

The seal is circular with a light beige background. The outer ring contains the text "COMMISSION TOBACCO REGION REVITALIZATION" in a serif font, arranged in a circle. In the center of the seal is a stylized map of Virginia, colored in shades of blue and tan. The text "Virginia Tobacco Region Revitalization Commission" is centered over the map in a bold, dark blue font.

**Virginia Tobacco Region
Revitalization Commission**

Fall 2020 Meeting

September 28, 2020



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ITINERARY

**Virginia Tobacco Region Revitalization Commission
Fall Full Commission Meeting
ELECTRONIC CONFERENCE CALL
September 28, 2020**

If accessing the meeting from the internet via a computer or smartphone, use this link to access the electronic meeting:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m9d0997054a492b2bc42029fcb5fb95a3>

If accessing the meeting by telephone dial: 1-408-418-9388 (US toll-free) and utilize the meeting number: 132 060 4648# and meeting password: ymMFXnD2f32 (96639632 from phones and video systems)

If you have any access issues at the time of the meeting, contact Jordan Butler via email at: jbutler@revitalizeva.org or call 804-894-9653.

**Virginia Tobacco Region Revitalization Commission
Fall Full Commission
Electronic Conference Call Meeting
Monday, September 28, 2020
9:00 am - 5:00 pm**

9:00 - 10:45 am Southern Virginia Committee

10:45 - 11:00 am Break

11:00 - 11:45 am Southwest Virginia Committee

11:45 - 12:30 pm Education Committee

12:30 - 2:00 pm Lunch Break

2:00 - 3:30 pm Incentives and Loan Committee
(in addition to regular business, there will also be a closed session to review two confidential projects)

3:30 - 4:00 pm Break

4:00 - 5:00 pm Full Commission Meeting

Stay Healthy and Stay Safe!!!



AGENDA

SOUTHERN VIRGINIA COMMITTEE

Electronic Conference Call Meeting

Monday, September 28, 2020

9:00 A.M.

If accessing the meeting from the internet via a computer or smartphone, use this link to access the electronic meeting:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m9d0997054a492b2bc42029fcb5fb95a3>

If accessing the meeting by telephone dial: 1-408-418-9388 (US toll) and utilize the meeting number: 132 060 4648# and meeting password: ymMFXnD2f32 (96639632 from phones and video systems)

If you have any access issues at the time of the meeting, contact David Bringman via email at DBringman@revitalizeva.org or call 804-894-9659.

Welcome and Call to Order	<i>Evan Feinman, Executive Director</i>
Items Related to Remote Meeting	<i>Andy Sorrell, Deputy Director</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Election of Officers	<i>Evan Feinman, Executive Director</i>
Approval of the <u>6/22/20</u> Minutes	<i>(published on website)</i>
Southern Virginia Funding Applications	<i>Sarah Capps, Southern Regional Director</i>
Previously Tabled Applications	<i>Sarah Capps, Southern Regional Director</i>
Extensions and Modifications	<i>Sarah Capps, Southern Regional Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	

Previously Tabled or Referred

3591	Charlotte	Charlotte County Industrial Development Authority	Shaw Carpet Building Renovation	\$564,778	\$585,000	No award.
3581	Halifax	Town of Halifax	Halifax War Memorial Heritage Tourism Site Enhancement Project	\$1,913,147	\$179,000	No award.

Sub-Total (2 requests)

\$764,000

Regional

3670	Regional	Virginia Health Care Foundation	Project Connect: Local Economic Recovery Relief During COVID-19 via Medicaid	n/a	\$371,546	\$280,160
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Sub-Total (1 request)

\$371,546

\$280,160

Total (13 requests)

\$9,953,193

\$8,132,338

BEDFORD

The Corporation for Jefferson's Poplar Forest Construction of the Poplar Forest Parkway (#3668) \$103,468 Requested

Project Summary: The full balance of \$103,468 available in the Bedford County allocation is requested to be used toward the approximately \$4 million estimated cost of constructing a new 2.2 mile parkway entrance into the historic Jefferson's Poplar Forest. Thomas Jefferson's Bedford County retreat is an award-winning historic restoration in progress, designated as a U.S. National Historic Landmark and listed on the U.S. National Register of Historic Places. Historians recognize the potential for Poplar Forest to rank with Monticello and Mt. Vernon as a major national tourist destination. The new entrance road has been part of the master planning efforts since at least 2002. Construction of this road is expected to transform the property and the ability to deliver a more-memorable visitor experience. The project will make hundreds of acres of the original plantation land accessible for interpretation and visitor exploration. The Corporation estimates that visitation will increase by 8,000 annually and visitor spending will increase by \$1.3 million annually.

Project Outputs: Construction of the 2.2 mile parkway, annual increase in visitation by 8,000, and generation of \$144,000 new revenue annually.

Staff Comments and Recommendation: The primary impediment to Poplar Forest's ability to grow visitation is that it is currently only accessible from a maze of residential roads in Bedford and Campbell counties. These roads hamper Poplar Forest's success because prospective visitors find them challenging to navigate and they cannot handle the growth in tourist traffic that is expected to occur with the vision for development and marketing of this national attraction. The request is consistent with TRRC priorities for funding of tourism destination infrastructure and meets the criteria for a site having demonstrated ability to attract a measurable increase in visitors and visitors spending from outside the Tobacco Region.

TRRC has provided support to the Corporation through five previous grants including a \$300,000 award in 2006 that went toward the \$3 million costs to acquire the 72 acres known as the Lower Field, which is the land where the new access road will be constructed and that will be opened to the public for interpretation and exploration. A 2015 Special Projects grant #3091 of \$500,000 will also support construction costs for this new access road. This grant is presented further in this report for an extension approval due to delays to the original schedule that were beyond the Corporation's control.

A report on the Estimated Economic and Fiscal Impact of Proposed Improvements developed by Mangum Economics in July 2014, was provided with the application. The annual economic impact on Tobacco Region localities attributed to Poplar Forest's growth plans related to the access road were estimated at increasing from \$4.7 million to \$6 million annually, and from 46 FTE jobs to 64, and state and local tax revenues increasing from \$236K to \$336K. Content from the current Marketing Plan was provided; as well as letters of support from Bedford County, its EDA, and Campbell County. The applicant estimates a \$144,000 increase in annual revenues from ticket sales, with these revenues supporting increases to operating costs including the addition of two new staff. Operating expense projections in the current year are in excess of revenues which the Corporation is addressing through the much larger capital campaign (of which the access road is one element). The Corporation has worked diligently to balance expenditures with revenues over the past 12 years following the loss of annually funding from the Commonwealth.

A detailed A&E cost estimate of \$4,017,675 was included with the application and reflects the fund-raising effort with \$3.5 million of the \$4 million needed committed at the time of application. The final gap in funding is expected to be made from private donors. Construction bids in April 2020 came in at \$5.67 million far in excess of available funds and negotiations with the lowest bidder to reduce the scope and costs were unsuccessful. The Corporation has developed revised construction plans with adjustments to reduce overall project costs and rebidding of the project is forthcoming, with plans to cast a broader reach to qualified contractors in the interest of advancing the project at a reasonable level within budget. Rebidding is currently underway and the Corporation estimates construction of the road to begin in early 2021.

Financial Viability Assessment: The applicant has demonstrated effective and impressive fundraising capacity, having raised \$3,446,287 of which almost 80% is in-hand. The applicant has been in existence for almost 40 years and appears to have strong leadership with the capacity to undertake and manage a project of this magnitude. Despite bids coming in over budget, the applicant has demonstrated its ability and willingness to adjust the scope of its project. Given the foregoing, there is a strong likelihood that this project will be constructed successfully.

Staff recommends approval of a \$103,468 grant award for road construction.

CAMPBELL

Town of Altavista

Altavista Innovation, Accelerator and Coworking Space (#3665)

\$184,306 Requested

Project Summary: The Town of Altavista requests funding to develop an entrepreneurial coworking space, transforming the vacant old fire station at its central location on 7th Street, in the heart of the Altavista downtown business district, into a center for business development activities. The scope of the project includes redevelopment of 5,625 sq. ft. of the first floor with interior and exterior renovations to the building and to the 0.24 acre property. The facility will have three primary functions: a business incubator, a business accelerator, and a coworking space. This project is facilitated by a close partnership of the Town with its EDA and “Altavista on Track” (the Town’s main street program). It is the central focus for the community’s leadership and its mission to improve and modernize community resources and services through smart technologies. Altavista plans to create a facility that can be leveraged to help attract new business and residents, expand existing business activity and establish Altavista as an innovative place to call home.

Project Outputs: Development of the Innovation, Accelerator and Coworking Space; on an annual basis: the creation of 15 new jobs, establishment of six new businesses, and provision of support to 15 existing/“young” businesses.

Staff Comments and Recommendation: Commission staff has worked with the Town and DHCD’s Main Street Program on the development of the proposed coworking space since early 2019, following a meeting with representatives from the Altavista EDA and Chamber of Commerce seeking ideas for addressing needs for individual and small office spaces in downtown, for business development and support services and for shared conferencing space. Concurrently, the Town contracted with Camoin Associates for an Economic Development Strategic Plan which also presented an incubator/coworking space as a recommended strategy for fostering small business development and cultivation of start-up businesses in the Town. Survey results for 65% of the under-35 population indicated they were “very interested” in teleworking job opportunities, providing further support for the concept.

Totaling \$325K, cash matching contributions toward the project far exceed the \$184K requested. Matching funds include \$25K from DHCD for the feasibility study, \$200K from the Town to support A&E and construction; and \$100K from USDA Rural Business Enterprise Program to support furnishings and equipment. A detailed cost estimate for \$401,859 renovations was provided. The Town already owns the property, valued at \$159K. Altavista on Track has committed its Main Street Coordinator to staff and operate the facility. Finally, the Altavista EDA and Campbell County will assist in marketing of the facility.

Summit Design and Engineering Services prepared a preliminary feasibility study. The study addresses the surrounding 18 mile radius or 22 minutes drive time, and provides examples for successful coworking spaces in smaller communities with details on varying options for operational models. The report includes schematic for a proposed layout and detailed design concepts for renovation. The final feasibility study is expected in September 2020, and staff has requested an update once it is available.

This project will support new and existing business development and expansion (a critical need for addressing high vacancy rates in downtown business districts) and also emphasize the ability of the coworking space to support growth of teleworking jobs in targeted sectors such as computer programming, writing, design, IT, marketing and business consulting. Space in the facility will be available for virtual job training and development.

The project timeline sets a target completion date of July 20, 2021 for the development of a five-year operational plan and development and implementation of a marketing and recruitment plan, while construction renovations would be completed a month earlier. The development of these plans, however, likely will influence final configuration of the space and should occur prior to construction. Staff suggests that draft plans be developed prior to award of the construction contract, acknowledging that these business documents will continue to be developed to a final version prior to the launch of the facility.

Financial Viability Assessment: The Town is to be commended for its methodical approach to this project. It has sought expertise from subject matter experts and engaged quality consultants. Projects with ongoing operational expenses necessarily carry heightened risk of viability. That Altavista on Track's Main Street Coordinator will be relocated to the facility to support its operations indicates stakeholders are willing to take creative approaches to manage expenses. As noted in the staff comments, a final feasibility study and an operational plan remain outstanding and should be prepared prior to construction. Waiting to incur significant expenses associated with construction until these have been completed is a prudent way to mitigate risk.

Staff recommends approval of the \$184,306 grant subject to the following conditions: (1) a favorable determination in the final feasibility study; (2) preparation and submission of an operational plan and a marketing and recruitment plan to TRRC staff for review and approval, prior to award of a construction contract.

HALIFAX

South Boston-Halifax County Museum of Fine Arts and History *Crossing of the Dan Exhibit Relocation (#3667)* \$19,000 Requested

Project Summary: Grant funding is requested to support direct costs for relocation of a historical Revolutionary War exhibit from its current location on an upper floor of The Prizery (a local arts center in

South Boston that was recently sold), to a new permanent location in the South Boston-Halifax County Museum for Fine Arts and History. The applicant reports nearly 50% of documented visitors to the Crossing of the Dan exhibit over the past six years were from outside of Virginia with the story of its historical significance being of interest to visitors from across the nation. Tourism outcomes are estimated at increasing by 530 visitors annually. If approved for funding, the Museum is committed to tracking and reporting actual visitation numbers.

Project Outputs: Final design, construction and relocation of the Crossing of the Dan exhibit and an increase in visitation by 530 annually.

Staff Comments and Recommendation: The Halifax County Historical Society invested \$325K to create this exhibit which has been installed at the Prizery location since 2008. The Virginia Tourism Corporation (VTC) website lists the exhibit as a highlight of the Southern Campaign of the Revolutionary War. The timeline for the project calls for completion of fundraising in order for the exhibit to be in place for the 240th anniversary of the Crossing of the Dan event which will occur in February 2021. Contributions for the pending request for relocation of the exhibit include \$30,000 from the Society with \$12,000 for Phase 1 renovations, and \$18,000 to match the TRRC request for a total of \$38,000 in Phase 2 costs related to new display cabinets and cases, new flooring and repainting, signage and other direct costs related to exhibit installation.

The applicant does a good job of articulating its belief that the relocation will result in an increase to the number of visitors from outside the region including synergies created with the location at the museum, dedicated marketing efforts, improved accessibility and a greater capacity in the larger facility and display area to accommodate visitors. Purported tourism impact resulting from the project is estimated at \$124,000 in new visitor spending annually. This figure is based on an increase of 530 visitors annually and utilizing VTC metrics to calculate impact.

This application is a modest request with a reasonable argument for the projects ability to demonstrate an increase in visitation numbers. Although the request is reasonable and well written, staff has concerns about setting a precedent for funding an existing exhibit at local art and history museums and questions the ability of the project to result in a measureable increase to visitor spending in the Tobacco Region.

Financial Viability Assessment: Given the modest scope of this project and the applicant's thorough planning in preparation, it is very likely that this project can be completed successfully. Nevertheless, projects such as this are outside of the Commission's funding priorities. In light of the applicant's strong fundraising ability, it is likely that the project could be completed without an investment of Commission resources.

An historic exhibit does not meet the Commission's criteria for being a national or international destination with the ability to attract measurable increase to visitors and visitor spending from outside the Tobacco Region, and therefore staff recommends no award.

HENRY

Martinsville-Henry County Economic Development Corporation
Patriot Centre Industrial Park Water & Sewer Line Extensions (#3661)
\$302,217 Requested (*reduced by applicant in application revised 8/14/20*)

Project Summary: Grant funds are requested to support 57% (\$302,217) of the \$528,880 estimated construction costs for extension of water and sewer lines to serve Lots 4 and 9 at the Patriot Centre

Industrial Park in Henry County. The project will result in extension of a 12” waterline by 3,112 linear feet on the eastern border of the industrial park and is identified as serving Lots 4 and 9; and extension of separate 8” sewer lines to both lots, resulting in construction of 615 linear feet and 793 linear feet, respectively.

Project Outputs: Extension of 12” water lines and 8” sewer lines to serve Lots 4 and 9 at the Patriot Centre.

Staff Comments and Recommendation: The original application did not satisfy the match requirements. After consulting with staff, the applicant reduced its request accordingly. The revised match includes \$226,663 cash contribution toward the construction costs (\$100K from the EDC; and \$226K from Henry County) and \$75,554 in-kind (25%) from Henry County related to engineering, inspection and easement acquisition.

The applicant indicates that the project will enhance the marketing of these two sites. Lot 4 is a 44 acre site with 18.4 graded pad certified by VEDP under its Business Ready Site Program, and designated as a Certified Food Processing Site by Ady-Austin Consulting. Lot 9 is a 14 acre site with 4.2 acre graded pad located adjacent to an electric substation. The applicant clarified that the new waterline would ultimately serve Lot 17A which is a 17 acre site with an 8.5 acre graded pad and potentially other sites east of Lot 17.

The EDC estimates possible economic outcomes for each of the two lots at between 25 to 100 jobs, and private capital investment at \$2.5 to \$10 million. The Patriot Centre is a very successful industrial park with 16 industries employing over 2,500 workers and with an experienced economic development team marketing the site. In order to satisfy VEDP’s requirements for BRSP certification, utilities must be able to be delivered within 12 months to meet the needs of an aggressive project timeline. In this case, the EDC indicated a nine-month construction timeline.

In general, when a project will result in revenue generating facilities, staff will recommend extending a loan rather than awarding a grant. As there is no active prospect, this project is speculative and it is not possible to estimate water and sewer revenues that could support the construction costs without estimated usage and the EDC will necessarily not have cash flow to support debt service. The staff recommendation below accounts for this by delaying repayment until an end user locates on one of the lots.

Financial Viability Assessment: As matching funds are not required if a loan is approved, the applicant could seek up to the full Henry County allocation (\$417,161) to finance a larger portion of construction costs. If this project is referred to the Virginia Resources Authority (VRA) for financing, VRA will perform credit analysis and underwriting before proceeding. If a grant is approved, while the applicant is to be commended for reducing the amount it requested to comply with statutory matching requirements, it is unclear whether the proposed match satisfies Commission policies and whether there are sufficient local funds committed to fund this project, including a reasonable contingency. Nevertheless, Martinsville and Henry County have a demonstrated commitment to investing in the Patriot Centre. To the extent there is a budget gap, it is recommended that the two communities provide evidence of sufficient local resources to fully fund the construction budget.

Staff recommends extending a loan to the applicant of up to \$417,161 for construction of the project at the Virginia Resources Authority’s 10-year, local government/moral obligation rate of 1.5%, with payments held in forbearance for up to five years or until an end user locates at one of the lots (whichever occurs first), at which point the applicant must repay the loan within five years.

NOTTOWAY

Nottoway County Southside Gasification Project (#3660) \$750,000 Requested

Project Summary: This request of \$750,000 is to support 100% of the capital costs for establishing a new privately-owned biochar processing business in Nottoway County utilizing switchgrass grown on local farmland and wood waste from a local wood mill as the primary input/feedstock. The facilities and equipment would be owned by the County and the operational partner would be Restoration Biofuels LLC, a partnership between Langseth Engineering and FDC Enterprises. All TRRC funding requested will be spent for A&E services performed by Langseth Engineering, construction of two small buildings, and installation of torrefaction equipment. The project will result in a capital investment of approximately \$750,000 and the creation of 15 new jobs.

Project Outputs: Construction, equipping, and operation of a biochar processing facility and two 12,000 shell buildings; capital investment of \$750,000 and creation of 15 new jobs.

Staff Comments and Recommendation: This proposal expands on the Nottoway Farm to Fuel project comprising of a 45,000 square foot steel building and weigh station for storage and processing of switchgrass as a biomass crop used as fuel for the state owned Piedmont Geriatrics Hospital. Construction of this facility was funded from two TRRC grants totaling \$882K that FDCE leases. Staff recognizes the successful business model established by FDCE and its growth opportunities, the fuel savings to the largest employer in the County, and the increasing annual payments benefiting landowners in Nottoway and surrounding counties.

Annual economic impact was listed at \$400K-\$500K which staff understands to be operational costs related to annual lease payments to landowners for FDCE to grow switchgrass feedstock, purchasing of wood mill waste, as well as the wages paid to employees. The proposal indicates that the facility would operate year round, 4 days per week at 10 hours per day (hours for one shift) and a plan to hire 3-5 people per shift with staffing “at the lower end” of this range. The economic impact content in the application lists 15 new jobs to be created at \$42,000 average salary and \$75,000 private capital investment within three years (though the \$75,000 may be a typographical error).

Because FDCE will be responsible for establishment, management and harvesting of all switchgrass plantings through 10-year contracts with landowners, there would be no distributed benefit to agriculture productions in the form of increased net farm income, and instead provided payments to landowners and a single agribusiness enterprise would be the primary beneficiary. In response to staff’s request, the company provided a business plan. It provided no information regarding the market opportunity, buyer and producer interests, or a pro-forma for projected revenues and operating expenses.

The cost estimates included in the proposal appear to be provided by Langseth Engineering, a beneficiary and the identified contractor. The basis for estimated costs for two 12,000 shell buildings was not provided, and neither were quotations for equipment purchases—all required items. No funding from the county, state (i.e., AFID), or federal sources is identified for cash contributions or incentives for the project. Solely for the purpose of comparison, a Tobacco Region Opportunity Fund grant award for a project with these metrics would be between \$2,000 and \$9,000 depending on the range of new jobs and capital investment used. Thus, the requested grant amount vastly exceeds the amount the Commission would award to a comparable economic development project.

Most concerning, the proposed budget does not identify costs or funding sources to satisfy the 1:1 match requirement for TRRC funding and the majority of match that is proffered is in-kind. Consideration of a loan is the only option for the Commission given the statutory requirement for at least 1:1 match for grant awards.

Given that a private business is the primary beneficiary, new job creation and capital investment are modest, there is scant evidence of desired agribusiness outcomes, and the applicant has not identified sufficient matching funds, this proposal is not appropriate for grant funding consideration.

Financial Viability Assessment: While the technology the applicant proposes is intriguing, the applicant provided insufficient information to assess the viability of this project favorably. The complete omission of financial information from the business plan does not indicate that this is a venture that has been thoroughly vetted. In addition, that public investment would so significantly outweigh private investment in a for-profit venture urges extreme caution.

Given that an individual business is the sole beneficiary of this request and there are no clear agribusiness outcomes, staff recommends no award.

PATRICK

Economic Development Authority of Patrick County Patrick County Business Development Center (#3664) \$336,412.50 Requested

Project Summary: Grant funds are requested to support approximately 50% of the estimated \$673,275 costs for acquisition and renovation of a 16,000 sq. ft. blighted commercial property in the Town of Stuart. The intended use of the property is for development of space dedicated to growing local business and the local business ecosystem.

Project Outputs: Creation of a business development center, creation of 20 new jobs annually, and generation of \$180K of new revenues for the EDA annually.

Staff Comments and Recommendation: This project hopes that a renovated facility will reverse trends of increasingly high vacancy rates in the business district, a declining workforce, and high rates of out-commuting.

Final build-out of the available floor space is identified as being contingent upon approval of grant funding and finalizing community partnerships. The applicant has developed a number of possible uses for the facility, but has not yet made final decisions. The applicant is considering using the facility to establish a business incubator, shared office space, an open office area and gathering rooms, training and conference rooms, and a coworking space.

The line-item detailed budget includes \$130,000 toward purchase of the property with an assessed value of \$315K; \$99,450 for contractual services primarily related to asbestos testing and remediation and with \$28,500 allocated for A&E; and the balance of \$373,325 estimated for renovations. Known issues with the property that must be addressed include asbestos tiles, drainage issues for the site and roof, and observed fire damage from a fire in 2016, but additional diligence is needed.

Staff recognizes and supports the business support and development interests as a primary strategy and focus for creating economic opportunities for Patrick County and the Town of Stuart, however, staff has

concerns about the readiness of this project. Among others, details that require attention include: determining who will manage and deliver business development activities, completing a market assessment to gauge interest by individuals or businesses for locating to or utilizing the space, and identifying the types of businesses for leasing space. The operating budget was very preliminary due to this uncertainty and there remain significant unknowns related to the nature and amount of potential project expenses.

Financial Viability Assessment: The applicant should be commended for developing a creative proposal that may yield economic opportunities for its residents and operating revenue for itself. Nevertheless, there is much uncertainty with respect to both initial construction costs and ongoing operation expenses of the proposed facility. For example, the proposed construction budget is exceptionally lean and lacks even a modest contingency for unanticipated expenses. If endorsed, the approach staff recommends will lead to the collection and analysis of data that will allow the applicant to further refine its vision and tailor its proposed project so it will have a greater likelihood of success.

Recognizing that this project's goal is meritorious and may yield practical job creation strategies for this community, staff recommends approval of a \$25,000 grant award to further study the facility, determine its highest and best uses, and assess the feasibility of those uses.

PITTSYLVANIA

Pittsylvania County

AEP loan to relocate transmission line at Southern Virginia Megasite (#3658) **\$5,000,000 Requested**

Project Summary: Funding is requested by the County for a \$5 million loan to finance the cost of contracting with AEP to relocate 4,000 linear feet of 69KV electric transmission line that transects the Southern Virginia Megasite at Berry Hill, a regional revenue-sharing park near Virginia's southern border with North Carolina and on the west side of Danville. The County requested that the loan be for a 10-year term at 0% interest to be repaid as a balloon payment once a load credit tenant is secured. Relocation of the powerline is identified as a high priority for the project partners in their pursuit of the coveted Megasite Certification from Quest Site Solutions (previously McCallum Sweeney), the site selection criteria used by large industrial projects and by every OEM automotive plant over the last three decades. Economic impact estimates for attraction of a regionally transformative prospect to this property based on recent interests are estimated at over 2000 jobs, \$50,000 average salary, and \$1+ billion private capital investments.

Project Outputs: Relocation of the 69KV electric transmission line; obtaining Quest Site Solutions' megasite certification.

Staff Comments and Recommendation: The Commission has invested approximately \$30 million in the Berry Hill site and staff recognizes the value of the megasite certification. Existing site infrastructure includes federal funding committed for a new road, availability of natural gas and main line rail access, and redundant water with capacity for over 6 MGD, sanitary sewer at 3 MGD, and capabilities for large megawatt dual feed electrical service. The Southern Virginia Regional Alliance, Pittsylvania County, City of Danville, and VEDP are highly engaged in marketing Berry Hill and are currently working with several prospects, noting that it is a finalist (final three) for an announcement that could result in \$5 billion capital investment and 10,000 jobs for the region.

A revised cost estimate indicates construction will cost approximately \$4.1 million. An earlier budget worksheet lists \$500,000 for contractual services and \$4.5 million for construction but will require adjustment based on the revised cost estimate.

The applicant presents the terms for a TRRC supported loan as a 10-year, no interest loan that would be repaid as a balloon payment only after AEP secured a lead credit tenant. The proposed loan would be guaranteed by both Pittsylvania County and City of Danville, with repayment by the localities if a tenant is not secured within 10-years. The applicant further notes that AEP is not willing to pay interest on the loan. Staff has concerns about this level of funding being encumbered without any interest earnings and payback occurring in 10 years.

The Virginia General Assembly passed legislation in 2019 that allows for a pilot program to facilitate the construction of electric transmission infrastructure for megasites in rural areas of the Commonwealth. It is unclear whether this project for relocation of an existing power line to improve marketability of the megasite could be supported through the pilot program.

Staff recommends extending a loan to the applicant of up to \$4.5 million for relocation of the AEP transmission line at the Virginia Resources Authority's 10-year, local government/moral obligation rate of 1.5%, with payments held in forbearance for up to five years or until an end user locates at the site (whichever comes first), at which point the applicant must repay the loan within five years.

TWO APPLICATIONS – SAME PROJECT

Pittsylvania County

SVMP Site Grading and Improvements - Lot 2 (#3659)

\$1,262,201 Requested

DANVILLE

City of Danville

SVMP Site Grading and Improvements - Lot 2 (#3663)

\$742,875 Requested

Project Summary: Two applications, City of Danville (\$742,875 - #3663) and Pittsylvania County (\$1,262,201 - #3659), for a total of \$2,005,076 of grant funds are requested to support grading of a 50-acre pad site at the Southern Virginia Multimodal Park (the former Burlington Industries site) in the Town of Hurt. The request is to meet the needs of an active prospect, Project Wahoo, with a first phase of development expected to result in 100 new jobs with \$37,000 average salary and \$40 million private capital investment. The company requires a site large enough for at least 500,000 square-foot building. The SVMP is currently privately owned by Hurt Partners, LLC, and the Staunton River RIFA would purchase and own the property prior to investment in site development.

Project Outputs: Graded 50-acre site; the prospect's creation of 100 new jobs paying an average annual wage of \$37,000 and a capital investment of \$40 million.

Staff Comments and Recommendation: The localities that currently partner in the Staunton River RIFA, the Town of Hurt, Pittsylvania County, and City of Danville, are under an option agreement to purchase the entire 800+ acre SVMP from the current owner Hurt Partners, LLC. The SR RIFA has contracted with Dewberry Engineering to complete a master plan for the enter park which is currently

underway. Due diligence on the 50-acre site includes a Phase 1 Environmental Site Assessment with no areas of concern and the A&E has developed a high-level grading plan to confirm the ability of the site to accommodate the 50-acre pad.

The SVMP offers a unique asset as the transfer of the property includes a grandfathered water withdrawal permit for one million gallons per day from the Staunton River. The site also includes its own water treatment plant. SVMP is the only site in Danville and Pittsylvania County that is permitted and has the essential infrastructure in place to accommodate Project Wahoo's requirements for a high volume of non-chlorinated potable water. A water filter membrane plant would need to be constructed utilizing the existing river intakes.

The total project costs of \$3,994,361 is comprised of the detailed construction cost estimate of \$3,244,361 and land acquisition costs at \$15,000/acre, though these figures are still under development.

Additional infrastructure requirements necessary to serve the prospect include a \$5.8 million investment by the Pittsylvania County Service Authority for the membrane plant and related infrastructure; and \$4 million investment by the Town of Altavista and Pittsylvania County Service Authority for expansion of the Altavista treatment plant and a new pump station in Hurt for provision of 500,000 gpd water and sewer. The County indicates that SVMP is the preferred site by the prospect assuming the graded pad will be provided and would be under a strict performance agreement for job creation and private capital investment.

In September 2019, the Commission committed \$500,000 for the SVMP Site Enhancements project that resulted in the announcement of Staunton River Plastics announcing a 220,000 square foot building on a lower-pad site at SVMP and committing to the creation of 65 new jobs. The present request further expands the RIFA's development of the SVMP with the possible attraction of a second company to the site, returning it to a major employment center for the County.

Staff understands that the current prospect is drawn to this site because of the grandfathered water source. Absent the unique requirements of this prospect, staff otherwise would not recommend investing in sites that are not within existing publicly-owned regional business parks. However, given this particular prospect's unique requirements, staff recommends awarding a grant contingent on Project Wahoo's location at this site.

Financial Viability Assessment: The applicant has provided a credible cost estimate that includes a reasonable contingency. It has a demonstrated track record of successfully undertaking the development of industrial sites. Two localities with sufficient financial wherewithal participate in the RIFA and there is a high likelihood that this project will be completed successfully.

Staff recommends approval of the combined \$2,005,076 grant request (\$742,875 from the Danville allocation and \$1,262,201 from the Pittsylvania County allocation) contingent on Project Wahoo's location at this site at SVMP. Staff further recommends that the grant agreement provide for either (i) repayment of the grant if funds are paid before Project Wahoo acquires this site and Project Wahoo fails to locate at the site, or (ii) withholding all reimbursements until Project Wahoo locates at this site.

(Continued on next page)

PRINCE EDWARD

Prince Edward County

Prince Edward County Business Park Access Road (#3669)

\$117,167 Requested

Project Summary: The full balance of \$117,167 available in the Prince Edward County allocation is requested to support a portion of the \$2,097,000 estimated cost for construction of a 1,500 foot (0.28 mile) access road into the Prince Edward County Business Park. Matching funds for the project include a \$650,000 award from VDOT Access Road Funds that was approved in January 2020. The access road supports continued development of the County's primary business park that is being marketed to prospects for light to medium manufacturing and will provide access to four parcels that total 43 acres. In addition to the access road, another deliverable for the project is the extension of a 12" waterline for at least 900 linear feet.

Project Outputs: Construction of the 0.28 mile access road and extension of the 12" water line at least 900 linear feet.

Staff Comments and Recommendation: This request aligns with the Commission's funding priority for development of industrial parks for attraction of job creators to the region. Three previous grants awarded under the Special Projects and Southside Economic Development programs for a total of \$571,960 are currently committed to support the access road construction. The first request approved for funding in September 2015 (#3089) is included later in this report for approval of an extension to accommodate the current construction schedule. The full balance of TRRC funds remain in three grant project accounts and are available to support the construction costs.

The new road provides improved access to Lot 7A which was sold to an existing tenant in the park for a planned expansion, previously identified as a \$2 million private capital investment and 25 new jobs. The road will also provide access to Lot 7B (6.04 acres), which is graded and considered site ready, and to Lots 11 (9.42 acres) and Lot 13A (19.39), which are unimproved and will require additional investment. VEDP's website identifies this park as having graded pad sites capable of supporting buildings ranging from 36,000 to 100,000 square feet. The County and regional economic development staff identify ultimate plans for accommodating up to a 250,000 square foot building on the largest lot, which could result in at many as 300 new jobs and \$25 million capital investment. Prospect activity in 2020 includes seven companies with varying space needs between 25,000 and up to 275,000 square feet.

Approval of this request will be the fourth TRRC grant award for this project, and the total expected contributions by the County and from the VDOT grant that will serve as matching funds will be more than double the total committed funds from the Commission. To date, all expenditures for A&E work have been funded by the County. The project is now moving forward following a recent decision to enter into a contract with a new A&E firm. State and federal permit approvals are expected by the end of 2020, bidding is expected in early 2021, and construction is scheduled to be completed by October 2021.

Financial Viability Assessment: This is the fourth grant related to this project that the applicant has sought and, if awarded, TRRC support would total \$689,127—still less than half of the total estimated project costs. VDOT and the County's A&E have provided cost estimates and the amount budgeted is in line with one of the VDOT estimates. In addition, the budget includes an appropriate contingency in the event unexpected circumstances arise. VDOT has an active role in overseeing its Access Road projects, providing additional comfort that the project can be completed successfully.

Staff recommends approval of an \$117,167 grant award to support construction costs.

PREVIOUSLY TABLED OR REFERRED

CHARLOTTE

Charlotte County Industrial Development Authority
Shaw Carpet Building Renovation (#3591)
\$585,000 Requested

This application was submitted in 2019 for funding consideration under the FY20 Agribusiness program. The Agribusiness committee referred the application to the Southern Virginia Committee.

Project Summary: The former Shaw Carpet Building in Keysville will be acquired, renovated, and upfitted for Central Southside Hemp Processor's use as a regional hemp processing facility.

Staff Comments and Recommendation: Staff requested confirmation from the Charlotte County IDA of its interest in this project being reconsidered for funding and for any updates and additional information to be provided. No response was received. Significant deficiencies remain for the original application submittal including a lack of detailed renovation costs, failure to seek matching funds from DHCD's IRF program and the absence of a meaningful business plan for the hemp processing operation. In addition, it cannot be determined whether any of the Commission's desired agribusiness outcomes would result if this project proceeds.

Financial Viability Assessment: The current lack of information about the cost of building renovations and project parameters/impacts of the hemp processing operation make it impossible to both define the project and ascertain whether it is viable. The business plan presented does not consider expenses and revenues or any other details a typical business would consider. In addition, that investment of public funds from TRRC, DHCD and Virginia Growth Alliance would dwarf private investment 10:1 in a for-profit venture urges extreme caution.

The Commission made funding available for a specific round of applications to meet the needs of the Region associated with the industrial hemp industry. Staff believes that those needs have been or can be met by projects that have been completed or are underway. Staff recommends no award.

HALIFAX

Town of Halifax
Halifax War Memorial Heritage Tourism Site Enhancement Project (#3581)
\$179,000 Requested

This application was submitted in 2019 and considered for funding by the Southside Economic Development committee. In January 2020, the Full Commission tabled it.

Project Summary: The Town of Halifax seeks funding to supplement VDOT funds to extend decorative street lighting, signage, and landscaping around the Halifax County War Memorial connecting it to the Halifax Courthouse Square through safer pedestrian crosswalks and better ADA sidewalk access where

existing parking/future parking areas can be better utilized within the Town of Halifax Court House Historic District.

Staff Comments and Recommendation: As an initial matter, Halifax has largely completed this project without TRRC resources. A Halifax representative indicated that some signage and decorative elements remain outstanding. TRRC grant funding was sought for additional project costs represented as "streetscaping" related to construction costs for pedestrian crosswalks, lighting, signage, landscaping and ADA sidewalk access areas designed to connect to existing and future parking areas

Staff does not dispute that streetscape amenities improve the aesthetics of a community for residents and visitors, however, it is a significant deviation from Commission practice to fund streetscape improvements that are adjacent to visitor sites, relieving localities of the local VDOT match requirement. Staff sees no correlation between streetscape amenities and visitation to specific destination sites such as museums.

TRRC staff remains strongly committed to keeping economic development funds focused on tourism destinations of national/international importance and interest to out-of-region visitors. Streetscape improvements are an enormously expensive proposition that has been funded for decades by the VDOT enhancement program matched with local government funds. Staff strongly believes maintenance and improvement of public rights-of way such as streets and sidewalks is a responsibility of those agencies and localities, and that the Commission should not fund such projects.

Financial Viability Assessment: Given that this project has largely been completed with other resources, any additional funding for the originally intended purposes could not be considered to be a prudent investment of Commission resources. That said, the County is a competent and reliable steward of funds and could certainly complete the work promised.

Given that this Committee has previously recommended no award, the full Commission recommended that the project be tabled, and staff has never recommended funding for this project:

Staff strongly reiterates its opposition to using Commission resources for streetscape improvements as violating long established practice and stated policy. Furthermore, the project has largely been completed with other funds. Staff continues to recommends no award.

REGIONAL

Virginia Health Care Foundation (#3670)

Project Connect: Local Economic Recovery Relief During COVID-19 via Medicaid
\$371,546.00 Requested

Project Summary: The Virginia Health Care Foundation has applied for a grant of \$371,546 to support "Project Connect" for two years. VHCF will use the funding to pay for the cost of five outreach workers (three in the Southern Region and two in the Southwest Region) that will help enroll residents of the Region in Medicaid. VHCF will partner with five local and regional organizations that will each employ and support one outreach worker: the Virginia Legal Aid Society, Southwest Virginia Legal Aid Society, The Health Wagon, Danville-Pittsylvania Community Services, and the Martinsville-Henry County Coalition for Health and Wellness. Each outreach worker will enroll at least 325 new Region residents in Medicaid each year, or 1,625 annually. VHCF will evaluate the economic impact of new enrollments annually and track available data to estimate the amount of new Medicaid expenditures per enrollee in the Tobacco Region.

Project Outputs: Enrollment of 1,625 residents in Medicaid annually; increased spending of \$9.75 million at healthcare facilities in the Tobacco Region annually.

Staff Comments and Recommendation: In September 2018, the Commission awarded a \$500,000 grant (#3463) to VHCF through the former Special Projects program for a similar program called “Sign Up Now!” that partially supported eight outreach workers. VHCF expects to deplete this funding early in 2021. Despite some delay in recruiting the final eighth outreach worker, VHCF facilitated the enrollment of a significant number of Tobacco Region residents in Medicaid.

The economic disruption caused by COVID-19 has brought record job loss to the Tobacco Region. It is estimated that 74,166 residents of the Tobacco Region have lost their jobs, 45,241 of these newly unemployed also lost their health insurance, and 25,788 of these may be eligible for Medicaid coverage. In addition, COVID-19 has caused healthcare facilities nationally to struggle. For example, VHCF indicated that Sovah Health in Martinsville reported losing \$3 million per day in May. Chmura Economics performed an economic analysis that estimates about \$6,000 of new Medicaid spending will occur in the Tobacco Region for each new enrollee. Thus, approximately \$9.75 million of new spending at healthcare facilities in the Tobacco Region can be expected to result from this project.

Although healthcare is not a TRRC funding priority, increasing rates of those who are covered by health insurance will generate economic activity in the Region, enable healthcare institutions in the Region to create jobs and invest in their facilities, and provide a range of benefits to newly-covered residents. The TRRC Funding Policies caution against providing ongoing operating support beyond a start-up period (typically of up to three years). Because of the unique circumstances presented by COVID, VHCF’s credible characterization of “Project Connect” as an enrollment campaign that will target a different audience than 2018’s “Sign Up Now!” initiative, staff recommends a full award for year one but a reduced award for year two. The Commission’s core mission is to increase the capital base in the Region. When compared to the significant annual injection of capital of \$9.75 million expected to result from the new Medicaid enrollments, the requested amount is quite modest and should be considered as a prudent investment of Commission resources.

Financial Viability Assessment: Although TRRC funding would be used to provide operational support to VHCF for a total of five years if this request is fully funded, VHCF has credibly characterized how the proposed “Project Connect” campaign differs from the previous “Sign Up Now!” campaign. VHCF deployed outreach workers into the Tobacco Region effectively and demonstrated it has the financial and institutional wherewithal to adapt to difficult situations and administer “Project Connect” effectively. In addition, VHCF has secured commitments from several partner organizations that will provide matching funds in excess of the 1:1 matching requirement. Given the financial benefits that will accrue to healthcare institutions in the Region, it is realistic that VHCF will be able to identify other funders so its good work in the Tobacco Region may continue in year five and beyond.

Staff recommends approval of 100% of VHCF’s grant request for year one (\$186,773.50) with a 50% match requirement, and 50% of VHCF’s grant request for year two (\$93,386.75) with a 75% match requirement, for a total grant award of \$280,160.25.

OTHER BUSINESS:

EXTENSIONS AND MODIFICATIONS

Town of Brodnax

Brodnax Depot Renovation Project (#2975)

Request for One Year Extension

Staff Overview & Comments: The Commission approved a \$121,030 grant in January 2015 for acquisition and renovation of the historic 1860's railroad depot in the Town of Brodnax. This project involves the renovation of the 1,754 square foot facility to serve as a trailhead/restroom facility for users of the Tobacco Heritage Trail. The original award was contingent on approval of VDOT funding, which was required to be split into two phases with an amended contract that was finalized in early 2019. The Commission approved a fifth year extension and the current grant will end on January 1, 2021. A total of \$13,223 of grant funds have been used for acquisition of the depot and for architectural design fees. There remains a \$107,807 grant balance to support the renovations.

Construction bids were over budget in early 2020. The architect has worked to scale back the design and final design will require VDOT review prior to rebidding. Construction is scheduled to start in spring 2021 and to be completed by the end of 2021. The depot is a remarkable historic property at a prominent location and the primary focus for bringing economic revitalization to this former railroad town. Staff supports the one year extension approval.

Staff recommends approval of a one year extension to January 12, 2022.

Town of Alberta

Tobacco Heritage Trail – Alberta to Danieltown – Phase 1 (#3149)

5th year extension request

Staff Overview & Comments: The Commission approved a \$104,066 grant in May 2016 to support the minimum amount necessary to meet the match requirement for two VDOT grants. The scope of the original project included engineering/design of a 5.2 mile trail segment of the Tobacco Heritage Trail within Brunswick County from the Town of Alberta to the community of Danieltown and construction of a 0.6 mile trail segment within the Town of Alberta. The Commission's approval was based primarily on advancing the larger 5.2 mile trail segment to be ready for construction, with an accompanying focus on outcomes that were targeted to attracting visitors from outside the region, as opposed to the small 0.6 mile trail segment which would primarily serve as a local community recreational amenity. The Town experienced delays for a variety of reasons, some attributable to the split funding by VDOT, construction bids for the 0.6 mile section coming in much higher than anticipated, and revisions to specifications for the 0.6 mile section.

Without seeking permission from or informing Commission staff, the Town's project administrator—the Southside PDC—attempted to change the scope of the project to perform only conceptual design of the 5.2 mile section of trail (i.e., determine route/alignment) in lieu of performing full engineering design of this section.

At its June 2020 meeting, the Commission granted an interim extension to September 2020 to give time for the Town to obtain new bids based on adjusted construction specifications and discuss adjustments to the TRRC project budget subsequently. During a late August meeting with TRRC staff, the PDC revealed

that VDOT determined TRRC funds were not committed because of the interim extension despite the Town's project administrator having blessed the verbiage of the Commission's interim extension.

The PDC now requests an extension to September 30, 2021, a budget adjustment for all remaining TRRC funding to be used for construction of the 0.6 mile section of trail, and to use local funds to be spent on A&E fees associated with design engineering of the 5.2 mile section of trail to a Roanoke River Rails to Trails standard as matching funds. The reduced design standard means both A&E fees and ultimate construction of the 5.2 mile section will be more affordable if it proceeds.

Staff recommends approval of the budget revision and extension to September 30, 2021, contingent on the grantee completing design engineering of the 5.2 mile section of trail to a Roanoke River Rails to Trails standard or other standard approved by Commission staff prior to the Commission's release of any further grant funds.

Pittsylvania County

Cane Creek Centre Shell Building (#3352)

\$1,500,000 grant award approved – Request to convert grant to \$1,150,000 loan

Staff Overview & Comments: In January 2018, the Commission approved a \$1.5 million grant to Pittsylvania County that it planned to use to construct a 40,000 sq. ft. shell building designed for advanced manufacturers in the aerospace and automotive industries at the Cane Creek Industrial Park. The County has identified a private developer, Realty Link, that will construct a 100,000 sq. ft. shell building with an investment of only \$400,000 of Commission resources if affordable financing can be extended. The County has sold the property to Realty Link and indicates that construction has already commenced.

The County has requested that the Commission convert the previous \$1.5 million grant that was awarded into a partially forgivable \$1.15 million loan at 0% interest for five years. Of that \$1.15 million, the Commission would forgive \$400K once the shell building is substantially complete. If, by the end of the five year term, Realty Link has constructed a 100,000 sq. ft. shell building at Cane Creek, and an A&E has issued a certificate of substantial completion related to that building, then \$400K will be forgiven (leaving \$750K to be repaid). If the shell building is sold or a tenant leases it during the five year term, the \$750K balance would be due immediately. If the shell building is not sold or leased by the end of the five year term, then the County must repay the \$750K balance in a balloon payment.

Staff commends Pittsylvania County for developing a creative approach that will result in a larger, more marketable shell building at a successful business park and in a manner that conserves Commission resources.

Staff recommends converting grant #3352 to a loan of up to \$1.15 million that may be in the name of Pittsylvania County or its IDA subject to the following terms: (a) 0% interest for a five year term, (b) \$400,000 to be forgiven upon Realty Link's substantial completion of a 100,000 sq. ft. building at Cane Creek as determined by a licensed A&E, and (c) repayment of \$750,000 by the end of the five year term of the loan. Staff further recommends authorizing the Executive Director to take any additional actions necessary to execute the contemplated transaction.

OTHER BUSINESS:

ITEMS FROM THE SPECIAL PROJECTS COMMITTEE

The Corporation for Jefferson's Poplar Forest *Construction of the Poplar Forest Parkway (#3091)* Two Year Extension Request

Staff Overview & Comments: The grantee is requesting an extension to complete the project due to unanticipated that were delays beyond its control. This \$500,000 Special Projects grant was approved in September 2015, to support the then estimated ~ \$2.5 million costs for construction of a new permanent road of the estimated ~ 1.7 miles (now estimated at 2.2 miles) intended to transform Poplar Forest's by providing visitors with a new access to the physical site in a park-like setting and expanding interpretation by opening hundreds of acres of original plantation lands to visitor exploration.

At the time of the award an archeological survey of the proposed road corridor had been completed and design of the road was nearly complete. By October the Corporation's Board had contracted with Rieley & Associates to complete the construction documents. Initial challenges were with the permitting process by the U.S. Army Corps of Engineers, due to the road corridor unavoidably crossing several streams, and the inability to resolve stormwater design concerns, which ultimately resulted in the Corporation hiring a new engineer for the stormwater management aspect. Further delays were associated with the Corps' process involving other state and federal agencies including the Department of Historic Resources, the government shutdown in late 2018 and early 2019, and most recently delays receiving bids due to COVID and bid results being higher than estimated.

The Corporation's executive director has been in close contact with Commission staff throughout the project providing updates on the status. State and federal permitting issues are resolved and the grantee is anxious to proceed. The final design of the road increased its length from 1.7 miles to 2.2 miles and steps are being taken to address the increased costs. Construction plans were revised in August 2020 to reduce the scope and cost of the project and re-bidding is forthcoming in September with the construction contract expected to be initiated in spring 2021. While an eighteen month extension would likely be sufficient, staff suggests a full two year extension recognizing that the project can be closed early.

Staff recommends approval of a two year extension to September 23, 2022.

Prince Edward County *Prince Edward County Industrial Access Road (#3089)* Request for Two Year Extension to May 21, 2022

Staff Overview & Comments: This \$328,395 Special Projects grant award was approved in September 2015 to support site development work to expand available lots in the Prince Edward County Industrial Park. Construction of an access road extension was to be completed by November 2017. That did not occur and the project has been stagnated between changes in county staffing, an oversight of the application to the VDOT program not being submitted until 2019, and the identified need to contract with a different A&E to advance the project to completion. Matching funds were originally identified from VDOT Access Road funds, for which an award of \$650,000 was approved in January 2020. Two smaller awards from the Southside Economic Development committee –\$49,080 and \$194,485 awarded in 2016, are also committed to support this project and have received extension to 2022. The County approved a contract with a new A&E firm in August 2020 that is expected to accelerate completion of the project.

The revised project schedule which includes expectation to receive state and federal permit approvals by the end of 2020, bidding in early 2021, and construction to be completed by October 2021. Staff suggested to the County request the full two year extension in order to accommodate any further unanticipated and uncontrollable delays related to permitting or due to inefficiencies related to COVID.

Staff recommends approval of a two year extension to May 21, 2022.



AGENDA

SOUTHWEST VIRGINIA COMMITTEE

Electronic Conference Call Meeting

Monday, September 28, 2020

11:00 A.M.

If accessing the meeting from the internet via a computer or smartphone, use this link to access the electronic meeting:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m9d0997054a492b2bc42029fcb5fb95a3>

If accessing the meeting by telephone dial: 1-408-418-9388 (US toll) and utilize the meeting number: 132 060 4648# and meeting password: ymMFXnD2f32 (96639632 from phones and video systems)

If you have any access issues at the time of the meeting, contact David Bringman via email DBringman@revitalizeva.org or call 804-894-9659.

Welcome and Call to Order	<i>Evan Feinman, Executive Director</i>
Items Related to Remote Meeting	<i>Andy Sorrell, Deputy Director</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Election of Officers	<i>Evan Feinman, Executive Director</i>
Approval of the <u>1/6/20</u> Minutes	<i>(published on website)</i>
Extensions and Modifications	<i>Sara Williams, Southwest Regional Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	

Southwest Virginia Committee September 28, 2020

The Southwest Virginia Committee will meet on Monday, September 28th at 11:00 am to consider requests for extensions and amendments to the following existing active grants.

Appalachian Agency for Senior Citizens *Falls Mills Adult Day Care (#3185)* Approved for \$250,000 in September 2016 (\$250,000 balance) Request for extension

Staff Overview & Comments: This grant will assist with construction of the Falls Mills Adult Day Care facility. The total \$2.2M project began construction in March 2020 and was estimated to be 40% complete according to the Annual Report received on September 10. The TRRC funding is intended to be used at the end of the project which is projected to be complete by December 2020.

As background, staff did not recommend funding this project because it is not consistent with the priorities of the Southwest Program or the funding priorities identified in the Commission's Strategic Plan. It is essentially a social services project, and staff remains skeptical that it measurably grows the regional economy.

Nevertheless, staff respects the Commission's previous decision and recommends approval of an extension through January 31, 2021.

The Barter Foundation, Inc. *Expanding the Production Capacity of Barter Theatre, Phase 2 (#3071)* Approved for \$250,532 in September 2015 (\$250,532 balance) Request for budget revision and extension

Staff Overview & Comments: The Commission approved this grant to assist with costs related to renovating and upgrading Barter's costume shop. The project also received a \$500,000 award from Appalachian Regional Commission.

Barter has been impacted especially hard by the COVID-19 pandemic. With no clear timeline for when the theater will be able to resume its normal operations, more than 90 of Barter's employees have been furloughed. In an effort to generate revenue to fund partial operations, the Theatre developed the "Barter at the Moonlight" concept. The Moonlight Theater, a drive in theater that operated from 1949-2013, has been leased and redeveloped to allow live performances. These performances have created the opportunity for 30 furloughed employees to come back to work.

ARC is permitting Barter to shift the use of its funds to administrative and personnel costs related to the Moonlight Project. The grantee has requested that TRRC approve a corresponding budget revision to provide the required match for ARC and to further assist with Barter's operational needs. Although the Commission's Funding Policies generally caution against using TRRC resources for

operating expenses, an exception is appropriate in this circumstance due to Barter's prominence as the state theater of Virginia and its role as a significant economic driver in the region.

Staff recommends the approval of: (1) a budget revision to permit the full grant amount to be used for operating support related to Barter Theatre's response to the COVID-19 pandemic, and (2) extending the grant period through September 30, 2021.

Birthplace of Country Music

Birthplace of Country Music Museum and WBCM Expansion (#3196)

Approved for \$250,000 in September 2016 (\$250,000 balance)

Request for extension

Staff Overview & Comments: The Commission awarded this grant to complete Phase 3 renovations to The Annex, a building located adjacent to The Birthplace of Country Music Museum. Additionally, the Commission provided a \$250K award for Phase 1 renovations that are now complete.

The Commission approved funding the current project based upon the understanding that matching funds were largely committed at the time of approval. The application stated that a variety of Federal and State funds and New Market Tax Credits would be used during the three phases of the project. It does not appear that any tax credits were used to complete Phase 1 and current fundraising updates do not include tax credits for Phases 2 or 3. Updated cost estimates for these phases have not been provided, however, at the time of application, these phases were expected to require approximately \$3.65M. The Cabell Foundation awarded a \$275K challenge grant that requires a 3:1 match and must be met by December 2021. A \$600K request is also pending with the Department of Housing and Community Development's Industrial Revitalization Fund. Despite the grantee's representation that matching funds were already committed, a substantial amount of additional fundraising is still needed. The most recent grant report cites issues related to COVID-19 that have impacted fundraising activities and staff is skeptical that the grantee will be able to obtain all necessary funding and to complete the project by December 2021.

It appears that the applicant approached TRRC prematurely and will not be in a position to properly utilize Commission resources for several more years. Staff believes that the most prudent decision at this time is to close the grant and allow the grantee to reapply once its financial needs become clearer. Therefore, staff recommends no additional extension for this project.

Friends of Southwest Virginia

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

Approved for \$500,000 in September 2016 (\$356,336.21 balance)

Request for extension

Staff Overview & Comments: The balance of this grant will be used for costs associated with two capital projects. The first project, construction of the Damascus Trail Center, is on schedule and

expected to be complete in October 2020. A grand opening will be planned in late 2020 or early 2021. The second project, High Knob Destination Center Site Plan & Building Design project, is well underway. A first draft of the schematic design has been received and a revision is expected in mid-October.

Staff recommends approval of an extension through September 30, 2021.

Historic Crab Orchard Museum and Pioneer Park
Capital Expansion Phase III – Design (#3202)
Approved for \$50,000 in September 2016 (\$45,200 balance)
Request for extension

Staff Overview & Comments: The Commission awarded funding to support half of the cost of design services that would result in the construction documents required for further capital improvement projects at the Museum.

At time of approval, staff understood that Tazewell County had committed \$50K to assist with design costs, and the Museum was to contribute \$20K. Based on the cost estimates provided with the application, these commitments were sufficient to complete the full design phase. The Museum has completed a contract with Riggs Ward for the schematic design work only.

Despite the funding commitments being in place at time of application, the availability of matching funds seems unclear. Throughout the life of this grant, the grantee has experienced cash flow challenges.

Project updates include the recent award of a \$100K challenge grant from the Virginia Coalfields Economic Development Authority contingent upon the receipt of new matching funds. The Museum would like to proceed with architectural design related to only bathroom upgrades, but this work is not under contract nor has the grantee provided a cost estimate or definitive timeline.

Ultimately, because the grantee has provided no clear reason for why the project could not have been completed within the past four years and there is little evidence that an additional extension would result in a different outcome, staff recommends no additional extension.

Lee County IDA
Constitutional Oaks Access Road Development (# 2729)
Approved for \$60,000 in September 2013 (\$42,704.30 balance)
Request for extension

Staff Overview & Comments: The Commission approved this grant to support no more than 90% of the cost of basic engineering work needed to construct an access road serving the Constitutional Oaks Industrial Park.

Modifications to the pending design have been necessary to serve the needs of the company that purchased the shell building and will be locating at the Park. The engineer will continue to work with VDOT to resolve design requirements and issues necessary to receive final approval. Once design is complete, the County will be submitting an application to VDOT for Industrial Access Road funds to assist with road construction.

Staff recommends approval of an extension through September 30, 2021.

Smyth County Board of Supervisors
Smyth County's Back of the Dragon Overlook (#3078)
Approved for \$184,000 in September 2015 (\$161,210 balance)
Request for extension

Staff Overview & Comments: The Commission approved this grant to support 20% of the cost of engineering, permitting, design and construction of the Back of the Dragon Overlook in Smyth County. VDOT is funding the remaining 80%.

The project has made substantial progress over the past year. VDOT approved the final construction documents, a construction contract has been awarded to Inland Construction, and work began on August 28. Construction is expected to be complete within 120 days.

Staff recommends approval of an extension through September 30, 2021.

Southwest Virginia Community College
SWVA Regional Cybersecurity Initiative (#3187)
Approved for \$258,790 in September 2016 (\$118,006.79 balance)
Request for extension

Staff Overview & Comments: This project has provided support for a collaboration between the grantee, MECC, and UVA-Wise to create a regional cybersecurity workforce. The initiative, which was matched with ARC funding, utilized TRRC funds to establish cybersecurity labs at each college and assist with the cost of student certification exams.

Much of the project's fourth year was spent working through modifications to the grant's budget. These changes, primarily for additional equipment and staff training needs, appear to be within the original scope of the award and can be approved by Commission staff. SwVCC estimates that the project can be complete by Summer 2021.

Staff recommends an extension through September 30, 2021.

Southwest Regional Recreation Authority
Adventure Playground – Expanding the Regional Footprint of Economic Impact (#2904)
Approved for \$435,000 in September 2014 (\$93,204.42 balance)

Request for additional extension

Staff Overview & Comments: The grantee has requested a seventh year extension. The balance of the grant will be used to develop a horse trail in Scott County.

The project was delayed due to problems obtaining easements from affected landowners and by a lawsuit related to a key property (Rikemo). The Rikemo property will be available to begin construction of the horse trails in fall 2020, however, DEQ's decision to require SRRA to certify as Standards and Specifications Holders may create additional delay.

Despite DEQ's new requirements of SRRA, it appears that this project is ready to move forward and can be completed within the extension period.

Staff recommends approval of an extension through September 30, 2021.

Southwest Virginia Higher Education Center Foundation *Micronic Technologies Water Field Pilot Program to Support Commercialization Phase 2 (#3212)*

Approved for \$1,000,000 in September 2016 (\$124,879.71 balance)

Request for extension

Staff Overview & Comments: This project was approved through the Commission's former Research and Development Program to provide funding for design work related to developing a new water treatment technology. Due to delays associated with multiple location changes and Micronic's unsuccessful fundraising efforts, the company has made only limited progress towards this goal.

The balance of the grant will primarily be used to complete a contract with Genedge Alliance to facilitate the design and procurement of the ME-2 pre-production unit. This effort was impacted by COVID-19 which affected both vendor's timelines and Micronic's ability to operate in its facility during Spring 2020. The pre-production work resumed in July but additional milestones remain to be completed. Project leadership estimates that an additional six months is needed.

Staff recommends an extension through May 31, 2021.

Virginia's Heritage Music Trail: The Crooked Road *Expanding The Crooked Road Brand (# 2739)*

Approved for \$208,000 in September 2013 (\$49,525.64 balance)

Request for budget revision and extension.

Staff Overview & Comments: The balance of this grant had been allocated for construction of wayside exhibits, a portion of which involves updating kiosk touchscreens.

In its most recent update, the grantee estimated that it could complete the project by Spring 2021. The existing touchscreens will be reprogrammed and updated. In addition, The Crooked Road

would like to repurpose grant funds to develop a digital app that maps the entire TCR/SWVA region and provides layers of current physical waysides as well as new digital waysides.

A digital wayside would feature the same historic content on areas that are not currently served by physical wayside exhibits and recordings and could potentially connect the app user to events calendars and tourism contacts in each locality. This app would assist visitors with trip planning and provide on-the-go information for visitors. The funding for the development of this app was originally intended to develop new physical wayside locations.

Staff recommends an extension through May 31, 2021 pending the Executive Director's approval of a budget revision to allow the balance of the grant not needed for touchscreen updates to be used for app development.



AGENDA

EDUCATION COMMITTEE

Electronic Conference Call Meeting

Monday, September 28, 2020
11:45 A.M.

If accessing the meeting from the internet via a computer or smartphone, use this link to access the electronic meeting:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m9d0997054a492b2bc42029fcb5fb95a3>

If accessing the meeting by telephone dial: 1-408-418-9388 (US toll) and utilize the meeting number: 132 060 4648# and meeting password: ymMFXnD2f32 (96639632 from phones and video systems)

If you have any access issues at the time of the meeting, contact David Bringman via email at DBringman@revitalizeva.org or call 804-894-9659.

Welcome and Call to Order	<i>Ms. Becky Coleman, Chairman</i>
Items Related to Remote Meeting	<i>Andy Sorrell, Deputy Director</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Election of Vice Chairman	<i>Evan Feinman, Executive Director</i>
Approval of the <u>5/18/20</u> Minutes	<i>(published on website)</i>
Extensions and Modifications	<i>Sarah Capps, Southern Regional Director</i>
NCI Extension Request (#2882)	<i>Sarah Capps, Southern Regional Director</i>
SVAM COE Briefing (#3100)	<i>Sara Williams, Southwest Regional Director</i>
Healthcare Talent Attraction Program	<i>Stephanie Kim, Finance Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	

Education Committee

September 28, 2020

EXTENSIONS AND MODIFICATIONS

New College Institute New College Institute Center of Excellence (#2882) One Year Extension Request

Staff Overview & Comments: In May 2014, the Commission approved this \$2 million grant to the New College Foundation (NCF) to establish an advanced manufacturing Center of Excellence at the New College Institute (NCI). In May 2017, the Commission froze both this and a separate \$1,581,088 phase 2 COE grant (grant #3098) while issues related to the relationship between NCF and NCI and development of the COE were resolved. In September 2017, the Commission reassigned both grants to NCI. The project resumed in October 2018 when NCI developed a detailed training plan, partnership agreement, and revised detailed budget.

In October 2019, the Commission approved an extension of the grant period for this grant to September 22, 2020 given the delay experienced during the freeze, gaps in leadership directing development of the COE, and unexpected staff turnover at NCI. While implementing the COE, NCI has seen two changes in its advanced manufacturing coordinator position, four changes to its assigned project manager and three executive directors.

NCI's new leadership has worked attentively to redefine the value that NCI can offer and recently presented an overview of its updated plan for the COE to staff. There is a balance of approximately \$453K to support expenses at both NCI and Patrick Henry Community College associated with the COE. This extension will permit NCI and PHCC to continue to provide training after mandated closures related to the COVID pandemic.

Staff recommends approval of the extension to September 30, 2021.

Southwest Virginia Alliance for Manufacturing Southwest Virginia Advanced Manufacturing Center of Excellence (#3100) Project update and request for final extension

Staff Overview & Comments: Although this project is no longer active, additional time is necessary to complete close out activities, including relocating Commission-funded assets and completing facility repairs required at the Southwest Virginia Advanced Manufacturing Center of Excellence's (COE) former locations. The COE also requests that grant funds be allowed to reimburse for its share of an upcoming audit.

Staff's diligent efforts to encourage the COE to develop a sustainable business model were unsuccessful and it became apparent the COE could not sustain operations after the grant period. Commission staff notified COE leadership in March 2020 that grant funds would no longer be available as of June 30, 2020 due to these longstanding concerns. Requiring the cessation of COE activities prior to the September 30, 2020 grant expiration date allowed TRRC to control the wind down of the Center's operations and to preserve the balance of the grant funding for appropriate project close-out expenses.

A substantial amount of welding, mechatronics, and machining training equipment was purchased with Commission funds and located at the COE's three sites. Because there was limited demand for the trainings COE was established to provide, the majority of this equipment was effectively brand new. COE and TRRC staff worked diligently to locate new homes for the equipment to ensure that it would continue to be used for training purposes within the Southwest region.

In May, staff received a proposal from the Manufacturing Technology Center (MTC), a non-profit organization comprised of manufacturing and educational partners and housed at Wytheville Community College, to assume ownership of COE assets. The MTC proposal called for the development of a "hub and spoke" training model linking the five community colleges serving the Southwest Virginia Region (Wytheville Community College, Virginia Highlands Community College, Southwest Virginia Community College, Mountain Empire Community College, and New River Community College). Each participating college will focus on an individual area of expertise in the areas of welding, mechatronics, and machining. By relocating the equipment to entities that provide workforce training successfully, many of the original objectives of the COE will be continued in a model that is both practical and financially viable.

The MTC and the participating colleges have successfully relocated much of the COE equipment. An MOU among the MTC and the community colleges required that recipient schools shoulder the expenses associated with moving the equipment. Once all equipment has been moved, facility repairs that the COE is required to make will be performed.

Despite the challenging history of this project, the Southwest region will continue to benefit because all of the equipment will be put to productive use in various training programs. Commission staff will continue to monitor the MTC's work to measure the training outcomes that are accomplished under the arrangement.

Staff recommends an extension through December 31, 2020 to allow the remaining balance (\$199,533.70) to be used for project close out expenses.



Talent Attraction Programs

September 2020 Update

fppt.com

1



Two Programs

- VDH VA-SLRP
 - \$2 million awarded in June 2020 and disbursed
 - Targeting medical professions
 - First year partnering with VDH-OHE
- TAP
 - \$4 million allocated to date
 - \$1.6M awarded in Oct 2019
 - \$1.3 M awarded in April 2020
 - Targeting non-medical hard-to-fill occupations

fppt.com

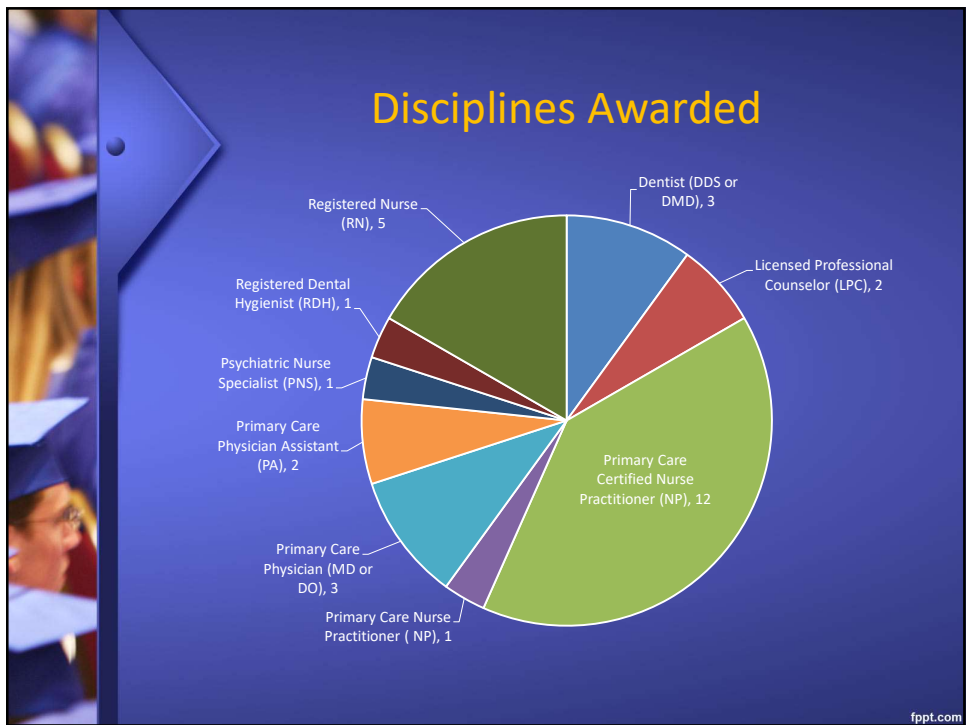
2

VDH VA-SLRP

- Loan repayment program for qualified medical, dental, behavioral health, and pharmaceutical professionals in return for 2 years of service in HPSAs
- Handled by VDH Office of Health Equity
- \$2 million of Commission funds awarded leveraging \$1 million in federal, state, and local funds
- 30 of 56 awards made to tobacco region residents and workers

fppt.com

3



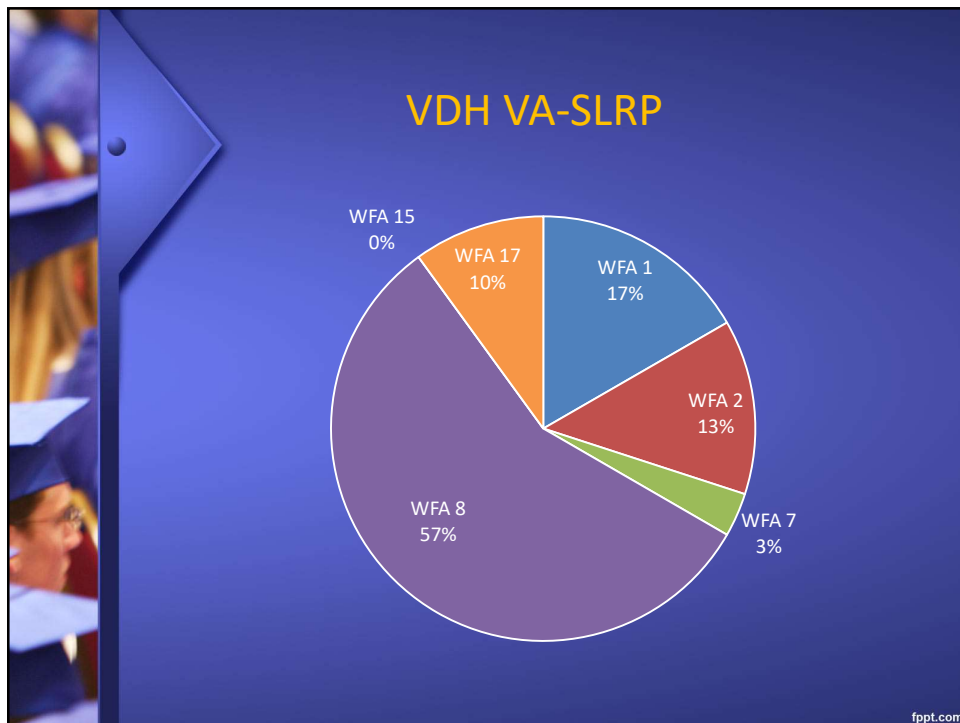
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Workforce Areas


WFA	Localities
WFA 1	Buchanan, Dickenson, Lee, Norton, Russell, Scott, Tazewell, Wise
WFA 2	Bland, Bristol, Carroll, Floyd, Galax, Grayson, Smyth, Washington, Wythe
WFA 7	Appomattox, Bedford, Campbell
WFA 8	Amelia, Brunswick, Buckingham, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, Nottoway, Prince Edward
WFA 15	Dinwiddie, Emporia, Greensville, Sussex
WFA 17	Danville, Franklin, Henry, Martinsville, Patrick, Pittsylvania

fppt.com

5



6




TAP Eligible Occupations

- Public School Teacher in Science, Math, Technology/Computer Science, or Career and Technical Education (Grades 6-12)
- Public School Special Education Teacher (K-12)
- Speech Language Pathologist, Physical or Occupational Therapist
- Industrial or Electrical Engineer
- Information Security, Network, or Computer Systems Analyst

fppt.com

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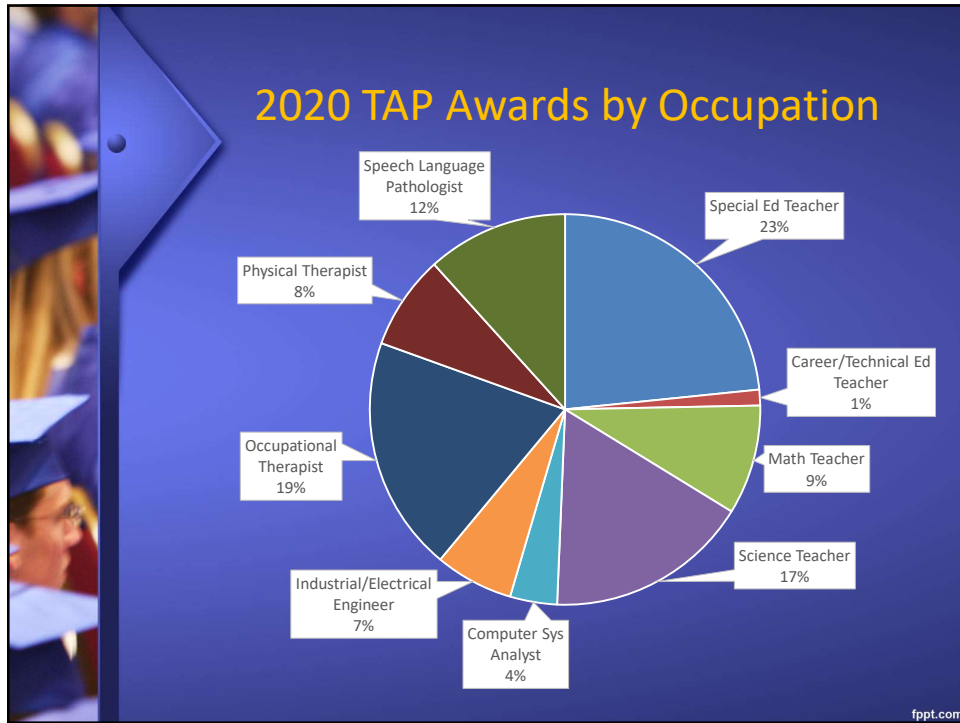


2020 TAP Awards

- 91 applications received
- 77 awards made
- Total awarded: \$1,348,000
- Average award: \$ 17,506
- Average debt: \$ 59,192
- 21% (16 recipients) not originally from Tobacco Region

fppt.com

8



9

Potential Issues

- Volunteer hours may be waived this year with expectation to partially make up hours next year
- Some 2020 recipients may not graduate on time due to COVID-19 and may need award extensions

fppt.com

10



Motions Needed

- Funding for 2021 VDH Student Loan Repayment Program for healthcare occupations
- Funding for 2021 Talent Attraction Program targeting hard-to-fill occupations

fppt.com



AGENDA

INCENTIVES AND LOAN COMMITTEE

Electronic Conference Call Meeting

Monday, September 28, 2020
2:00 P.M.

If accessing the meeting from the internet via a computer or smartphone, use this link to access the electronic meeting:

<https://viriniatobaccocommission.my.webex.com/viriniatobaccocommission.my/j.php?MTID=m9d0997054a492b2bc42029fcb5fb95a3>

If accessing the meeting by telephone dial: 1-408-418-9388 (US toll) and utilize the meeting number: 132 060 4648# and meeting password: ymMFXnD2f32 (96639632 from phones and video systems)

If you have any access issues at the time of the meeting, contact David Bringman via email at DBringman@revitalizeva.org or call 804-894-9659.

Welcome and Call to Order	<i>Evan Feinman, Executive Director</i>
Items Related to Remote Meeting	<i>Andy Sorrell, Deputy Director</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Election of Officers	<i>Evan Feinman, Executive Director</i>
Approval of the <u>4/29/20</u> Minutes	<i>(published on website)</i>
Project Skyscraper (Closed Session)	<i>Andy Sorrell, Deputy Director</i>
Project Homecoming (Closed Session)	<i>Andy Sorrell, Deputy Director</i>
Extensions and Modifications	<i>Andy Sorrell, Deputy Director</i>
TROF Incentive Policy Discussion	<i>Evan Feinman, Executive Director</i>
Approval of Loan Fund Program Guidelines	<i>Evan Feinman, Executive Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	

Incentives and Loan Committee

September 28, 2020

EXTENSIONS AND MODIFICATIONS

City of Bristol, Virginia

CBH Bristol, LLC a.k.a. The Sessions Hotel (#2850)

Request for a Performance Extension through December 31, 2022

Staff Overview & Comment: This Tobacco Region Opportunity Fund (TROF) grant was awarded to the City of Bristol (the City) and CBH Bristol, LLC (the Company) in February 2014 in the amount of \$265,000 with funding fully disbursed prior to performance. The original performance period ended December 31, 2016 and was administratively extended for an additional year through December 31, 2017. The executed performance agreement required the company to employ 75 persons with an aggregate payroll of \$434,408. The taxable asset obligation during the performance period was \$19,823,298.

In October 2019, when the Project was 70% complete, the Commission approved an extension of the grant performance period through December 31, 2019 given projects delays related to raising capital among other things. Additional delays related to the pandemic prevent the Company from opening the hotel in early 2020 which delayed the company's ability to significantly complete their performance obligations by the end of 2019. The Company opened the hotel in late June 2020 and have been open since that time. Attached is a letter of support from the City including a letter from the Company detailing the extension request. While staff understands the Company's desire for a longer extension past 2020, now that the facility is open, all of the hiring and capital investment anticipated for the project should be able to be captured by extending the project one last time. Therefore, staff supports an extension of the performance period for this project through the end of 2020.

Staff recommends approval of the extension through December 31, 2020.



CITY OF BRISTOL, VIRGINIA
Department of Economic Development
300 Lee Street
Bristol, Virginia 24201
(276) 645-7352

September 15, 2020

Mr. Andrew V. Sorrell, Deputy Director
Virginia Tobacco Region Revitalization Commission
701 E. Franklin Street, Suite 501
Richmond, VA 23219

RE: The Sessions Hotel – TROF #2850

Dear Mr. Sorrell,

This letter provides the following information with regard to the Sessions Hotel TROF #2850:

1. a timeline of the numerous unexpected delays, mostly related to funding the project
2. an “accounting” of current status of the project
3. our projected dates for complete satisfaction of the grant terms

Timeline – Due to the complicated funding structure of this project, most delays have been related to getting financing commitments and subsequent closings.

- 02/25/14 – Date of the Tobacco Commission Performance Agreement.
- 04/30/15 – Received Senior Loan Commitment from Community Trust Bank (“CTB”). This delay of over a year was due to 1) abandoning pursuit of New Market Tax Credits (“NMTC’s”), and 2) working through numerous banks that were either too small or not in the hospitality business until finally finding the right banking partner. A condition of CTB’s commitment is the use of a USDA Business and Industry Loan guarantee, which add another layer of approvals and a significant amount of documentation.
- 06/30/15 – Received USDA pre-approval and invitation to submit application, began process of generating application documents, which required over 500 pages of documentation.

- 09/24/15 – Met onsite with USDA and CTB to review project and address flood zone concerns.
- 10/08/15 – Met in Richmond with VTC, VRA, and City of Bristol to work out details of meshing Tourism Development Financing Program (“TDFP”) and City of Bristol No Net Loss agreement.
- 10/23/15 – Received first appraisal of project, a requirement of lender, however, appraisal was performed incorrectly and had to be reordered by lender.
- 11/06/15 – Submission to USDA.
- 11/20/15 – Received term sheet from another investor for HTC’s that is better than original offeror, so comparing terms.
- 11/23/15 – Received “correct” appraisal.
- 12/03/15 – Received comments from USDA requesting additional financial information from CPA, which is almost complete and will be submitted to USDA no later than next week. Once we receive approval from USDA, we expect 30 days to get to closing, as advised by CTB.
- 06/01/16 – Received USDA Conditional Commitment.
- 05/03/17 – USDA Conditional Commitment extended to June 1, 2018 due to delays in SBA backed TDFP Gap Financing loan.
- 05/22/17 – Received SBA 504 Authorization for Debenture Guarantee.
- 08/25/17 – Executed contract with Architect.
- 08/31/17 – USDA/CTB Loan Closed.
- 09/12/17 – CTB notifies Sessions Properties that commercial loan officer who closed the loan is no longer with CTB. Also, CTB now requiring a bridge loan for the SBA 504, a new requirement and unforeseen requirement that surfaced after the loan officer change.
- 04/23/18 – CTB Bridge Loan for SBA 504 note closed.
- 06/19/18 – 100% Construction Documents received from Architect.
- 08/15/18 – Land Disturbance Permit received from the City of Bristol.
- 08/20/18 – Building Permit received from the City of Bristol.
- 09/11/19 – Construction is over 70% complete.
- 06/29/20 – Open for Business.

Current Status of Project

- Total capital investment to date: \$14,619,027 (73.75% of required, will be over 75% by the end of September 2019)
- Approximate construction payroll, including subcontractors, to date by quarter:
 - 2018-Q1 - \$86,870
 - 2018-Q2 - \$171,732
 - 2018-Q3 - \$257,814
 - 2018-Q4 - \$803,419
 - 2019-Q1 - \$713,068
 - 2019-Q2 - \$908,922
 - 2019-Q3 - \$359,361 (to-date, will be greater than 2019-Q2 at end of quarter)

Projected Dates for Satisfaction of Grant Terms

- Project will exceed total investment amount of \$19,823,298 by December 31, 2019.
- Project will employ at least 75 persons with a quarterly aggregate payroll of at least \$434,408 by March 31, 2020.

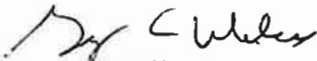
Sessions Properties, LLC appreciates the continued support of the Virginia Tobacco Region Revitalization Commission as they have successfully navigated the numerous lengthy delays and are have brought this project to a conclusion and added a very valuable asset to the City of Bristol, Virginia. This grant was truly the “seed” that allowed Sessions to embark on this lengthy endeavor.

Please find attached to this letter a letter from Mr. Todd Morgan, who is a Managing member at Sessions Properties, LLC.

The City supports an extension through December 31, 2022 of the Performance Agreement for this project. I am very confident that this project will meet its performance obligations within this period of time. We are very thankful for the Commission working with us on this project and truly helping to revitalize the City of Bristol Virginia.

Thank you for your kind consideration.

Sincerely,



Gary C. Wilcox
Economic Development Director

Sessions Properties, LLC
3825 Blue Ridge Drive
Roanoke, VA 24018

September 10, 2020

Mr. Chris Wilcox, Economic Development Director
City of Bristol Virginia
300 Lee Street
Bristol, VA 24201

RE: The Sessions Hotel – TROF #2850

Dear Mr. Wilcox,

This letter is in response to the Tobacco Commission's offer to provide an additional year of performance extension through December 31, 2020. The numerous delays beyond our control related to the project rehabilitation completion have been previously documented in our letter of September 11, 2019 and will not be repeated here.

We appreciate the Commission's offer to extend and would ask that they extend through December 31, 2020, although an extension to December 31, 2021 or 2022 would be more desirable due to the current state of the Country as related to the COVID-19 pandemic.

As you know, our opening was delayed by 3 months due to the pandemic and ultimately opened during the ongoing pandemic. Thus, as expected, we are operating at far less occupancy than what was modeled in our pro forma that was created years before the pandemic. At the moment we are close to keeping pace with the local market at about 50% of our pro forma occupancy, but this is certainly not the level needed to meet the performance agreement requirements.

In addition, we have no idea, nor do any businesses at this point, when things will begin improving and at what pace they will improve. Therefore, it is hard to quantify how much of an improvement towards meeting the employment requirements we will make, other than to say it will certainly be positive.

We would also like the opportunity to revisit the merits of the Tobacco Commission considering the performance agreement "satisfied" based on the construction payroll numbers that were communicated in our June 19, 2020 email. While the payroll numbers cannot be verified in the manner that the Commission requires, they are nonetheless valid and far exceed the requirements of the grant. We also need to resolve the fact that we spent \$23,816,689.00 on this project, which also greatly exceeds the promised investment of \$19,823,298.00. I think this is easily accomplished with short discussion of the pertinent facts around what was spent and what the City has recorded. In addition, if the Commission members could visit The Sessions Hotel and see what a great asset we have created for the City with their generous \$265,000 seed grant, I think they will agree this was money well invested.

Sincerely,
Sessions Properties, LLC



Todd Morgan, MBA
Managing Member

Tobacco Region Revitalization Commission Loan Fund Program Guidelines

The Tobacco Region Revitalization Commission's (TRRC) FY2020-2022 strategic plan (the "Strategic Plan") calls for expanding its lending programs and developing a portfolio of loans to work alongside the Tobacco Region Revolving Fund. These Guidelines (the "Guidelines") describe the types of entities that may apply for financing through TRRC's Loan Fund Program (the "Program"), the types of projects for which financing may be available, and general requirements for prospective borrowers. TRRC's Incentives and Loan Committee reserves the right to modify these Guidelines at any time.

This Program will be made available directly to Localities and educational institutions TRRC serves and to businesses located within the TRRC footprint. All projects financed through the Program must generally align with the Strategic Plan.

All lending activity will be subject to approval by TRRC staff as well as underwriting and credit analysis performed by TRRC's partners at the Virginia Resources Authority ("VRA"). TRRC intends to offer highly competitive rates and terms, however, all proposed terms are subject to approval by TRRC staff, in consultation with VRA and such additional advisors as staff may consult.

After reviewing the Guidelines and requirements below, parties interested in seeking financing through the Program should reach out to:
LoanRequest@revitalizeva.org

I. What are the goals of the Program?

- A. The Program is designed to meet the capital needs of Localities, educational institutions, and businesses within the TRRC footprint.
- B. The Program seeks to improve the business climate and project success rate within the TRRC footprint by both increasing the availability of capital as well as making financing with competitive rates and flexible terms to the extent and in the manner that best-supports Program objectives.
- C. Finally, the Program will seek to increase the earnings that TRRC receives on its capital to better support both TRRC's grant programs and future lending activity.

II. Who can apply?

Three distinct sets of entities are invited to apply for loans: 1) cities, counties and towns, and their political subdivisions such as EDAs ("Localities") within the TRRC footprint, 2) post-secondary education institutions within the TRRC footprint, and 3) businesses that meet eligibility criteria.

- A. Localities located in the TRRC footprint are eligible to apply for financing through the Program related to projects that are consistent with the Strategic Plan.
- B. Post-secondary educational institutions are eligible to apply for financing through the Program if they:
 - 1. Are a public or nonprofit educational institution based in Virginia that offers post-secondary degrees or an affiliated entity such as an institutional foundation;
 - 2. Plan to spend all – or nearly all, subject to staff approval – of the loaned funds within the TRRC footprint;
 - 3. The project to be financed is consistent with the Strategic Plan; and
 - 4. Have been referred to the loan fund by TRRC staff.
- C. Businesses are eligible to apply for financing through the Program if they:
 - 1. Operate, or in connection with the project to be financed will operate, a business location within the TRRC footprint;
 - 2. Plan to spend all – or nearly all, subject to staff approval – of the loaned funds within the TRRC footprint;
 - 3. Support tourism or are in a traded sector, meaning the business primarily provides goods or services to those from outside the footprint in exchange for capital;
 - 4. A principal of which is willing to make a personal guarantee (for smaller businesses) or the business is willing to demonstrate ready access to assets necessary to pay the debt; and
 - 5. After underwriting and credit analysis, are found to be creditworthy at the sole determination of TRRC staff with advice from VRA and such other partners and advisors as TRRC staff may consult.

III. What are the rates, terms, and other details of loans offered?

TRRC anticipates offering loans at rates that are competitive relative to those offered by private-sector lenders. Those seeking a loan who have already received an offer from a commercial lender are encouraged to provide their offer documents to TRRC staff for review to speed the review process.

Rates and terms for loans available to Localities will differ from those offered to businesses.

- A. Localities seeking financing may select from one of the following options:
 - 1. Rates available to Localities will be fixed according to term and updated periodically.

2. Loans will be offered at fixed interest rates.
 3. Loans will not have terms that extend longer than 20 years.
- B. For businesses and post-secondary educational institutions seeking loans, offers will vary depending on the specifics of the party seeking a loan and the project to be financed:
1. Business and educational interest rates will be determined on a case-by-case basis after VRA performs underwriting and analysis of the credit risk presented by the business or educational institution.
 2. Loans extended to businesses and educational institutions will not have terms that extend longer than 10 years.
 3. TRRC loans can include capitalized interest or interest-only periods during construction and revenue ramp-up periods (such as construction of a manufacturing facility which will only generate revenue after construction is complete or creation of a new educational program which will not generate tuition revenue for a period of years).

IV. How can a Locality, educational institution, or business apply?

- A. Localities may apply [\[link to application portal for city/county loan applicants\]](#). To apply, the Locality must submit:
1. A narrative document detailing the proposed use for the funds;
 2. A single point of contact at the Locality;
 3. A copy of a resolution by the Locality's governing body approving pursuit of a loan in the stated amount and for the stated purpose;
 4. Indication of which of the published fixed loan options included in these Guidelines that the Locality wishes to pursue; and
 5. Such additional information as TRRC or VRA may request (e.g., audited financial statements).
- B. Educational institutions must first apply through the TRRC's funding portal during an announced round of competitive education funding and be referred to the Program for funding. Once referred, to apply for a loan, the institution must have, in addition to the recommendation:
1. A narrative document detailing your proposed use for the funds;
 2. A single point of contact at the applicant institution;
 3. Any documentation, feasibility studies, or comparable programs to support the contention that revenues will be adequate to service the debt;
 4. Such additional information as TRRC or VRA may request (e.g., audited financial statements).

- C. Eligible businesses that apply to the Program (see II.C.) may apply [\[link to application portal for business loan applicants\]](#). To apply, a business must submit:
1. A certification signed by an authorized officer affirming and detailing the manner in which the business meets the eligibility criteria detailed in II.C. above;
 2. A narrative document detailing the proposed use for the funds;
 3. A single point of contact at the applicant business;
 4. A copy of the business' last three years of audited financial statements;
 5. Detailed descriptions of any proposed collateral or other security;
 6. A complete description of all other debt or investments that will support the proposed use of loan funding; and
 7. Such additional information as TRRC or VRA may request.

V. How does the Program operate?

- A. There are two avenues by which TRRC may consider extending a loan to a potential loan recipient:
1. Application: An applicant, either a Locality or an eligible business may apply for a loan via the portal on the TRRC website, located [\[link to application portal for city/county loan applicants\]](#) for Locality applicants and [\[link to application portal for city/county loan applicants\]](#) for business applicants.
 2. Referral: An applicant may be referred to the TRRC loan program, having applied for a grant through one of the TRRC grants programs, if the full TRRC commission so recommends. This is a requirement for educational institutions.
- B. Upon receipt of an application from a Locality:
1. The Locality's need and financial status is evaluated by VRA and TRRC.
 2. If necessary, VRA or TRRC may request additional information from the applicant.
 3. TRRC staff will determine how much capacity is currently available in the Program and the extent to which the project to be financed supports the overall mission of the TRRC, as described in the TRRC Strategic Plan.
 4. Should a Locality have a project that it believes requires a deviation from the loan offerings described in these Guidelines, the Locality's point of contact should contact the TRRC Executive Director to schedule a call or meeting to discuss the proposed alternate structure.

Deviations from the fixed loan packages for local governments will be rare.

5. VRA will provide a term sheet and appropriate loan documents to the Locality's point of contact.
- C. Upon referral of an application from a post-secondary educational institution or other eligible borrower by TRRC grants staff:
1. TRRC staff will verify the eligibility of the institution.
 2. If necessary, VRA or TRRC may request additional information from the applicant.
 3. VRA staff will conduct thorough underwriting of the applicant's programmatic plans, and either extend an offer of credit or advise TRRC staff of any concerns.
 4. If there are no concerns or all concerns have been resolved, VRA will provide a term sheet and appropriate loan documents to the Locality's point of contact.
- D. Upon receipt of an application from an eligible business:
1. TRRC staff will verify the eligibility of the business;
 2. TRRC staff will consult with the TRRC Executive Director's credit advisory committee. This committee will consist of persons selected by the Executive Director and will include citizens with finance and banking expertise. The credit advisory committee will assist TRRC staff to assess the viability of the project to be financed and other matters relevant to the proposed loan.
 3. If necessary, TRRC or VRA may request additional information from the business applicant.
 4. A proposal will be extended by TRRC staff, subject to acceptable underwriting and credit analysis performed by VRA.
 5. VRA staff will conduct thorough underwriting and credit analysis of the applicant, and either extend an offer of credit or advise TRRC staff of any concerns.
 6. If there are no concerns or all concerns have been resolved, VRA will provide a term sheet and appropriate loan documents to the Locality's point of contact.

TROF Awards FY 2016 - FY 2021 to date

Project #	Date Approved	Status	Organization	Project Title	Jobs Promised	Capital Investment Promised	Approved Grant Amount	Approved Loan Amount	Total Approved Amount
3672	9/11/2020	Pending award documents	Washington County	Project Guardian	113	\$7,964,000	\$99,500	\$0	\$99,500
3671	9/11/2020	Pending award documents	Charlotte County IDA	Project Peanut	13	\$6,943,000	\$24,500	\$24,500	\$49,000
	FY 2021 (to date)		# of Projects	2	126	\$14,907,000	\$124,000	\$24,500	\$148,500
3654	6/15/2020	Pending award documents	Grayson County	Project Metal	60	\$4,775,000	\$265,500	\$265,500	\$531,000
3616	1/22/2020	Pending award documents	Washington County	1901 Group, LLC	150	\$1,150,000	\$140,000	\$0	\$140,000
3611	1/14/2020	Pending award documents	Franklin County	Traditional Medicinals, Inc.	56	\$29,580,000	\$245,000	\$245,000	\$490,000
3612	12/09/2019	Pending award documents	Pittsylvania County	Just Greens, LLC	92	\$41,836,000	\$190,000	\$0	\$190,000
3609	11/25/2019	Pending award documents	Cumberland County	Project Walton	52	\$31,650,000	\$65,000	\$65,000	\$130,000
3608	10/25/2019	Pending award documents	Pittsylvania County	Morgan Olson LLC	703	\$57,840,000	\$1,195,000	\$0	\$1,195,000
3585	11/25/2019	Pending award documents	Mecklenburg County	Project Schyler	351	\$61,050,000	\$640,500	\$640,500	\$1,281,000
3583	09/12/2019	Active	Danville, City of	PRA Group Inc.	300	\$10,858,219	\$1,095,000	\$1,095,000	\$2,190,000
3556	08/06/2019	Pending award documents	Danville-Pittsylvania Regional Industrial Facility Authority	Project Heart	45	\$6,445,000	\$270,000	\$270,000	\$540,000
	FY 2020		# of Projects	9	1,809	245,184,219	4,106,000	2,581,000	6,687,000
	FY 2019		# of Projects	20	1,334	\$215,915,399	\$4,490,000	\$2,665,000	\$7,155,000
	FY 2018		# of Projects	28	1,035	\$126,009,797	\$3,640,000	\$642,500	\$4,282,500
	FY 2017		# of Projects	20	715	\$143,288,700	\$3,170,000	\$997,500	\$4,167,500
	FY 2016		# of Projects	25	2,056	\$841,383,750	\$10,173,000	\$0	\$10,173,000

TROF Loans as of Sept. 2020

Project #	Date Approved	Organization	Project Title	Loan Amount	Remaining Loan Amount to be Repaid
3671	9/11/2020	Charlotte County IDA	Project Peanut	\$ 24,500	\$ 24,500
3654	6/15/2020	Grayson County	Project Metal	\$ 265,500	\$ 265,500
3611	1/14/2020	Franklin County	Traditional Medicinals, Inc.	\$ 245,000	\$ 245,000
3609	11/25/2019	Cumberland County	Project Walton	\$ 65,000	\$ 65,000
3583	9/12/2019	Danville, City of	PRA Group Inc.	\$ 1,095,000	\$ 1,095,000
3556	8/6/2019	Danville-Pittsylvania Regional Industrial Facility Authority	Project Heart	\$ 270,000	\$ 270,000
3550	5/22/2019	Danville, City of	Litehouse Inc.	\$ 220,000	\$ 220,000
3545	4/30/2019	Carroll County	Blue Ridge Designs, LLC	\$ 50,000	\$ 40,000
3544	4/30/2019	Joint IDA of Wythe County, VA	Seven Sisters Brewery, LLC	\$ 15,000	\$ 15,000
3507	6/6/2019	Russell County Industrial Development Authority	Polycap LLC	\$ 140,000	\$ 126,000
3501	12/12/2018	Danville, City of	Essel Propack	\$ 330,000	\$ 330,000
3484	10/15/2018	Danville-Pittsylvania Regional Industrial Facility Authority	BGF Industries, Inc.	\$ 620,000	\$ 620,000
3482	10/15/2018	Danville-Pittsylvania Regional Industrial Facility Authority	Harlow Fastech LLC	\$ 630,000	\$ 630,000
3481	10/9/2018	Franklin County	Empire Bakery Commissary	\$ 140,000	\$ 112,000
3476	10/9/2018	Danville, City of	VitalPlan Inc	\$ 70,000	\$ 70,000
3448	6/6/2018	Nottoway County	UAV Pro, Inc.	\$ 260,000	\$ 260,000
3406	2/22/2018	Floyd County	Daley Acquisitions, LLC	\$ 50,000	\$ 30,000
3393	12/7/2017	Buchanan County Industrial Development Authority	Trina Health of Pounding Mill, LLC DBA Trina Health Town Center	\$ 27,500	\$ 16,500
3340	9/12/2017	Appomattox County EDA	Innovatio Sealing Technologies, LLC	\$ 40,000	\$ 24,000
3300	5/31/2017	Town of Tazewell Industrial/Economic Development Authority	Sunset Digital Communications Incorporated	\$ 680,000	\$ 408,000
3299	5/23/2017	Carroll County Industrial Development Authority	VA Produce	\$ 47,500	\$ 18,998
3297	4/27/2017	Russell County Industrial Development Authority	Jennchem, LLC	\$ 107,500	\$ 43,000
3296	4/27/2017	Tazewell County Industrial Development Authority	Trina Health of Pounding Mill, LLC	\$ 45,000	\$ 22,500
3295	6/8/2017	Greensville County	Oran Safety Glass, Inc. (OSG)	\$ 117,500	\$ 47,000
TOTALS				\$ 5,265,000	\$ 4,707,998

Status of Active TROFs with Concluded Performance Periods as of Sept. 2020

Project Number	Date Approved	Start Date	End Date	Organization	Project Title	Performance Period Status	Status 1	Status 2	Clawback Amount	Clawback Repaid	Clawback Remaining
1861	7/20/2009	6/30/2010	12/31/2017	Greenville	The Good Earth Peanut Company, LLC	Performance Period Ended	Full performance not met	Negotiating repayment terms	\$ 30,500	\$ 10,000	\$ 20,500
2482	12/20/2011	6/30/2012	6/30/2017	Danville	River District Development, LLC(RDD, LLC.)	Performance Period Ended	Gathering Performance Data				
2490	11/28/2011	9/30/2011	6/30/2017	Bristol	IstobalUSA Corp (IUSA)	Performance Period Ended	Full performance not met	Negotiating repayment terms	\$ 93,721	\$ 65,278	\$ 28,443
2505	7/1/2012	1/1/2012	12/31/2016	Brunswick	Virginia Electric & Power Company (VEPCO)	Performance Period Ended	Gathering Performance Data	Confirming full performance			
2592	8/23/2012	6/30/2012	6/30/2015	Danville	Norhurst Inc.	Performance Period Ended	Full performance not met	Negotiating repayment terms	\$ 375,000	\$ 312,500	\$ 62,500
2706	7/1/2013	3/31/2013	3/31/2016	Brunswick	Virginia Electric & Power Company (VEPCO)	Performance Period Ended	Gathering Performance Data	Confirming full performance			
2724	8/23/2013	6/30/2013	6/30/2018	Danville	North American Mold Technology, LLC	Performance Period Ended	Full performance not met	Repayment plan executed	\$ 130,000	\$ 18,000	\$ 112,000
2747	8/14/2013	6/30/2013	6/30/2017	Russell	Steel Fab, Inc., A Division of Samuel Pressure Vessel Group, Inc.	Performance Period Ended	Full performance not met	Repayment plan executed	\$ 64,000	\$ 38,400	\$ 25,600
2845	1/14/2014	12/31/2013	12/31/2017	Scott	Secure Mountain LLC.	Performance Period Ended	Full performance not met	Negotiating repayment terms	\$ 460,000	\$ 412,408	\$ 47,592
2850	2/25/2014	12/31/2013	12/31/2019	Bristol	CBH Bristol, LLC.(aka Creative Boutique Hotels/The Sessions Hotel)	Performance Period Ended	Gathering Performance Data	Commission extension being requested at 9/2020 mtg			
2864	5/27/2014	1/1/2012	12/31/2016	Brunswick	Virginia Electric & Power Company (VEPCO)	Performance Period Ended	Gathering Performance Data	Confirming full performance			
2889	3/27/2014	12/31/2015	4/6/2020	Tazewell	Dominion Aquaculture, LLC. (Project Jonah/Ecosus Virginia, LLC.)	Performance Period Extended	Agreement being revised	n/a			
2892	5/5/2014	3/31/2014	3/31/2018	Lunenburg	Coast 2 Coast Trucking, Inc. □ (This is a sister company to ABC Recycling)	Performance Period Ended	Full performance not met	Negotiating repayment terms	\$ 100,000	\$ -	\$ 100,000
2896	5/27/2014	3/31/2014	3/31/2018	Lunenburg	Global Refining Group, Inc.(sister company to ABC)	Performance Period Ended	Full performance not met	Repaid unearned amount in full	\$ 25,520	\$ 25,520	
2941	8/1/2014	6/30/2014	6/30/2017	Russell	APPALACHIAN BIOFUELS, LLC□	Performance Period Ended	Full performance not met	Negotiated repayment plan - monitoring performance.	\$ 355,000	\$ 355,000	
2994	12/19/2014	9/30/2014	9/30/2017	Martinsville	Integrative Centers for Science and Medicine & College of Henricopolis School of Medicine	Performance Period Ended	Repayment Plan Executed	Repayment Plan Executed	\$ 780,000	\$ 468,000	\$ 312,000
2999	1/15/2015	12/31/2014	12/31/2017	Grayson	Oak Hall Industries (Oak Hall Cap & Gown)	Performance Period Ended	Reviewing Performance Data	Negotiating repayment terms	\$ 231,000		
3002	2/6/2015	12/31/2014	12/31/2017	Grayson	McAllister Mills, Inc.	Performance Period Ended	Reviewing Performance Data	Negotiating repayment terms	\$ 110,000		
3006	3/6/2015	12/31/2014	12/31/2017	Russell	3B CONSULTING SERVICES, LLD & HIGHLAND STONE COMPANY, LLC	Performance Period Ended	Reviewing Performance Data	Negotiating repayment terms	\$ 75,000		
3044	5/26/2015	3/31/2015	3/31/2018	Bedford County	Innerspec Technologies Inc.	Performance Period Ended	Reviewing Performance Data	Negotiating repayment terms	\$ 20,000		

Project Number	Date Approved	Start Date	End Date	Organization	Project Title	Performance Period Status	Status 1	Status 2	Clawback Amount	Clawback Repaid	Clawback Remaining
3049	7/16/2015	6/30/2015	6/30/2018	Wise	NorrisBuilt Fabrication, LLC.	Performance Period Ended	Reviewing Performance Data	Negotiating repayment terms	\$ 9,375	\$ -	\$ 9,375
3050	7/21/2015	6/30/2015	6/30/2018	Scott	Teletech Healthcare Solutions, Inc, Teletech Holdings, Inc, Teletech Services Corporation (Project Peoria)	Performance Period Ended	Gathering Performance Data	Negotiating repayment terms	\$ 645,000		
3101	10/8/2015	9/30/2015	9/30/2020	Tazewell	Blue Wolf Sales and Service	Performance Period Extended by Commission	Gathering Performance Data	Reviewing once extended performance period is concluded.			
3132	2/8/2016	9/30/2015	9/30/2018	Franklin County	MW Manufacturers, Inc (PlyGem Window Group)	Performance Period Ended	Gathering Performance Data	n/a			
3138	2/8/2016	9/30/2015	9/30/2018	Henry	Starsprings	Performance Period Ended	Reviewing Performance Data	Portion of performance acheived - clawback listed to be reduced (prorated for amount of performance achieved)	\$ 220,000		
3169	3/31/2016	12/31/2015	12/31/2018	Wythe	Branch Botanicals, Inc.	Performance Period Ended	No Performance Met	Full Repayment Received	\$ 200,000	\$ 200,000	\$ -
3171	4/13/2016	3/31/2016	3/31/2019	Henry	Performance Livestock & Feed Company Inc.	Performance Period Ended	Gathering Performance Data	n/a			
3173	4/29/2016	3/31/2016	3/31/2019	Greensville	CHN, LLC. (aka: Sadler Bros Oil Co., Jade Food Woks, LLC & Slip In Food Marts, Inc.)	Performance Period Ended	Gathering Performance Data	n/a			
3177	5/4/2016	3/31/2016	3/31/2019	Henry	RTI Martinsville, Inc. (Project LID)	Performance Period Ended	Gathering Performance Data	n/a			
3178	5/26/2016	3/31/2016	3/31/2019	Danville	KYOCERA SGS TECH HUB, LLC	Performance Period Ended	Gathering Performance Data	n/a			
3181	6/24/2016	6/30/2016	6/30/2019	Danville	Overfinch North America	Performance Period Ended	Gathering Performance Data	n/a			
3182	6/24/2016	3/31/2016	3/31/2019	Grayson	River Ridge Land and Cattle Co., LLC	Performance Period Ended	Gathering Performance Data	n/a			
3214	8/30/2016	6/30/2016	6/30/2019	Prince Edward	Hotel Weyanoke, LLC	Performance Period Ended	Gathering Performance Data	n/a			
3217	9/30/2016	6/30/2016	6/30/2019	Dinwiddie	Wal-Mart Stores East, LP	Performance Period Ended	Gathering Performance Data	n/a			
3244	12/7/2016	12/31/2016	12/31/2019	Washington	Universal Companies, Inc. (Project Bubbles)	Performance Period Ended	Gathering Performance Data	n/a			
3245	12/7/2016	9/30/2016	9/30/2019	Henry	Novatech USA Inc.	Performance Period Ended	Gathering Performance Data	n/a			
3265	3/6/2017	9/30/2016	9/30/2019	Henry	Bassett Furniture Industries, Inc.	Performance Period Ended	Gathering Performance Data	n/a			
3266	3/6/2017	12/31/2016	12/31/2019	Wise	DP Facilities, Inc.	Performance Period Ended	Gathering Performance Data	n/a			
3292	4/24/2017	3/31/2017	3/31/2020	Franklin County	Liquid Performance of America, Inc.	Performance Period Ended	Demand Letter Sent		\$ 10,000	\$ -	\$ 10,000
3295	6/8/2017	3/31/2017	3/31/2020	Greensville	Oran Safety Glass, Inc. (OSG)	Performance Period Ended	Gathering Performance Data	n/a			

Project Number	Date Approved	Start Date	End Date	Organization	Project Title	Performance Period Status	Status 1	Status 2	Clawback Amount	Clawback Repaid	Clawback Remaining
3296	4/27/2017	3/31/2017	3/31/2020	Tazewell	Trina Health of Pounding Mill, LLC	Performance Period Ended	Gathering Performance Data	n/a			
3297	4/27/2017	3/31/2017	3/31/2020	Russell	Jennchem, LLC	Performance Period Ended	Gathering Performance Data	n/a			
3299	5/23/2017	3/31/2017	3/31/2020	Carroll	VA Produce	Performance Period Ended	Gathering Performance Data	n/a			
3300	5/31/2017	3/31/2017	3/31/2020	Tazewell	Sunset Digital Communications Incorporated	Performance Period Ended	Reviewing Performance Data	n/a			
3316	7/31/2017	6/30/2017	6/30/2020	Greensville	Beach Mold and Tool Virginia, Inc.	Performance Period Ended	Gathering Performance Data	n/a			
3333	8/16/2017	6/30/2017	6/30/2020	Carroll	Vanguard Furniture	Performance Period Ended	Gathering Performance Data	n/a			
3339	8/25/2017	6/30/2017	6/30/2020	Bristol	American Merchant Inc. (formerly Merchant House International Ltd)	Performance Period Ended	Gathering Performance Data	n/a			
3340	9/12/2017	6/30/2017	6/30/2020	Appomattox	Innovatio Sealing Technologies, LLC	Performance Period Ended	Gathering Performance Data	n/a			
3393	12/7/2017	9/30/2017	9/30/2020	Buchanan	Trina Health of Pounding Mill, LLC DBA Trina Health Town Center	Performance Period Ended	Gathering Performance Data	n/a			
3399	1/29/2018	12/31/2016	12/31/2019	Halifax	Reynolds Presto Products	Performance Period Ended	Gathering Performance Data	n/a			
3428	3/27/2018	12/31/2017	12/31/2020	Scott	Mountain Top Timber Products, LLC	Performance Period Ended	Repayment Plan Executed	Default - bankruptcy	\$ 250,000	\$ 50,000	\$ 200,000
TOTALS									\$ 4,184,116	\$ 1,955,106	\$ 928,010



A G E N D A
F U L L C O M M I S S I O N

Electronic Conference Call Meeting
Monday, September 28, 2020
4:00 P.M.

If accessing the meeting from the internet via a computer or smartphone, use this link to access the electronic meeting:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m9d0997054a492b2bc42029fcb5fb95a3>

If accessing the meeting by telephone dial: 1-408-418-9388 (US toll) and utilize the meeting number: 132 060 4648# and meeting password: ymMFXnD2f32 (96639632 from phones and video systems)

If you have any access issues at the time of the meeting, contact David Bringman via email at DBringman@revitalizeva.org or call 804-894-9659.

Welcome and Call to Order	<i>The Honorable Terry G. Kilgore, Chairman</i>
Items Related to Remote Meeting	<i>Andy Sorrell, Executive Director</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Approval of <u>6/22/20</u> minutes	<i>published on website)</i>
Southern Virginia Committee	<i>TBD Chairman</i>
Project Connect: Footprint Wide, #3670 VA Healthcare Foundation	<i>Mike Kaestner, Grants Program Director</i>
Southwest Virginia Committee	<i>TBD Chairman</i>
Education Committee	<i>Becky Coleman, Chairman</i>
Incentives and Loan Committee	<i>TBD Chairman</i>
TROF Report	<i>Andy Sorrell, Deputy Director</i>
Non-profit Foundation	<i>Evan Feinman, Executive Director</i>
C.A.R.E.S. Act Application	<i>Evan Feinman, Executive Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	

Tobacco Region Revitalization Commission

Financial Summary

As of July 31, 2020

TICR Fund Balance	\$ 226,800,096
Restricted Endowment Balance	\$ 75,976,441
Unrestricted Endowment Balance	\$ 93,000,378
Restricted Endowment Accum Interest	\$ 2,408,858
Unrestricted Endowment Accum Interest	\$ 3,330,322
Total Cash & Investments	\$ 401,516,094

Cash Disbursements - this month	\$ 1,359,953
Cash Disbursements - FYTD	\$ 1,359,953

Fund	Unobligated Balances
Special Projects	\$ 1,657,960
Education	\$ 3,707,731
Education-Workforce Training	\$ 2,900,000
Education-TAP	\$ 6,100,000
TROF (Deal Closing)	\$ 12,345,035
Southside Economic Development	\$ 23,647,051
Southwest Economic Development	\$ 232,881
Agribusiness	\$ 456,729
R&D/Broadband	\$ 3,639,710
Reserve	\$ 0
Megapark	\$ 3,169,109
Megasite Prospect Incentive Fund	\$ 10,500,000
Southern Va Committee	\$ 5,500,000
Southwest Va Committee	\$ 3,000,000
VRA Loan Program	\$ 48,499,577
Administration	\$ 2,230,891
TICRC General Account	\$ 545,234
FY2021 Budget Balance	\$ 128,131,908

Tobacco Region Revitalization Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance (Cash Basis)
As of July 31, 2020

	<u>FY21 Budget</u>	<u>YTD Actual</u>	<u>YTD Actual as % of Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Other Revenue (all cost codes)	\$ -	\$ 225,486.02		225,486.02
Total Revenues	\$ -	\$ 225,486.02		\$ 225,486.02
EXPENDITURES				
Administration				
Salaries, Fringe Benefits, Per Diems	\$ 1,475,900	\$ 189,880.29	12.9%	\$ 1,286,019.71
Contractual Services	513,500	28,329.41	5.5%	485,170.59
Supplies and Materials	5,200	299.01	5.8%	4,900.99
Transfer Payments	263,680		0.0%	263,680.00
Rent, Insurance, Agency Svc Charges	197,900	19,612.41	9.9%	178,287.59
Furniture and Equipment	5,800	2,236.80	38.6%	3,563.20
Subtotal - Administration	\$ 2,461,980	\$ 240,357.92	9.8%	\$ 2,221,622.08
Community Revitalization	19,000,000	1,119,594.98		
Total Expenditures	\$ 21,461,980	\$ 1,359,952.90		
Revenues Over (Under) Expenditures	\$ (21,461,980)	\$ (1,134,466.88)		
OTHER FINANCING SOURCES (USES)				
Transfers In (endowment and earnings)	\$ 42,004,593			
CASH BALANCE, June 30, 2020	\$ 227,934,563	\$ 227,934,562.54		
CASH BALANCE, July 31, 2020	\$ 248,477,176	\$ 226,800,095.66		

VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION
Committee Roster List
(rev. 9/20)

EDUCATION COMMITTEE

Ms. Rebecca “Becky” Coleman, Chairman
The Honorable Lashrecse D. Aird
Ms. Gayle F. Barts
Ms. Gretchen Clark
Mr. Joel Cunningham, Jr.
Dr. Alexis I. Ehrhardt
The Honorable Franklin D. “Frank” Harris
The Honorable Chris L. Hurst
The Honorable L. Louise Lucas
The Honorable Sam Rasoul
Ms. Sandy Ratliff
Mr. Cecil E. Shell
The Honorable Roslyn C. “Roz” Tyler

EXECUTIVE COMMITTEE

The Honorable Terry Kilgore, Chair

INCENTIVES AND LOAN COMMITTEE

The Honorable Lashrecse D. Aird
Mr. Edward “Ed” Blevins
The Honorable A. Benton “Ben” Chafin, Jr.
Ms. Gretchen Clark
The Honorable Terry G. Kilgore
The Honorable Aubrey Layne
Mr. Robert Mills, Jr.
The Honorable Joseph D. “Joe” Morrissey
The Honorable Sam Rasoul

SOUTHERN VIRGINIA COMMITTEE

The Honorable Lashrecse D. Aird
Ms. Gayle F. Barts
The Honorable James E. Edmunds, II
Dr. Alexis I. Ehrhardt
The Honorable Franklin D. “Frank” Harris
The Honorable L. Louise Lucas
Mr. Robert Mills, Jr.
The Honorable Edward Owens

The Honorable Joseph D. “Joe” Morrissey
Mr. Cecil E. Shell
Mr. Walter H. “Buddy” Shelton
Mr. Robert H. Spiers, Jr.
The Honorable Roslyn C. “Roz” Tyler

SOUTHWEST VIRGINIA COMMITTEE

The Honorable Lashrecse D. Aird
Mr. Edward “Ed” Blevins
The Honorable A. Benton “Ben” Chafin, Jr.
Ms. Gretchen Clark
Ms. Rebecca “Becky” Coleman
The Honorable John S. Edwards
Ms. Julienne D. “Julie” Hensley
The Honorable Chris L. Hurst
The Honorable Aubrey Layne
The Honorable Sam Rasoul
Ms. Sandy Ratliff

STRATEGIC PLANNING COMMITTEE

Dr. Alexis I. Ehrhardt, Chairman
The Honorable Lashrecse D. Aird
Mr. Edward “Ed” Blevins
Ms. Julienne D. “Julie” Hensley
The Honorable Aubrey Layne
The Honorable Bettina Ring