand data is represented from the results of a 2016 survey conducted by the Southern Piedmont Technology Council identifying 33 companies with a need within 5-years for 119 employees with software development or networking skills. Where the project budget included \$8,000 of grant funds toward the blade server that is to primarily be paid from Match, this contingency amount was not supported in the quote from Dell, and DCC had indicated that this was to cover price escalation. Following staff's request for a revised quote from Dell that would be valid during a grant project period, DCC confirmed the Dell quote would be honored and subsequently reduced the request to the Commission (and the Match) by \$4,000 to \$127,475. While outcomes numbers are relatively modest, the high-paying employment opportunities for graduates is well-documented, and expands the growing capacity in the tobacco region to provide well-trained candidates for the region's IT employers.

**Committee recommends approval of a \$127,475 grant award.**

**Institute for Advanced Learning and Research**  
***Certified Work Ready Community Expansion Initiative (#3274)***  
**\$251,641.25 Requested**

***Executive Summary Provided by Applicant:*** The Dan River Region Collaborative and the Institute for Advanced Learning and Research, in partnership with regional economic development agencies, school divisions, Workforce Development Boards and employers, seek to expand the successful Certified Work Ready Community (CWRC) effort. The CWRC Expansion Initiative relies on a proven model to quantify and verify work readiness skills that employers require for job placement and advancement. Funding will support certified localities as they enter the maintenance phase and expand the CWRC effort to additional localities. Specifically, Tobacco Commission funds will support National Career Readiness Certificate (NCRC) testing for 3,600 individuals, 24 job

profiles for employers, ACT Academy Training for interested localities, online portal access for NCRC registration and dedicated personnel to work with partner agencies and employers. The NCRC is a competency-based, industry-recognized, third-party validated, portable and stackable certification that validates work readiness skills in: applied mathematics, locating information and reading for information.

**Staff Comments: Estimated annual outcomes** - an increase of 270 NCRC credentials granted annually, over the current baseline of 930: The Certified Work Ready Communities initiative for the Commonwealth of Virginia is currently focused in Southern Virginia. This national CWRC program was initiated in the region by the Dan River Regional Collaborative in an effort to align workforce and education to meet the economic needs of the region, including support from a \$142K grant made by the Commission (#2669). Currently there are three counties- Henry, Pittsylvania, and Halifax that have achieved CWRC certification, with announcement in the very near future anticipated for the cities of Martinsville and Danville. Patrick County, the 6th locality in the original DRRC focus area for Virginia is on track to obtain CWRC status by this summer. This funding request to the Commission will expand the Southern Virginia CWRC footprint to add at least five more localities from the Go Virginia Region 3 (i.e. Mecklenburg, Charlotte, Cumberland, Buckingham, and others to be identified); as well as supporting Greensville and Emporia which are part of Go Virginia Region 4. The proposal has strong outcome numbers with a target of 3,600 National Career Readiness Certificates, at least six new companies requiring NCRC for pre-employment screening and increasing to ten localities with CWRC status. It is noted that there are on-going costs for maintaining the CWRC status, as it is designed to reflect current work ready status of a community, and therefore, the certification is good for two years after which the locality enters a "maintenance phase" with new NCRC targets that must be achieved. One of the priorities for the new staff position to be supported by the project is to develop a systems approach that includes cost effective strategies for the long-term sustainability of this program. The success of the initial DRRC pilot is commendable and staff recognizes the opportunity for an expanded CWRC area to be an economic development driver for attracting companies to the region. This project supports the Education program objective for enhancing workforce readiness through proven and innovative programs, and should result in significant increases of nationally-credentialed individuals and localities.

**Committee recommends a \$251,641.25 grant award.**

**Mountain Empire Community College**  
***SWVA WINS - Supply Chain Development (#3281)***  
**\$400,000.00 Requested**

**Executive Summary Provided by Applicant:** The project being proposed by MECC is to collaborate with Logistic Specialties, Inc. (LSI) to deliver a proprietary training program that will provide southwest Virginia companies with the necessary knowledge and skills that will enable them to become certified an ISO 9001 / AS9100 qualified manufacturers of aircraft landing gear components for the U.S. Government. LSI is one of four current prime vendors awarded by the DoD to manage the Landing Gear Prime Vendor Contract (LGPVC) for the U.S. Air Force (USAF), which is a ten-year contract with a contract ceiling of \$1.5B to competitively source landing gear parts for multiple USAF platforms from qualified manufacturers. Together with MECC, LSI will oversee the development and delivery of three proprietary training modules, along with program

management and oversight for developing the workforce and manufacturing cluster for USAF landing gear components.

**Staff Comments: Estimated annual outcomes:** 150 trainees and 120 completers of a proprietary certification: This request offers proprietary training designed to assist SWVA manufacturers in qualifying for ISO 9001/ AS9100 certification necessary to attract U.S. Government contracts for aircraft landing gear. The proposed training provider, LSI (a privately-owned Utah-based company), will work with MECC to develop and deliver three training modules (beginning, intermediate, and advanced) and associated program management. The application estimates that of 150 participants, 120 will complete the training annually. While the project would serve manufacturers across the region (15 counties) there does not seem to be participation from the other community colleges that serve those localities. It appears that the entire \$400,000 request amount will be passed through to the private training provider (LSI) for development and delivery of the proprietary training. LSI will allow MECC to use the beginning and intermediate modules for an additional three years. It does not appear that MECC would have access to the advanced training beyond the one year grant period. Matching funds are shown from MECC (\$50,000) for faculty time, administrative personnel, and supply costs. The Workforce Investment Board will supply \$150,000 of scholarship assistance for participants (\$1,000 per student). The Southwest Virginia Alliance for Manufacturing has committed \$200,000 for outreach and marketing and coordination of business support and technical assistance. This contribution will be made using funds awarded to SVAM through their Heart of Appalachia Economic Transition project (federal POWER grant). These funds reflect the salaries for three SVAM employees (Regional Outreach Coordinator - \$67,174; Technical Assistance Coordinator - \$41,715; Project Manager - \$91,111) although no detail was provided to show how these amounts were calculated based on percent effort toward the project. It is likely that these reflect a majority or all of the annual salaries for these positions and, if this is true, may not be an appropriate allocation for this project versus the employees' normal duties. It is critical to note that ISO 9001/ AS9100 is an industry certification for manufacturers. Participants in this training will receive a LSI-provided certificate of completion which does not appear to be a nationally recognized workforce credential which is required by this program. There is no evidence or assurance that manufacturers who provide participants for this training will received ISO 9001/ AS9100 certification or that contracts to supply aircraft landing gear components will be forthcoming. This training described in this proposal does not result in a nationally recognized workforce credential for participants, making it a poor fit for this program.

**Committee tabled this request for reconsideration on May 18th.**

**Russell County Public Schools/Southwest Regional Adult Education  
Southwest Virginia RACE to GED Program (#3270)  
\$225,000.00 Requested**

**Executive Summary Provided by Applicant:** The three regional adult education programs serving Planning Districts 1, 2, and 3 (16 jurisdictions) produce communities that are work ready. No issue addressed by VTRRC is more foundational than low educational attainment of adults in the workforce. Virginia currently offers two high school equivalency paths for adults, the GED and the National External Diploma Program, both nationally recognized academic/workforce credentials and both included in this application, For adults on the GED path, the VTRRC funds will provide scholarships for on-demand computer-based GED practice tests and on-demand

computer testing readiness assessment at 68 adult education classes staffed by highly qualified certified teachers and scholarships for on-demand, computer-based GED testing at 17 Pearson VUE Test Centers. VTRRC funds will also provide NEDP tuition scholarships that can lead to an adult high school diploma. New to this application is funding for Career Readiness Certificate attainment, a portable credential based upon Workkeys assessment.

**Staff Comments: Estimated annual outcomes** - 224 nationally-recognized credentials: Since the initial TRRC grant to this regional partnership in 2004 a total of \$1,155,160 has been awarded through nine grants. The most recent award (\$205,160) was made in May 2013 and has a balance of approximately \$50,000 remaining. A one year extension was approved last year for the project, which will now expire on May, 23, 2017. The grantee indicates that all remaining funds will be used by this time. As stated in previous years, the repeated funding of this program could be construed as contrary to TRRC policies regarding limited start-up period funding, but is arguably more akin to providing annual financial aid support such as the Commission's college scholarship programs, in this case targeted to the chronically high number of individuals who at some point have left the public education system. Most importantly, the outcome numbers show a dramatic regional impact: The previous application showed 16,738 people tested since 2004 and 12,036 passing those tests (an 80% passing rate). Outcomes from that grant show an additional 1069 people tested with an 87% pass rate with additional testing to occur prior to the May expiration. The FY17 proposal seeks funds to continue to provide computer based GED testing and related practice testing. Additionally this proposal will also provide funding for National External Diploma Program testing and Career Readiness Certificate assessments. Matching funds totaling \$360,000 are committed for three years from each of the three participating regional adult education programs for instruction leading to testing (\$120,000 each from RACE1, SW Regional Adult Education, and Mount Rogers Adult Education). These funds will be used for instructional software and for teacher salaries for adult education classes. Outcomes of 150 GEDs, 4 NEDPs, and 70 CRCs are estimated for this proposal. Given the need for extensions on previous grants to fully utilize awarded funds, staff is recommending a modest reduction to the requested amount in order to fully utilize funds in the standard three-year project period.

**Committee recommends approval of \$175,000.**

**Southside Virginia Community College Foundation**  
***Maximizing Efficiency in Workforce Readiness Training (#3282)***  
**\$135,000.00 Requested**

**Executive Summary Provided by Applicant:** With assistance from the Tobacco Region Revitalization Commission, Southside Virginia Community College has launched new initiatives and partnerships to prepare future workers for occupations in high-demand areas, including welding, precision machining, electricity transmission, transportation, and information technology. These programs are ready to provide students quick access to careers with family-sustaining wages. SsVCC has embraced the short-term credentialing philosophy and currently enrolls more students in the Workforce Credentials Grant program than any other college in the tobacco region; however, operating classes at capacity is essential to maximizing efficiency. Empty seats represent lost opportunities: opportunities denied to workers who need jobs, and opportunities denied to employers who need a reliable pipeline of qualified job candidates. SsVCC Foundation requests funding to expand marketing, student recruitment efforts, and employer involvement.



**Staff Comments: Estimated annual outcomes** - 192 additional new students recruited to existing programs: This project supports 50% of two workforce career coach positions during a two year start-up period (\$94k) to focus on increasing enrollment to fill available capacity in five program areas. The five targeted occupations and related credentials with estimated increases to enrollment include: A) Welding- AWS and NCCER credentials, + 72 students; B) Precision Machining- NIMS credentials, + 24 students; C) Power Line Worker- NCCER and CDL credentials, + 30 students; D) Truck Driver Training- CDL credentials, + 36 students; and E) Information Technology- CSC and CompTIA credential, + 90 students. These are all strong program areas to support industry and workforce needs and represent very solid outcomes for the project. Operating costs for the new positions and related marketing are requested (\$40k) to be shared equally between the college and the Commission. The proposal identifies a plan to sustain these positions from increased annual tuition revenues resulting from the project's success. The increased enrollment, if even partially achieved, will provide a significant number of additional students receiving industry-recognized credentials, as well as additional tuition revenue to sustain the requested positions. This project directly supports this Education program objective for focusing on the "gaps" between education supply and occupational demand in the STEM and advanced manufacturing career areas, and will be tasked with filling empty seats in existing programs/facilities with students from across SVCC's ten-county service area.

**Committee recommends approval of a \$135,000 grant award.**

**Southwest Virginia Higher Education Center Foundation**  
***Southwest Virginia Higher Education Center Cisco Networking & Cyber Security Academy (#3283)***  
**\$190,000.00 Requested**

**Executive Summary Provided by Applicant:** The Southwest Virginia Higher Education Center's Cisco Networking & Cyber Security Academy addresses Cyber Security, one of Governor McAuliffe's top priorities and a key component of the New Virginia Economy. In today's information-driven and hyper-connected society, cybersecurity is an important issue for economic growth and stability across all types of industry sectors, especially those in Southwest Virginia's key industry sectors of Manufacturing, Agriculture, Warehousing/Distribution, Health Care, Energy, and Professional, Scientific, and Technical Services. This academy at the center will work directly with Old Dominion University, Virginia Highlands Community College, Wytheville Community College and the National Center of Systems Security & Information Assurance to develop and offer a high quality curriculum that will combine in-depth technical training and professional skills development covering a variety of disciplines including networking, virtualization, storage and cyber security. This project directly addresses the current supply/demand of workers within the occupational title taxonomy for IT and cybersecurity.

**Staff Comments: Estimated annual outcomes** - enrollment of 120 with 55 credential completers: This project will assist the applicant with establishing a new program through Old Dominion University, with partnerships with Virginia Highlands Community College and Wytheville Community College. The HEC and ODU will provide the entry level training for VHCC and will offer mid level training opportunities for the WCC program that is being supported through their FY17 application to this program. All TRRC funding would be used to purchase the equipment

necessary to establish the program. Matching funds of \$316,000 are committed by ODU for three years of program operating expenses including the training and salary for 4 SW region-based instructors. The HEC will contribute \$60,000 over three years to the program through technical support and dedicated space to house the program. A variety of entry, mid, and high level CISCO certifications as well as BS Degree opportunities will be available through this program. 120 students are expected to be enrolled annually (108 in CISCO certifications and 12 BS degree) with 55 (45 certifications and 10 degrees) awarded the first year. According to the application there are currently 186 field related job openings in the SWHEC service area with salaries ranging from approximately \$38,000 to \$87,000+ annually. A formal agreement is pending with ODU and any award should be made contingent on an executed agreement between the parties. As in the DCC request, this would be a significant addition to the infrastructure and capacity to train tobacco region residents for the growing number of high-paying IT and cybersecurity positions available in the region, as documented by the HEC, and is well-coordinated with the community college partners serving the I-81 corridor in the Southwest region.

**Committee recommends an award of \$190,000 contingent on an executed MOU for program implementation between the SWHEC and ODU.**

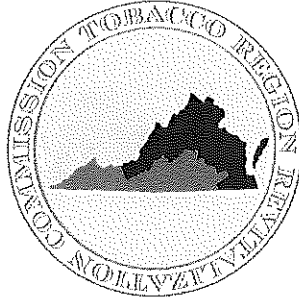
**Wytheville Community College**  
***The WCC Credentialing Bridge Program (#3284)***  
**\$81,424.00 Requested**

***Executive Summary Provided by Applicant:*** Wytheville Community College (WCC) seeks matching funds to expand its ability to deliver short-term workforce training opportunities to residents of Southwest Virginia. The WCC Credentialing Bridge Program will provide workforce and technical skills to students seeking future employment, working professionals seeking to upgrade and add skills, and business and industry seeking to train their current workforce—essentially creating “bridges” for students/employees between training and employment. This project will help address industry needs and fill gaps for training and certification in the fields of STEM-H through dental radiation safety and information technology and in the fields of Advanced Manufacturing and Electrical.

***Staff Comments: Estimated annual outcomes*** - 285 national certifications in four distinct career paths: The \$81,424 requested in this proposal will purchase equipment to modernize three existing programs at WCC. The equipment purchases for the IT, Advanced Manufacturing, and Electrical programs will allow the College to offer credentials that are not currently available. The Dental Radiation Safety Credential is currently being offered, however is using outdated analog equipment instead of the digital radiography equipment that is the standard in most dental practices. This program is one of only two in the entire Commonwealth. The application estimates that 285 credentials will be awarded as a result of this project. These include Dental Radiation Safety (50), Cisco (5), Linux (5), Network+ (5), Security+ (5), Greenlee Voice/ Data Certification (40), Greenlee Conduit (40), Greenlee Advanced Bending Electrical Conduit (20), Greenlee Hole Making Certification (40), and Torque Certification (75). Greenlee is a Textron company that the National Coalition of Certification Centers announced a strategic relationship with in late-2016 to provide in-depth certifications in Electrician and Building Trades programs at community and technical Colleges across the country. Because these credentials are included in existing programs there will not necessarily be an increase in enrollment and individual students may earn multiple certifications.

Matching funds of \$81,424 are committed from WCC to assist with the equipment purchases. The percentage TRRC/ WCC funding varies for each purchase. Ultimately this modest request will strengthen several programs across multiple in-demand career paths, and serve several hundreds of students during the usual life of the equipment.

**Committee recommends approval of \$81,424.**



## R&D COMMITTEE AGENDA

Wednesday  
May 17, 2017 @ 5:00pm  
Appomattox County Community Center  
Appomattox, VA

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**Welcome and Call to Order**

*The Honorable Kathy J. Byron, Chairman*

**Call of the Roll**

*Evan, Feinman, Executive Director*

**Approval of the 9/20/16 Minutes**

*(published on website)*

**Planning & Preliminary Guidelines  
for Last Mile Grants**

*The Honorable Kathy J. Byron, Chairman*

**Public Comments**

**Adjournment**

*private sector applicants to cover Tree customers  
w/ broadband service @ Sept. mts.*

*Develop & publish guidelines asap - Staff*

*\$10m set aside - auction requests*

*County's & private parties applying together*



**SOUTHSIDE ECONOMIC DEVELOPMENT**  
**COMMITTEE AGENDA**

Wednesday  
May 17, 2017 @ 3:00pm  
Appomattox County Community Center  
Appomattox, VA

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<b>Welcome and Call to Order</b>	<i>The Honorable Tommy Wright, Chairman</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Approval of the <u>12/14/16 Minutes</u></b>	<i>(published on website)</i>
<b>FY'17 Round 2 Grant Proposals</b>	<i>Sarah Capps, SS Grants Program Administrator</i>
<b>Other Business</b>	<i>Sarah Capps, SS Grants Program Administrator</i>
<b>Public Comments</b>	
<b>Adjournment</b>	

## FY17 Southside Economic Development – Round Two Summaries and Staff Recommendations May 2017

The Commission received ten new funding requests this spring for the available Southside Economic Development balances (FY17 budget remaining after a 1<sup>st</sup> Round in January 2017 plus funds carried forward from previous years). Project summaries provided by the applicants, staff comments and recommendations are included below for these new requests. The Committee will meet at 3:00 pm on May 17<sup>th</sup> to consider these requests. Other Business regarding existing grants is also included.

*Staff Recs*

Req #	Locality	Organization	Project Title	Allocation Available	Requested Amount	
3291	Bedford	County of Bedford	Site Development in the New London Business and Technology Center	\$49,516	\$250,000	✓
3287	Brunswick	Brunswick County	Brunswick County Old High School Remediation Project	\$2,978,186	Applicant requests tabling	✓
3275*	Brunswick	Mecklenburg-Brunswick Airport Commission	Mecklenburg Brunswick Regional Airport Airfield Rehabilitation Project	\$2,978,186	\$147,900	equal split ✓
	Mecklenburg			\$1,194,162		
3285	Campbell	Town of Altavista	Town of Altavista-Route 43 Downtown Gateway Streetscape Project	\$672,644	\$172,644	✓
3286		Centra Health, Inc.	Centra 29/460 Land Acquisition for Medical Facilities Development		\$500,000	Some Pgs. V&A ✓
3288		Development Authority of Campbell County	Seneca Commerce Park Building		\$672,644	✓
3269	Charlotte	Patrick Henry Memorial Foundation	Eugene B. Casey Education & Events Center	\$613,647	\$400,000	✓
3290	Franklin	Franklin County	Summit View Business Park Phase One Development	\$658,960	\$658,960	✓
3289	Halifax	South Boston IDA	John Randolph Hotel Redevelopment Project	\$2,032,997	\$1,000,000	✓ V&A
3268		Halifax County IDA	New Manufacturing Shell Building in the Southern Virginia Technology Park		\$1,770,500	✓
<b>Total (10 requests)</b>					<b>\$7,636,898</b>	

\*Requested funding to be split equally between Brunswick and Mecklenburg available allocations

## BEDFORD

### County of Bedford

#### *Site Development in the New London Business and Technology Center (#3291)* **\$250,000.00 Revised Request**

**Executive Summary Provided by Applicant:** Bedford County EDA will execute the site grading and excavation plan for a 4.21 acre lot in the New London Business and Technology Center. This site work will accelerate the ability to attract further industry growth in the park and help us prepare a pad site to show to prospective businesses and industries that want to locate here. The site identified for this work is Lot 3b, to the east of the roundabout in the heart of the park.

**Staff Comments and Recommendation:** Estimated annual outcomes – application cites 12 new jobs and \$250k private investment from four prospective tenants, however both numbers could rise to 50-60 jobs and more significant private investment from the seven current prospects for a proposed multi-tenant facility on this lot: While originally submitted as a \$2M+ request to construct a Center for Innovation, the now-revised request seeks \$250k to begin site development on Lot 3-b (4.2 acres) to prepare a graded pad to show to industry prospects. A current prospect is preparing for grading of adjacent Lot 3-a and the proposed grading of 3-b would allow economies of scale through the concurrent grading of both lots. The County EDA reports prospect activity in the County and interest in New London have increased in the past year, including at least seven current prospects. The EDA hopes to solicit bids in Summer 2017 and complete grading by year-end 2017. The Bedford SSED allocation currently does not have sufficient funds to accomplish this work and fund this request. Any award above the \$49,516 currently available must be contingent upon successful completion of the sale of the CAER facility in New London to Liberty University, and a portion of those sale proceeds being added to the current available allocation. Assuming those ongoing negotiations result in a sale as anticipated, Staff notes this request would be highly consistent with program objectives of preparing shovel-ready economic development sites to serve prospective employers and attract measurable new job creation and taxable private capital investment.

**Staff recommends an award of \$250,000 contingent on an adequate balance being added to the Bedford allocation.**

## BRUNSWICK

### Brunswick County

#### *Brunswick County Old High School Remediation Project (#3287)* **\$125,000.00 Requested**

**Executive Summary Provided by Applicant:** It is the desire of the Brunswick County Board of Supervisors to demolish the Old Brunswick County High School. The building has sat vacant for a number of years and fallen into serious disrepair. In September 2016 Hurt & Proffitt Engineering was retained to conduct a hazardous materials analysis. The results of the investigation found asbestos contaminated building materials; lead based paint; mercury containing switches; universal wastes; and underground storage tanks. Brunswick County utilized the VEDP Brownfield grant program to help pay for the hazardous materials report. Now Brunswick County Supervisors would now like to move forward with the remediation and removal of the 25,000 SF building. Once complete it will leave Brunswick County with a clean 10 acre +/- site that can be utilized for economic development efforts. Without this Remediation and Demolition phase being done, the property WILL NOT be usable for any purposes or sold.

**Staff Comments and Recommendation:** Estimated annual outcomes – unknown at this time: The applicant has requested this project be tabled in order to respond to Staff questions regarding potential future uses of the property, and how those may align with TRRC program objectives and metrics.

**Staff recommends this request be tabled.**

## **BRUNSWICK & MECKLENBURG**

### **Mecklenburg-Brunswick Airport Commission**

#### ***Mecklenburg Brunswick Regional Airport Airfield Rehabilitation Project (#3275)***

**\$147,900.00 Requested**

**Executive Summary Provided by Applicant:** As part of its 6 year plan with the Federal Aviation Administration (FAA) and the Virginia Department of Aviation (DOAV), the Mecklenburg Brunswick Regional Airport Commission (MBRAC) is undertaking 2 critical projects to enhance aircraft operations for the ever increasing size of aircraft that is utilizing the Mecklenburg Brunswick Regional Airport (MBRA) on a regular basis. With the construction of the new VCU/CMH hospital in South Hill, weekly aircraft operations in support of that facility are occurring. Furthermore, MBRA has seen a daily upswing in corporate aircraft operations in support of the region's large projects such as the Dominion Power Plant in Brunswick and the Microsoft expansion in Mecklenburg. Jet aircraft operations increased from 42 in 2014 to 86 in 2016. Forty-six percent of the jet aircraft operations for 2016 were Microsoft related. Jet operations are expected to exceed 100 in 2017.

**Staff Comments and Recommendation:** Estimated annual outcomes - no direct new jobs or private investment, indirect support of \$2B data center investments to date: Funding is requested to be split equally (\$73,950 each) between the Mecklenburg and Brunswick County allocations with both localities having provided a letter of support. Since development began at the multi-phased Microsoft Data Center in Boydon (25 minutes west on Route 58), the usage rates and types of airport traffic at this regional airport has changed significantly. Airport data shows an increase from 42 jets in 2014, more than doubling to 86 in 2016 and with projections of 108 jets for 2017 based on 18 jets arriving in the first two months. Imagery of the construction progress at the data center during this same time frame correlates with this increase. While it is not required to be disclosed, airport staff asks transient aircrafts for the nature of their business in the region and for 2016 these results demonstrated that at least 46% of the jet aircraft operators travel was related to Microsoft. In addition to the volume of jets there has also been an increase in the size of the jets. All of this is supported by the Federal Aviation Administration's commitment of over \$6.6 million toward the \$7.6 million cost for two Phases of improvements necessary to bring the airport up to standards for accommodating aircrafts classified as ARC B-11. The request to TRRC represents 5% of the Phase 2 costs and 2% of the overall project cost to address increasing the size of the current parking apron and redoing the taxilanes to provide sufficient distance from the hangers in order to accommodate a larger volume and size of jet traffic. A Statewide Economic Impact Study published by the Commonwealth of Virginia in 2011 reported the Mecklenburg-Brunswick Regional airport contributed \$2.7 million in economic activity to the region and was directly or indirectly responsibility for 34 jobs with an annual payroll of \$633K. Of note, the Commission's funding policies have long identified airports as a low funding priority, given that they typically have an indirect effect on economic revitalization. However, consideration may be given when a project can demonstrate that the investment will produce a significant economic impact from outside of the Commission's service area. This project does a solid job of making this argument. The applicant provides a documented case of a major technology employer increasing usage of their facility necessitating the need for these improvements. Given this documentation, and as reiterated by the significant investments from the federal and state aviation authorities (TRRC support is 2% of total



project costs; and 5% of phase 2 funding needs), staff views this project as demonstrating that it will have a significant economic impact and will support continued growth of the datacenter expansion.

Staff recommends a \$147,900 grant award to be split equality (\$73,950 each) between the Mecklenburg and Brunswick County allocations.

## CAMPBELL

### Town of Altavista

#### *Town of Altavista-Route 43 Downtown Gateway Streetscape Project (#3285)*

**\$172,644.00 Requested**

**Executive Summary Provided by Applicant:** This phase of the Route 43 "Downtown Gateway" Project will include cross walks at the intersection of 7th Street, Bedford Avenue, and Main Street. There will be upgrades to the traffic signals to include pedestrian actuators. There will also be Public Parking upgrades, sidewalks, outdoor streetscape furniture and landscaping. In addition there will be 8 new storm water inlets, drains, etc. The Town of Altavista is in the final phase of a major downtown revitalization project that has previously received financial support from the Virginia Department of Housing and Community Development, VDOT through their current \$28m Route 29 Bridge project and (3) VDOT TAP grants for \$518,652, along with donations from public and private Altavista citizens and the Town of Altavista. This is truly a "Community" effort.

**Staff Comments and Recommendation:** Estimated annual outcomes - no direct new jobs or private investment: The project request funds to support a streetscape project for downtown Altavista with \$38,257 budgeted for design and engineering and \$133,392 allocated toward the overall construction costs that include sidewalks, driveway aprons, street lights, curb and gutter, pedestrian signals, crosswalks, landscaping, traffic controls etc. The merits of this endeavor and the aesthetical and transportation improvements they will bring to the downtown area are credible, and the VDOT Transportation Alternatives Program (TAP) funding is a good source for these types of improvements (as represented in the approved Match). However, by their nature streetscape projects do not have a direct economic impact, and as such are not a priority for Commission funding, which targets direct, measurable expansion of jobs and taxable private investment in the community and regional economic base. Where staff has fielded inquiries from other localities with similar interests in the past, funding a project such as this would set a precedent that opens the door for dozens of other proposals to follow from localities through the region without accomplishing any direct and measurable economic development outcomes. While we commend the Town for taking the initiative to make these improvements, streetscapes are appropriately a low funding priority for the Commission.

**Staff recommends no award.**

### Centra Health, Inc.

#### *Centra 29/460 Land Acquisition for Medical Facilities Development (#3286)*

**\$500,000.00 Requested**

**Executive Summary Provided by Applicant:** Centra intends to form a long-term plan to develop the proposed Project Property with future medical services, in order to continue to meet Central Virginia's need for access to high quality healthcare. Public water and sewer infrastructure must be brought to the Project Property from distant points of connection. The publically dedicated Simon's Run will need to be extended to Airport Road as the primary access to serve the needs of the future

site. Within the last several years, Centra has completed various health care facility projects in Gretna, Farmville, Danville, Amherst and on Nationwide Drive in Lynchburg. These facilities offer a range of health care services including primary and specialty care, physical therapy, and more intensive treatment such as the Gretna Medical Center's freestanding emergency department.

**Staff Comments and Recommendation:** Estimated annual outcomes - unknown new job creation and non-taxable private investment: This project requests \$500K for engineering of road and water/sewer extensions to serve a ~ 48 acre site in the Wards Crossing West development on the northern end of Campbell County adjacent to the City of Lynchburg where Centra Health plans to build a new medical facility. The \$7.7 million property acquisition cost and an additional \$177K in engineering costs are presented as Match. While the merits of a new emergency room and medical facility are not disputed, this application does not present any economic development outcomes in terms of job creation and private capital investment and as a nonprofit organization the new medical facility is expected to be exempted from paying local property and equipment taxes. The larger development where this property is located is in a Special Service District, as designated by the County, and a second layer of taxation on real property is used to generate funds needed for infrastructure development. The County has committed in writing to allowing for the special service district tax revenues to be used to reimburse Centra for all costs paid upfront for the water and sewer costs related to serving the site, albeit the expected payoff period based on current revenue projections is between eleven and fifty years. This range difference is based on whether one or two water lines are installed. The longer time period represents the estimated \$1.75 million cost for both water line extensions which would be necessary to provide the required capacity for all phases of proposed development being considered by Centra, and it also includes the costs for sewer extension. While telehealth and cancer research are the stated priorities for Health Care funding in TRRC's Special Projects program, this would be the program with outcome measures pertaining to increased number of health care patients served. The letter from Centra identifies a plan to seek additional grant funding. Staff suggests that this project may be a good candidate for loan consideration and to include funding required for construction. VRA often does loans for water/sewer projects based on estimates in Preliminary Engineering Reports (available for this project) and where the cost for final engineering is included in the loan. The VRA would typically look at the system revenue pledges for the service authority but they could also allow for the special tax district revenue pledges to be used toward repayment of the loan. A benefit of this infrastructure expansion is that it would open up the surrounding area and available acreage within the development for future economic growth. Staff suggests that Centra work with the Campbell County Utilities & Service Authority to evaluate partnering on amendments to this application for referral to the Commission's Special Projects program for loan consideration.

**Staff recommends this request be referred to the Special Projects program to be considered under that program's objectives of healthcare outcomes, and potentially for a VRA loan.**

**Development Authority of Campbell County**  
***Seneca Commerce Park Building (#3288)***  
**\$672,644.00 Requested**

**Executive Summary Provided by Applicant:** This project will create a modern 10,000 sq. ft. expandable industrial building with 24 ft. ceiling heights at the eaves for lease, lease purchase, or sale. Presently there is no such building in Campbell County that we can market. I get calls for a building that size very frequently. In my marketing of Campbell County the majority of the prospects I talked with over the past 24 months are looking for existing buildings and do not have the time to wait to construct a building. During the past 24 months I have had conversations with 24 prospects and 16 of them were looking for buildings only. The remaining 8 would consider a shovel ready pad site, which

we have, if they didn't find a building to suit their needs. Presently I have 2 local prospects actively trying to find a building of this size.

**Staff Comments and Recommendation:** Estimated annual outcomes - up to 25 new jobs and unknown private investment upon securing as-yet unknown prospect companies: Campbell County seeks to address an inventory shortage for an available building of approximately 10,000 sq. ft. to be marketed to prospects, through construction of an expandable shell building in the Seneca Commerce Park off U.S. 29 south of the intersection with Route 24. In the last two years the County identifies thirteen prospects for which a building of this size would have met the needs of six, in addition to six local companies expressing similar needs. The prospects were from sectors including pharmaceutical, manufacturing, construction industry, and data/call centers. The county estimates that the project will result in between 5 to 25 new jobs created with an average hourly wage of \$13. The \$1.4 million project cost includes \$647K from the Commission and match in excess of the 1:1 requirement with \$547K in lending from a commercial bank and a \$175K in-kind contribution from the County for the value of the 5-acre parcel. Where this value is based on historic investments in the park, the fair market value on a per acre basis in this area is well in excess of the \$35K per acre with properties zoned commercial or industrial selling for an average of \$50K per acre. Six previous grants from the SSED program starting in 2003 have provided \$1.7 million toward engineering and infrastructure at Seneca Commerce Park with the majority being for the public sewer system; and with these funds matched by over \$2 million from the county making the park a target for new development. This project supports the SSED program's funding priority for building and utility infrastructure and clearly meets an identified need based on the assessment of needs from recent prospect activity.

Staff recommends a \$672,644 grant award.

## CHARLOTTE

### Patrick Henry Memorial Foundation

#### *Eugene B. Casey Education & Events Center (#3269)*

\$400,000.00 Requested

**Executive Summary Provided by Applicant:** Faced with the challenge of overcoming its remote, rural location in a competitive tourism industry, the time has come for bold action at the Red Hill - Patrick Henry National Memorial. In order to grow, Red Hill needs to become more of a destination. While over 10,000 visitors each year stream into Red Hill from other parts of Virginia, the nation, and internationally, a building that would provide room for more indoor programs and events is necessary. Thanks to a \$1 million gift from the Eugene B. Casey Foundation, a \$1.8 million project to build a 5,100 square foot Education & Events Center is being planned. The attractive new venue will offer room for changing exhibits, a shelter during inclement weather, extra interpretive space, room for business retreats, author talks, workshops, weddings and other events which will significantly increase visitation and involvement while providing alternate streams of income.

**Staff Comments and Recommendation:** Estimated annual outcomes - 3,000 additional visitors in year one, rising to 5,000 additional in year three: The Patrick Henry Memorial Foundation manages the property referred to as Red Hill, and is charged with preserving the historical relevance and legacy of the last home and burial site of our nation's founding father Patrick Henry. Red Hill is located in rural Charlotte County at the southwest border with Campbell County near the Town of Brookneal and just north of Halifax County. The Foundation is working with Bryan & Jordan Consulting, who has a strong reputation for their expertise in working with museum and historical organizations, on development of a new Strategic Plan that positions Red Hill for expanding public offerings and

awareness of the property and ultimately results in an increase in attendance and long-term support. The short term actions in this strategy includes a \$4.5 million fundraising campaign that has as its cornerstone the construction and endowment for the new Eugene B. Casey Education & Events Center, and also supports the vision for expanded education programs as well as acquisition of a 70 acre adjacent property on the Falling River that includes a slave cemetery and new opportunities for archaeological/interpretive research. The funding request to the Commission is for \$400,000 to cover costs for site work, utilities, and road and parking improvements for the new education and events center. The new facility will provide for a 5,100 square foot multi-purpose event room for lectures, classes, and special events with seating for up to 144 visitors (capacity that is not currently available anywhere on the property). A \$1 million private foundation commitment has already been secured to support the \$1.8 million total cost estimated for the facility with the balance to come from their capital campaign. The facility appears to be well planned with detailed schematics and enhanced photos portraying the design and location of the center. It is noted that Red Hill partners with the Appomattox Battlefield and is affiliated with the National Park Service, participating in their passport program which draws visitors from across the nation. With a comprehensive visitor registration system, Red Hill reports that the ~ 10,000 visitors in 2016 included guest from 43 states and 28 countries, satisfying the Commission's qualification of a national/international destination for tourism investments. It is estimated that the new facility will result in an increase of 3,000 visitors after the first year of completion, with this number conservatively estimated to increase overall visitation by 50% to 15,000 in year three. In order to jump start marketing, prior to completion of the new building, the Foundation plans to hire a Public Programs Coordinator who will be responsible for development of group tour attendance and planning for weddings, events and workshops. Where the Patrick Henry Memorial Foundation has never received funding from the Commission, a parallel would be the ~ \$1.2 million invested in Jefferson's Poplar Forest in Bedford County. Staff recently visited the Red Hill property and can see the vision for expanding the visitor experience and opportunities for increasing group and overall attendance with construction of the new Eugene B. Casey Education & Events Center. This project is consistent with the SSED program's funding priority for enhancement to regional tourism infrastructure that demonstrates the ability to attract measurable and reportable visitor revenues from outside of the tobacco region.

**Staff recommends approval of a \$400,000 grant award.**

## **FRANKLIN**

### **Franklin County**

#### ***Summit View Business Park Phase One Development (#3290)***

**\$658,960.00 Requested**

**Executive Summary Provided by Applicant:** Franklin County has purchased 550 acres for the creation of a next generation business park on U.S. Route 220 north of Rocky Mount. The Summit View Business Park (formerly known as Southway Business Park for early discussion purposes) will be the premier new business park in the Commonwealth. The Phase One development project is the first work to be done to ready the park for business entrants. The Phase One project includes the construction of the main access road into the park, grading of a 5.5-acre building pad and a 24-acre building pad, and extension of public utilities to serve the new building pad sites. Future site development projects will be enabled using the road and utilities first provided by this Phase One work.

**Staff Comments and Recommendation:** Estimated annual outcomes - 249 jobs and \$38M private investment upon securing up to 3 prospect companies: The full balance of \$658,960 in the Franklin County allocation is requested to be used toward the \$8.2 million project costs for the first phase of

development at the Summit View Business Park. This is a new business park on Route 220 north of Rocky Mount. The county acquired the 550 acres for the park in 2015 and 2016 at a cost of \$11 million. A Master Plan developed by the Timmons Group was provided with the application. The park is split into two areas—the North region and the South region which can be developed independently and each with design options for accommodating a one million square foot building and several smaller buildings. The Park as a whole is expected to accommodate up to three million square feet of new industry and is targeted to advanced light manufacturing, warehouse/distribution, and office/technology space. This first phase of development includes construction of the entrance drive, grading and stormwater management facilities; and construction of the sanitary sewer and force main connector. The project will result in a 5.5 acre and a 24-acre building pad served by road infrastructure and utilities to be marketed to prospects. The county indicates that they have a prospect for the 5-acre site and both graded pads are estimated to have a combined economic development impact of 249 new jobs and \$38 million private investment based on three new businesses. This phase is heavily-leveraged with a \$6.9M commitment from the County and an anticipated request for \$650k to the VDOT Access Road program. Whereas the larger North region development will require considerable stream mitigation (~ 2.3 miles of stream and 0.51 acres of wetlands), prior to development proceeding, the county indicates that there is very little stream/wetlands impacted in the current phase. The county is in the process of setting up a Stream Credit Bank in order to address the overall mitigation requirements for the Park. This project supports the Commission's key funding priority for development of industrial parks and as it begins to attract new businesses to the county, this property is expected to result in significant economic outcomes for job creation and private investment.

Staff recommends approval of a \$658,960 grant award.

## HALIFAX

### South Boston IDA

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

**\$1,000,000.00 Requested**

**Executive Summary Provided by Applicant:** The South Boston Industrial Development Authority (IDA) is seeking \$1 million from the Southside Economic Development Fund to assist with the redevelopment of the former John Randolph Hotel (VDHR ID: 130-0006-152), located at 327 Main Street, into a boutique hotel with 27 rooms, a restaurant, a rooftop bar, and a gift shop. In July 2012, a Feasibility Study was completed, which was later updated in February 2017. In June 2013, the South Boston IDA purchased the property. The John Randolph Hotel is located in the Town of South Boston's Central Business District directly on the main corridor into downtown. It is a highly visible, deteriorating, four-story, vacant structure constructed in 1929. The total project cost is nearly \$8 million, and it is anticipated 11 new, full-time jobs and 25 part-time jobs, or 28 full-time equivalents, will be created as a result of this project.

**Staff Comments and Recommendation:** Estimated annual outcomes - 11 FT and 25 PT new jobs and \$7.9M private investment: Redevelopment of the John Randolph Hotel into a boutique hotel as a means for bolstering the tourism economy and spurring downtown revitalization has been a high priority for the Town of South Boston for many years. The Town purchased the historic property in 2013, and revisions were completed in September 2016 to a detailed Business Plan and Market Analysis originally drafted in 2012 by Cornerstone Hospitality to evaluate the financial viability of the project. This analysis presents that the boutique hotel could provide the anchor for moving the downtown revitalization efforts forward but emphasizes that more will be necessary for transforming the Town into a marketable destination in order for long-term financial success to be accomplished. Creative

Boutique Hotels, LLC a Virginia based partnership that focuses on development of boutique hotels in small markets and specializes in historic buildings (including two currently under construction with TRRC support in the SWVA tobacco region) was selected by the IDA to serve as the developer and operator for the new hotel. With this application the hotel developer provided a conservative estimate for 11 full time jobs with aggregate annual salary of \$416,250 and 25 part-time positions (or 28 full-time equivalents) at \$275,175. Total estimated costs for renovations are at \$7.89 million with ~ \$2 million expected to be supported from federal and state historic tax credits. The South Boston IDA identifies a willingness to secure a master loan for up to \$4.2 million and presents the need for grant funding to reduce the level of debt that can be serviced from projected net operating income (details are in an investment summary and pro-forma). In addition to the \$1 million grant request to the Commission, the IDA has applied to DHCD for a \$500,000 grant from the Industrial Revitalization Fund program, which was announced by the Governor on April 24th for \$475k. This project would accomplish the Commission's key funding priority for repurposing of obsolete buildings with economic development potential to attract visitor spending. However, it does not meet the traditional measure for tourism grants of supporting increased visitors to a national/international destination, although the applicant does present solid outcomes for visitor spending based on estimates for hotel occupancy. As the Commission's policy is to now refer projects with identifiable revenues for loan consideration, this option should be evaluated. The TROF program would also be an option and the current estimates based on the job numbers from the developer is for a \$100,000 TROF incentive.

**Staff recommends this project be referred to VRA for loan consideration.**

## **Halifax County IDA**

### ***New Manufacturing Shell Building in the Southern Virginia Technology Park (#3268)***

**\$1,770,500.00 Requested**

**Executive Summary Provided by Applicant:** Halifax IDA will construct a 37,500 shell manufacturing building fronting Highway 58 near the entrance to its Southern Virginia Technology Park. This building will be constructed to a level of completion that positions it for fast completion, and is broadly attractive to various types of manufacturers. Concept plans and scope are attached.

**Staff Comments and Recommendation:** Estimated annual outcomes - 50 new jobs and \$5M private investment upon securing a as-yet unknown prospect company: This is one of two shell building requests that are presented for funding in this grant cycle. The Halifax proposal is the larger building of the two, at 37,500 square feet and with the highest projections for job creation and private investment—50 jobs @ \$40,000 average and \$5 million. The plan to construct this building came from an analysis by the IDA on the needs of their most promising prospects over the last five years. The most common request from this group was for a new or nearly new building approximately 40,000 square feet and expandable to 100,000 square feet. The IDA plans to construct the new building on ~ 5.7 acres on one of the lots graded with a \$2M SSED grant in 2008, near the entrance to the Southern Virginia Technology Park visible from US Route 58. It is designed for and will be marketed to advanced manufacturing companies. All project costs are split equally with \$1,770,500 match from the IDA. This project supports the SSED program's funding priority for creation of available buildings at economic development sites; and is also expected to support the Commission's key funding priority for development of industry clusters that leverage unique regional assets including the C-CARE and SVPAC's Modeling and Simulation facilities which are located in this same industrial park.

**Staff recommends approval of a \$1,770,500 grant award.**

## **OTHER BUSINESS**

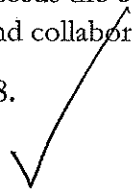
### **Pittsylvania County**

#### ***Project Tire – Facility Construction (#2695)***

#### **Request for Fifth Year Extension**

Pittsylvania is the grantee on behalf of City of Danville and their joint Regional Industrial Facilities Authority for Project Tire, which was awarded a \$1,000,000 Southside grant in May 2013 to construct a 40,000 - 45,000 square foot building to house this company on a 20-acre site located in Cane Creek Center. A revised use of the grant funds was approved by the SSED committee in September 2014, for 90% of the design and construction of prospect's water, sewer and railspur needs. Revised figures identify that Project Tire is expected to result in 112 new jobs with an average wage of \$38,000 and \$15.9 million private capital investment. Although the project has been delayed by the securing of New Market Tax Credits, it remains an active project, as confirmed recently by the local partners in their joint request for a fifth year extension. The total project cost of \$2.7 million exceeds the current requirement for matching funds, and demonstrates strong local commitment and collaboration.

**Staff recommends approval of a fifth year extension through May 23, 2018.**





**SOUTHWEST ECONOMIC DEVELOPMENT**  
**COMMITTEE AGENDA**

Wednesday  
May 17, 2017 @ 4:00pm  
Appomattox County Community Center  
Appomattox, VA

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**Welcome and Call to Order**

*The Honorable Bill Carrico, Vice-Chairman*

**Call of the Roll**

*Evan Feinman, Executive Director*

**Approval of the 9/20/16 Minutes**

*(published on website)*

**Reconsideration of FY'17 Tabled  
Grant Proposals**

*Sara Williams, SW Grants Administrator*

**Public Comments**

**Adjournment**



**FY2017 Southwest Economic Development  
Summaries and Staff Recommendations  
May 2017**

During the FY2017 SWED cycle in September 2016, the Committee funded one project with conditions, tabled six projects and referred one to VRA that are listed below. The Committee will reconvene at 4:00 pm on May 17<sup>th</sup> to reconsider these requests. The Committee's current available balance is \$820,672. Staff has provided updates based on information from applicants.

Other Business regarding two project extension requests is included at the end of this report.

<i>Grant #</i>	<i>Organization</i>	<i>Project Title</i>	<i>Requested Amount</i>	<i>Committee action (Sept 2016)</i>
3191	Floyd County EDA	Floyd Regional Commerce Center Phase II Development	\$420,696	table ✓
3192	Lenowisco PDC	Project Intersection	\$1,250,000	\$1,250,000 with conditions <i>T.W.</i>
3190	Ninth District Development Financing Inc	Capitalization of Revolving Loan Fund for Ninth District Development Financing Inc	\$1,000,000	table ✓
3186	Raven Theater And Coal Museum, Inc.	Raven Theater and Coal Museum	\$125,000 ✓ (reduced from \$250,000)	<del>table</del>
3200	Scott County Economic Development Authority	Riverside Development Phase III - Site Development	\$500,000	table ✓
3195	Southwest Regional Recreation Authority	Continued Growth for Spearhead Trails thru Expansion of Services	\$500,000	150K <del>VRA</del> ✓
3201	Wythe County	Appalachian Regional Exposition Center - Arena & Spectator Development	\$750,000	VRA 13/9 <del>table</del> ✓
Total requested/recommended (excluding Lenowisco)			\$3,295,696	0
Balance available before/after recommendations			\$820,672	\$820,672

## Floyd County EDA

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

**\$420,696 Requested**

***Project Description Provided by Applicant:*** The project will begin Phase II development of the Floyd Regional Commerce Center, which has only two small pads available in Phase I. More sites are needed to both attract new industry and provide expansion space for existing industry. This project will build and complete road access and utilities to a 51-acre greenfield site, which is adjacent to an Appalachian Power substation and across the road from Citizen's Telephone's 200-Gbps open access network; and it will complete a small building pad (3 acres) from road-cut materials. Ultimately this 51-acre will net about 27 acres of building sites (including one that is about 17-acres), though this project will primarily cover road development (Appalachian Regional Commission Access program request) and utilities (TRRC funds requested to pay for water, sewer, last-mile fiber and stormwater.) We anticipate seeking federal Economic Development Administration funds in the future to help with additional building pad development.

**Staff Comments and Recommendation (September 2016):** The Floyd EDA is seeking funds for contractual and construction of utilities to create access to additional building pads. When completed the new phase of the County industrial park will have an additional six parcels, a total of 27 buildable acres with the largest parcel being 17 acres with room to accommodate a 125k square foot building. The EDA estimates this additional property could result in an estimated 130 jobs and \$30 million of new private investment. The proposal includes very thorough feasibility studies with target industries, transportation alternatives, and preliminary engineering. The project will be well-leveraged if an ARC Access Road request for \$946k is approved in 2017 (it will be submitted in October). Any funding consideration should be conditioned on that approval, as it represents the entire match for this phase of construction. The EDA states it intends to pursue federal EDA funds for \$2 million of pad grading for the proposed lots. ARC road doesn't require match so consider utility engine only at this point? (1/2 of \$73k) **Staff recommends this project be tabled until the likelihood of ARC and EDA funding is better known, and the outcome of other funds committed in this round - contingent on successful POWER applications - is known.**

**Staff Comments and Recommendation (May 2017):** The applicant has a pending application with ARC and has asked that this project remain tabled pending a decision. **Staff recommends this proposal remain tabled.**

## LENOWISCO Planning District Commission

### *LENOWISCO Project Intersection (#3192)*

**\$1,250,000 Awarded with Conditions**

***Project Description Provided by Applicant:*** The requested TRRC investment will provide dollar-for-dollar match for a federal POWER investment, and serve as leverage for a larger package of local, state and federal dollars. The Applicant seeks to acquire and initiate development of a highly desirable, previously unavailable regional industrial/business site. The site must be acquired within a tight timeframe. Over a phased development, this site should provide 200 acres of developable, pad-ready acreage, with all supporting infrastructure already adjacent to the site. This site will be developed to attract prospective, targeted downstream supply chain clusters and other TRRC- and POWER-focused areas. This site, the top-ranked property in a TRRC-funded regional site study, is situated at the intersection of U.S. Highways 23 and 58, with the highest cumulative

non-Interstate traffic volume in far southwestern Virginia. The access provided at the site by this transportation infrastructure is a critical component in the attraction of desired industries.

**Staff Comments and Recommendation (September 2016):** TRRC staff has been discussing POWER and SWED funding for development of this 200 acre site with the project leaders for several months, and have visited the site, which is the top-rated site in a selection study conducted for Lenowisco, and reportedly the second-ranked site in a recently-completed study by Timmons Group for VCEDA. This request would cover half of the \$2.5 million acquisition cost, with POWER funds for the balance of acquisition and a portion of initial development costs of a 48 acre pad. The proposal estimates the first phase pad would be capable of attracting 350 new jobs and a \$10M private capital investment. The overall development cost has dropped from \$14M (without acquisition) in a PER completed in 2014, to \$6.55M including acquisition, using a phased development approach that anticipates applying for federal RECLAIM funding for formerly mined sites. Other as-yet uncommitted funders include VCEDA (\$2.3M), ARC POWER (\$1.5M) and EDA POWER (\$1.5M). The contiguous acreage does not appear to qualify for VEDP's new Business Ready Sites program, although that is a potential funding source that should be explored for subsequent development costs. A significant attribute of the site is the proximity of utilities, which are immediately adjacent to the property lines. Other competing sites available in region include the Lonesome Pine and Wise County parks, Duffield, Russell and Lee (Constitution Oaks), though few if any rival this site for a variety of characteristics including size, access to major highways, utility infrastructure, etc. The project leaders have initiated discussions with neighboring localities about the prospects of cooperating for revenue-sharing purposes, and initial indications of interest have been shown. Staff strongly supports this regional concept as a possible condition of funding, along with the approval of the proposed POWER grants, without which the project can not be initiated. **Staff recommends award of \$1,250,000 for one-half of site acquisition costs, contingent on approval of POWER grant(s) sufficient to complete acquisition and initiate site readiness activities.**

**Staff Comments and Recommendation (May 2017):** LENOWISCO's POWER requests to the Appalachian Regional Commission and Economic Development Administration for matching funds were not approved, which was the condition for the award of this grant in September 2016 (to provide TRRC's required match). However they continue to pursue funding through EDA and other federal programs including RECLAIM. They have asked that this project remain tabled to provide matching funds required by federal programs while awaiting a decision for those funds. **Staff recommends this project remain tabled.**

**Ninth District Development Financing Inc**  
***Capitalization of Revolving Loan Fund for Ninth District Development***  
***Financing Inc (#3190)***  
**\$1,000,000 Requested**

***Project Description Provided by Applicant:*** This request aligns with the Southwest Regional Recreation Authority's (SRRA) strategy to become an outdoor recreation destination. Ninth District Development Financing Inc (NDDF) will capitalize its revolving loan fund, a tourism development loan fund established in 1995, to serve the Ninth Congressional District of Virginia. This initiative was established to revitalize southwest Virginia's economies due to the loss of coal- and tobacco-related industries. Through low cost financing and business development services, this strategy provides resources to augment current regional economic development initiatives including

Spearhead Trails, The Crooked Road, Heartwood, Round the Mountain, and the Virginia Creeper Trail. Additional resources are needed to capitalize the revolving loan fund; the balance is currently at \$20,000 after two loans were made this year totaling \$983,860. With resources from VTRRC and associated match, NDDF proposes to make 7 loans within the three year project period and create/retain at least 70 FTE jobs.

**Staff Comments and Recommendation (September 2016):** TRRC has previously provided \$2.4 million to People Inc., which administers the NDDF, and its related small business financing entities dating back to 2003. There is no debating that the NDDF loan fund, which was initiated in 1998 with federal HUD funds, has had a positive impact in financing tourism-dependent private businesses in Southwest VA (24 loans for \$6.4M with no defaults since 1998) and is witnessing growing demand from tourism related businesses created in part by the successes of TRRC-funded tourism destinations such as The Crooked Road and Spearhead Trails. However, it can also be argued that TRRC's finite resources can be more impactful in the regional tourism economy by focusing on helping create the destinations that attract visitors (such as Crooked Road venues, Birthplace of Country Music Museum, etc.) while leaving it to other small business lenders (such as the applicant, Virginia Community Capital, SBA, VSBFA and others) to provide this private sector financing. This proposal estimates 70 new jobs but a previous TRRC grant #2381 funded three businesses with a total of 300k and created 10 jobs (\$30k/job), including a tourism business (a marina). While admittedly a snapshot of the results of the applicant's lending history, if those results are used for extrapolation, at \$30k per job the requested funding might create something closer to 33 jobs for a \$1M investment. The question here is: is this highest and best use of \$1M in a declining TRRC budget year, to fund 7-8 private businesses. Staff suggests that existing resources at a variety of small business lending entities should be relied on for assisting businesses, while Commission funds remain focused on assisting the creation and expansion of tourism destinations. **Staff recommends no award.**

**Staff Comments and Recommendation (May 2017):** The applicant provided an update indicating five potential borrowers totaling \$1.25M which it has not been able to provide financing for due to lack of funding. It is possible that some of these projects could qualify for financing through the Commission's VRA loan program or other lenders. This request also exceeds the Committee's available balance and would assist only a handful of small businesses and destinations. **Staff recommends no award.**

**Raven Theater And Coal Museum, Inc.**  
***Raven Theater and Coal Museum (#3186)***  
**\$250,000 Request – Reduced to \$125,000**

***Project Description Provided by Applicant:*** The Raven Theater, built in the middle of the Great Depression, is indicative of the true entrepreneurial spirit of a coal mining town during the late 1940's - 1960's. This grant application is to show the feasibility and soundness of using grant funding in the amount of \$250,000 to allow the Raven Theater & Coal Museum, Inc., a registered 501 (c) 3 non-profit organization, to complete the renovation and restoration of the historic Raven Theater building (and other adjacent sites) located in the Raven community of Tazewell County, Virginia. It is believed that upon completion, this project has the capability to generate sufficient revenues to allow the Raven Theater & Coal Museum, Inc. to be a self-sustained operation, providing much needed economic development and creating a number of direct and indirect jobs for the area.

**Staff Comments and Recommendation (September 2016):** This is the third request from this 501C3 nonprofit for this project in western Tazewell County (identical requests in the two of the past three years were passed by in Committee). The property was donated to the nonprofit and some site cleanup and repairs have been completed using volunteer labor and donations. To date the applicant has invested \$167,800 to partially renovate the building including the installation of a new floor in the theater and ice cream parlor, installation of a new roof for the ice cream parlor, new floor trusses for the second floor, 200 theater seats have been purchased, all windows have been replaced, installation of new wiring and three-phase power, and a new awning and refurbished marquee have been installed. TRRC funds would be used to complete the renovation through the construction of new walls in the theater and ice cream parlor (including framing, electrical, insulation and plumbing), the purchase and installation of tile for all floors, the purchase and installation of HVAC, an enlarged stage area and new exits, the construction of new ADA restrooms, and the purchase of furniture and equipment for the ice cream parlor. Once again the applicant does not indicate that other potential funders have been approached, including USDA's Community Facilities program and/or DHCD's ARC or CDBG programs. While the business plan shows that the revenue generated will produce the ability to take on some debt it does not appear that any community development lenders such as Virginia Community Capital or People Inc. have been considered either. It appears that matching funds have already been raised and expended, so with no additional funds that are shown to be used during the current project period, this application does not meet the Commission's 1:1 match requirement. The application lists 8 new jobs with an anticipated rate of \$8.50 per hour and projects 800 visitors annually generating \$35,000 of revenue. While the applicants states its intent to seek Affiliate status on The Crooked Road, this appears to be primarily a local community amenity akin to a community center, rather than a tourist destination with broad appeal to visitors from beyond the region. While the applicant is to be commended for their efforts which have brought the project to this point it appears to be principally a community development project that is better suited for other funding agency programs and not a basic economic development project that is aligned to TRRC objectives. As such, and with modest outcomes and absent required matching funds, this was the lowest scoring project. **The project fails to meet the Commission's 1:1 match requirement and is ineligible for consideration. Staff recommends no further action on this proposal.**

**Staff Comments and Recommendation (May 2017):** In December 2016 the applicant notified Staff that VCEDA had approved a \$125,000 award contingent upon receiving an equal amount in TRRC funding. With the revised request amount and matching VCEDA funding this project is now eligible for consideration, however Staff is of the opinion this project will have minimal (if any) impact from visitors outside the SWVA region, and we remain concerned about long-term sustainability of a facility that continues to appear to be primarily a local entertainment amenity. As commendable as the efforts of these dedicated citizens volunteers are, an award of TRRC funds would not be the highest and best use of limited Committee funds when several larger, more regionally impactful projects remain on the table. **Staff recommends no award.**

**Scott County Economic Development Authority**  
***Riverside Development Phase III - Site Development (#3200)***  
**\$500,000 Requested**

***Project Description Provided by Applicant:*** The Riverside development has continued at a rapid pace since the initial investment by the Virginia Tobacco Commission on the site. We were able to attract TeleTech, a customer support center, creating 300 jobs and private capital investment of

\$1.525 million. We want to create another site with the infrastructure so we will be ready for the next company. The need was recognized soon after the initial company was announced, and we would not have been able to attract that company had we not strategically created a ready to go site.

**Staff Comments and Recommendation (September 2016):** Funds are requested to grade a 15 acre pad that already has road and utilities in place due to previous investments. The Commission has supported the development of the Riverside business park with grants totaling more than \$1 million since 2011 for engineering, site prep and access road development costs. The County invested \$1 million to acquire the property in 2011, and ARC Access Road funds of \$497k paid half of the cost to construct the entrance road. The park received its first tenant when Teletech announced a commitment to establish a "customer experience center" on an adjacent building pad and create 300 jobs with a \$1.5 million investment (a \$645k TROF was approved for that project). The application states this proposed pad site has the potential to attract 250+ jobs and \$1.5 million of new private investment, which is validated by the Teletech commitment on the adjacent 7.5 acre pad. The proposal states that local matching funds will be committed, however, Staff has been informed that the EDA is working with Lenowisco PDC to submit a federal POWER application (or alternatively, other matching fund sources) to provide the Commission's required dollar-for-dollar match requirement. Given the previous success at this site, which is in large part due to its location on a well-traveled highway which provides access to the larger Tri-Cities workforce, Staff feels it is reasonable to table this application until more is known about the likelihood of other matching fund sources such as POWER or other agencies, and revisit the request at a later date. **Staff recommends this request be tabled for future consideration.**

**Staff Comments and Recommendation (May 2017):** The applicant is continuing to seek matching funds for this project and is planning to apply to ARC in the fall. They have requested that this project remain tabled. **Staff recommends this project remain tabled.**

## Southwest Regional Recreation Authority *Continued Growth for Spearhead Trails thru Expansion of Services (#3195)* \$500,000 Requested

**Project Description Provided by Applicant:** Spearhead Trails was created in 2008 by the Virginia General Assembly to provide economic opportunities in Southwest Virginia by creating outdoor recreation opportunities. To date, Spearhead Trails has created (4) Multi-Use Trail Systems and is currently under construction on our (5th) Trail System. Construction has begun on our first designated Equestrian Trail. Southwest Virginia is becoming a tourist destination for outdoor recreation and Spearhead has become one of the top destinations. Spearhead Trails is asking for funding to create a ATV / OHV rental branch to our trails to provide financial sustainability. With this funding, we will be create (5)five Trail Technician positions, with an average salary of \$25,000.00 per year plus benefits. There is high demand for this service and we anticipate increased visitors to Southwest Virginia from individuals and businesses. This funding will help Spearhead Trails to become a self sustaining entity.

**Staff Comments and Recommendation (September 2016):** Since 2008 the Commission has provided approximately \$2.3M for start up personnel and operating support to establish the Spearhead Trail System which has become a signature tourism initiative in Southwest Virginia resulting in significant economic impact in partner communities. A small portion of this amount was also used for trail construction. The FY17 application requests \$200,000 to establish an ATV/OHV rental business to meet the high demand for this service. Although private entrepreneurs have

attempted to meet this demand none have been successful due to staffing issues with supervising rental parties and due to the tremendous overhead expenses such as maintenance, labor, and insurance associated with this business. Creating its own rental business allows SRRA to capitalize on lowered overhead (e.g. using personnel in several capacities described below) and to meet rental demand, while generating much needed revenue to sustain its operations. The organizational structure of SRRA along with the current insurance policy that is already carried for the trail system results in substantial savings and with the potential to generate substantial revenue as reflected in the business plan provided with the application. An additional \$300,000 is requested to fund five Trail Technician positions for a three year period. The Trail Technicians will consolidate many functions that are currently being outsourced such as trail security and trail and equipment maintenance. These employees will also conduct tours as part of the rental business and will accompany renters to assure that all equipment is being used safely and not damaged. Outcomes are projected at five new jobs (Trail Technicians) and an increase of 10,000 new visitors annually generating \$993,120 in new revenue. Matching funds are committed from the Commonwealth of Virginia (\$300,000), VCEDA (\$500,000) for construction of the Haysi's Ridgeview Multi Use Trail System. SRRA will partner with Friends of SWVA on a ARC POWER application for \$300,000 for the Haysi to Breaks Interstate Park multi-use trail project (this match is also reflected in the pending Friends of SWVA application #3198). Staff raised the issue of using public funds to compete against potential private operators, SRRA has indicated that businesses have been unable to succeed on their own in this endeavor. With that in mind, this is an attractive project presenting real potential to create a sustainable revenue stream for SRRA, and the significant revenue generating aspect in the business plan makes it a candidate for VRA credit analysis, with an eye toward loan funding. **Staff recommends referring the project to the VRA loan program for additional vetting and loan consideration.**

**Staff Comments and Recommendation (May 2017):** Due to VRA's preference to fund capital expenses (for collateral purposes) it appears that only \$200,000 of the request amount may qualify for the loan program. The remaining \$300,000 of the request was to be used for salary support for hiring five Trail Technician positions to internalize what are now externally-contracted security, construction and maintenance roles. The Trail Techs are now partially funded by a recent \$198k Appalachian Regional Commission grant. The applicant has requested that this amount be reconsidered for grant funding for two years of salary support for Spearhead's Sales Manager, Engineer and Construction Supervisor, positions which will all have key roles in the further expansion of the trail system and the marketing and operation of the proposed ATV rental business. SRRA will continue to work with VRA for qualification for a \$200,000 equipment loan. **Staff recommends award of \$300,000 to fund staff positions to expand construction of the trail network and implementation of the ATV rental business.**

## Wythe County

### *Appalachian Regional Exposition Center - Arena & Spectator Development (#3201)*

**\$750,000 Requested**

*Project Description Provided by Applicant:* Situated in the heart of Southwest Virginia, the Appalachian Regional Exposition Center (AREC) will serve as the Commonwealth's premier civic center for localities west of Roanoke, providing permanent indoor seating for concerts and other entertainment events. In addition to the arena, which will be used for a myriad of activities, including livestock shows, rodeos, indoor soccer, travel shows, motocross, concerts and dozens of other events, AREC will also include outdoor multi-purpose fields, a walking track, an outdoor horse ring, livestock barns, as well as classroom and training facilities. The county is requesting funding to assist in the outfitting of the main arena - these funds will be used to provide permanent and portable seating, installation of necessary audio / visual equipment, score board / marquee and an interior stage area.

**Staff Comments and Recommendation (September 2016):** This request for a second phase of funding for the AREC seeks funds to purchase seating, audio/visual equipment, score board/marquee and an interior stage area. In 2015 the Southwest Committee approved \$750k out of the County's \$3 million request for arena construction. The overall project would create five new jobs managing the facility, with an estimated 17,900 visitors annually to a variety of events including agricultural expos, concerts, rodeos, motocross, trade shows, indoor soccer, etc.. The site, which has excellent visibility and access to Interstates 81 and 77 and an abundance of nearby lodging, restaurants etc., was purchased by the County in 2015 at a cost of \$1.3 million. Staff inquired about the construction timeline and financing of the arena to determine the urgency of funding these interior buildout costs. The County responded that it expects to begin grading and receive final A&E design by this September, bid the arena construction this fall, and begin construction in early-2017. Consequently, a total construction budget is not available until designs and bids are received. The County has indicated that it has authorized \$5 million of debt service for the project, so construction financing and required matching funds appear to be committed. The proposal states that a future TRRC request of \$750k is anticipated. While some expected uses such as concerts and soccer do not align with Commission's economic development objectives, a reasonable case can be made that this facility, with attributes such as access to interstates and visitor lodging/dining, few if any competing facilities within a two or more hour radius, and a wide array of expected events that will draw visitors from beyond Wythe and Southwest Virginia, is a well-positioned tourism destination that will attract measurable visitation, capture visitor spending in the locality, and generate local tax revenues. That expectation is supported by economic impact studies completed by UVA's Weldon Cooper Center and Virginia Tech's Office of Economic Development. The necessity of Commission funding is debatable, based on the County Board Chair's statement to the Southwest Committee in 2015 that the County would develop the project even if no Commission funds were awarded (as evidenced by the County's subsequent \$5M debt service authorization). However, in this case, Staff suggests that a TRRC loan that would eventually "revolve" and be available for future projects is a reasonable approach to assisting what would otherwise be grant-funded or loaned from other sources, and that the County has publicly stated its intent to cover debt service for the project. **Staff recommends this project be referred to Virginia Resources Authority's credit analysis process for a potential loan from funds obligated by the Commission for loans in September 2015.**



**Staff Comments and Recommendation (May 2017):** Information received from the applicant reflects ongoing grading of the site which will complete the \$750K award provided in FY15 in the coming weeks. Construction of the arena is expected to begin in late summer (July or August). The update also shows that Wythe County will be approaching TRRC for an additional \$1.5M (\$3M total TRRC funding) for this project. Given the revenue generating nature of this project it is likely that some or all of this amount could be financed through the Commission's VRA loan program and should be evaluated for credit worthiness prior to any additional grant funds being awarded. **Staff continues to recommends referral to VRA for loan evaluation.**

## OTHER BUSINESS

Scott County Economic Development Authority

*Scott County Economic Development Authority: Daniel Boone Interpretive Center Exhibits (Grant # 1642)*

Approved for \$70,000 in July 2008 (\$41,123.60 balance) – Current end date 5/31/17- request for additional time extension

and

*Scott County Economic Development Authority: Daniel Boone Interpretive Center Exhibits (Grant # 2117) – Reserve Program*

Approved for \$70,000 in July 2010 (\$159,600 balance) –Current end date 6/30/17 request for additional time extension

This project has received numerous extensions over the past 9 years with the most recent extensions to expire this summer. These extensions have been necessary due in large part to delays associated with the review and approval processes for VDOT and federal funding provided for the project. TRRC funds serve as the required 20% match for VDOT which covers 80% of the expenses. An additional extension has been requested for the project in a 4/27/17 letter submitted by the grantee. This request states that the project was successfully bid in October 2016 and a contract awarded to Queensberry's. Construction has begun and is estimated for completion in the first quarter of 2018. Grant #1642 funds exhibit design costs and #2117 was awarded through the Reserve program for exhibit construction. Both grants serve as match for a related VDOT award. **Staff recommends approval of extensions for both projects to expire 5/31/18.**



**SPECIAL PROJECTS COMMITTEE AGENDA**

Wednesday  
May 17, 2017 @ 4:30pm  
Appomattox County Community Center  
Appomattox, VA

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**Welcome and Call to Order**

*Delegate Danny Marshall, Chairman*

**Call of the Roll**

*Evan Feinman, Executive Director*

**Approval of the 9/20/16 Minutes**

*(published on website)*

**Extensions & Re-budget Requests**

*Tim Pfohl, Grants Director*

**Public Comments**

**Adjournment**

## Special Projects Committee

May 2017

The Special Projects Committee will meet at 4:30 p.m. on Wednesday, May 17 to consider a brief agenda of project extension and rebudgeting requests. The items are described below:

### MEGASITE

#### Blue Ridge Crossroads Economic Development Authority

Grant #	Approved Project Start Date	Current Project End Date	Organization	Project Title	Net Award	Available Balance
2487	1/10/2012	1/10/2018	Blue Ridge Crossroads Economic Development Authority	Wildwood Commerce Park-Site #1 Grading & Development	\$ 598,652.00	\$ 366,801.25
2266	1/12/2011	1/10/2018	Blue Ridge Crossroads Economic Development Authority	Wildwood Commerce Park-site Development and Build-out	\$ 3,800,000.00	\$ 1,037,231.71
2818	1/7/2014	1/10/2018	Blue Ridge Crossroads Economic Development Authority	Wildwood Commerce Park-Increasing Wastewater Capacity	\$ 962,500.00	\$ 897,054.72
3009	5/21/2015	5/21/2018	Blue Ridge Crossroads Economic Development Authority	Wildwood Commerce Park - Wastewater Capacity II	\$ 1,746,200.00	\$1,579,057.15

BRCEDA would like to apply an anticipated balance for grant #2487 to a shortfall in funding for wastewater capacity work already being funded under grants #2266, #2818, and #3009. The scope of work approved under #2487 including grading and development of Site #1 and the design, due diligence and ROW procurement for a 138 kv transmission line is nearing completion and could leave as much as a \$240,000 balance in the grant. A recent bid for construction of a water line loop and construction of Phase I and Phase II of the wastewater transmission capacity upgrade funded from grants #2266, #2818, and #3009 showed a project cost of \$3,700,000. The combined balance of these three grants is approximately \$3,460,000, which is short of the bid amount. Repurposing the balance of #2487 would provide sufficient funding for the construction component of the water/wastewater project. As this repurposing is approximately 40% of the original grant amount (\$598k), this represents a material change of the budget and is presented to the Committee for approval. Given that this request serves the same site as in the original grant, and is needed to complete work that has been approved in the related grants and has already been bid, **Staff recommends approval of the repurposing of the anticipated balance from grant #2487 to provide additional funding needed for the water/wastewater work.**

## Smyth County Industrial Development Authority

Grant #	Approved Project Start Date	Current Project End Date	Organization	Project Title	Net Award	Available Balance	Extension request
2489	1/10/2012	1/10/2017	Smyth County Industrial Development Authority	Smyth County Mega-Site Project	\$ 4,905,000.00	\$ 292,103.77	1 year and repurpose*
2643	1/28/2013	1/8/2016	Smyth County Industrial Development Authority	Smyth County Mega-Site Project - Phase 3	\$ 626,000.00	\$ 626,000.00	1 year and repurpose*

Smyth County requests repurposing of balances in Grants #2489 and #2643 for purchase of a new 200 acre megasite, upon sale of the current megasite. These requests were tabled at the January 2017 meeting. A small amount of post expiration expenses are pending reimbursement for current megasite work under #2489. An extension is necessary to allow reimbursement of these expenses which are within the scope of the original project. No further action should be taken on the repurpose request, as the Committee has stated its intention not to begin development of additional megasites. **Staff recommends approval of an extension to cover the January 10, 2017 - June 30, 2017 time period to allow reimbursement of final expenses under #2489. The balance of the grants will then be de-obligated.**

## OTHER BUSINESS

### Future of the Piedmont

#### *SVRA Marketing Funding (#2708)*

#### **\$200,000 Grant Award 5/23/2013 – 5<sup>th</sup> Year Extension Request**

This grant approved in May 2013 supports the Southern Virginia Regional Alliance, the regional economic development marketing organization serving the cities of Martinsville and Danville, and the counties of Halifax, Henry and Pittsylvania. In 2015 with their nonprofit status accomplished, the fiscal management responsibilities for the grant were assigned by Future of the Piedmont directly to the Southern Virginia Regional Alliance. Staffing changes and refocusing occurred in late 2016 with the hiring of a new executive director. At the time of this request for an extension a balance of \$81,110 remains in the TRRC project account which the SVRA has identified to be used for contractual expenses for the executive director's travel to meet with consultants and attend economic development events, development and printing of marketing materials, and other related marketing activities. The SVRA's annual operating budget is supported annually with contributions from the representative localities and by the Institute for Advanced Learning and Research. **Staff is supportive of this request and recommends approval of a 5<sup>th</sup> year extension to May 23, 2018.**

PERFORMANCE AGREEMENT

This Performance Agreement (this "Agreement") is made and entered into this 19<sup>th</sup> day of December, 2014, by and among the Tobacco Indemnification and Community Revitalization Commission, a body corporate and political subdivision of the Commonwealth of Virginia (the "Commission"), the City of Martinsville (the "Grantee"), a political subdivision of the Commonwealth, and Integrative Centers for Science and Medicine & College of Henricopolis School of Medicine, both Virginia corporations (together, the "Company") whose Federal Employer Identification Numbers are 37-1522829 and 46-3143494.

WITNESSETH:

WHEREAS, the Grantee has been selected to receive a grant in the amount of \$800,000 (the "Grant") from the Commission for the Grantee's use in inducing the Company to construct or locate taxable assets and employ persons in the City of Martinsville (the "Locality"); and

WHEREAS, the Grantee has indicated its desire to tender the Grant to the Company for its use and benefit, provided that the Company commits to the achievement of certain goals relating to employment and the construction or location of taxable assets in compliance with the terms hereof; and

WHEREAS, the Commission, the Grantee and the Company desire to set forth their understanding and agreement as to the use of the Grant, the obligations of each party hereto, the conditions under which the Grant must be repaid, and the obligations of each party hereto in the Event of Default (as defined herein); and

WHEREAS, the Commission has determined that the approval and funding of the Grant constitutes a valid public purpose for the expenditure of public funds and is consistent with and in furtherance of the Commission's public purposes as outlined in Section 3.2-3100, et. seq. of the Code of Virginia of 1950, as amended;

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby represent, warrant, covenant, and agree as follows:

Section 1. Disbursement of the Grant

After receipt by the Commission of this Agreement fully executed by all parties hereto, and provided that the Grantee is not in default on its obligations to the Commission as of the date first written above, the Commission shall disburse the Grant to the Grantee on one of the following schedules to be selected by the Grantee:

Schedule 1 - In Arrears. Not more than two (2) installments as requested by the Grantee in writing at such times as the Grantee may elect, subject to the reasonable approval of the Commission. The amount of each disbursement shall be limited to that portion of the Grant which

has been earned by the Company based upon information described in Section 5 or 6 of this Agreement, as applicable, when the same is delivered to and approved by the Commission in its sole discretion.

*Schedule 2 – In Advance.* Not more than two (2) installments as requested by the Grantee in writing at such times as the Grantee may elect, subject to the reasonable approval of the Commission. The amount of each disbursement shall **not** be limited to that portion of the Grant which has been earned by the Company; however, each such disbursement shall only be made after the Grantee Certification attached hereto as **Exhibit B** has been completed by the Grantee and delivered to and approved by the Commission in its sole discretion.

Fifty percent (50%) of the Grant is allocated for the Company's taxable asset obligation set forth in Section 4 of this Agreement and fifty percent (50%) of the Grant is allocated for the Company's employment obligation set forth in Section 3 of this Agreement. Unless otherwise agreed to in writing by all parties to this Agreement, Grantee shall disburse all Grant proceeds to the Company or for the Company's benefit within 30 days of receipt of Grant proceeds from the Commission or return the undisbursed proceeds to the Commission.

## **Section 2. Grant Restrictions and Conditions**

Under this Agreement, the Commission places no restriction on the use of the Grant proceeds by the Company, and imposes no conditions beyond those described herein. Should any such restrictions or conditions be imposed by the Grantee, the same shall be described in **Exhibit A**, which shall be attached hereto and made a part hereof, but which shall be binding upon the Company only if signed thereon by an authorized representative of the Company. The Grantee shall be responsible for enforcement of any restrictions or conditions described in said **Exhibit A**.

## **Section 3. Employment Obligation**

The Company shall employ\* at least 111 persons in the Locality with a quarterly aggregate payroll of at least \$2,408,589. Said employment and payroll will be in addition to those already employed in the Locality by the Company and paid during the calendar quarter ending on *September 30, 2014*, hereinafter called the "Base Quarter." Persons employed by the Company in the Locality shall be counted as employed hereunder only to the extent that they (a) exceed the aggregate number of employees at all Company locations within the Commonwealth of Virginia during the Base Quarter, and (b) are not counted as fulfillment of any other employment obligation made to the Commission by the Company under any other agreement.

## **Section 4. Obligations Regarding Taxable Assets**

The Company shall locate or construct taxable assets in the Locality having an assessed value of at least \$3,000,000, as determined by the Locality's Commissioner of Revenue ("COR"). If the Locality elects to arrange for reimbursement to the Company of all, or any portion of, the tax paid by the Company on said taxable assets, or elects to waive all or any portion of such tax liability,

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\*For purposes of this Agreement the number of persons "employed" means the number of persons who received pay in any given quarter and is calculated by adding together the number of persons who received pay in each month of the quarter and dividing that sum by three (3).

the Company's aforementioned obligation to locate or construct taxable assets in the Locality shall not be waived or reduced. The Company shall receive credit for the value of all taxable assets so determined by the COR, notwithstanding the local taxing authority's election to waive or refund the taxes so levied. Said taxable assets will be in addition to those counted in fulfillment of any other taxable asset or capital investment obligation made to the Commission by the Company under any other agreement. If the Company is exempt from the payment of property taxes on certain assets by state law, the Company shall not be entitled to receive or keep any portion of the Grant allocated to its investment in those certain assets.

#### **Section 5. Determination of Performance - Employment**

In order to earn the Grant, the Company must meet its employment obligations hereunder not later than thirty-six (36) months after the end of the Base Quarter. The Company's employment obligations will be deemed to have been fully met when it can document any three (3) consecutive calendar quarters after the Base Quarter in which:

- (i) the average number of employees who received pay from the Company during each of those three (3) consecutive quarters\* exceeds the average number of employees who received pay in the Base Quarter by at least the number promised in Section 3 above, AND
- (ii) the total wages paid by the Company to employees in each of those three quarters exceed the wages paid by the Company to employees in the Base Quarter by at least the amount promised in Section 3 above, AND
- (iii) all such employees worked in the Locality, AND
- (iv) all Company employees in Virginia have been reported to the Virginia Employment Commission ("VEC") in accordance with VEC regulations. The Company's failure to satisfy such requirements shall be a breach hereof, and shall constitute an Event of Default hereunder by Company. Employment gains by the Company in the Locality that are offset by employment losses elsewhere in Virginia shall not be counted as employment hereunder.

All determinations of performance made under this Section 5 shall be based upon reports made by, or on behalf of, the Company to the VEC including but not limited to *VEC Form FC-20 Employer's Quarterly Tax Report* and *O.M.B. Form No 1220-0134 Multiple Worksite Report - BLS 3020* (or any successor forms designated by VEC, or accepted by VEC in lieu thereof). If such tax filings include Company employees who did not work in the Locality, it shall be the duty of the Company to provide additional information sufficient to identify those employees who did work in the Locality. Employees of control affiliates (e.g., subsidiary companies, parent companies, entities under common ownership or control) or employees of independent contractors hired by the Company shall not be counted as employees of the Company in fulfillment of its promise hereunder UNLESS such entities and their relationship to the Company are disclosed to and approved by the Commission in writing, AND such entities supply the Commission with the same employment

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\*The number of persons who received pay in any given quarter is calculated by adding together the number of persons who received pay in each month of the quarter and dividing that sum by three (3).

documentation as described herein. Employees of temporary employment agencies ("temps") who are assigned to work for the Company in the Locality shall not be counted UNLESS evidenced by letter from the temporary employment agency setting forth the number of man-hours so assigned during the Base Quarter and the 36 months immediately following the Base Quarter. Such man hours shall be credited to the Company's job-creation obligation at the rate of one job for one quarter for every 520 man hours evidenced by such letter.

**Section 6. Determination of Performance – Taxable Assets**

In order to earn the Grant, the Company must meet its taxable asset obligations hereunder not later than thirty-six (36) months after the Base Year. For purposes of this Agreement, the calendar year that includes the Base Quarter shall be called the "Base Year." The Company agrees that only those assets owned or leased by the Company, located in the Locality, subject to taxation, and on record with the COR in the name of the Company, all during the 36-month period following the Base Year shall be counted in fulfillment of the Company's taxable asset obligation. Company assets located, constructed, or leased in the Locality prior to or during the Base Year will not be counted in fulfillment of the Company's taxable asset obligation.

Leased assets not on record with the COR in the name of the Company will be counted in fulfillment of the Company's taxable asset obligation only if a copy of the lease is submitted to the Commission indicating that the asset(s) under lease meet the other requirements listed above and were not leased from the Locality or its control affiliates at a substantial discount from market rates.

The Company's achievement toward meeting its taxable asset obligation shall be based on asset values assessed by the COR for the Locality and shall be the sum of the following:

- a. the highest real property assessed value of record for any one of the three years following the Base Year, less and except the assessed value for the Base Year, PLUS
- b. the first personal property assessed value for each asset first appearing of record during the three calendar years following the Base Year.

The Commission shall rely upon the information described above as the same is reported to the Commission by the COR in writing, without exception.

Taxable assets owned by subsidiary companies, related entities, or entities under common ownership or control shall not be counted as taxable assets of the Company in fulfillment of its taxable asset obligation hereunder UNLESS such entities and their relationships to the Company are disclosed to and approved by the Commission in writing, AND such entities supply the Commission with the same taxable assets documentation as described herein.

**Section 7. Verification of Performance**

The Company hereby expressly grants its consent for (a) the COR for the Locality to release to the Tobacco Commission or the Grantee records necessary to disclose the information required in this Section, and (b) the Virginia Employment Commission to release to the Tobacco Commission all Company employment records of any kind held by the Virginia Employment Commission.



If any of the taxable assets described in Section 4 have been acquired or improved on behalf of the Company by a lessor, the Company shall be responsible for gathering and reporting to the Commission information regarding the taxable assets acquired or improved by the lessor on behalf of the Company.

#### **Section 8. Events of Default**

If any of the following should occur within the thirty-six (36) month period after the end of the Base Quarter, it shall constitute an "Event of Default" and the Commission may, at its election, accelerate the Company's obligation to repay the portion of the Grant that has not been earned as of the date of the Event of Default:

- a. The Company applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets, files a voluntary petition of bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating the Company as bankrupt or insolvent or approving a petition seeking reorganization of the Company or appointing a receiver, trustee or liquidator of the Company or of all or a substantial part of its assets which remains undismissed, undischarged or unstayed for a period of forty-five (45) days;
- b. The Company ceases to be of record and in good standing with the Virginia State Corporation Commission, and such failure is not cured within sixty (60) days from notice thereof, unless Company obligations hereunder have been assumed by another entity and that assumption was approved by the Commission and the Grantee;
- c. The Company fails, for reasons other than an Event of Force Majeure (as defined herein), to fulfill at least twenty-five percent (25%) of either its employment obligation described in Section 3 above or its taxable asset obligation described in Section 4 above within eighteen (18) months after the end of the Base Quarter;
- d. The Company's employment level is less than 75% of that found in the Base Quarter in more than 2 calendar quarters following the Base Quarter;
- e. The Company fails to provide verification to the Commission as described in Section 7, within sixty (60) days from a written request from the Commission; or
- f. The Company closes its business in the Locality for a period of more than thirty (30) days during the thirty-six (36) months following the Base Quarter.

#### **Section 9. Repayment Obligation**

In the event that the Company does not meet its obligations hereunder within thirty-six (36) months after the end of the Base Quarter, or an Event of Default occurs, the Company shall repay to the Grantee the unearned portion of the Grant that has been received by the Company, which is calculated as follows:

- a. A minimum increase in taxable assets is required before **any** portion of the Grant is earned by the Company, hereinafter called the Minimum Investment Requirement. The Minimum Investment Requirement is the greater of (a) \$1.0 million or (b) one-half of the taxable asset obligation described in Section 4 hereof.
- b. Subject to the terms of Section 9.d. below, after exceeding the Minimum Investment Requirement, the fraction of the Grant allocated to employment that is earned by the Company is determined by dividing the average number of employees receiving pay during the three consecutive quarters as determined in Section 5 above with the highest employee count by the number of jobs promised in Section 3.
- c. The method of computation set forth in Paragraph 8.b. above will be used only if the quarterly aggregate payroll for the three consecutive quarters described in Section 5 equals or exceeds that promised in Section 3. If that quarterly aggregate payroll is less than that promised in Section 3, the number of qualifying employees shall be reduced in proportion to the shortfall in quarterly aggregate payroll and the reduced number of employees shall be used to determine whether Company has satisfied its employment obligation hereunder.
- d. After exceeding the Minimum Investment Requirement, the fraction of the Grant allocated to taxable assets that is earned by the Company is determined by dividing the greatest value of assets attested to by the COR under Sections 6 and 7 above by the taxable assets promised in Section 4.
- e. All unearned portions of the Grant shall be repaid by the Company to the Grantee not later than thirty (30) days after the date on which the Company is notified of the unearned amount. The Grantee agrees to remit the same to the Commission. Any refund owed by the Company to the Grantee hereunder shall immediately constitute an obligation of the Grantee to repay the Commission and such Grantee's obligation shall **not** be contingent upon successful collection of any amount from the Company. **The Grantee shall be liable for repayment to the Commission that portion of the Grant determined by the Commission to be due under the terms of this Section and hereby agrees to make such repayment without regard to whether Grantee has received repayment from the Company as further certified on Exhibit B attached hereto.**
- f. Interest shall accrue on unpaid balances at the rate of three percent (3%) per annum beginning on the 31<sup>st</sup> day after the Company is notified of the amount due.
- g. Monies due to the Locality pursuant to this Agreement, if any, shall be considered to be owed to the Treasurer for the Locality and subject to the Treasurer's statutory powers provided for in the Code of Virginia.
- h. If the Company does not meet its employment obligations or taxable asset obligations hereunder by the date which is thirty-six (36) months after the end of the Base Quarter because of an Event of Force Majeure (as defined herein), the date by which a requirement to meet such commitments shall be extended day-for-day for a period equal to the time elapsed during the Event of Force Majeure. "Event of Force

Majeure” means without limitation any of the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or any kind of the government of the United States of America or of the Commonwealth of Virginia or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; draughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals not caused by the Company; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company.

- i. In the event the Commission is required to take legal action under this Agreement, the Grantee and the Company, jointly and severally, shall be liable for all of the Commission’s costs expended for the administration and enforcement of this Agreement, including but not limited to reasonable attorney’s fees and court costs.

**Section 10. Acknowledgment and Notice**

The Company and the Grantee each acknowledge and agree to its respective repayment obligation in accordance with this Agreement. Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail, undelivered) and addressed as follows:

if to the Company, to:

NAME: Integrative Centers for Science and Medicine  
& College of Henricopolis School of Medicine  
ADDRESS: 315 Hospital Drive, Ste. 206  
Martinsville, VA 24112  
Attention: Noel T. Boaz, President

if to the Grantee, to:

NAME: City of Martinsville  
ADDRESS: 55 West Church Street  
Martinsville, VA 24112  
Attention: Leon Towarnicki, City Manager

if to the Commission, to:

NAME: Tobacco Indemnification and Community Revitalization Commission  
ADDRESS: 701 East Franklin Street, Suite 501  
Richmond, Virginia 23219  
Attention: Tim Pfohl, Interim Executive Director

This Agreement constitutes the entire agreement between the parties hereto and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Company may not assign its rights or obligations under this Agreement without the prior written consent of the Grantee and the Commission; provided that the Company shall have the right, without the consent of the Grantee or the Commission, to assign its rights (not its obligations) under this Agreement to any entity that controls, is controlled by, or is under common control with, the Company.

This Agreement is made, and intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of that state. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the Locality and such litigation shall be brought only in such court.

This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument. If any provision of this Agreement is determined to be unenforceable, then the remaining provisions of this Agreement shall, in the sole discretion of the Commission, be voidable by the Commission or interpreted as in effect as if such unenforceable provisions were not included therein.

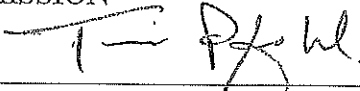
The Company hereby warrants that from the date of this Agreement until all obligations hereunder have been satisfied that it is, and will remain, registered and in good standing with the Virginia State Corporation Commission and that the Company is, and will remain, legally authorized to conduct business in the Commonwealth of Virginia.

The provisions of this Agreement are intended to and shall survive closing, the delivery of any deed or other instrument, and any other event. If this Agreement has not been executed by all parties hereto and returned to the Commission within 90 days from the date hereof, the Grantee's and the Company's rights to the Grant Proceeds shall automatically terminate.

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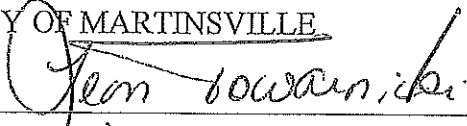
IN WITNESS WHEREOF, the parties hereto have executed this Agreement to become effective as of the date first written above.

TOBACCO INDEMNIFICATION AND  
COMMUNITY REVITALIZATION  
COMMISSION

By:   
Tim Pfohl, Interim Executive Director

Date: 1.15.15

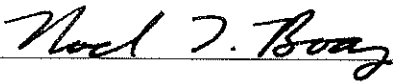
CITY OF MARTINSVILLE

By: 

Title: City Manager

Date: 1/14/15

INTEGRATIVE CENTERS FOR SCIENCE  
AND MEDICINE & COLLEGE OF  
HENRICOPOLIS SCHOOL OF MEDICINE

By: 

Title: President

Date: 1/14/15

**Grant Restrictions**

**Grantee Certification**

The City of Martinsville (the "Grantee"), a political subdivision of the Commonwealth, hereby certifies that (a) it unconditionally guarantees the Company's performance under and pursuant to the Performance Agreement (this "Agreement") dated as of December 19, 2014, by and among the Tobacco Indemnification and Community Revitalization Commission, a body corporate and political subdivision of the Commonwealth of Virginia (the "Commission"), the Grantee, and Integrative Centers for Science and Medicine & College of Henricopolis School of Medicine, both Virginia corporations (together, the "Company"), and (b) it holds collateral security from the Company sufficient to provide a secondary source of repayment in the event that the Company cannot or will not repay the unearned portion of the Grant (as defined in the Agreement) to the Commission. Such collateral security is described as follows:

Resolutions dated 12/24/14, signed by the 3 project governing Boards (Henricopolis Holding Inc, College of Henricopolis School of Medicine, and Integrative Centers for Science and Medicine) committing to repay City of Martinsville any unearned grant amount stipulated in Section 9e, and ICSM existing capital/equipment assets totaling \$557,350.

The Grantee hereby acknowledges that the sufficiency of the collateral security for the Grant is the sole responsibility of the Grantee.

CITY OF MARTINSVILLE

By: Jean Iovanicki

Title: City Manager

Date: 1/14/15

Report to the Virginia Tobacco Region Revitalization Commission  
on  
College of Henricopolis School of Medicine and Integrative Centers for Science and Medicine

Noel T. Boaz, Ph.D., M.D.<sup>1</sup>

S. Scott Obenshain, M.D.<sup>2</sup>

April 13, 2017

I. Executive Summary

II. The History of Plan A: Co-Development of Nonprofit ICSM and For-Profit Benefit Corporation  
CHSM

III. The Future—Plan B: Merged Nonprofit with Focused Mission of Higher Education to Improve Rural Healthcare

IV. Timeline

V. Appendices

<sup>1</sup>President, Integrative Centers for Science and Medicine, and Interim President, College of Henricopolis School of Medicine, Martinsville, VA 24112; Professor of Anatomy, Emory & Henry College School of Health Sciences, Marion, Virginia 24354; Affiliated Research Professor of Anthropology, Virginia Commonwealth University, Richmond, VA 23284; Senior Fellow, Virginia Museum of Natural History, Martinsville, VA 24112

<sup>2</sup>Chairman, Board of Trustees and Interim Dean, College of Henricopolis School of Medicine; Director, Biomedical Education Center, Integrative Centers for Science and Medicine, Martinsville, VA 24112

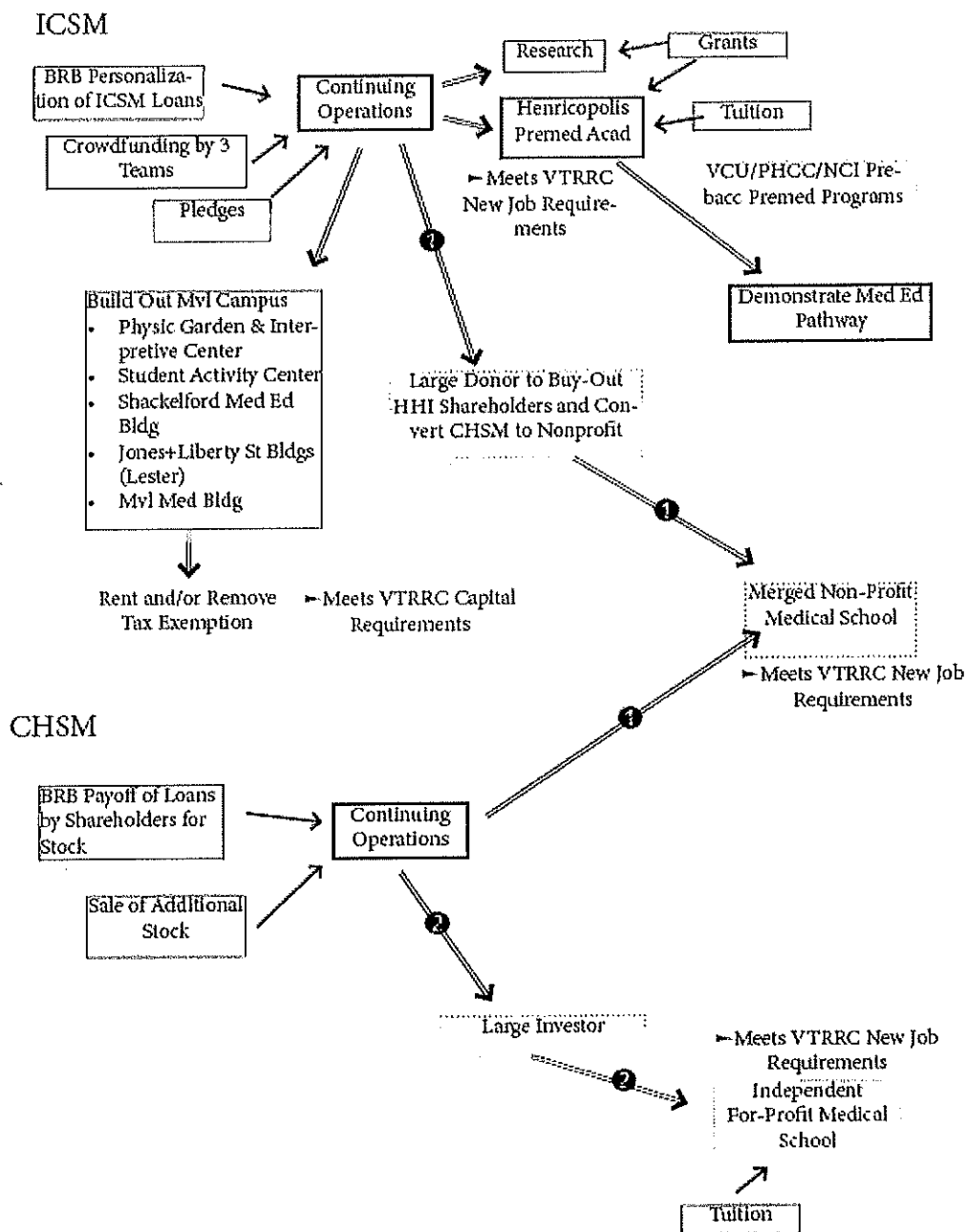


## I. Executive Summary

The Integrative Centers for Science and Medicine and its developing College of Henricopolis School of Medicine have an internationally recognized scientific research and publication program which forms the foundation for its innovative curriculum, its focus on meeting the urgent societal need for primary care physicians in rural America, and its inclusive pedagogical model which is aimed at bringing historically disadvantaged populations into the healthcare workforce. The impact of the medical school in Martinsville will be greatest in its home region of southern Virginia, an area of the state that is encompassed by the formerly tobacco-dependent counties and municipalities served by the VTRRC. The medical school has received preliminary certification from the State Council of Higher Education for Virginia, has advanced four rounds through national certification by the Liaison Committee for Medical Education, and is scheduled for accreditation review by the Southern Association of Colleges and Schools after it has admitted its first two classes. It is a “shovel-ready project.” The school owns two buildings and land in uptown Martinsville and has detailed plans to acquire adjacent land and buildings eligible for historic and new market tax credit funding to complete its physical plant. This significant progress to date has been enabled by a Tobacco Commission TROF grant of \$800,000 and two public funding-raising campaigns in Martinsville and Henry County totaling over \$750,000 so far. Protracted efforts to raise investor capital through a Delaware public benefit stock holding corporation were discontinued in February, 2017 when successive benchmarks for investment funding were missed. ICSM and CHSM have now merged as a Virginia nonprofit corporation and are aggressively seeking funding commitments to advance its five-phase medical school project. Phase 1, “Academic Proof of Concept,” resulted in a Virginia Community College Associate Degree in Arts & Sciences “Medical Science Specialization,” now offered at Patrick Henry Community College and available for implementation in a “healthcare educational pathway” statewide. Phase 1 is advancing at the baccalaureate level with a new ICSM-designed undergraduate premedical course being introduced and taught this fall by CHSM Interim President Dr. Noel Boaz via distance education in cooperation with two state universities. Further, a stand-alone six-month post-baccalaureate “Henricopolis Premedical Academy,” to be nationally marketed and offered via a “blended” platform (on-site and distance learning) from Martinsville, administered by CHSM Interim Dean, Dr. Scott Obenshain, is ready to be launched. It is supported by Volume 1 in the series “Evolving Medicine,” authored and edited by Boaz and digitally published by Thieme Medical Publishers. Phase 2, “Building Out the Medical School Campus,” is a multi-partner collaboration among ICSM, the City of Martinsville, Brian Wishneff Associates, foundation and individual donors, and community supporters which will result in some 150,000 square feet of renovated space in seven buildings to be available for instructional and research purposes. The Phase 1 premedical academy will require priming funding of approximately \$500,00 but will be income-generating and will create new jobs. Phase 2 is estimated to cost \$10—\$15 million by completion, but up to 50% of the cost will be met by Historic Tax Credits and New Market Tax Credits. Phase 2 will create significant capital investment and urban revitalization in Martinsville and support economic development regionally. CHSM will re-submit its final accreditation documentation to LCME and re-certification application to SCHEV when Phases 1 and 2 are successively underway and funding commitments to the medical school project are in hand. Projected opening of the medical school is September, 2019, the 400th anniversary of the opening of the original College of Henricopolis in Virginia in 1619.

## II. The History of Plan A: Co-Development of Nonprofit ICSM and For-Profit Benefit Corporation CHSM

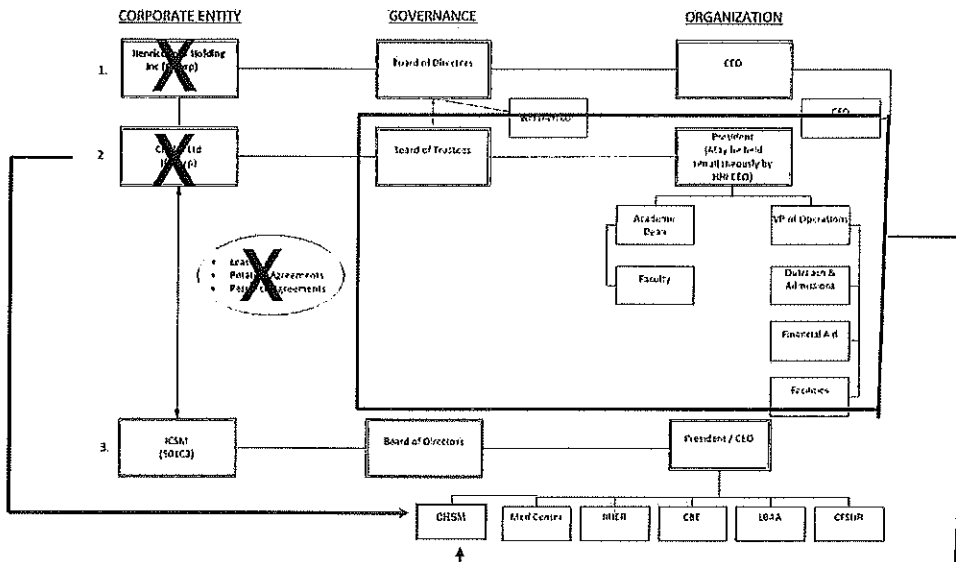
Appendix I summarizes the strategic planning analysis that underlay "Plan A," the cooperative synergism between ICSM and CHSM as separate corporations. The diagram below lays out schematically the collaboration that had been projected between the nonprofit ICSM and for-profit CHSM. Extensive efforts have been expended in solicitation of investors nationally and internationally. With the final collapse of large investment financing (Pathway 2 below), promised in 60 days in a letter of intent signed in January, 2017 by Mr. John Kamali of Los Angeles, CA, Pathway 1 ("Plan B") is now being pursued.



III. The Future—Plan B: Merged Nonprofit with Focused Mission of *Higher Education to Improve Rural Healthcare*

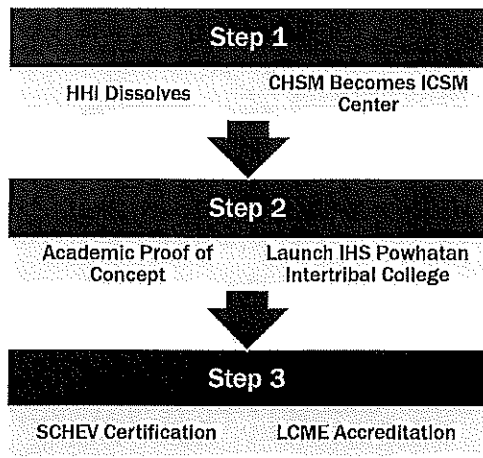
“Plan B” offers many advantages for the steady and progressive development of the medical school project. The panels below and Appendices II through VIII summarize and provide documentation for the multi-step process by which the for-profit benefit corporations, Henricopolis Holding, Inc. and College of Henricopolis School of Medicine, have been re-organized into a center of the nonprofit corporation, the Integrative Centers for Science and Medicine. All steps have now been approved by the relevant Boards.

## Corporate Reorganization



## Transformation of CHSM to a Nonprofit Institution

- Nonprofit ICSM purchases HHI holding corporation and takes over all assets and liabilities, including CHSM
- ICSM capitalizes CHSM through donations, grants, appropriations, and earned income from programs
- CHSM builds its campus, hires faculty and staff, and begins operations



In a strategic planning sense the largest single threat to a nascent M.D. medical school is a lack of focus in its academic and curricular programs. The main reason historically that medical school start-ups fail is not a lack of funding but an inability to plan and effect a well-designed and accreditable medical scientific curriculum. Two examples in the last decade will suffice. The North Palm Beach, Florida effort to found a medical school had an estimated \$50 million in committed investment but when its medical educational consultant died suddenly and expertise was lacking to effect his planned implementation of a medical curriculum adopted from the University of California, the entire project was abandoned by investors. In Southwest Virginia, King University attempted to launch a school of medicine with a \$25 million Tobacco Commission grant to be matched by \$25 million in contributions from localities. However, there had been inadequate planning for delivery of an advanced medical school curriculum with the faculty at this Tennessee-based liberal arts undergraduate institution, and they as a body issued a vote of "no confidence" in the university president who had led the effort. The university president then resigned at the request of the Board of Trustees and King University abruptly dropped the plan for a medical school, despite adequate funding to get it started.

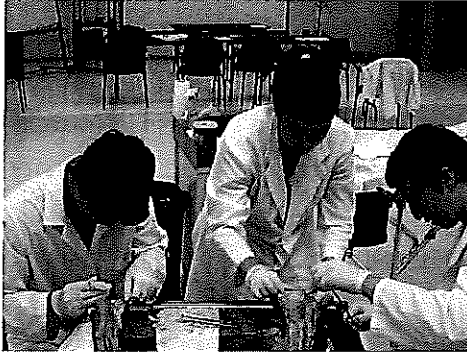
Not only is the curriculum of CHSM an internationally reviewed and ready-to-be-implemented "state-of-the-science" medical curriculum, this new medical school is committed to building its "health professional educational pathway" so that aspiring students can bridge the gap between secondary school and professional school. This plan is multi-institutional, collaborative, and essential if CHSM and ICSM are to achieve their goal of educating future physicians from and for southern Virginia. There are four empirically verifiable and undeniable proofs of concept that this plan can work. They are briefly reviewed below.

## **Academic Proof of Concept**

- 1. ICSM SUMMER "CLINICAL GROSS ANATOMY" COURSE - 2012**
- 2. PHCC-ICSM "HUMAN ANATOMY" COURSE AND AA&S "MEDICAL SCIENCE" SPECIALIZATION - 2013-15**
- 3. VIRGINIA COMMONWEALTH UNIVERSITY "DUAL MAJOR" B.S. PREMEDICAL PROGRAM - 2016-17**
- 4. EMORY & HENRY COLLEGE SCHOOL OF HEALTH SCIENCES - 2017-**

## Academic Proof of Concept in Martinsville

### ICSM Summer "Clinical Gross Anatomy" Course – 2012



### PHCC-ICSM "Human Anatomy" Course and AA&S "Medical Science" Specialization – 2013-15



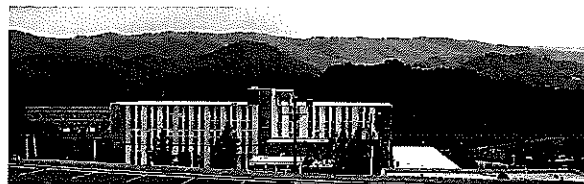
Supported by a \$10,000 grant from the Harvest Foundation of the Piedmont, ICSM delivered an 8-week intensive, full-body dissection course in human clinical gross anatomy (above left) which was recommended by Eastern Virginia School of Medicine and Howard University School of Medicine for their students requiring a summer remediation course in anatomy. The three premedical students who successfully completed the course went on D.O. medical school, graduate school in anatomy, and M.D. medical school, respectively. ICSM partnered with Patrick Henry Community College to provide lab space and teach a year-long full-dissection course in human gross anatomy (above, right). The three students who took the course all went on to complete Bachelors degrees in premedical sciences and a PHCC faculty member auditor in the course certified for teaching anatomy and physiology, became the faculty director of the newly approved Associate of Arts & Sciences degree with Medical Science Specialization at Patrick Henry Community College, and will take over teaching this course in the future.

## Academic Proof of Concept Elsewhere in Virginia

### Virginia Commonwealth University "Dual Major" B.S. Premedical Program – 2016-17

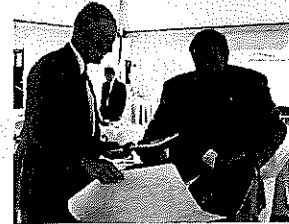
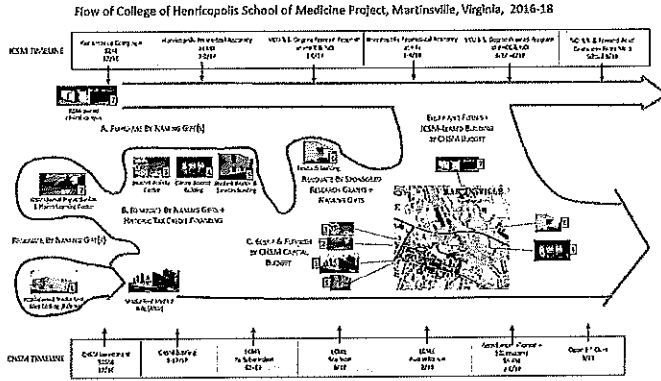


### Emory & Henry College School of Health Sciences D.P.T, M.O.T., and P.A. Programs – 2017-



ICSM/CHSM faculty contributed substantially to co-developing new courses at Virginia Commonwealth University in "Evolutionary Medicine" and "Anthropological Anatomy" which in turn promoted the development of a nationally innovative new premedical dual major in Anthropology and Interdisciplinary Sciences which debuted in fall, 2016 (above, left). Emory & Henry College will collaborate with VCU in offering its undergraduate course "Anthropological Anatomy" as an inter-institutional distance education course in fall, 2017. Its new School of Health Sciences in Marion, Virginia (above, right) is an eloquent example of how cooperation among VTRRC, a community foundation, a healthcare organization, local governments, philanthropists, and tax credit developers can succeed in founding a high-quality professional health profession school start-up.

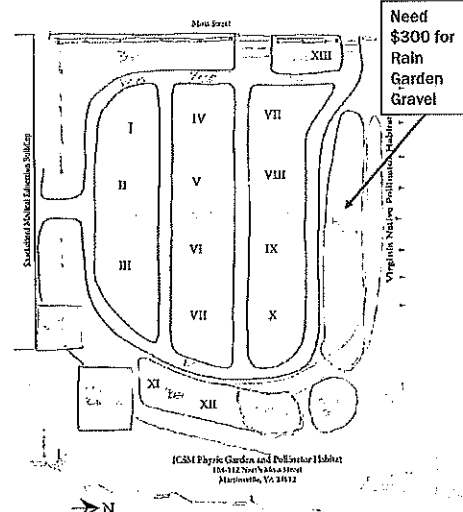
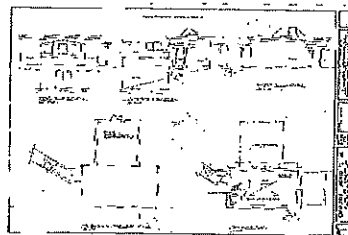
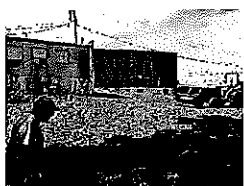
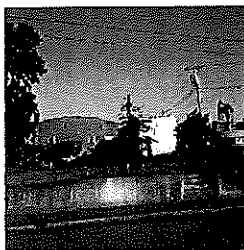
# CHSM Builds Its Campus



Phase 2 of the development plan for the Martinsville medical school project involves the essential provision of an adequate physical plant to house the turn-key academic program. With the generous support and guidance of two outstanding Martinsville philanthropists, Dr. Mervyn King (shown at left in upper right photo above with Dr. Boaz) and Mr. George Lester (shown at right in lower right photo above with Dr. Boaz), and with the collaboration of the City of Martinsville and Brian Wishneff Associates of Roanoke, Virginia, a fully detailed plan of acquisition and build-out of the CHSM campus in central Martinsville has been completed (above, left). Final accreditation and certification of the medical school cannot occur until this phase of development is completed. Estimated cost is \$10-\$15 million with up to 50% coming from historic and new market tax credits.

Community involvement is helping to drive development of the Martinsville medical school project. With a \$1000 grant from the Virginia Department of Game and Inland Fisheries for plant seeds, ICSM is partnering with the Southwestern Piedmont Chapter of the Virginia Master Naturalists to develop a unique medical plant "Physic Garden" that is also a pollinator habitat. Shown below is a successful activity that raised funds and volunteer labor to mulch and create a rain garden at the site.

## "Barnraising" the CHSM "Physic Garden" - Mulching and Rain Garden Prep - Saturday, 2/26/17 9:00 AM



#### IV. Timeline

The corporate reorganization that has streamlined Martinsville's medical school project and that will ensure its eventual success, viability, and sustainability nevertheless has occasioned a delay in meeting project developmental benchmarks. Plans are ready and key personnel are now in place, however, for rapid deployment, dependent only upon adequate funding. Martinsville's medical school project is now going into its seventh year and our experience and strategic planning over this time period recommend the major but non-inclusive steps below to move this project forward in terms of multi-partner capitalization, campus build-out, ongoing faculty and staff recruitment, board and trustee development, and broadening of inter-institutional collaboration.

## What Does Experience Tell Us Are the Ingredients for Success?

- Capitalize:
  - Re-Apply to Harvest Foundation for Henricopolis Premedical Academy – Now nonprofit; No longer competitive with NCI; Academic Proof of Concept
  - NIH R25 Grant – First "Evolutionary Medicine" Curriculum in U.S. supported by Thleme "Evolving Medicine" Textbook Series
  - VTRRC – Meet Employment and Capital Goals for TROF Grant and Re-Apply for Special Project Support
  - Donor and Foundation Support to Complete Renaissance Campaign
- Build Martinsville Campus:
  - Naming Donation(s) for Buildings
  - City Bond Issue Support for Campus Construction
  - Wishneff Collaboration for Historic and New Market Tax Credits
- Assemble Outstanding Faculty and Staff
- Build and Strengthen Board with Strong Community Support
- Build New Inter-Institutional Collaborations:
  - Intertribal Health Sciences College with Federal Support
  - New College Institute
  - Memorial Hospital of M-HC

Foremost among our timeline developmental priorities is meeting VTRRC employment and capital investment benchmark goals by January, 2018. These goals are realistically attainable with adequate funding. Grant proposals to multiple foundations are being submitted, and in some cases re-submitted after revision, to raise the funding needed to prime and launch ICSM-run health educational programs, particularly the Henricopolis Premedical Academy. Individual philanthropic gifts are also critically important and ICSM has recently received two challenge donations, and one donation restricted to educational scholarships, from its board members, which when matched will provide leadership funding of \$238,000.

If funding is in place by the start of the 2018 fiscal year on January 1, 2018, the premedical academy can be offered in June – December, 2018, further driving home the academic proof of concept of the project. Campus development will start with renovation of the 25,000 square-foot Shackelford Medical Education Building which will take eight months and \$2.5 million to complete. If these benchmarks are met CHSM will be ready to re-submit its revised data collection instrument to LCME in April, 2018 for a decision for advancement to accreditation candidacy at the June, 2018 LCME Board meeting. Following a site visit and review LCME could preliminarily accredit CHSM, allowing it to recruit students, at its February or June, 2019 board meetings. An opening, probably with a reduced charter class size, could occur in September, 2019. This would be the 400th anniversary of the original opening of the College of Henricopolis in Virginia in 1619.

V. Appendices

Appendix I. Strategic Planning Document for Plan A—01/24/16

Strategic Success for the Henricopolis Medical School Project

(Henricopolis Holding, Inc., College of Henricopolis School of Medicine, and Integrative Centers for Science and Medicine)

Noel T. Boaz 1/24/16

The fundamental impasse now confronting both CHSM and ICSM is that inadequate effort has been expended in raising capital. Management has aggressively pursued programmatic development in the belief that organizational capacity is essential for regulatory approval, investment in stock, donor and funder support, and earned income potential. Several factors now indicate that this “strength-opportunity” strategy, while it has been effective in breathing life into the medical school project, must be expanded and broadened with different strategies that set the now mature plan on a firm footing to move forward. We must now fund our enterprise in order to avoid loss of the hard-won ground that we have gained.

So much has been accomplished over the past five years that many of our backers, supporters, advocates, and board members say that the Henricopolis Medical School Project cannot fail now. Unfortunately, it can, and it will, if we do not make financial sustainability the Number One Priority, and do it now.

The business model of HHI/CHSM/ICSM is complex and constitutes a novel mix of investor-supported benefit stock corporation, for-profit higher education, offshore medical school structure, nonprofit alliance, direct-pay membership primary care, Federal Qualified Heath Center, and government-related funding support. Regardless of the entry points of funding into this complexity, it is possible to make a fundamental simplifying assumption: money of any kind coming into the project will sustain and propel all components of the project. For example, investment dollars brought into HHI/CHSM pay rent to ICSM and reimburse ICSM for time spent on CHSM business by ICSM staff. Conversely, tax-deductible donations and foundation grant money coming into ICSM allow the purchase and renovation of physical plant that will house the medical school.

The Henricopolis Medical School Project is now in a cash flow crisis because of delays in investment, a challenging charitable donation environment, lack of success of several expected grants, lower income from ICSM Medical Center operations, failure of promised Virginia state support to materialize, and failure of local banks to partner together in order to support a line of credit sufficient to meet medical school capitalization needs. Strategic plans are put forward below to address each of these issues.

	O (+) To maximize strengths & reverse weaknesses	T (-) To neutralize strengths & exacerbate weaknesses
S (+) Competence & Experience	SCHEV Certification, LCME Applicant Status Initial CHSM/HHI Investment, Dean/Faculty Appts., Thieme Publishing Contract S-O1 S-O2	LCME Pending Candidacy S-T1
W (-) Inadequate Capitalization	Crisis Fund-Raising, Virginia State Support, ICSM Med Center Reorganization W-O1 W-O2	Harvest Foundation, LifePoint W-T1 W-T2 W-T3

In terms of strategic planning the Henricopolis Medical School Project has advanced primarily on its strong offensive (S-O) initiatives utilizing its strengths (competence and experience) to take advantage of opportunities (in regulatory environment, physician demand, student market, and biomedical paradigm shifts). Primary effort is now going into Strategy S-O1 which uses the strengths listed above coupled with a more attractive opportunity - a reduced overall valuation of CHSM from \$100M to \$25M and an offer for 49% of HHI for \$12.5M.

S-O1. This strategy presupposes an investor who understands HHI professional and medical strengths and will be attracted by the



lower valuation of CHSM at \$25M. The list of strategic targets below is non-exhaustive and leaves out investor groups focused on China.

A. John Kamali, MD Horizons Technology & Development, Los Angeles. Mr. Kamali signed contracts with CHSM and ICSM in August, 2015 to raise both investment and charitable donation funds. Despite many presentations over the past five months, primarily in California, he has yet to land any investors or donors, who reported too high a valuation of CHSM in earlier meetings. He, however, reports in regularly and has appointments with the president and primary benefactor of California Northstate University Med School near Sacramento on 1/27/16, and with a group of five southern California venture capitalists on 1/28/16, one of whom has indicated interest in investing \$2M in seed money for CHSM. Kamali is also seeking international investment in the medical school through the federal EB-5 visa process and the CDC federal business development program. He indicates that any funds from these programs are 3 to 6 months out. He has contacted a group of three bankers who will call 1/25/16 and may be able to provide financing of up to \$15M secured with ICSM property. Kamali indicates that he will personally invest \$30,000 in HHI stock and has an associate who will invest \$100,000.

B. Altas Partners, Toronto. Altas purchased St. George's School of Medicine in Grenada in 2014 for a reputed \$750M. NTB visited their offices in March 2015 and they reviewed CHSM's LCME database collection instrument. They considered investment in early 2015 but declined to invest at that time. They have now expressed renewed interest after learning of the reduced corporate valuation. A telephone conference call is scheduled with Altas for 1/28/16.

C. Dr. Chirinjeev Kathuria of Chicago is the primary benefactor of the University of the Virgin Islands School of Medicine, contributing \$30M to establish this now-LCME-accredited medical school. Dr. Charles Canver, CHSM Executive Dean-designate, has arranged a conference call with him to discuss investment or donation on 1/29/16. Dr. Canver is also actively seeking other possible investors.

S-O2. The long time lag in securing accreditation and thereby attracting investment for the Henricopolis Medical School Project jeopardizes the strengths that the project has and risks dissipation of faculty and staff. If CHSM is not advanced to candidacy by the LCME on February 9-11, 2016, and/or if no other successful strategies for capitalization have emerged for its U.S. operations, consideration will be given to seeking authorization from a Caribbean government for the formation of a medical school. This project could be accomplished at lower cost, would allow the basic science curriculum to be started, would start generating income for the medical school, and would allow third- and fourth-year clinical clerkships to be established in the U.S. A viable offshore campus would allow CHSM to continue to seek LCME accreditation and open its U.S. campus after approval. A possible venue is the island of Montserrat which lost American University of the Caribbean in 1995.

S-T1: FQHC Status for ICSM Medical Center. Obtaining Federal Qualified Health Center status for the ICSM Medical Center will enlarge its number of referred Medicare and Medicaid patients, increase its rate of reimbursement for these patients' treatments, provide federal tort malpractice coverage at much reduced rates for ICSM physicians, particularly important for Ob-Gyn, and provide a grant of up to \$650,000 per year for operating expenses. Receipt of FQHC status is competitive and the two existing FQHCs in the area will be threatened and will pose threats to ICSM funding. However, the facts that ICSM provides a broader range of clinical services, such as in-house Obstetrics and Gynecology, Mental Health, and membership preventive primary care, along with a much higher doctor-patient ratio, argue strongly that our strengths will facilitate success of this S-T strategy.

The Henricopolis Medical School Project also needs to now give priority to defensive strategies to overcome weakness (inadequate capitalization) and counteract threats to its success. W-O strategies use opportunities as carrots to counteract strategic weakness. This strategy is similar to the S-O1 strategy above except that the project staff and faculty are perceived in this strategy as less a strength than neutral or a weakness. Investment targets of this strategy are rather more motivated by likely economic impact of the medical school project on the city and surrounding area.

W-O1: George Lester, head of the Lester Group, Inc. of Martinsville, Virginia, wants a \$1.1M city bond issue passed so that ICSM can purchase from him 1.5 acres of uptown Martinsville with three buildings to be added to the CHSM campus. ICSM has the votes on Martinsville City Council to pass the bond issue but will not make the request until Mr. Lester assists in ensuring at least \$2.5M in HHI investment and significant progress toward ICSM's fund-raising goal of \$2M. Mr. Lester will sell an additional 2.9 acres of adjacent undeveloped land to expand the campus in exchange for an as yet undetermined amount of HHI stock.

W-O2: Renaissance Martinsville 2016 Campaign is a combination fund-raising, investment, planning, program, and "friend-raising" campaign run by volunteers. The campaign provides many entry points for mostly small donors and investors. Its fund-raising goal is \$2M by March 31, 2016. Smith Chaney chairs the campaign and Leslie Hervey is Chair of the Fund-Raising Committee.

W-T strategies are challenging because they are doubly defensive, counteracting the negatives of weakness and threat.

W-T1: Harvest Foundation of the Piedmont is one of the largest community foundations per capita in the country. It has a corpus of some \$200M and gives away approximately \$10M per year only in Martinsville and Henry County. Its mission is health, education, and community vitality. The Harvest Foundation supports New College Institute, a Virginia center for higher education in Martinsville which offers classes from contracting colleges and universities. The Harvest Foundation will not consider a grant request from CHSM until it is fully accredited, a position at variance with its long-going support of the non-accredited NCI. ICSM submitted a program summary, that did not mention CHSM, requesting \$420,000 for its ICSM Medical Center on 1/19/16.

W-T2: LifePoint owns and operates Memorial Hospital of Martinsville and Henry County (MHMHC) as well as Danville Regional Medical Center. Although an earlier CEO of Memorial Hospital signed a letter agreeing to host future medical students of CHSM in clinical clerkships in the hospital, LifePoint senior management has failed to sign a formal agreement to that effect. The rationale was that the hospital has signed an agreement for medical student clinical clerkships with a new osteopathic (D.O.) medical school in Lynchburg, and it would be improper to have a "competitor's" medical students in the same hospital. However, the current MHMHC CEO has agreed to partner with the ICSM Medical Center in applying for a grant from the Virginia Health Care Foundation for funding for uninsured patients.

W-T3: DeVry, Inc. owns two of the largest medical schools in the Caribbean, Ross University School of Medicine on Dominica and American University of the Caribbean on St. Maarten. All three members of the HHI Board have past associations with Ross and know the current DeVry management. In discussions held in 2014 DeVry indicated that the company was interested in CHSM but only as a majority shareholder. HHI rejected this proposition as inimical to its management and educational philosophies. However, in the event that other Henricopolis Medical School strategies do not succeed, strategy W-T3 might need to be considered.

## Appendix II. CHSM Conversion to Nonprofit (Plan B) 06/08/16

Martinsville's new medical school is a nongovernmental organization of two parts:

The College of Henricopolis School of Medicine is an as-yet unfunded investor-owned Virginia "benefit corporation" with an educational mission to educate M.D. physicians.

The Integrative Centers for Science and Medicine is a 501(c)(3) nonprofit corporation which will offer medical school faculty and students scientific research and clinical training opportunities and which can receive tax-deductible contributions from individuals and granting agencies.

In 2014 the Attorney General of Virginia rendered a permissive opinion allowing an \$800,000 grant from the Virginia Tobacco Commission to be awarded to the combined entity through the City of Martinsville, with the express purpose to develop a medical school, create 111 jobs, and invest \$3 million in capital expenditure within three years. Martinsville's medical school will have a cumulative economic impact of over a billion dollars on the gross regional product of Martinsville and Henry County by the time its first class graduates in 2022.

The school received unanimous provisional certification from the State Council of Higher Education for Virginia (SCHEV) in 2014 and it has progressed through four rounds of review by the Liaison Committee for Medical Education (LCME), the national accrediting body. The College of Henricopolis School of Medicine is "shovel-ready," with personnel, expertise, curriculum, a designated campus in uptown Martinsville, and building renovation plans prepared. Regulatory expectations are for a start-up medical school to have at least \$25 million in funding. Total donations, grant, and investment in the project are less than 10% of this threshold, endangering one of the city's most promising economic development projects. The Board of Directors of ICSM is now proposing a bold new plan aimed at pulling all the stakeholders in this important project together and getting the medical school back on track for a 2018 opening.

### *Conversion to Nonprofit Status*

For-profit status of the College of Henricopolis School of Medicine seems to have had a negative effect on garnering community support for the medical school. Several potential large donors have expressed reservations about its "investor-owned" status, to which a certain stigma attaches because of recent excesses by for-profit colleges in the U.S. This issue also complicated a proposed bond issue for the medical school project backed by the City of Martinsville because of the possibility that taxpayers' money could at some point be used to back up private investors. Ambiguity surrounding the medical school's benefit/for-profit or nonprofit status may also have played a role in the unsuccessful request for state monies from the Virginia Governor's budget, requested in 2016. Finally, CHSM as technically a for-profit entity is not eligible for a grant from the local Harvest Foundation, which is a critically important funding source for the medical school.

A solution to the corporate identity problem that the medical school is facing is the conversion of CHSM from a for-profit, stock, benefit corporation to a membership nonprofit corporation. In a conversion, outstanding stock would have to be purchased from shareholders, converted to tax-deductible contributions, or converted to voting memberships in the nonprofit. CHSM and ICSM, which have very similar missions, could then merge, utilizing the tax-exempt status of ICSM but under the name of CHSM, the surviving entity. Timing for this conversion could correspond to the expiration of the current stock offering of September 30, 2016. To undertake this significant step CHSM and ICSM would have to be confident that funding for \$25 million would occur as a result of the nonprofit conversion.

ICSM is launching a year-long educational program for preparing college graduates for entry to medical school, its Premedical Academy. Grant proposals totaling over \$1.3 million have been or are in the process of being submitted. If the medical school project could realize support from Martinsville's large Harvest Foundation, this would be a turning point. What the medical school project has now is a viable project. It does not have the money to put those plans into operation. Ironically, most other medical school start-ups that falter, such as the former King Medical School in Southwest Virginia, have (or had) money but lack personnel, expertise, and plans. That project had \$25 million at its disposal but eventually had to return \$24 million unused to the Virginia Tobacco Commission. Could any of those funds be directed to the College of Henricopolis School of Medicine? We continue to ask. Above and beyond foundation and one-time state appropriation support, there is another and bolder option.

*The College of Henricopolis School of Medicine as Southern Virginia's Public University*

With nonprofit status and its standing with SCHEV, CHSM could well mount the effort to serve as the core of a new public four-year university and medical school for southern Virginia, the vast region stretching along much of Virginia's southern border that has long needed such an institution. Martinsville is centrally located to serve this area comprising the historic regions of Southside Virginia to the east and Southwest Virginia to the west. A precedent for such a plan is the origin of one of the state's largest public universities, Virginia Commonwealth University, which started from a medical school founded in Richmond in 1848 (the forerunner of the Medical College of Virginia).

This plan also offers synergy with an ailing state center for higher education, New College Institute, located across from the medical school's undeveloped property on Fayette Street in Martinsville. New College Institute has a ready-made new facility, but is largely bereft of a mission, without academic standing within SCHEV, with no faculty of its own, and lacking a significant draw for outside student enrolment. Across the street, however, there is a mission-driven new medical school with an acclaimed curriculum approved by SCHEV, a core of dedicated faculty, and a medical educational pathway leading to much-needed healthcare workforce development. Yet the medical school remains an unfunded project with only an unrenovated former grocery store as a home. How the pieces of the puzzle fit together is obvious, if there is the will to move forward.

Appendix III. HHI Holding, Inc. Board Resolution to Dissolve, Passed 02/03/17, Signatures on File

HENRICOPOLIS HOLDING INC.

RESOLUTION OF DISSOLUTION

The Board of Directors hereby resolves that Henricopolis Holding, Inc., a Delaware public benefit stock corporation, be dissolved due to lack of financial resources.

Following the corporation's charter and Delaware General Corporation Law, as required, and after majority approval by the Board, this resolution will be put to a vote by the Voting (Class A) shareholders of the corporation. If passed by a majority of the shareholders, a certification of dissolution will be filed, unless start-up capitalization of the corporation materializes.

Signed,

Noel T. Boaz

Date:

S. Scott Obenshain

Date:

Mervyn King

Date:

Naomi Hodge-Muse

Date:

Appendix IV. Letter to Shareholders 02/07/17

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**Subject:** Henricopolis Holding, Inc. Shareholder Meeting 2/27/17  
**Date:** Tuesday, February 07, 2017 11:03:00 AM  
**Attachments:** [CHSM Board MINUTES 06-24-16.pdf](#)  
[HHI Dissolution Ballot 02-04-17.pdf](#)

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To: Henricopolis Holding, Inc. Class A (Voting) Shareholders

From: Noel T. Boaz, HHI Chairman of the Board

Re: HHI Class A Shareholders Meeting, Monday, February 27, 2017, 10 East Church Street, Fifth Floor Conference Room, Martinsville, VA 24112; Teleconference: 1-888-468-1195, Pass Code - 620921#

The Board of Directors of Henricopolis Holding, Inc. (HHI), after a year and a half of protracted but to-date inconclusive negotiations with an investor in California, has voted to dissolve the Delaware for-profit holding corporation so that the development of the College of Henricopolis School of Medicine (CHSM) can proceed in a non-profit framework. This action is in keeping with the CHSM Board of Trustees' recommendations at its June, 2016 Board meeting and joint strategic workshop with the Integrative Centers for Science and Medicine (ICSM; see attached CHSM Trustee minutes of 6/24/16).

There will be a shareholders' meeting of HHI to vote on the Board's resolution on February 27, 2017 in Martinsville, Virginia. CHSM is a wholly owned subsidiary of HHI and the plan for liquidation and dissolution of the latter corporation entails the purchase of all HHI and CHSM assets and liabilities by ICSM on terms to be negotiated. ICSM will continue the development of CHSM as a unit within its new center, the College of Henricopolis.

If the shareholders approve dissolution, and agree with Board that the for-profit route of capitalization for this very important medical school has not proven to be the way forward, filing of corporate dissolution will proceed, assuming the continued absence of investment, as indicated in the corporate resolution. When dissolution occurs, HHI ceases its corporate existence and its stock shares lose any monetary value.

The financial losses that shareholders will sustain is regretful, and I assure you all that every effort has been expended to raise the needed investment capital. That expected capital has not come, but stockholders' investments in stock served to fund provisional certification of the medical school by the State Council of Higher Education for Virginia, advance CHSM through four rounds of accreditation submissions to the Liaison Committee for Medical Education, and plan a firm foundation for the medical school's future campus and physical

plant, staffing, and curriculum. This is huge amount to have accomplished.

I remain steadfast in my belief that our conversion of the medical school to a nonprofit institution will preserve the institutional progress made to date and is the right way to proceed. The College of Henricopolis School of Medicine is just too good an idea, and is so badly needed, that we cannot allow it to fail. There is much work ahead of us, but when the medical school finally opens its doors, a plaque will be dedicated recognizing all investors by name as supporting founders. Without your support the medical school would not have made the significant progress that it has achieved.

If you cannot attend the shareholders' meeting on February 27th, either in person by teleconference, please submit your vote by proxy using the attached ballot. Please send your completed and signed ballot by postal mail, scanned email, or fax to the address below to arrive by Friday, February 24, 2017.

I am available by telephone or email to answer any questions that any of you may have.

Sincerely,

Noel T. Boaz, Ph.D., M.D.

Chairman, Henricopolis Holding, Inc.

P.O. Box 1086

10 East Church Street, Fifth Floor

Martinsville, VA 24114-1086, U.S.A.

Tel Direct 1-276-403-4279; Mobile 1-541-646-2914; Fax 1-276-403-4260

Appendix V. Minutes of HHI Shareholder Meeting 02/27/17

Henricopolis Holding, Inc.

Monday, February 27, 2017, 12:00 PM

10 East Church Street, Fifth Floor Conference Room, Martinsville, VA 24112

The meeting was called to order by Chairman of the Board Noel Boaz at 12:00 PM. In attendance were Mervyn King, a Class A (Voting) shareholder, and Jannie Kouparakis, a Class B (Nonvoting) shareholder. Attending the meeting by conference call were: Class A shareholders Scott Obenshain, Lynn Regan, and Mary Mumford; and Class B shareholders Naomi Hodge-Muse and Raymond Bernor.

Dr. Boaz presented a brief review of the reason for the meeting, which was a vote by the Voting shareholders on a Board resolution to dissolve the corporation (Attachment 1). Dr. King and Dr. Obenshain, members of the Board, spoke in favor of the resolution. Ms. Hodge-Muse requested clarification on whether, if the resolution passed, there would be any further negotiations with investor John Kamali. Dr. Boaz responded in the negative and noted that Mr. Kamali had not been able to raise the investment capital that he had indicated in the signed letter of intent within the stipulated 60-day time limit.

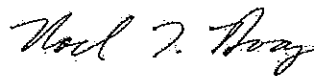
There being no further discussion or questions, the vote based on percentages of Class A shares owned was taken. Votes by T. Balabanis and T. Foster were by written proxy ballot. Anonymized results are tabulated below.

Class A Shareholder	Yes	No	Abstain
1	0.41%		
2	33.7%		
3			27.4%
4			4.85%
5	0.66%		
6	8.1%		
7	8.1%		
8	8.1%		
9	0.59%		
10			8.1%
11	59.66%	0%	40.35%

The Chairman declared that the resolution had passed.

The meeting was adjourned at 12:30 PM.

Signed,



Chairman



HHI Corporate Resolution

HHI and CHSM will sell to ICSM, and ICSM will acquire and assume, all of HHI's and CHSM's respective operating and intangible assets including, without limitation, any and all software, data, websites, domains, names, goodwill and other intangibles associated with the operations of HHI and CHSM, and ICSM will assume all of HHI's and CHSM's known liabilities, as have been specifically identified.

Signed,

Noel T. Boaz

Date: \_\_\_\_\_

Scott Obenshain

Date: \_\_\_\_\_

Mervyn King

Date: \_\_\_\_\_

Proposal for a New Center within ICSM: College of Henricopolis

The mission of the original College of Henricopolis, North America's first institution of higher education, was to educate the youth of Virginia, be they native or immigrant. At that time Virginia was a vast territory claimed by the English crown to extend all the way to the Pacific Ocean. The College was an institution of the English Renaissance and its establishment was overseen by none other than the renowned philosopher of science, Sir Francis Bacon, a member of the Council of the Virginia Company of London, which chartered the College in 1618. It was built near the City of Henricus, Virginia in 1619. It predated the founding of Harvard College (1636) by 17 years and the founding of the College of William and Mary (1693) by 74 years. The college existed alongside America's first library and first hospital, also located in Henricus. Bacon's magnum opus on the institutionalization of the scientific method, *Novum Organon*, which was published in 1620, can be taken as the blueprint for the college. Tragically, the College of Henricopolis was destroyed and its Rector killed in 1622 at the outbreak of the Second Anglo-Powhatan War, ending the eight-year "Peace of Pocahontas" in Virginia. Bacon's influential work was to become manifest only later in the creation of the Royal Society of London, in the foundation of modern research universities worldwide, and in Charles Darwin's formulation of the theory of evolution by natural selection in 1859 "using Baconian principles."

The mission of the re-founded College of Henricopolis is to serve America's youth of all ethnicities in cross-cultural perspective and to ground them in Baconian empiricism, an essential foundation for a secular and scientific education.

It is proposed that a new center be established within ICSM to be called "College of Henricopolis." The titular head of this center will be termed Provost, and there will be administrative directors with titles to be determined for various schools to be established within this center. The first such school to be established will be the School of Medicine. Its current Board of Trustees will be retained as the academic governing board of CHSM, whose members will be nominated and elected by the Board of Trustees, subject to ratification by the ICSM Board of Directors.

Approved by CHSM Board of Trustees by unanimous vote 03/09/17

Appendix VIII . Registration of College of Henricopolis as a business name of ICSM, as recorded with the Virginia State Corporation Commission



COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

Office of the Clerk

March 14, 2017

JOHN L GREGORY III  
YOUNG HASKINS ET AL  
PO BOX 72  
MARTINSVILLE, VA 24114-0072

RECEIPT

RE: Integrative Centers for Science and Medicine, Inc.  
ID: 0727858 - 3  
DCN: 17-03-14-1080

Dear Customer:

This will acknowledge receipt of an attested copy of an assumed or fictitious name certificate for the captioned corporation conducting business under the assumed or fictitious name(s) of:

COLLEGE OF HENRICOPOLIS  
(MARTINSVILLE CI)

The filing fee of \$10.00 has been received.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, 1-866-722-2551.

Sincerely,

Joel H. Peck  
Clerk of the Commission

FICTACPT  
CISCDH

P.O. Box 1197, Richmond, VA 23218-1197  
Tyler Building, First Floor, 1300 East Main Street, Richmond, VA 23219-3630  
Clerk's Office (804) 371-9733 or (866) 722-2551 (toll-free in Virginia) [www.scc.virginia.gov/clk](http://www.scc.virginia.gov/clk)

## Richardson, Stacey (TIC)

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**Subject:**

FW: TROF Grant #2994 - College of Henricopolis School of Medicine

**From:** john K [<mailto:bankrus@hotmail.com>]

**Sent:** Tuesday, February 28, 2017 12:24 PM

**To:** Piper, Chris (TIC)

**Cc:** Mervyn King ([mervynking81@gmail.com](mailto:mervynking81@gmail.com)); Eric Monday; Naomi Hodgemuse; Council - Sharon Hodge; [GTEAGUE@ci.martinsville.va.us](mailto:GTEAGUE@ci.martinsville.va.us); Towarnicki, Leon

**Subject:** Re: TROF Grant #2994 - College of Henricopolis School of Medicine

Good morning Mr. Chris Piper Deputy Director,  
Tobacco Region Revitalization Commission  
701 E. Franklin Street, Suite 501  
Richmond, VA., 23219

Re: TROF Grant #2994

Dear Mr. Piper:

My name is John Kamali, and I admit that I was played and fooled like fiddler by Dr. Boaz, and in result based on phony and misrepresentation by Dr. Boaz to me and from what I also can see to many others as well in past 4-5 years, and still making hallow promises with many commitments which he knows it can not be delivered, I submitted a letter to Your office in support of school and at the time I firmly believed that Dr. Boaz will after failing to do so in two other attempts and promises to me will Comply this time and cooperate for the good of the people of Martinsville, and he managed to pull another rabbit out of his hat and surprise everyone again and failed to comply again.

I hereby rescind my letter submitted and delivered to your office by Dr. Boaz as Dr. Boaz had pressure me in the last minute to do so, because I thought at the time that he is a changed man and that proven to be that was not the case,

My funds were verified by Mrs. Naomi Hodges (one of the board member and an investor into HHI), since I had no trust whatsoever with Dr. Boaz and still do not with Money, and the main reason as you can see and you may examine all Dr. Boaz History with school in past 5 years, had been based on shaky ground, and

I asked for an agreement so I can move forward with my plan which I have made more progress with school and my estimate was that more than 200 jobs directly and indirectly would have been created, and on last telephone conference conversation, Dr. Boaz, Dr. King, Mrs. Hodges and I, discussed all that again (2-18-2017), and he requested that I hire him which I agreed and demanded a contract/salary, which I agreed once he would send the contract by 2-22-2017 to my office which it never came through, and I also agreed to send them the Draft of the agreement for taking over the school by 2-27-2017 but all this came to halt by last Friday, and all along as his letter stated to you dated Feb. 27, 2017, he had another agenda in mind, (see his letter that he was planning to merge HHI to Non-profit entity on 2-3-2017, when he at the same time he was negotiating with me for turning school over to my Group, amazing), this is a very classic case of him showing off absolutely no respect or concern for anyone else, my question to him is, **why did you start a negotiation on 2-18-2017 with me and Dr. King and Mrs. Hodges involved when on 2-3-2017 you had a plan to dissolve the school?**

Other concerns are, when I examined some of the books and expenses in initial stages, I realized that in many instances, there is no accountability on how and when, funds were spend and where the funds are now? And when I confronted Dr. Boaz, he was not very happy about my finding, so, I understand mistakes may happens but this is far beyond that, and I believe your office and City Attorney office needs to look into this more closely for the sake of City of Martinsville,

Bottom line Dr. Boaz, had failed to comply, and played me and took advantage of my trust and genuine intention for enhancement and advancement of school, Dr. Boaz still refuses to let controlling of school go, and Dr. Boaz to my opinion should not be in charge of Budget at any time, he may be a good Academic Professor but not a good leader to move the school forward as that was my initially condition with him and he agreed, but what I failed to detect was that Dr. Boaz had a hidden agenda and that was to mislead all of the investors, City of Martinsville and Tobacco Commission and myself and so far seems like he had succeeded with his plans to do nothing and be in control.

I thought you might need to hear my side of the story and history of my partial involvement with school and Dr. Boaz, and I still do not have the true and full picture of what really is going on with school, it is a mystery,

People of Martinsville deserve much better chances whether or not I be part of the future of this journey, you all need to hold Dr. Boaz accountable for his actions and demand answers.

Regards;

John Kamali

**Tobacco Indemnification and Community Revitalization Commission**  
 Financial Summary  
 As of March 31, 2017

TICR Fund Balance	\$ 205,581,845
Restricted Endowment Balance	\$ 75,976,441
Unrestricted Endowment Balance	\$ 178,859,191
Restricted Endowment Accum Interest	\$ 6,262,838
Unrestricted Endowment Accum Interest	\$ 6,542,177
<b>Total Cash &amp; Investments</b>	<b>\$ 473,222,491</b>

Cash Disbursements - this month	\$ 2,629,024
Cash Disbursements - FYTD	\$ 28,543,556

Fund	Unobligated Balances
Special Projects	\$ 5,542,433
Education	\$ 1,700,301
TROF (Deal Closing)	\$ 14,722,787
Southside Economic Development	\$ 23,709,071
Southwest Economic Development	\$ 820,672
Agribusiness	\$ 681,010
R&D	\$ 17,169,788
Reserve	\$ 7,727
Megapark	\$ 6,999,408
Megasite Prospect Incentive Fund	\$ 3,040,000
Loan Program set-aside	\$ 5,000,000
Administration	\$ 826,276
Surplus Property	\$ 134
TICRC General Account	\$ 1,942,315
FY2017 Budget Balance	\$ 82,161,920

**Tobacco Indemnification and Community Revitalization Commission**  
Statement of Revenues, Expenditures, and Changes in Fund Balance (Cash Basis)  
As of March 31, 2017

	<u>FY17 Budget</u>	<u>YTD Actual</u>	<u>YTD Actual as % of Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>				
Other Revenue (all cost codes)	\$ -	\$ 3,098,122.62		3,098,122.62
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 3,098,122.62</b>		<b>\$ 3,098,122.62</b>
<b><u>EXPENDITURES</u></b>				
<b>Administration</b>				
Salaries, Fringe Benefits, Per Diems	\$ 1,431,800	\$ 1,098,925.61	76.8%	\$ 332,874.39
Contractual Services	261,700	259,439.05	99.1%	2,260.95
Supplies and Materials	7,000	5,071.95	72.5%	1,928.05
Transfer Payments	413,000	5,020.00	1.2%	407,980.00
Rent, Insurance, Agency Svc Charges	146,000	120,438.67	82.5%	25,561.33
Furniture and Equipment	15,000	5,803.94	38.7%	9,196.06
Subtotal - Administration	\$ 2,274,500	\$ 1,494,699.22	65.7%	\$ 779,800.78
<b>Community Revitalization</b>	<b>28,000,000</b>	<b>27,048,857.04</b>		
<b>Total Expenditures</b>	<b>\$ 30,274,500</b>	<b>\$ 28,543,556.26</b>		
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (30,274,500)</b>	<b>\$ (25,445,433.64)</b>		
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In (endowment and earnings)	\$ 23,131,988			
CASH BALANCE, June 30, 2016	\$ 231,027,278	\$ 231,027,278.33		
CASH BALANCE, March 31, 2017	\$ 223,884,766	\$ 205,581,844.69		

**Tobacco Region Revitalization Commission  
Proposed FY2018 Budget**

Endowment Balance July 1, 2016	\$ 254,835,631
Minus June corpus invasion	(10,193,425)
Ending Endowment Balance June 30, 2017	\$ 244,642,206
Corpus Invasion-->	<b>4.0%</b>

<b><u>SOURCES of Funds</u></b>	<b>Proposed FY2018 Budget</b>
Interest Earnings	\$ 11,545,388
TICR Endowment	10,193,425
Carryforward	1,946,442
<b>Total Sources</b>	<b>\$ 23,685,255</b>

**USES of Funds**

**Administration**

Salaries, Benefits, Per Diems	\$ 1,403,700
Contractual Services, Travel	372,200
Supplies and Materials	6,500
Transfer Payments	313,000
Rent, Insurance, Agency Svc Charges	151,100
Furniture and Equipment	5,700
<b>Total Administration</b>	<b>\$ 2,252,200</b>

**Innovation/Job Creation**

Tobacco Region Opportunity Fund	
Special Projects	\$ 2,000,000
Agribusiness	1,800,000
<b>Total Innovation/Job Creation</b>	<b>\$ 3,800,000</b>

**Education**

Financial Aid	\$ 9,300,000
Competitive	2,500,000
<b>Total Education</b>	<b>\$ 11,800,000</b>

**Regional Economic Development**

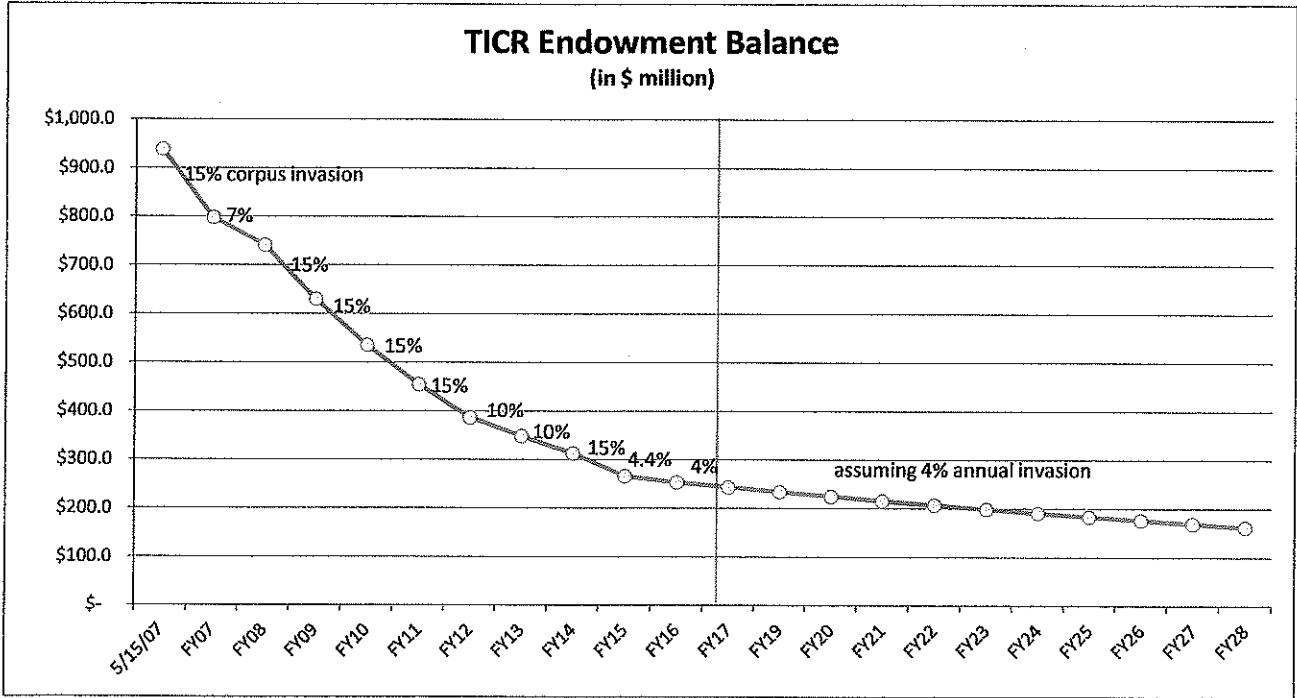
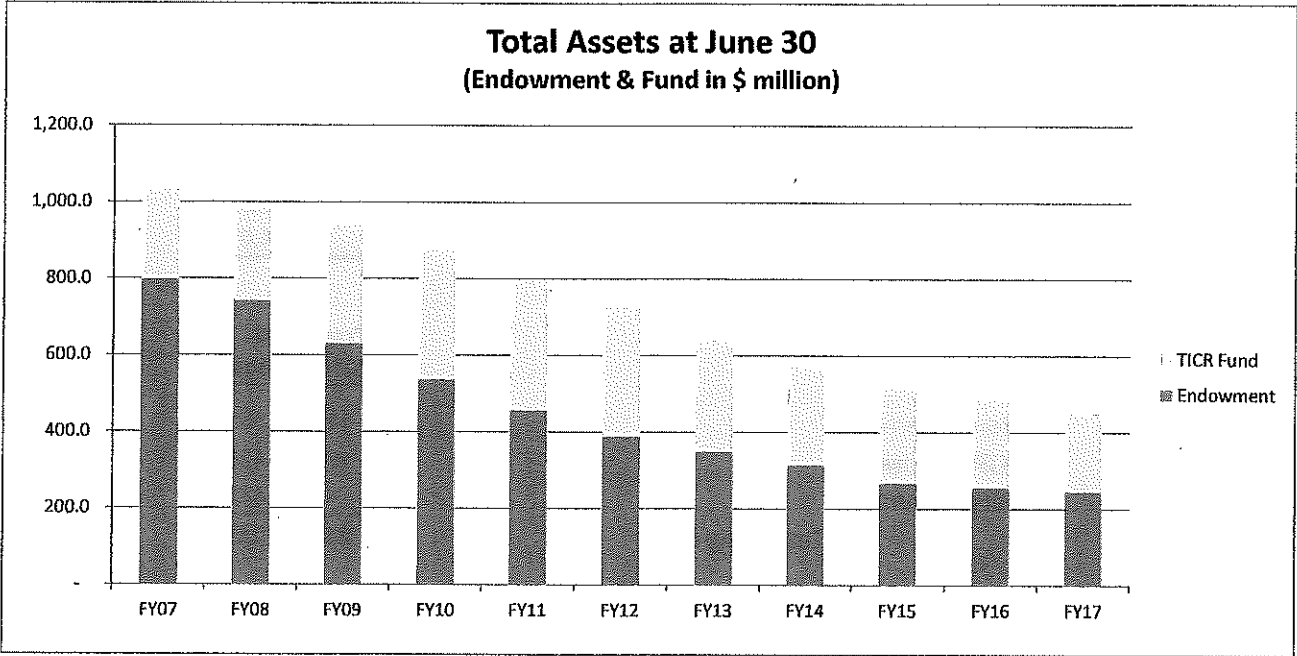
Southside Economic Development	\$ 3,500,000
Southwest Economic Development	2,000,000
<b>Total Regional Economic Development</b>	<b>\$ 5,500,000</b>

**General Account**

	\$ 333,055
--	------------

**Total Uses \$ 23,685,255**





VIRGINIA TOBACCO COMMISSION COMMITTEES  
(as of 5/2/17)

AGRIBUSINESS COMMITTEE

Gayle Barts  
James Edmunds  
Basil Gooden  
Frank Harris  
John Holland  
Don Merricks  
Robert Mills  
Ronnie Montgomery, *Vice-Chair*  
Cecil Shell  
Robert Spiers, *Chair*  
William Stanley  
Richard Sutherland  
Tommy Wright

BUSINESS SUPPORT COMMITTEE

John Cannon  
Cathy Lowe  
Danny Marshall  
Don Merricks  
Dale Moore

EDUCATION COMMITTEE

Gayle Barts  
Ben Chafin  
Becky Coleman  
Frank Harris  
Don Merricks, *Vice-Chair*  
Dale Moore  
Frank Ruff, *Chair*  
Cecil Shell  
William Stanley  
Tommy Wright

EXECUTIVE COMMITTEE

Kathy Byron  
Bill Carrico  
Ben Chafin  
Todd Haymore  
Terry Kilgore, *Chair*  
Danny Marshall  
Don Merricks  
Will Morefield  
Ed Owens  
Frank Ruff, *Vice-Chair*  
Tommy Wright

PERFORMANCE MEASURE COMMITTEE

Danny Marshall  
Dale Moore  
Ed Owens

RESEARCH AND DEVELOPMENT COMMITTEE

Kathy Byron, *Chair*  
Bill Carrico  
Rebecca Coleman  
Todd Haymore  
Cathy Lowe  
Danny Marshall  
Dale Moore  
Will Morefield, *Vice-Chair*  
Ed Owens  
Frank Ruff

R&D SUBCOMMITTEE (VETTING)

Kathy Byron, *Chair*  
Becky Coleman  
Todd Haymore  
Dale Moore  
Ed Owens

SOUTHSIDE ECONOMIC DEVELOPMENT COMMITTEE

Kathy Byron  
John Cannon  
James Edmunds  
Todd Haymore  
John Holland  
Danny Marshall  
Don Merricks  
Robert Mills  
Ed Owens, *Vice-Chair*  
Frank Ruff  
William Stanley  
Tommy Wright, *Chair*

SOUTHWEST ECONOMIC DEVELOPMENT COMMITTEE

Bill Carrico, *Chair*  
Ben Chafin  
Becky Coleman  
Todd Haymore  
Cathy Lowe  
Ronnie Montgomery  
Will Morefield, *Vice-Chair*  
Richard Sutherland

STRATEGIC PLANNING COMMITTEE

Kathy Byron  
Rebecca Coleman, *Co-Chair*  
Todd Haymore  
Danny Marshall

SPECIAL PROJECTS COMMITTEE

Kathy Byron  
John Cannon  
Bill Carrico, *Vice-Chair*  
Todd Haymore  
Danny Marshall, *Chair*  
Robert Mills  
Ed Owens  
Robert Spiers

*Ben Chafin*

TROF COMMITTEE

Terry Kilgore, *Chair*  
Danny Marshall  
Frank Ruff, *Vice-Chair*

*2500  
1900  
2800*

Non-confidential

listing  
available

upon

request.

FY 17

TRAF Apps/Approvals

# VIRGINIA TOBACCO COMMISSION COMMITTEES

(as of 5/15/17)

## AGRIBUSINESS COMMITTEE

Gayle Barts  
James Edmunds  
Basil Gooden  
Frank Harris  
John Holland  
Don Merricks  
Robert Mills  
Ronnie Montgomery, *Vice-Chair*  
Cecil Shell  
Robert Spiers, *Chair*  
William Stanley  
Richard Sutherland  
Tommy Wright

## BUSINESS SUPPORT COMMITTEE

John Cannon  
Cathy Lowe  
Danny Marshall  
Don Merricks  
Dale Moore

## EDUCATION COMMITTEE

Gayle Barts  
Ben Chafin  
Becky Coleman  
Frank Harris  
Don Merricks, *Vice-Chair*  
Dale Moore  
Frank Ruff, *Chair*  
Cecil Shell  
William Stanley  
Tommy Wright

## EXECUTIVE COMMITTEE

Kathy Byron  
Bill Carrico  
Ben Chafin  
Todd Haymore  
Terry Kilgore, *Chair*  
Danny Marshall  
Don Merricks  
Will Morefield  
Ed Owens  
Frank Ruff, *Vice-Chair*  
Tommy Wright

## PERFORMANCE MEASURE COMMITTEE

Danny Marshall  
Dale Moore  
Ed Owens

## RESEARCH AND DEVELOPMENT COMMITTEE

Kathy Byron, *Chair*  
Bill Carrico  
Rebecca Coleman  
Todd Haymore  
Cathy Lowe  
Danny Marshall  
Dale Moore  
Will Morefield, *Vice-Chair*  
Ed Owens  
Frank Ruff

## R&D SUBCOMMITTEE (VETTING)

Kathy Byron, *Chair*  
Becky Coleman  
Todd Haymore  
Dale Moore  
Ed Owens

## SOUTHSIDE ECONOMIC DEVELOPMENT COMMITTEE

Kathy Byron  
John Cannon  
James Edmunds  
Todd Haymore  
John Holland  
Danny Marshall  
Don Merricks  
Robert Mills  
Ed Owens, *Vice-Chair*  
Frank Ruff  
William Stanley  
Tommy Wright, *Chair*

## SOUTHWEST ECONOMIC DEVELOPMENT COMMITTEE

Bill Carrico, *Chair*  
Ben Chafin  
Becky Coleman  
Todd Haymore  
Cathy Lowe, *Vice-Chair*  
Ronnie Montgomery  
Will Morefield  
Richard Sutherland

## STRATEGIC PLANNING COMMITTEE

Kathy Byron  
Rebecca Coleman, *Co-Chair*  
Todd Haymore  
Danny Marshall

## SPECIAL PROJECTS COMMITTEE

Kathy Byron  
John Cannon  
Bill Carrico, *Vice-Chair*  
Ben Chafin  
Todd Haymore  
Danny Marshall, *Chair*  
Robert Mills  
Ed Owens  
Robert Spiers

## TROF COMMITTEE

Terry Kilgore, *Chair*  
Danny Marshall  
Frank Ruff, *Vice-Chair*



Tobacco Region Revitalization Commission Grant Application - Special Projects

Additional Supporting Documents

Upload additional supporting documents requested by Commission Staff during the review process here.



**Project Information**

<b>Project Title:</b> Regional Marketing Initiative		<b>Request #:</b> 3301
<b>Organization:</b> LENOWISCO Planning District Commission 372 Technology Trail Ln Ste 101 Duffield, VA 24244-5330 276-431-2206		
<b>Requested Amount:</b> \$400,000.00	<b>Matching Funds:</b> \$300,000.00	<b>Proposed Project Budget:</b> \$700,000.00
<b>Project Start Date:</b> 7/1/2017	<b>Project End Date:</b> 7/1/2018	<b>Project Term (Months):</b> 12
<b>Organization Signatory:</b> Duane Miller	<b>Programmatic Contact:</b> Frank Kibler fkibler@lenowisco.org	<b>Fiscal Contact:</b> Frank Kibler

Resolution of the Governing Body Responsible for this Grant

Attach a signed resolution of the governing body of the applicant organization, authorizing this person to submit the application in the name of the organization and execute all grant-related documents. If the resolution is not available at time of application, please attach a statement on your organization's letterhead indicating the expected available date or an unsigned copy of the resolution. Upon receipt of the original resolution, please forward to our Richmond office.

Before you begin your application, please answer a few questions about your project. This will tailor some application questions specific to your project.

Below is the investment strategy selected at the beginning of this application

If you need to change the investment strategy, click the "Edit Strategy" button at the bottom of this page. Please note that the questions in this application dynamically change based on the strategy selected, so if the investment strategy is changed, some of the questions may no longer appear on this application.

Other Economic Development

Investment Strategy

Please read the Commission's [strategic plan](#) and select the investment strategy that best describes your project. If you are unsure which investment strategy best describes your project, please contact the grants manager for your region before selecting "Other".

Other Economic Development

If you have selected "Other Economic Development", please list the economic development project type

Regional economic development marketing

If you have selected "Other Economic Development", please explain how your program supports the Commission's mission and strategic plan

## **Tobacco Region Revitalization Commission Grant Application - Special Projects**

The primary focus of the "Regional Marketing Initiative" proposed herein is to assist in the development of economic development prospects in international markets, while partnering with local, regional, state and federal economic development organizations. In so doing, the program will address one of the Commission's fundamental goals, i.e., supporting projects that advance the region's ability to attract and retain businesses that lure capital from outside the Tobacco region.

### **Project Location**

This is the location of the project - specifically the locality(ies) where the grant money will be spent.

Dickenson, Lee, Norton, Scott, Wise

In addition to the locality(ies) in which project funds will be spent, are there any other tobacco region localities that will directly benefit from the proposed project via partnership/revenue sharing, local residents served, etc.

No

Have you received prior commission funding for this project?

No

## **Project Description**

### **Project Description**

- Describe the proposed project in layman's terms, suitable for distribution to the public (do not include proprietary information).
- The summary should provide a clear and concise description of the proposed project, and should clearly indicate the uses/purposes for which Commission funds will be used.
- Avoid using this space for lengthy, general discussions of trends that have led to this point, and focus on specific steps that will be taken to address economic needs and opportunities.
- The total of all attachments should not exceed 50 pages in length.

### **Executive Summary**

Provide a clear and concise summary of the proposed project. This should convey your project concept(s) assuming no prior knowledge of the project. The executive summary should be suitable for distribution to the public and may be published by the Tobacco Commission.

A new regional collaborative in far southwestern Virginia seeks to embark on a new, aggressive initiative to market the region to targeted industries in Europe, Asia and North America. These efforts are complementary to TRRC's targeted investments to date in efforts to create jobs and generate capital investment.

The Applicant will serve as the fiscal and administrative agent for the Regional Marketing Initiative (RMI), a public-private approach to marketing Southwest Virginia's coalfield region to generate business prospects. Significant private cash investment will be utilized to initiate this marketing program, leveraging the TRRC investment requested herein.

### **Economic Development Strategic Priority**

Explain why this request for funding is a stated strategic economic development priority. How does this priority rank with respect to your other strategic economic development priorities?

Five neighboring jurisdictions in far southwestern Virginia - Lee, Scott, Wise and Dickenson Counties and the City of Norton - have recognized and acknowledged their common issues and barriers to critically needed economic diversification, and have agreed to join in an innovative, significant regional initiative.

A collaborative organization is presently being formed, with a regional revenue sharing mechanism currently being developed to complement the regional marketing initiative described herein.

### **Regional Economic Development**

## **Tobacco Region Revitalization Commission Grant Application - Special Projects**

The Special Projects program requires participation by three or more tobacco region localities in the governance and financing of a project. Please list participating localities, the terms and conditions of their participation, and attach any relevant regional participation agreements.

As noted, five localities - Lee, Scott, Wise and Dickenson Counties and the City of Norton - are participating in this regional marketing initiative and the related regional collaborative.

The localities have been meeting for more than a year, developing strategies and a regional revenue sharing mechanism. Details will be completed in the near future.

By any definition, these five localities are creating a marketing initiative that is truly regional in scope.

### **Regional Participation Agreements**

Attach relevant regional participation agreements here.

### **Problem Opportunity or Need**

Describe the problem, opportunity or need the proposed project will address. Include specific details such as what created the need or problem; the magnitude of the problem, need or opportunity; and how the opportunity was recognized.

Mineral extraction has a long, rich history in far southwestern Virginia. Through the first half of the 20th century, coal mining brought thriving prosperity to the region. Mechanization in the 1950s considerably increased production, but also resulted in significant employment losses. While these productivity gains allowed the region's coal industry to survive, the local economy suffered, as unemployment increased and residents left the area for employment elsewhere. The 1970s energy crisis triggered another boom period, with sizeable concurrent activity in the service sector. This boom, which brought a temporary halt to the region's economic and population decline, dwindled during the 1980s, however, exacerbated by a "second generation" of industry mechanization, again resulting in higher productivity but decreased employment, followed again by falling population. In the past decade, federal regulatory actions have further stifled the industry. Meanwhile, similar losses have been suffered in the region's manufacturing sector.

### **Proposed Solution**

Describe how the proposed project will address the problem, opportunity or need described above.

On the premise that far southwestern Virginia has not received a sufficient number of qualified prospects from a combination of federal, state and local efforts, the RMI must develop and implement an aggressive plan to identify targeted industry clusters to generate leads and qualified prospects. This plan will work best when the Virginia Economic Development Partnership, Virginia Coalfield Economic Development Authority, and local economic development partners utilize these leads to "close the deal." This model leverages the unique abilities the RMI can offer for the region's ability to generate leads and close deals in a complementary fashion. Communication with and between all key stakeholders will be critical to this initiative's success. The RMI's efforts are designed to "prime the pump" for a sustained pipeline of business prospects for its partners to work with and close deals.

### **Potential Economic Impact**

Clearly and concisely explain the general, direct economic impact of the proposed project. You will be asked to provide more detailed results in the next section(s), so use this space to provide an overview of the direct economic impact. (e.g. development of a 100 acre site could aid in the attraction of targeted industries and result in measurable employment and private capital investment)

This project is designed to create an aggressive and expansive marketing program that will result in lead generation in targeted clusters of aerospace, automotive, heavy machinery, and commercial agriculture. These leads will result in business attraction, which will further result in the direct economic impacts of job creation and generation of capital investment. Specific impacts will be identified as the marketing initiative progresses.

Generally, it is expected that successful implementation of this marketing initiative will stem population loss, increase school-age populations and local incomes, resulting in reduced stress on local government operations.

Is a future request for additional funding from the TRRC anticipated for this project?



**Tobacco Region Revitalization Commission Grant Application - Special Projects**

Yes

Please describe the amount and use of future funding requests

The Applicant/regional collaboration intends the request herein as the first of a three-year TRRC investment, with similar \$400,000 requests to be presented in succeeding years. Future such requests will, of course, hinge on identification and availability of applicable local match.

**Additional Attachments**

Additional Project Description

If needed, additional project description of approximately 3-5 pages may address project need, objectives, impact, outcomes, tasks, budget narrative and timetable for implementation etc. Do not repeat information provided in the Project Summary Section.

Addtl. Proj. Desc.pdf

Feasibility Study

If applicable, attach feasibility studies here.

Project Location Map and Other Relevant Graphics

If a physical site or facility is to be developed, a map, rendering or diagram showing the location and layout should be provided. Other relevant graphics such as site plans, building renderings and/or photos of the project site are also encouraged.

Biographical Sketches

Attach brief bios and summaries of qualifications for staff in key leadership roles. These should be a maximum of 1 page in length per staff member. Please combine all bios into one (1) .pdf file and DO NOT attach CV's.

Letters of Support

Please combine all letters of support into one (1) .pdf file before uploading.

Other Supporting Documents

Attach other supporting document such as MOU's, etc.

**Results & Accountability Matrix**

**Milestones & Deliverables**

Milestones and Deliverables

Describe the major milestone(s), associated deliverable(s) and anticipated completion dates by which progress can be measured for consideration of future funding. Progress towards milestones must be reported with each quarterly request for reimbursement and disbursement may be withheld if promised milestones are not met. Interim milestones required to achieve major milestones are encouraged to be reported with each quarterly request for reimbursement.

**Tobacco Region Revitalization Commission Grant Application - Special Projects**

<b>Milestones and Deliverables</b>		
<b>Milestones</b>	<b>Deliverables</b>	<b>Anticipated Completion Date</b>
Create regional marketing entity	Regional marketing entity formalized	2017-10-01
Procure firm/team via RFQ to head regional marketing initiative	Firm/team selected from RFQ respondents	2017-10-01
Retain lead generators in Europe, Asia and North America	Lead generators identified, selected	2017-12-01
Coordinate with VEDP, VCEDA and local economic developers	Ongoing coordination with economic development partners	2017-12-01
Down-stream supply chain survey	Initial surveys completed (and ongoing)	2018-02-01

**Results**

**Data Management and Projection Methodology**

Describe the methodology used and source of the projected results entered below. In addition, describe how you intend to manage the collection of the data for reporting actual versus anticipated results. Make sure to include who will be responsible for data management.

Selected marketing firm/team will document lead generation, prospect contact/visits, and all related activity

In this section you are required to provide baseline data. What year will you use for your baseline data?

Year ending 6/30/2015

By which year do you anticipate your project will be fully operational?

Year ending 6/30/2018

**Jobs Worksheet**

Use the worksheet below to enter information about the direct jobs at your site in the baseline year and the 1st year your project is fully operational.

<b>Jobs Worksheet</b>			
	<b>Baseline</b>	<b>Anticipated</b>	<b>Net New</b>
<b># of Jobs</b>	0	0	0
<b>Average Salary</b> <i>(Only include wages. Do not include benefits.)</i>	\$0.00	\$0.00	\$0.00

**Other Results Worksheet**

The commission requires that each applicant submit clearly defined, quantifiable results that will be achieved by the first year in which the project is fully operational/complete. The Commission has developed results it expects for each project type; however, the commission recognizes the need for flexibility in supporting its strategic plan. Since you have selected "Other Economic Development" as your project type, you are required to develop clearly defined, quantifiable results yourself.

Tobacco Region Revitalization Commission Grant Application - Special Projects

**Other Results Worksheet**

Describe Annual Result (Annually, how many _____ will _____.)	Unduplicated Annual Quantity (Baseline)	Unduplicated Annual Quantity (Anticipated)
Leads generated	0	30
Qualified prospects generated	0	8
Qualified prospects hosted	0	4
Jobs announced	0	150
Capital investment	0	20000000

Engineering: TICR \$ Requested

Engineering: Describe the proposed engineering activities

Other: TICR \$ Requested

Other: Describe other proposed activities and uses of funds.

**Financial Information**

Required Budget Documents

Please click [here](#) to see a description of where costs should be budgeted according to the State Chart of Accounts. Please review our [Funding Policies for Grant Awards](#) to ensure your proposal is aligned with eligible uses of funds.

Budget Worksheet

You are required to submit a budget worksheet summarizing your funding source information. Click [HERE](#) to download the Budget Worksheet and instructions.

Note: Use of the Commission's budget worksheet is mandatory. Upload and attach the completed budget worksheet below.

[Budget Worksheet.pdf](#)

So that the Tobacco Commission may determine whether or not your intended activities are eligible for reimbursement, please attach detailed line item budgets where indicated below that break out project cost by activity, year, and the amount of **TRRC funds and matching funds**.

We have some excellent examples of complex budgets that are easily understood and show the level of detail we are looking for. Please contact the grants program administrator for your region for detailed examples and to discuss the requirements for the required budget documents:

- Sarah Capps, Southside Grants Administrator (e-mail: [sarah.capps@tic.virginia.gov](mailto:sarah.capps@tic.virginia.gov)); or
- Sara Williams, Southwest Grants Administrator (e-mail: [sara.williams@tic.virginia.gov](mailto:sara.williams@tic.virginia.gov))

Detailed Operating Budget

You are required to submit an operating budget to demonstrate how operating costs will be supported and how the program will be sustained. If you have multiple sub-programs in this request, the detailed operating budget should clearly indicate the amount and use of Commission and matching funds for each sub-program.

**If you are requesting operating support** attach a line item budget below. Include line item, annual detail on specific positions, itemized contractual and continuous expenses, etc. If you need a template for your line item budget, click [HERE](#) to download the Commission's line item budget template.

**If you are ONLY requesting funding for equipment and/or construction** attach a general annual operating budget for the facility and/or program for which funds are requested.

**Tobacco Region Revitalization Commission Grant Application - Special Projects**  
**Indicate items supported by TRCC versus matching funds**

Line\_Item\_Budget.pdf

Equipment List

If you are planning to purchase equipment for the proposed project, you must attach an itemized list of the proposed equipment.

**Indicate items supported by TRRC versus matching funds**

Construction Budget and Timeline

If you are planning any building construction and/or renovation, land improvements, or physical infrastructure construction, please attach a detailed, itemized construction budget and a detailed construction timeline. Cost estimates from an A&E firm can be used in addition to or in lieu of a detailed itemized construction budget. Please submit additional supporting documents including PER, Engineering Documents, Building Plans, etc.

**Indicate items supported by TRRC versus matching funds**

Commitment of Matching Funds from Each Funding Source

Attach letters that demonstrate the commitment of matching funds for the proposed project. If some or all matching funds are not committed at time of application, please attach a detailed list describing from what entity and when the matching fund commitments are anticipated.

match\_info.pdf

Other Budget Documents

Is the applicant organization the payee/fiscal agent for this project?

Yes

### Next Steps & Certification

#### Next Steps

- TRRC Staff will begin its review of your proposal and may contact you for additional information. A staff report will be published on our website in advance of the Committee meeting, with recommendations for each proposal.
- The Committee will meet in public session, typically 6-8 weeks after applications are submitted, to consider proposals and adopt funding recommendations. Your named project leaders will be notified of the meeting date and site, and are encouraged to be present to answer any questions Commissioners may have about your proposal. Presentations from applicants are NOT expected at the Committee meeting.
- The Committee's funding recommendations will be reported at the next meeting of the full Commission for final action to approve grant proposals. This is also a public session, and while you are welcome to attend, please be aware that most Committee reports are typically approved in a matter of minutes with little or no discussion about individual proposals.
- After the Commission approves grants, you will be notified by e-mail when the award documents are available in your portal, the documents will include a grant agreement, fiscal documents and instructions for working with your regional TRCC Grant Administrator to access funds as your project gets underway. Please be aware that project expenses incurred before the date of Commission approval will not be eligible for reimbursement from grant funds.

#### Certifications

I have read the Program Guidelines and Funding Policies for Grant Awards. This application complies with said guidelines and policies and if funding is awarded, this organization agrees to comply with said policies and guidelines.

Yes

Certification Name

**Tobacco Region Revitalization Commission Grant Application - Special Projects**

By entering my full name in the space provided below, I hereby certify that the information contained herein is true and that I am authorized to submit this application on behalf of the Organization, Organization Primary Contact and Application Primary Contact listed in this application. Please enter your full name in the space provided below:

Duane A Miller

Certification Statement

Click [HERE](#) to download the Certification Statement and instructions. Attach a signed copy of the completed certification statement here.

[Certification\\_Statement.pdf](#)

Committee Recommendation

## **Regional Marketing Initiative Additional Project Description**

The Applicant will serve as the fiscal and administrative agent for the Regional Marketing Initiative (RMI), an innovative public-private approach to marketing Southwest Virginia's coalfield region to generate business prospects.

The RMI's primary focus is to assist developing economic development prospects in European, Asian and North American markets, while working with economic development organizations at the local, regional, state and federal levels.

The Virginia TRRC request herein is intended to be the first of a three-year investment, leveraged with funding from private sector partners and, as applicable, other public economic development focused agencies.

The RMI's mission is to generate business prospects through an enhanced, coordinated level of economic development in the coalfields of southwestern Virginia through marketing and collaborative regional initiatives that create jobs.

Greater emphasis will be placed on international marketing of the region. Utilizing "lead generators" in Europe, Asia, and North America will be the most cost-efficient and effective method to develop business prospects for the region, and will be key to implementing the marketing strategy to generate prospects from around the globe that result in job creation and capital investment.

With the restructuring of the Virginia Economic Development Partnership and other newly organized international trade initiatives, new opportunities exist for Southwest Virginia to implement a fresh marketing approach, particularly to attract international business prospects.

The RMI will identify and target defined industry sectors or clusters in regions of the United States, Europe and Asia. A TRRC-funded market survey, for instance, identified aerospace, automotive, and heavy machinery sectors as downstream supply-chain market opportunities. Additionally, targeting the commercial agriculture sector is of significant and growing interest in southwestern Virginia. Initially, the region should develop 2-, 4-, and 6-year marketing plans for these sectors.

The RMI will partner with educators across K-12, VCCS and the Commonwealth's four-year institutions to share educational requirements and related workforce training that prospective businesses require. The RMI will also coordinate and share needs of business prospects with Workforce Investment Boards, Centers of Excellence and other workforce training entities.

The RMI must also allocate energies to assist with leveraging funding for the development of new industrial properties that will increase the likelihood of the region attracting desirable industries.

With industrial site availability, a well-trained, "work ready" workforce, and a new emphasis on marketing the region, Southwest Virginia's coalfield region can position itself to capture new industry sector market share, thereby creating new jobs and generating capital investment.

## Draft Marketing Outline

On the premise that Southwest Virginia has not received a sufficient number of qualified prospects from a combined federal, state and local effort, the RMI must develop and implement an aggressive plan to identify international and domestic targeted industry clusters to generate prospects/leads for VEDP, the Virginia Coalfield Economic Development Authority and local economic developers to "close the deal." This model leverages the unique abilities the RMI can offer for the region's ability to generate leads and close deals in a complementary fashion. The RMI must aggressively engage VEDP and VCEDA to closely coordinate and implement the new marketing plan. Communication with and between all key stakeholders will be critical to the success of this initiative. The RMI's efforts are designed to "prime the pump" for a sustained pipeline of business prospects for local and state partners to work with and close deals.

The RMI will have multi-year operating support from both private and public partners to meet the financial requirement of the marketing plan. What may prove to have the greatest impact of this new marketing effort is the strong support from its local economic developers.

## Summary

This Regional Marketing Initiative must and will be a team effort. The RMI will coordinate and leverage all partners' areas of expertise to generate a sufficient number of new business prospects to lead to job creation and private investment. The RMI's ability to create and offer access to unique incentives and access to capital will prove to be an important differentiator in attracting new business prospects to the region.

This initiative may take anywhere from 24 to 36 months to gain real traction. The time to act, however, is now.

With a regional approach, it is possible to improve the likelihood and success rate of generating new business prospects that will result in creating new jobs. The description herein provides only a brief outline that must be fully developed to revitalize the region's economic wellbeing. The Regional Marketing Initiative will require a coordinated effort with bold steps to drive the desired results.

## Staffing

Under a Board of Trustees, the RMI will utilize a marketing firm/team, procured via RFQ from responding qualified vendors, which will oversee lead generators in Asia, Europe and North America; staff to coordinate marketing consultants, local administration, website development, etc.; and "loaned" expertise in finance, marketing, advertising, etc.

# TICRC Grant Application Budget Worksheet

Rev. 2/24/13

**I. Financial Information: Sources of Funds**

**a. Requested TICRC Funds:** Enter a Description and Budget Line Item Amounts in the blue highlighted boxes below. *Please include specific, detailed line item budgets as additional attachments in your application.*

Requested TICRC Fund Details								
1. Description (Enter a brief description of how the TICRC funds will be used)	TRRC funds will be utilized for lead generator engagement and related expenses							
2. Budget Line Item	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
3. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)		\$400,000.00						
4. Total Amount (Self Totalling)								\$400,000.00

**b. Other Funding:** Enter Source Information, Status, Description and Budget Line Item Amounts in the blue highlighted boxes below. Select funding type and status from the dropdown menus in the blue highlighted boxes where indicated. *Please include specific, detailed budget narrative as an additional attachment in your application.*

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)	Private							
2. Agency/Locality Name (Enter the name the source of the matching funds)	Source of private investment has requested confidentiality at present							
3. Status (Select the status of the matching funds from the dropdown list)	Money in Hand							
4. Description (Enter a clear and concise description of how the matching funds will be used)	Matching funds will provide general operating support for RMI entity							
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)		\$300,000.00						
7. Total Amount (Self Totalling)								\$300,000.00

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a clear and concise description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)								\$0.00

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a clear and concise description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)								\$0.00



Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a clear and concise description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)	\$0.00							

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a clear and concise description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)	\$0.00							

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a clear and concise description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)	\$0.00							

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)								
2. Agency/Locality Name (Enter the name the source of the matching funds)								
3. Status (Select the status of the matching funds from the dropdown list)								
4. Description (Enter a clear and concise description of how the matching funds will be used)								
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)								
7. Total Amount (Self Totalling)	\$0.00							

**2. Financial Information: Budgeted Expenditures**

You do not need to enter any information in this section. The table below is self calculating based on the information entered in section 1 (Financial Information: Sources of Funds). Please fill in the blue highlighted fields in section 1 to populate the table below. The amounts from the "TICRC Funds" column and the "Total Matching Funds Column" should correspond to the amounts entered in the grant application.

Proposed Project Budget								
	TICRC Funds	State	Local	Federal	Private	In-Kind	Total Matching Funds	Grand Total
Personal Services (Salaries, Wages, Benefits, etc.)								
Contractual Services (A&E, Legal, Printing, Media, Travel, Training, etc.)	\$400,000.00				\$300,000.00		\$300,000.00	\$700,000.00
Supplies & Materials (Engineering Supplies, Building & Mechanical Repair, Supplies, Educational Supplies, etc.)								
Continuous Charges (Insurance, Lease Payments, Utilities, etc.)								
Property & Improvements (Land Acquisition, Site Development, etc.)								
Equipment (Computers, Phones, Furniture, Fixtures, Manufacturing Equipment, etc.)								
Plant & Improvements (Building Acquisition, Construction/Renovation, etc.)								
Transfer Payments (Scholarships, Incentives, etc.)								
<b>Total Costs:</b>	\$400,000.00				\$300,000.00		\$300,000.00	\$700,000.00

**Line-Item Detailed Budget (Optional Template)**

**BUDGET CATEGORY**

**TRRC**

**Match**

**Source of Match**

*Add or delete lines as needed under each budget category.*

**PERSONAL SERVICES**

*List all staff positions by title (and name, if existing staff); identify annual salary/wages and percentage assigned to the project.*


**SUBTOTAL - PERSONAL SERVICES**      *calculates automatically -->*      \$      -      \$      -

**CONTRACTUAL SERVICES**

*Identify each proposed contract and specify the purpose. List allocations for travel and training expenses with the purpose.*

Regional marketing services (year 1 of 3)	\$ 400,000	\$ 300,000	Private (source confidential at present)

**SUBTOTAL - CONTRACTUAL SERVICES**      \$      400,000      \$      300,000

**SUPPLIES & MATERIALS**

*Include allocations for consumable supplies and materials. List each group or type of supply expense. Detailed lists or quotes can be attached.*


**SUBTOTAL - SUPPLIES AND MATERIALS**      \$      -      \$      -

**TRANSFER PAYMENTS**

*Identify each cost-share incentive program; scholarship program; or other sub-awards of grants and assistance to organizations under a program.*


**SUBTOTAL - TRANSFER PAYMENTS**      \$      -      \$      -

**CONTINUOUS CHARGES**

*List each type of on-going expense separately (i.e. lease/rent payments, utility services, insurance); and the basis for the amount included.*


**SUBTOTAL - CONTINUOUS CHARGES**      \$      -      \$      -

**PROPERTY & IMPROVEMENTS**

List each contract- property to be acquired, site development work, utility facilities or extensions. Attach detailed construction estimates.


**SUBTOTAL - PROPERTY & IMPROVEMENTS** \$ - \$ -

**EQUIPMENT**

Identify all major equipment items, either in the lines below or in a separate attachment. Include quotes/estimates as an attachment.


**SUBTOTAL - EQUIPMENT** \$ - \$ -

**PLANT & IMPROVEMENTS**

Include costs for acquisition or construction of a building, and construction renovations or improvements. Provide contractor estimates as attachment.


**SUBTOTAL - PLANT & IMPROVEMENTS** \$ - \$ -

**TOTAL** \$ 400,000 \$ 300,000

L E N O W I S C O  
P L A N N I N G D I S T R I C T C O M M I S S I O N

Private investment totaling \$300,000, from one or more sources, has been pledged to the project, pending receipt of TRRC funding.

At present, the source(s) of this private investment have requested confidentiality, to be identified at an appropriate time.



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*Virginia Planning District One • Serving Lee-Norton-Wise-Scott*



## Virginia Tobacco Commission Grant Application Certification Statement

On behalf of the organization identified in this application, I certify the following:

1. The data in this application is true and correct and that supporting documentation for the claims and assertions made within this application is available to the Virginia Tobacco Commission for its review.
2. The Applicant understands that submitting false or misleading information in connection with this application will result in the application being found ineligible for funding from the Virginia Tobacco Commission.

Project Title: "Regional Marketing Initiative"

Applicant Organization Legal Name: LENOWISCO Planning District Commission

Organization Primary Contact: Duane A. Miller, Executive Director

Signature of Organization Primary Contact: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "D. Miller", is written over a horizontal line.

Date: May 11, 2017

**Upload the completed Certification Statement**

