

**SOUTHERN VIRGINIA
COMMITTEE**



• In-Person Meeting •

AGENDA

SOUTHERN VIRGINIA COMMITTEE

The Bristol Hotel

115 Country Music Way, Bristol, VA 24201

Wednesday, May 21, 2025

9:00 A.M.

If participating in the meeting by phone, dial: **1-332-249-0607** and enter **access code: 800 384 124#**.

The Commission will not change the method by which it chooses to meet without providing a new meeting notice that is in accordance with the Virginia Freedom of Information Act. If you experience problems calling in, please contact: **Warren Bryson** at **(804) 894-9659**, **wbryson@revitalizeva.org** or **Roz Stein** at **(804) 894-9651**.

Welcome and Call to Order

Mr. Walter “Buddy” Shelton, Chair

Call of the Roll

The Honorable James Campos, Executive Director

Approval of the 1/6/2025 Minutes
(published on website)

Mr. Walter “Buddy” Shelton, Chair

Public Comment

Grant Projects

The Honorable James Campos, Executive Director
Ms. Sarah Capps, Southern Regional Director

Extensions and Modifications

Ms. Emily Van Pelt, Grants Assistant-Southern

Other Business

Mr. Stephen Versen, Deputy Director

Adjournment

**FY25 Southern Virginia Program – 2nd Round
Staff Summaries and Recommendations**

The Virginia Tobacco Region Revitalization Commission received fourteen applications for the March 6, 2025, application deadline of the FY25 Southern Virginia Program – 2nd Round. Applications are grouped by the four eligible investment categories. The Tobacco Commission’s Southern Virginia Committee will act on these funding requests at its meeting at **9:00 am on Wednesday, May 21, 2025**.

| Req # | Organization | Project Title | Requested Amount | Staff Rec |
|-----------------------------|---|--|-----------------------------------|------------------|
| Agribusiness | | | | |
| 4374 | Mecklenburg County | Southside Agricultural Labor Housing Pilot Project | \$512,000 | \$512,000 |
| 4370 | Southside Virginia Fruit and Vegetable Producers Association | Increasing Value Added Food Infrastructure and Cooler Capacity in Southside Virginia | \$188,100 | Withdrawn |
| 4372 | Southside Virginia Fruit and Vegetable Producers Association | Southside Virginia Fruit and Vegetable Producers Association Building Improvements | \$81,923 | \$59,307 |
| 4369 | Stone Ridge Foundation | Multipurpose Agriculture Complex Expansion | \$700,000 \$250,000 | \$185,000 |
| Business Development | | | | |
| 4363 | ARCH Foundation <i>(applicant)</i> and Commonwealth Regional Council <i>(recommended grantee)</i> | The MILL Collective: Manufactory, Marketplace, Venue | \$750,000 | \$25,000 |
| 4371 | Commonwealth Regional Council | CRC Small Towns Characterization Initiative: BOOMS Study Pilot Project | \$132,500 \$143,000 | \$143,000 |
| 4364 | Commonwealth Regional Council | Branding Virginia's Heartland Regional Economic Development Alliance (VHREDA) | \$21,350 | \$21,350 |
| 4366 | George Mason University / Virginia Small Business Development Center | Virginia SBDC - ICAP 2025 Proposal | \$198,313 \$131,814 | \$131,814 |
| 4376 | Virginia's Gateway Region | Regional Economic Development Marketing Support for Virginia's Gateway Region | \$162,000 | \$143,167 |

| Sites and Infrastructure | | | | |
|-----------------------------------|---|--|----------------------------------|---|
| 4373 | Henry County | Patriot Centre Phase 3, Beaver Creek Drive Extension | \$1,500,000 | \$1,500,000 |
| 4365 | Franklin County | Site Improvements of Dogwood Site at Summit View Business Park | \$1,000,000 | \$1,000,000 |
| Tourism | | | | |
| 4362 | Town of Stuart | Star Theatre Equipment & Production Improvements | \$154,556 | \$154,556 |
| 4375 | The Corporation for Jefferson's Poplar Forest | Poplar Forest Parkway Upgrades | -\$85,000 \$79,250 | \$79,250 |
| Other Economic Development | | | | |
| 4325 | Pittsylvania County | Southern Virginia Megasite Training Center | \$10,000,000 | Table and refer to Incentives & Loans Committee |

TOTAL (14 requests) \$15,485,742

FY25 Southern (2nd)- Amount Available and Award Recommendations \$6,000,000 \$3,954,444

Agribusiness

Mecklenburg County

Southside Agricultural Labor Housing Pilot Project (#4374)

\$512,000 Requested

Executive Summary: Mecklenburg County is requesting \$512,000 for a regional pilot project that will improve the availability of migrant housing for local producers. Mecklenburg County will be the lead applicant and fiscal agent for this initiative that will serve producers in six (6) southern Virginia counties: Mecklenburg, Halifax, Brunswick, Lunenburg, Charlotte, and Dinwiddie. The project will be executed as a cost-share program to serve approximately twenty-six (26) local producers that have diversified crop production to non-tobacco crops. Renovations to existing migrant labor camps will be eligible for up to 25%, for no more than \$10,000; and construction of new migrant labor camps will be eligible for up to 25%, for no more than \$50,000.

Matching Funds (with revisions): A total of \$1,500,000 in cost-share matching funds:

- \$600,000 in Migrant Labor Camp Renovations (75%)
- \$900,000 in Migrant Labor Camp New Construction (75%)

Project Outputs:

- Renovations – 20 producers participating in 25% cost-share up to \$10,000 for 20 migrant house camps renovated to address deficiencies for increasing certified bed units by at least one per camp
- New Construction – 6 producers participating in 25% cost-share up to \$50,000 for 6 new migrant house camps. Each smaller house constructed is estimated to add at least 4 certified bed units per camp; larger bunk houses are estimated to add at least 10 new certified bed units per camp.

Staff Comments: The objective of this project is to address the need for a sustainable workforce for farms in Southern Virginia by providing an incentive for the creation of new certified bed units at permitted agricultural housing labor camps. A pilot cost-share program is proposed for producers in six counties. Farmers are increasingly challenged to provide suitable housing for guest workers. Meanwhile, agricultural production in the region is increasingly reliant on temporary guest workers (ex. H-2A seasonal visas, migrant labor visas) to produce and harvest crops, assist in nurseries, and manage livestock and poultry. “Virginia Works”, the Virginia Department of Workforce Development and Advancement (formerly the Virginia Employment Commission) evaluates the demand for agricultural employees. The Virginia Department of Health (VDH) certifies that the migrant labor camps are safe and healthy for the migrant workers and their families while they are employed and living in Virginia. Once VDH provides the permit to operate the migrant camp facility with certifications for drinking water and septic systems, the US Department of Labor provides inspections and approval of the Employer Furnished Housing and Facilities by providing the certification of the number of bed units.

The Virginia Agricultural Growers Association, Inc. (VAGA) based in South Boston, is the state’s largest guestworker recruitment agency. VAGA estimates that 75% of its members’ camps need new housing or significant renovations to existing housing to increase the certified bed units. Increasing the total square footage of the housing, replacing windows, and expanding the septic system capacity are

common required renovations. Under the proposed project, a participant will be eligible if they are able to increase the number of new certified bed units at an existing, or to be, permitted labor camp, either through renovations or newly constructed housing. The program provides two tiers of funding-- up to 25% cost-share, not to exceed \$10,000 towards eligible renovation costs; and 25% cost-share, not to exceed \$50,000, for newly constructed and permitted migrant labor camps.

For each additional H-2A worker, it is estimated to allow a farm to increase labor intensive crops by ten (10) acres, increase grain and oilseeds by 200 acres, increase dairy by 50 head of cattle, and increase poultry by 50,000 head. The H-2A program mandates housing be provided at no cost to the workers and the Virginia Works program dictates required wages for the migrant workers, making the costs to producers significant. Development of a strong cluster of fruit and vegetable production in the region, along with the infrastructure to support it, grows an important avenue for achieving the Commission's goal of market diversification for the region's current and former tobacco growers. The Farm Service Agency's Form 578, Report of Acreage will be used as a measure by which producers document diversification of agricultural production. The applicant provided letters of support from the Southside Virginia Fruit and Vegetable Producers Association, the Southern Virginia Organic Growers Association, Virginia Agricultural Growers Association, VA FAIRS, the Virginia Farm Bureau Federation and from several individual producers.

Program guidelines allow expenses incurred from June 1, 2025, forward, or 120 days prior to approval of the application whichever is later, to encourage completion of renovations and construction to increase the available housing for this year's summer and fall growing seasons. The baseline for this project requires an assessment of the VDH permits for water and septic, as well as an evaluation of the number of certified bed units based on US DOL requirements. It was noted as an example, VDH may say that a camp is permitted for a maximum occupancy of 12 workers, based on the capacity of the septic system; while the US DOL inspector certification of the property may limit it to 10 bed units certified as available for migrant workers. A performance agreement between Mecklenburg County and the approved applicant will be required certifying their commitment to maintain and utilize the housing based on the certified number of bed units for at least 5 years. The Commission will be a party to this performance agreement.

Traditional agricultural cost-share funding from the Commission has been limited to a maximum of \$5,000 for up to 33% of eligible costs. This model has been used for the value-added beef initiative, hay storage, grain bins, livestock handling equipment and other eligible practices. An exception to this was made with an award in 2016, for a vineyard development and expansion project where the Commission approved cost-share funding for up to \$15,000 (for at least 5-acres) and up to \$20,000 (for at least 10 acres), providing the equivalent of approximately 10% of the capital investment. Staff notes that this funding request sets a precedent for a significantly larger investment, at up to \$50,000, to be made in a privately owned asset and has advised that this be limited to no more than 25% of eligible project costs. The intention of cost-share funding is to provide an "incentive" for a desired action, and not to replace funds that farmers would otherwise already be investing in their business. Finding this balance is important.

Financial Viability Assessment:

A review of key viability criteria indicates that while this is a very complex project and has taken more than a year to develop, strong due diligence has been performed on how this project will be implemented. As a pilot program, it will allow for testing of the program ability to accomplish its objectives, and then needed program adjustments before it expands to the broader regional area. With

the applicant's commitment that 3/4s of the required financing for the housing is borne by the farmers, the requirement for strong matching funds is met. The project team includes an appropriate representation from agriculture agencies and administration of the program by the county. Lastly, an increase in the number of certified bed units will be achieved prior to disbursement of cost-share funding guaranteeing project outputs are accomplished, ensuring program deliverables.

Staff Recommendation: Staff recommends a \$512,000 grant award to support the pilot cost-share program conditioned on approval of final program guidelines, and the required performance agreement, by the Commission's Executive Director.

Southside Virginia Fruit and Vegetable Producers Association (4370)
Increasing Value Added Food Infrastructure and Cooler Capacity In Southside Virginia
~~\$188,100 Requested -- Withdrawn~~

Executive Summary: Vegetable production continues to increase in Southside Virginia as a high value crop that can be grown on small acreage. Cooler capacity at the farm level continues to be a limiting factor. Many growers from these counties are members of the Southside Virginia Fruit and Vegetable Producers Association, however distance for delivery is a limiting factor. With smaller walk-in coolers at the farm level, it allows growers to harvest more product, cool, and extend shelf life before transporting to an aggregation facility or buyer. Coolers would also give growers the ability to store and sell product from their farm location or hold shelf life until market day. This would increase direct to consumer sales and generate a higher profit margin for growers. Many producers are also finding value-added alternatives as another component to increase sales. The barrier to this adoption is the need for certified (inspected) kitchens and specialized equipment to process and create the value-added products.

Staff Comments: This application was Withdrawn.

Southside Virginia Fruit and Vegetable Producers Association (#4372)
SVFVPA Building Improvements
\$81,923 Requested

Executive Summary: The Southside Virginia Fruit and Vegetable Producer Association (SVFVPA) is based in Charlotte County and is made up of 28 independent small farm operations located in 8 under-served surrounding counties. The members of the Association work together to aggregate produce and market to larger wholesale buyers. Collectively, more than 100 acres of produce is grown including sweet corn, tomatoes, peppers, green beans, cabbage, Swiss chard, collards, potatoes, and squash.

The Association is seeking funds to finalize the aggregation facility, complete the parking lot for large trucks to receive produce, and funds to move a building from Farmville to be used for retail sale opportunity. This project will improve the Association's ability to accept, sort and store products. It will also pave a path for non -Good Agricultural Practices (GAP) certified growers to market their products through the Association. This will allow smaller, start-up farms an opportunity to enter production and for other farms to diversify into fruit and vegetable production. This will increase revenue for each participating farm and should add additional farm related employment opportunities to these farm operations in the Tobacco region. The requested generator will reduce stored produce spoilage loss during power outages. During peak season, the value of stored produce exceeds

thousands of dollars. The requested fuel tank and associated cover shelter would allow for bulk purchasing of diesel fuel for the Association delivery truck and provide cost savings to the Association.

Matching Funds:

- \$74,539 USDA Resilient Food Systems Infrastructure Program (RFSI), application filed
- \$7,384 Private cash contribution, money in hand

Project Outputs:

- Improvements to aggregation facility including leveling and expansion of parking lot and driveway area, and installation of automatic openers for large bay doors
- Installation of a back-up generator
- Relocation of 20' X 30' building to site
- Establishing diesel fuel tank and shelter for bulk purchasing

Staff Comments:

Grant funds are requested to support continued development of the SVFVP's 6,000 square foot aggregation facility in Cullen, VA. This includes completing interior improvements, leveling and expansion of the parking lot and driveway areas, installation of a backup generator, relocating a storage building to the site to provide for additional cold storage or storing wholesale products, and a diesel fuel tank and shelter to allow for bulk purchasing. Matching funds from the RFSI grant administered by VDACS will provide additional cooler space, an ice machine and a forklift. Cost estimates for all aspects of scope were provided. An updated Business Plan for SVFVPA from May 2024 was provided.

The Commission has awarded \$281,000 towards development of this aggregation facility: A \$176K grant in January 2020 for property acquisition and construction of the shell building; and a \$105K grant award from January 2024, initially included funding for purchase and installation of a third cooler to be used for retail sales (now proposed for the RFSI funding) and for the storage shed. Ultimately all funds were required for primary build-out of the main facility with two wholesale cooler areas. The 20' x 30' building that will be moved to the site was originally purchased by Virginia State University through a grant from the Tobacco Commission. This building can be converted for additional cold storage by adding a cool-bot or otherwise used for storage of materials used by the association and member operators.

The \$30,000 requested for "aggregation facility payment" is for work under the \$240,000 contract with Lipscomb Buildings which was part of the budget for the previous grant (TRRC #4210). This contract is now complete and has been removed from this funding request. This reduces the request to \$59,307, with all costs for the diesel storage tank and shelter now being requested from the Commission.

Financial Viability Assessment:

A review of key viability criteria indicates that multiple federal and state agencies including USDA and VDACS have supported establishment and growth of this nonprofit producer cooperative, each of which has performed their own due diligence of the project, and found it suitable for funding. The association continues to build on its track record of success, adding members and expanding sales revenue, which this new aggregation facility will facilitate. Grant and matching funds are to support the highest priorities of the members for continued development of the aggregation center. Financial viability of this project will be achieved by the applicant's securing required matching funds.

Staff Recommendation: Staff recommends approval of a \$59,307 grant award, contingent on at least 1:1 match towards approved project costs.

Stone Ridge Foundation

Multipurpose Agriculture Complex Expansion (#4369)

~~\$700,000 Requested~~ \$250,000 Revised Request

Executive Summary: The National Center for Healthy Veterans (NCHV) seeks \$700,000 from the Tobacco Region Revitalization Commission (TRRC) to expand its Multipurpose Agriculture Complex, a veteran-focused agribusiness and workforce development initiative that will support economic revitalization in Southern Virginia. This project will:

- Expand agribusiness and workforce training by integrating carpentry, welding, equine therapy, controlled environment agriculture (CEA), and greenhouse production into one hub.
- Provide economic opportunities for farmers, veterans, and rural workers through job training, market access, and stall rental programs.
- Enhance agritourism and community engagement through annual events, rodeos, job fairs, and the expansion of the Community Market.
- Strengthen the regional economy by attracting agricultural producers, small businesses, and new investment to Campbell, Pittsylvania, Halifax counties, and Lynchburg.

This investment will allow NCHV to expand operations, create sustainable revenue streams, and increase economic opportunities for disadvantaged and veteran farmers in the region.

Matching Funds:

- \$150,000 private contribution pledged as Match for TRRC funding
- \$100,000 private funding, grants, and/or donations and in-kind contributions

Project Outputs:

- Community Market feasibility study to assess outdoor market/food hub.
- Controlled Environmental Agriculture demonstration utilizing a shipping container upfitted with Agria Growing System installed and begin production of produce.
- Greenhouse size 35' X 168' installed and equipped for food production.
- Community Market interior expansion-- equipping for expanded direct-sales opportunities for the NCHV and for veteran agricultural producers
- Community Market exterior expansion- construction of an outdoor pavilion and creation of a farmers market/food hub to support agriculture and artisan vendor sales.

Staff Comments:

The Stone Ridge Foundation (dba: National Center for Health Veterans) is a nonprofit organization in Campbell County providing services to at-risk veterans called "Patriots" through a holistic approach aimed at addressing physical, mental, spiritual, emotional and relational wellness. Operated on Valor Farm, a working farm with horses, livestock, and agriculture production facilities, the farm provides a natural healing environment and utilizes farming therapy and agricultural vocational training. A one-year residential therapy program is offered that is focused on resilience, trauma recovery, and career preparation, as well as equine-assisted therapy programs. The NCHV opened in 2019 and has expanded to include on-site accommodations with a lodge and a new tiny house village that is under development.

A community market located on US Route 29 north of Altavista at the entrance to the property sells meats and eggs produced at the farm and is open to the public six days a week. A large equestrian barn is in the process of being rebuilt following a fire in 2024. The planned improvements that are the focus of the \$250,000 request to the Commission include a Controlled Environmental Agriculture facility, a large greenhouse, and expansion of both the indoor and outdoor direct sales areas at the Community Market.

The NCHV indicates that 20-25% of the veterans that they work with continue to be involved in agriculture production after graduating from their programs. This includes veterans from the tobacco region who will have the opportunity to sell products at the expanded community market, offering retail and wholesale outlets for Veteran-grown products. The combined greenhouse and CEA systems will enable year-round production strengthening the agribusiness training offered and further developing skills for veteran farmers, while also providing an increase in revenue to support operation of the center. With additional freezers and refrigerated cold storage, the existing community market easily has capacity to expand, creating new opportunities for agriculture producers to sell fruits, vegetables, meats, and value-added foods and products. Drawings were submitted for a 24' x 48' pavilion to be located behind the community market building. The applicant plans to create an outdoor farmers market with vendor spaces available. Collaborations include Campbell County, who has expressed interest in NCHV's serving as a local food hub, Virginia Cooperative Extension and Virginia State University's Agriculture Program.

An estimated 10-20 tobacco region producers/agriculture businesses will directly benefit with average direct sales revenue increasing by \$5,000-\$10,000 annually from the expanded community market. Direct sales revenue for NCHV is estimated to increase by \$140,000 and 5-10 new full- or part-time jobs will be created. Veterans participating in workforce training programs is estimated at 60 per year; and added income per farm because on the agriculture education workforce training is estimated at \$60,000 annually. NCHV is committed to implementing a comprehensive data tracking system to monitor producer participation and sales revenue growth through point-of-sale data from the Community Market and vendor reporting. The NCHV is working with Campbell County on an AFID grant application. The project schedule has installation of the CEA in October 2025, site preparation for the greenhouse to begin in November with installation targeted for February 2026, and expansion at the Community Market for interior and exterior expected to be completed by September 2026. Expansion of the Community Market will provide outlets both on the interior and exterior whereby producers can generate income through direct sales to consumers. Campbell County is evaluating the opportunity to utilize the market as a food hub. With options being considered for the best approach for maximizing the benefit to veteran agriculture producers and to the community, staff is recommending \$15,000 towards feasibility planning for the Community Market. NCHV have indicated that architectural and site planning for the project are all well underway, and they request the Commission consider approval of the requests to support the capital improvement costs at the May meeting to allow the project to stay on schedule.

A revised line-item detailed budget identifies an estimated \$360,265 of funded needed including \$90,000 for the CEA, \$155,000 for the greenhouse, \$40,000 for a utility terrain vehicle, and \$75,265.12 for the community market. In reviewing the vendor/contractor estimates, staff identified a estimated total project budget of approval \$370,000 for the feasibility study and capital improvements. This includes \$60,000 for the CEA facility which will be supported from Match (cash and loan), \$118,500 for the greenhouse, \$30,000 for greenhouse site preparation, \$75,265 for

equipping costs at the community market, \$2,000 for painting and drywalling at the market, and an allotment of \$45,000 towards the outdoor pavilion. The NCHV is committed to providing the required Match for the project and has already secured a \$150,000 pledge through a private donation, they are working with the county to pursue AFID funding.

Financial Viability Assessment:

A review of key viability criteria indicates is anchored by applicant currently operating a farm business that also serves as the backdrop for a successful veteran recovery and training facility that has been in operation since 2019. The project builds on the current success and opportunity to expand the community market at its premium location on US 29 and provides a commitment for tracking results. Finalizing the project budget is a condition of the award and all funding will be required to be secured prior to the release of grant funding from the Commission.

Staff Recommendation: Staff recommends approval of a \$185,000 grant award allowing \$15,000 to be used towards feasibility planning for the outdoor market/food hub at the community market; and for the balance used towards no more than 50% of capital costs for eligible project expenses following approval of a final project budget by the Commission's Executive Director.

Business Development

ARCH Foundation

The MILL Collective: Manufactory, Marketplace, Venue (#4363)

\$750,000 Requested

Executive Summary: The ARCH Foundation seeks \$750,000 in funding from the Tobacco Region Revitalization Commission to support the redevelopment of a historic industrial mill in Farmville, Virginia, transforming it into The MILL Collective, a production-focused hub for skilled artisans and a cultural tourism destination. This project will provide dedicated workspace for artisans specializing in metalwork, printmaking, leathercraft, and textiles, allowing them to manufacture, showcase, and sell their work on-site. Commission funds will be used for interior renovations to create functional artisan studios, a limited retail marketplace, and event space improvements that support regional tourism and economic development. Modeled after successful artisan-driven economic hubs like the Southwest Virginia Cultural Center and Southern Virginia Food Hub, The MILL Collective will generate new jobs, attract visitors, and strengthen the regional creative economy by providing sustainable opportunities for skilled trades and heritage craftsmanship.

Matching Funds:

Originally Proposed

- \$750,000 ARCH Foundation, funding for acquisition and stabilization of the building

Revised

- \$20,000 ARCH Foundation, \$15K design plans and \$5K concept feasibility study
- \$10,000 Private contribution, consultant in-kind towards concept feasibility study

Project Outputs:

Originally Proposed

- Renovation of historic mill buildings to provide 8,000 sq. ft. of artisan studios and production spaces and retail marketplaces for selling their products- 4,000 sq. ft. on 3rd and 4th floors
- Recruit of at least 10 artisans in various trades working out of The MILL Collective

Revised

- Architectural and financial feasibility study for redevelopment of the Farmville Mill property

Staff Comments:

Grant funds are requested towards renovations to a historical industrial mill property in the heart of downtown Farmville to create The MILL Collective, which is envisioned as an artisan-driven manufacturing and production space for skilled artisans and craftspeople. Acquisition costs to purchase the building by the nonprofit ARCH Foundation are presented as Match. The building totals approximately 16,000 square feet across four main floors, each floor consisting of 4,000 square feet. The first floor is already in use as a wedding and events venue. The second floor is intended for rentable offices, meeting spaces and a coworking area. The third floor is designated for metals and ink production and the fourth-floor is designated for leather work and loom production. Each floor includes 2,800 sq. ft. of artisan production space and 1,200 sq. ft. of retail/showroom space. Architectural drawings by West Workshop Architects were provided.

ARCH Foundation is a recently formed nonprofit organization established in 2023, whose mission is centered on adaptive reuse, turning blighted properties into vibrant thriving spaces that serve as catalysts for economic and community revitalization. The applicant provides a well thought out plan for development of the building including schematics and a basic feasibility assessment and business plan. A \$750,000 cost estimate from Kindred Construction Co includes \$500,000 for interior renovations for the artisan studios and production space and \$250,000 for the event space restoration with an estimation that the work can be completed within 8 months. During the review process, the applicant clarified that the building is under a lease-to-own agreement with a purchase price of \$950,000; and title would be transferred to the ARCH Foundation when the purchase option is executed. The current owner of the building is involved with the creation of the nonprofit organization that is the applicant.

The vision for redevelopment of this property includes shared small scale production space for multiple beneficiaries and fits well within the Business Development investment strategy for the Southern Virginia Program RFP. The project will support current momentum in the Farmville community towards development of a more artisan-driven economy providing a foundation for niche businesses. The project would benefit from an independent third-party assessment of conceptual feasibility, and recommendations for the most viable and potential uses including a proforma based on preferred uses. Staff recommended the ARCH Foundation work with the Commonwealth Regional Council, a known entity, on the third-party feasibility assessment. The ARCH Foundation and CRC team agreed with this approach and reached out to Hill Studio for a proposal for this work. Staff is recommending a \$25,000 grant award to the Commonwealth Regional Council to provide \$20,000 towards the architectural and financial feasibility study and \$5,000 for CRC administrative costs. Investments in architectural design plans, and cash and in-kind contributions towards the conceptual feasibility study will be contributed as Match.

Financial Viability Assessment:

The project would benefit from an independent, third-party feasibility study as the first step towards assessing the financial viability of the proposed project. Recognizing that the application is a new nonprofit, and an unknown entity to the Commission, staff suggests engaging the local planning district commission in the project.

Staff Recommendation: Staff recommends approval of a \$25,000 planning grant to the Commonwealth Regional Council.

Commonwealth Regional Council (#4371)

CRC Small Towns Characterization Initiative: BOOMS Study Pilot Project

~~\$132,500 Requested~~ \$143,000 Revised Request

Executive Summary: Five towns/localities participate in Steps 1-2, enhancing capacity meaning 5 towns/localities will be newly designated as historic districts, boosting potential for tourism and development. These 5 towns/localities will become newly active in the Virginia Main Street program, enhancing capacity for tourism and development. These five towns/localities can potentially go on through step 5 of this project as well.

An additional 10 towns/localities participate in Steps 3-5, accelerating revitalization because these towns/localities have already achieved Steps 1-2. Two cohorts with a total of 10 towns/localities complete the BOOMS study, enabling each town/district to actively pursue strategic investment

priorities for real estate, housing, and economic development, laying the foundation for new business creation, job creation, and mixed-use (re)development including housing unit creation.

After a successful BOOMS Study Pilot Project, this Planning Grant could be repeated with additional cohorts of participating towns/localities.

Matching Funds: A total of \$177,125 in matching funds are presented from the following sources:

- \$25,000 DHCD Enterprise Zone
- \$14,265 DHCD Virginia Main Street
- \$40,000 Virginia Housing
- \$47,500 Towns/localities, VHR grant, or private contributions
- \$20,000 TBD- DCHD, Virginia Housing, private contributions
- \$30,000 Towns/localities – In-Kind contribution

Project Outputs:

- Five towns/localities participating in Steps 1-2 resulting in newly designated historic districts; and becoming active in the Virginia Main Street Program.
- Fifteen towns/localities participating in Steps 3-5 resulting in BOOMS Tracker being populated with properties data. Identification of 3-4 targeted buildings or sites as targeted investment opportunities for each of the participating towns/localities.

Staff Comments:

Commission staff in partnership with DHCD's Virginia Main Street program, initiated development of this proposal for the Southern Virginia region. This project is modeled after a Southwest Virginia initiative that is to begin a BOOMS Study with 10 towns through funding from the Appalachian Regional Commission. Recognizing that the BOOMS project presents an opportunity to identify economic development projects for Towns in the more rural counties in the region, staff approached the Commonwealth Regional Council (CRC) about sponsoring this application. Virginia Main Street program staff worked closely with CRC on development of project which is targeted to benefit up to 15 towns/communities across the Southern Virginia footprint. Following submitting the application, the project team identified a slightly higher amount as necessary, increasing the request to \$143,000.

A BOOMS study is a process to hire a consultant to collect and analyze data for the Building Opportunities on Main Street (BOOMS) Tracker—an interactive tool developed by Main Street America to support downtown and commercial corridor redevelopment. The BOOMS Tracker allows communities to map and track property details (vacancy, ownership, condition); to visualize real-time data on a local dashboard; and identify redevelopment and housing opportunities, such as mixed-use development. The study results are expected to help guide strategic planning, attract investment, and drive economic growth.

Towns/localities participants in this initiative will enter either at Step 1 for working with a consultant for their historic district designation (estimated to cost \$12,875/town); or at Step 3 which will involve working with a BOOMS consultant to begin populating the BOOMS Tracker. Step 1 will identify historic district boundaries and work with the Virginia Department of Historic Resources to gain Historic District Designation. Step 2 is the addition of the historic district to the Main Street America database. Step 3 is contracting with a BOOMS consultant who will visit properties and populate data to the BOOMS Tracker. Step 4 involves a site visit by the consultant and a walk through with the community to identify and prioritize opportunities for real estate, housing, and economic development. Step 5 is focused on identifying 3-4 buildings or sites to give recommendations to the local governments on incentive options to inspire development opportunities, and to be used for matching resources and development partners.

Grant funding will be used for professional service contracts- \$23,000 towards Step 1, allowing for up to 5 towns to participate; \$90,000 for Steps 3-5, providing support towards participation by up to 15 towns; and \$30,000 for project administration. While the Southern Virginia Program RFP limits administrative costs to \$10,000; the \$30,000 administrative fee for this project was recommended by staff based on the Commission's request to the CRC to administer the program on behalf of the Southern Virginia region and given the project complexity based on the number towns/localities expected to be involved and the related coordination with various funders and consultants. This is a well-designed proposal with direct involvement of state agency funders that addresses a significant gap in planning work to identify economic opportunities in the towns/localities in Southern Virginia. The result of the project is expected to enable each town/locality to actively pursue strategic investment priorities for real estate, housing and economic development, laying the foundation for new business creation, job creation, and mixed-use development.

Financial Viability Assessment:

A review of key viability criteria shows that the project design is based on a proven national program model, applicant match is appropriate, clear and strongly leveraged. Program participants have an established track record of carrying out this work. Program structure requires all funding to be secured prior to contracting with consultants, further underscoring project viability.

Staff Recommendation: Staff recommends approval of a \$143,000 grant award.

Commonwealth Regional Council (#4364)

Branding Virginia's Heartland Regional Economic Development Alliance (VHREDA); \$21,350 Requested

Executive Summary: The Scope of Work for this project is the creation of a logo and a brand, messaging communications guide as well as a website for the Virginia's Heartland Regional Economic Development Alliance (VHREDA). This is a two-phase project. The first phase is the Visual Brand development which means creating a logo for VHREDA. Also, included in the first phase is the creation of a Brand, Messaging, and Communications Guide. This will help guide those affiliated with VHREDA to deliver the same concise outreach message. Phase-two of the project is the discussion, collaboration, and development of a website for VHREDA. This will include a site map, engaging content, and use the best practices to enhance search engine visibility to drive traffic to the site and thus to the region.

Matching Funds:

- \$21,350 from Virginia's Heartland Regional Economic Development Alliance, money in hand

Project Outputs:

- Visual brand development- creation of a logo and a brand messaging & communications guide
- Website design planning, development, and launch

Staff Comments: This request is to provide start-up marketing and promotional support for the recently formed regional economic alliance VHREDA serving six rural counties in Southern Virginia – Buckingham, Cumberland, Charlotte, Lunenburg, Nottoway, and Prince Edward Counties. Go Virginia provided a grant to study and assess the feasibility of creating the new regional alliance. A five-year agreement is in place and all county administrators are on the Board of Directors with funding contributions based on per capita. Longwood University and Southside Virginia Community College

are also parties to the agreement. Grant funds are requested for 50% of the \$37,700 estimated costs for development of a logo and brand, and creation and launch of a website, and for 50% of the \$5,000 administrative fee for CRC. Cost estimates were provided.

VHREDA fills a gap for five of their six localities who previously were not represented by a regional economic development marketing organization. VHREDA has recently hired an executive director who will be focused on implementing the organization's 5-year strategic plan with goals for recruiting new employers to the region and growing existing businesses. Attention will be directed to traditional industries, as well as satellite and back-office locations. The majority of localities participating in this alliance do not have dedicated economic development staff. Having a regional staff person will provide technical assistance for accessing required resources and add capacity for various economic development functions. Key measurements for the alliance include 25 new projects in the pipeline and working with 50 existing businesses annually. Goals by year 3 include hosting an annual forum for the region; facilitating networking and coordinating workshops to support entrepreneurs and existing business. Projected outcomes are based on the 5-year plan and pro-rated to the 3-year TRRC grant period and will support recruitment and expansion of 15 businesses creating 150 jobs.

Financial Viability Assessment:

A review of key viability criteria indicates that the applicant has successfully received Commission awards before and has presented a detailed budget. The feasibility assessment for the new marketing alliance was completed under a grant from Go Virginia, further demonstrating the due diligence review this project has received from key partners and the strength of the matching funds and partnerships behind this project. The applicant's commitment to moving forward can also be seen by having just hired a new director. This request is for essential start-up marketing funds, cost-estimates for which have been provided, and with approval of the grant all funding will be in place and project is ready to proceed.

Staff Recommendation:

Staff recommends approval of a \$21,350 grant award to support 50% of project costs.

**George Mason University / Virginia Small Business Development Center
Virginia SBDC – ICAP 2025 Proposal (#4366)
~~\$198,313 Requested~~ \$131,814 Revised Request**

Executive Summary: The Virginia SBDC is seeking Tobacco Commission funding to increase capacity and awareness to support a greater number of technology and innovation-driven startups in the Southern Virginia region. This project will include all of the regional entrepreneurship support stakeholders, including GO Virginia, The Launch Place, IALR, SEED Hub, SOVA Innovation Hub, Virginia's Heartland Regional Economic Development Alliance, and others. These are existing partnerships and will allow for a strong foundation as additional partners are sought. These networks will be leveraged to identify new partners and entrepreneurs.

Matching Funds: Revised total of \$131,814 in matching funds:

- \$64,636 Longwood Small Business Development Center, cash for part-time advisor(s)
- \$58,167 George Mason University, allocation of \$26,148 match from existing SBA funding for ICAP director and \$32,019 for administrative support and program management
- \$9,011 Virginia Innovation Partnership Corporation funds committed for mentors

Project Outputs:

- Support 30 new business ventures
- Assist in securing at least \$1,000,000 in capital
- Assist in creating at least 10 new jobs

Staff Comments:

Virginia's Innovation Commercialization Assistance Program (ICAP) is a program within the Virginia Small Business Development Center (SBDC) network led by George Mason University. The original request for \$198,313, was reduced by the applicant to \$131,814. Entrepreneurs in rural areas often do not view themselves as launching technology-based vendors or engaging in innovation and therefore do not seek out this type of support. The goal of this project is to establish awareness of ICAP services and to spur and support innovation and entrepreneurship in the Southern region. ICAP helps inventors and entrepreneurs in Virginia bring new technologies and innovations to market by offering free training, counseling and mentorship. ICAP supports early-stage technology ventures in four stages: initial review and assessment, the Lean Start-Up education program, assistance with preparing for federal funding opportunities, and long-term mentorship to guide teams with execution of the business models that have been validated.

Development of this project was initiated by the Commission's executive director. The intention is to leverage an existing state program to provide a more focused effort that actively drives programmatic success. Historically, ICAP has served a total of 33 clients in the Tobacco Region since their inception in 2018 (13 clients in the Southern Region). By comparison, the outcomes of this project, are intended to reach 30 businesses in Southern Virginia during the 3-year project period. The project is sponsored in partnership with Longwood SBDC. A strong list of regional entrepreneurial stakeholders that are expected to be involved in the program was provided. Longwood University is mentioned as actively working to increase commercialization efforts of their faculty. Letters of support were provided by Go Virginia Region 3 and IALR's Applied Research division.

The project milestones provide for five cohorts of the Lean Start Up program which include educational sessions and discovery presentations. This is a virtual program offered to participants across the Commonwealth and is designed to help early-stage technology entrepreneurs test and validate their business ideas in a structured, mentor-supported environment. Each participating team will receive a customized roadmap outlining recommended next steps for business development.

All of the requested TRRC funding and Match will be used for direct costs to support companies in the Southern Virginia footprint. Grant funds will pay part-time mentors for time working with companies and for their travel to the region (\$76,178); and will support Longwood SBDC hiring of a new contractor to serve a part-time advisor for the program (\$55,636). Match contributions from George Mason University include support for mentors and dedicated time by the ICAP director to provide the focused effort on the Southern Virginia program. Time spent working with clients will be recorded and tracked in the Virginia SBDC Network Customer Relationship Management software program. Staff inquired about the ability of the applicant to report on individuals/companies being served by the project with reimbursement requests. The SBA prohibits SBDC/ICAP from sharing specific client name, business name or contact information details and indicated that aggregate data can be reported. An example staff report was provided. Staff is recommending that ICAP request voluntary release of participant information to the Commission, to help validate success of the program and for evaluation if there is a future funding request.

Financial Viability Assessment:

Atop the list of a review of key viability criteria for the project is that it is based on a proven model by a known and trusted applicant. The applicant has confirmed that all TRRC and matching contributions will support a direct and focused effort on serving companies in the Southern Virginia footprint and with approval of grant funding all funding for the project will be in place.

Staff Recommendation: Staff recommends an award of \$131,814 contingent on the applicant requesting voluntary release of participant information, for reporting to the Commission.

Virginia's Gateway Region (#4376)

Regional Economic Development Marketing Support for Virginia's Gateway Region; \$162,000 Requested

Executive Summary: Virginia's Gateway Region is requesting \$162,000 over three years (\$54,000 each year) for assistance in marketing the City of Emporia and Brunswick, Dinwiddie, Greensville, Mecklenburg, and Sussex Counties to attract new businesses to the area. These funds will be matched by \$162,000 over three years (\$40,500 in kind and \$121,500 cash in hand) from county contributions. TRRC funds will be used for lead generation, travel, and marketing activities.

Matching Funds: Revised total of \$162,000 in matching funds:

- \$121,500 Virginia's Gateway Region, private contributions, application intended
- \$40,500 Virginia's Gateway Region, in-kind staff contributions

Project Outputs:

- Documentation of leads generated, and companies met with as a result of lead generation contracts
- Updated marketing materials and website incorporating three additional localities
- Outcome estimates during the grant period are for the attraction of two new businesses to the region, creating 50 new jobs and resulting in \$35 million private capital investments.

Staff Comments:

Grant funds are requested to support expenses over three years to support business attraction activities of the regional economic alliance, Virginia Gateway Region (VGR), based in Colonial Heights, VA. The Commission approved a \$75,000 grant (#4276) in September 2024 to VGR to be used towards lead generation and marketing costs for business attraction. No funds have been drawdown down on this grant based on VGR's interest in requesting this larger grant award. (If this request is approved the previously awarded grant would be closed and de-obligated.) The VGR representation of localities is increasing to include three additional tobacco region localities (City of Emporia, and Brunswick and Greensville Counties) as a result of the dissolution of the Virginia's Growth Alliance. VGR already serves Dinwiddie and Sussex Counties in the tobacco region, as well as the Cities of Petersburg, Hopewell, Colonial Heights and Prince George County which are outside the tobacco region footprint. Since the time of application, Mecklenburg County decided to not join VGR.

The original proposed budget requested \$134,000 for 50% of the pro-rata share (60%, 6/10 localities) of direct costs for lead generation contracts, as well as \$25,380 towards travel and \$2,520 marketing materials. VGR provided an updated Marketing Calendar for 2025-2026 fiscal year with modifications to targeted industries based on the new localities and sites to be served. Similar to the staff

recommendations for the award in September 2024, in order to simplify administration of a grant award, staff suggests TRRC funding be used towards lead generation contacts with match contributions covering all registration fees and travel expenses for events. Virginia Gateway Region has agreed to these changes and revised the budget to reflect the updated pro-rata share of tobacco region localities to 56% (5/9) resulting in \$124,157 requested from TRRC towards lead generation. Recognizing that VGR will need to update their marketing materials and website based on the addition of the three tobacco region localities to their service region, staff inquired about assisting with these costs. A revised project budget requesting \$143,167 from the Commission and \$162,000 in matching funds, consistent with these recommendations, was provided and includes \$19,000 for updating VGA's marketing materials and website based on the new regional area.

Financial Viability Assessment:

A review of key viability criteria shows this to be a reasonable approach to assisting a regional marketing organization where only a portion of their service territory is within the Commission's geographical footprint. The project budget was modified to create efficiencies for both the applicant and commission staff during administration of a grant award. Matching funds to be contributed by participating localities and required to be in place based on award contingency. The project will result in lead generation contracts, which will be reported, and are an eligible purpose for funding.

Staff Recommendation: Staff recommends a grant award of \$143,167 to support up to 50% of the pro-rata share of lead generation expenses (allowing match contributions towards travel, and registration fees for events), and allowing \$19,000 towards updating marketing materials and website; and finally, with the new grant award contingent on de-obligation of grant #4276.

Sites & Infrastructure

Henry County

Patriot Centre Phase 3, Beaver Creek Drive Extension (#4373)

\$1,500,000 Requested

Executive Summary: Henry County seeks TRRC support for an extension to and upgrade of Beaver Creek Drive/SR 1181, an access road providing service to the Patriot Centre, home to 3,000 employees with the potential for adding a significant number of additional employees as part of continued expansion phases. The proposed roadway improvements serve five commercial sites and can also be extended for future expansion to additional lots. Four of the five sites represent top priorities for recruitment by the regional Economic Development Corporation. The project involves constructing approximately 2,000 linear feet of the northbound lane, 2,733 linear feet of the southbound lane, and 389 linear feet of the median lane. Each proposed roadway is 24 feet wide and includes curb and gutter. In addition, the project includes partial grading of an adjacent lot for fill material, implementing erosion and sediment control measures, and improving stormwater management. As new industries are attracted, improvements to Beaver Creek Drive are needed to accommodate the increase of traffic throughout the industrial park. The Patriot Centre is a shared revenue facility benefiting Henry County and the City of Martinsville.

Matching Funds: A total of \$2,815,000 in matching funds from the following sources:

- \$2,150,000 in Congressionally Directed Spending through FHWA/VDOT, approved
- \$665,000 in ARC Local Access Program, application intended

Project Outputs:

- 5,122 linear feet of roadway that includes curb and gutter (2,000 LF northbound lane, 2,733 LF southbound lane, and 389 LF median lane)

Staff Comments: The Patriot Centre Industrial Park is a highly successful revenue-sharing business park home to 16 companies and one of the primary sites marketed by the Martinsville-Henry County EDC. This request supports the next phase of development for this site. The access road is required to accommodate the increase in traffic through the industrial park as new industries are attracted, and as a result of the recent sale of the industrial building on this end of Beaver Creek Road. The \$1.5 million request includes \$132,500 engineering and \$1,367,500 construction towards the \$4,314,497 estimated project costs. Engineering design and permitting is scheduled to begin in June 2025, with construction targeted for completion in November 2026. The roadway extension will provide immediate access to Lots 11 (23 acre, 15 acre pad site), Lot 12 (29 acres) and Lot 13 (10 acres); and with further extension eventually providing access to Lots 14 and 15. The Patriot Center is marketed to advanced manufacturing companies and benefits from a high-quality workforce training center at the entrance. The project is estimated to result in four new companies with 1000 employees and \$250 million private investment.

Financial Viability Assessment: A review of key viability criteria indicates a very promising opportunity for the development of a strategically located site for new business development. The proposal has a well-developed budget with appropriate documentation of costs. All match funding is in hand. The applicant has a strong record of accomplishment in site development. To minimize the commitment's impact on Commission resources, a contingency on a relatively quick purchase would be in order staff feels this project is a sound investment for the Commission at the recommended amount.

Staff Recommendation: Staff recommends a \$1,500,000 grant award.

Franklin County

Site Improvements of Dogwood Site at Summit View Business Park (#4365)

\$1,000,000 Requested

Executive Summary: The project aims to expand the development-ready pad at the Dogwood Site within Summit View Business Park in Franklin County, Virginia. The site currently has 97 acres of developable land, as identified in the park's 2024 updated master plan. Previous work, funded through the FY 22 Tobacco Region Revitalization Commission (TRRC) Grant, prepared 33 acres for development and cleared all existing structures. This next phase will further enhance the site's competitiveness by increasing its capacity for future business investment and economic growth.

Matching Funds:

- \$1,000,000 from Franklin County, approved

Project Outputs:

- 10 acres graded increasing the graded pad from 33 acres to 43 acres

Staff Comments: This request is to support 50% of estimated costs for expansion of the existing 33-acre graded pad on the Dogwood Site in the South region of the Summit View Business Park in Franklin County. An additional 10 acres will be added. Summit View is a 550-acre industrial park located adjacent to U.S. 220. The VBRSP site certification for the Dogwood Site reflects ~ 158 total developable area. The vision for the business park with designated public open space is to serve as a community hub for jobs and recreation. The master plan estimates the potential for 15-20 new businesses with \$300 million in private investment and creation of 2,200 new jobs at ultimate build-out. The Commission provided over \$3 million under five grants to support the development of the Summit View. A \$1.5 million award from May 2022 (TRRC #3957) is in the process of being closed, supported grading the 33 acres and removal of existing structures.

The connector road within the park between the North and South areas is now complete, improving transportation and site logistics. The county was recently awarded a \$5.5 million grant from the VBRSP to address the wastewater capacity limitation at the park, thus further solidifying the ability to attract a larger industrial and commercial development. Summit View hosts Stik-Pak Solutions, ValleyStar Credit Union's Administrative Campus, and Foothills Produce Auction; and Traditional Medicinals is scheduled to break ground on their East Coast herbal tea facility later this year. Attraction of a prospect is estimated to add 500 jobs at \$53,000 average salary/wage. Summit View offers multiple sites presenting options for manufacturing, food and beverages, office and technology headquarters. The grading costs at \$200,000 per acre is high and the engineering firm explained that an estimated 168,000 cubic yards of material will need to be moved. This is a highly marketed site by the county, VEDP and the Roanoke Regional Partnership.

Financial Viability Assessment: A review of key viability criteria indicates an opportunity for the upgrading of a strategically located, publicly owned economic development site. The proposal had a well-developed budget with appropriate documentation of cost estimates. All match funding is in hand from the locality. Significant investments have been made by the county and by the Commonwealth to develop the site. This is a highly marketed business park by the economic developers serving the region, offering one of the only large sites in the Roanoke Regional Partnerships service area. The Dogwood Site is marketed by VEDP as a mega site. All funding will be secured when the construction contract is initiated.

Staff Recommendation: Staff recommends a \$1,000,000 grant award for 50% of the site development costs.

Tourism

Town of Stuart

Star Theatre Equipment & Production Improvements (#4362)

\$154,556 Requested

Executive Summary: This application seeks funding from the Tobacco Region Revitalization Commission to enhance the Star Theatre in Stuart, Virginia, as a cultural tourism destination and economic driver. Commission funds will be used to install a new HVAC system, remediate condensation issues, and upgrade the theatre's production capabilities with professional stage curtains, acoustic panels, a video projection system, and a movie screen. These improvements will preserve the historic integrity of the Star Theatre, enhance the visitor experience, and expand programming opportunities. This project aligns regional economic development priorities, supports revitalization efforts in downtown Stuart, and positions the Star Theatre as a major venue on the Crooked Road Music Trail, attracting tourists and boosting the regional economy.

Matching Funds:

- \$376,968 purchase of the Star Theater by the Town of Stuart

Project Outputs:

- Star Theater improvements to address deficiencies with HVAC systems; and equipping the theater with a new projections system and screen, stage curtains and acoustic panels.

Staff Comments:

The historic Star Theater first opened in 1947. It is the center piece for downtown revitalization serving as an anchor for the recently designated Downtown Stuart Historic District. The Commission provided \$7,500 towards a feasibility study to assess the viability of purchasing and operation of the facility as a music venue/theater/community space. This led to the Town of Stuart acquiring the theater and putting it into public ownership allowing for continued development of the property. The \$154,556 request to the Commission includes \$20,000 for A&E services, \$65,000 towards ventilation, humidity, and HVAC improvements, and \$69,556 for projection and screen, stage curtains and acoustic panels. Match contributions include the Town's acquisition costs, branding and façade improvements, and annual operating support including a contract with One Family Productions. The 4,725 sq. ft. property can accommodate 260 seated patrons for performances and provides an opportunity to attract visitors to downtown Stuart.

Building on the momentum of the acquisition of the Start Theater, DHCD awarded two grants to the Town of Stuart, a \$990,273 Community Development Block Grant supporting nine commercial facades and improvements to the adjacent Stuart Farmers Market property; and \$700,000 in ARC funds which will replace a multi-property deck structure connecting five businesses in the historic district and providing emergency egress to the back of the Star Theater. The theater is marketed as part of larger regional marketing efforts that include The Crooked Road Music Trail, Life in SOVA, and Virginia is for Music Lovers. The theater attracted 2,600 visitors in 2024. Based on increasing annual attendance by 30%, the Start Theater is projected to attract 10,400 visitors in the next 3-years including 3,200 new attendees and will provide an estimated \$632,000 economic impact during the project period. The Town provides a commitment to track visitor attendance including zip code analysis of ticket sales and in-person surveys to measure the economic impact.

With its location near the North Carolina border and with Patrick County serving as Virginia's southern gateway to the Blue Ridge Parkway, the nation's highest visited national park, the Town of Stuart and its Star Theater can attract national and international visitors making it a priority for the Commission's tourism infrastructure investments. Redevelopment of Stuart's Historic downtown district is centered on the Star Theater. This project builds on recent momentum and investments providing an opportunity to continue expanding on this success.

Financial Viability Assessment:

A review of key viability criteria indicates a well-studied and prepared project. Match is appropriate and in-hand, with approval of grant, all funding is in place. Additionally, an agreement is in place with an operator. The budget is appropriately scaled and supported by current construction quotes. Staff feels that this project is financially viable given it is supported by regional partners including the county economic development office, builds upon a current track record of success, and will have project result tracked by the town.

Staff Recommendation: Staff recommends a grant award of \$154,556.

**The Corporation for Jefferson's Poplar Forest
Poplar Forest Parkway Upgrades (#4375)
~~\$85,000 Requested~~ \$79,250 Revised Request**

Executive Summary: Poplar Forest requests \$85,000 to add another layer of paving to the 2.2 mile entrance roadway and pave the steep sections of the 1.6 mile trail. The construction design for the Parkway dictates building up the layers of paving over time, in order to provide ongoing stability and to periodically renew the surface appearance. Specifically, Poplar Forest's landscape architects suggested adding another layer of pavement one-year after the initial opening of the road, and then again at five and ten years. Poplar Forest plans to work with R. Ashby Templeton, Inc. (Lynchburg, VA) to pave the road again this year, as soon as funds can be secured. The cost to repave the road, parking areas and steep sections of the trails is \$143,200. As detailed in the budget document, non-TRCC funds will support the additional \$58,200 to address the paving, cover staff salaries for time devoted to project oversight and complete landscaping at the bus turnaround. The paving is critical to sustaining the integrity of the road and trails for future use. Poplar Forest has already invested in maintenance needs, including the addition of water diversion bars to slow the movement of water down steep sections of the trails, and the creation of new ditches and swales to carry water off the road during unexpected heavy rain events which impact the road and trails.

Matching Funds: Revised from original request.

- \$79,250 private contributions towards capital improvements

Project Outputs:

- Paving of 2.2-mile Poplar Forest Parkway entrance road and parking areas
- Improvements to bus turnaround- 95 linear feet of granite cobble edging and landscaping

Staff Comments:

Thomas Jefferson's Bedford County Retreat known as Jefferson's Poplar Forest is recognized as an award-winning historic restoration in progress. With 24,897 visitors in 2024, Poplar Forest is one of the highest visited tourism destinations in Southern Virginia. Grant funds are requested to support a portion of the \$143,200 cost estimate for resurfacing the new entrance road and parking areas and for the bus turnaround edging. Matching funds will be used towards these costs, as well as for paving steep trail segments, and toward landscaping. The four cost estimates submitted with the application total \$158,500 for capital cost improvements. The applicant has agreed to a reduced funding request of \$79,250 to support 50% of these eligible project costs

The Commission has invested in Poplar Forest since 2006 when funds were provided towards the acquisition of the property where the new entrance road is located. The two most recent grants were closed in 2023 providing \$603,468 towards the \$3.86 million contract for construction of the 2.2-mile Poplar Forest Parkway. Construction of the Parkway has transformed the visitor experience at Poplar Forest (visitors previously entered the back of the property through a labyrinth of secondary residential roads); opening the 617-acre property to the public and extending the stay of visitors increasing the economic impact from visitor spending in the region.

This is a modest request that prepares one of Southern Virginia's main historic sites for an increase in visitation that is expected to result from Virginia's 250th celebration, the statewide initiative to commemorate the 250th anniversary of the Declaration of Independence and the American Revolution. An economic impact study was provided validating regional visitation impact and spending from visitors to Jefferson's Poplar Forest. Letters of support were included from the County Administrators in Bedford and Campbell Counties.

Financial Viability Assessment:

A review of key viability criteria presents a straight forward project with a clear timeline (project to be completed by the end 2025), that has cost estimates provided. The applicant has a long history of working with the Commission. The project helps preserve a previous major investment by the Commission and will enable the region to benefit from tourism to one of its most significant historical sites. Applicant has a documented ability to attract national and international visitors to the region, which is in-line with the goals of this program.

Staff Recommendation: Staff recommends an award of \$79,250 for 50% of project costs, with Commission funds being used toward costs for paving the Parkway and parking areas, and towards the granite cobble edging for the bus turnaround.

Other Economic Development

Pittsylvania County

Southern Virginia Megasite Training Center (#4325)

\$10,000,000 Requested

Executive Summary: The Danville-Pittsylvania Regional Industrial Facilities Authority requests a \$10 million grant to be utilized towards the construction of a 36,500 sq. ft. training facility that will be matched by a \$10 million grant from the Danville Regional Foundation. The RIFA committed to providing the training center in an incentive package for Microporous LLC to establish a \$1.35 billion battery separator manufacturing campus on 212-acres within the Southern Virginia Megasite. The project is expected to create over 2,015 direct jobs with average wages of \$58,091 per year before benefits (\$117 million per year direct payroll impact). The first phase of the production facility (500,000 square feet) is expected to be operational by 2027, with equipment and machinery testing beginning in October 2026. The training center is intended to initially serve Microporous and will be used to train between 200-700 new employees per year. This facility would be owned by the RIFA and leased and operated by the Institute for Advanced Learning and Research.

Matching Funds:

- \$10 million Danville Regional Foundation

Project Outputs:

- 36,500 square foot training facility constructed at the Southern Virginia Megasite

Staff Comments: This funding request is to provide funds for an on-site training center at the Southern Virginia Megasite to accommodate specialized training needs of larger employers at the megasite as they ramp up hiring. The ten-year hiring and investment ramp-up schedule for Microporous Virginia reflects plans to begin construction in 2025 with \$110 million private investment followed by \$144 million and \$253 million respectively for 2026 and 2027. The ramp-up for hiring new employees includes 244 in 2027, 208 in 2028, and the highest need at 728 is in 2029.

A preliminary cost estimate for \$20 million was included with the application including \$17 million for building construction (sitework, building, contingencies), \$1.78 million for building ancillary costs (audio visual, IT/data/security, two 10-ton cranes, stormwater nutrient credits, and furniture, fixtures and equipment). Danville Regional Foundation confirmed their approval of the \$10 million in match, which was projected to be paid out at \$7 million in 2025 and \$3 million in 2026. Equipment and staffing costs for delivery of training at the center was not included in this estimate and it is unclear what the sources of funding would be for this. Development of construction documents was expected to occur between February and June 2025, with a plan to bid the project in July, and for construction to begin in August 2025. Staff inquired about an update on the timeline for final design plans and availability of a more detailed cost estimate for construction of the training center. Final design plans are currently delayed. The RIFA is working with another large project interested in the site. This could impact the development of this facility, which is intended to serve the entire park.

An operational business plan for the facility is being developed with a plan for the RIFA to own the facility which will be leased and operated by the Institute for Advanced Learning and Research. The RIFA is working with the Virginia Talent Accelerator Program, DCC and IALR staff on the operating plan. A preliminary operational budget estimates operating expenses of \$460,000 in year 1 increasing to

\$663,146 in year 10 (\$565,383 average annual operating costs); with total income averaging \$220,949 annually (the primary income is from having a tenant in a second highbay). This leaves a gap in operating funds of approximately \$344,403 annually which would need to be provided by additional local contributions (listed in the application as IALR, DRF or RIFA).

There is no question that the Micropouros announcement when fully implemented will be transformational for the region. The commitment to include the training facility in the incentive packages appears to have been made without a clear plan or business model for how operating costs for such facility would be supported. Staff has concerns about the ultimate cost of this facility recognizing that construction estimates were only preliminary, the operating budget did not include costs for acquisition of machinery or equipment for delivery of training programs, and most importantly the uncertainty of how the gap in funding needed for on-going operating costs would be supported. Additional time is needed to work through these details. The RIFA has asked that the Commission Table this proposal until the September 2025 Commission meetings, which will allow time for the training needs of the other Mega project to be sorted with the training needs of Microporous and for development of the operational business plan.

Financial Viability Assessment:

A review of key viability criteria shows a major project that has been presented as an integral part of a transformative project for the region. Matching funds has been secured. The applicant is wisely waiting for additional developments to occur before proceeding with final design plans, a detailed cost estimate, a written commitment from operator (IALR) and a viable operating plan, all of which are needed to make this a viable project.

Staff Recommendation:

Southern Virginia Committee

Staff recommends this project be Tabled and referred to the Incentives and Loans Committee for consideration under the Megasite Incentives program.

Staff is recommending that consideration of an award for up to \$10 million will need be conditioned on the Commission's confirmation from bond counsel that the project can be supported from Restricted Funds, and the RIFA and its training partners agreeing to all necessary requirements and parameters pertaining to the use of Restricted Funds.

Based on the information available at this time, further conditions on funding consideration would be similar to those required by DRF's board including:

- 1) Matching funds from the Danville Regional Foundation.**
- 2) The project remaining the same size related to company investment, jobs created, and average wages. Any deviation from the announced (\$1.3 billion investment, 2,015 jobs, average wage of \$58,000) would justify a review by the Tobacco Commission regarding the investment commitment.**
- 3) Review and approval of the business/operations plan for the facility.**

OTHER BUSINESS:

County of Bedford

Grading Lots 10a and 12a in New London (#3750)

Current Project Period: 5/27/2021 – 5/31/2025 – Extension Request

Staff Comments: In May 2021, the Commission approved an award to Bedford County for grading Lots 10a and 12a in the New London Business and Technology Center. Grant funds were requested to support 50% of the estimated costs and grade two 1.7 acre pads, one on each lot. This work was delayed as a prospective company expressed interest in the sites but that did not materialize. The Commission approved a 4th year extension in April 2024 and at that time engineering was complete. Bedford County's EDA voted to proceed with the original scope of the project in April 2024, and at that time the Commission approved a 4th year extension for the grant. In February 2025, the county entered into a construction contract for the grading. While this work was expected to be completed by the current project end date of May 31, 2025, a few additional months are needed based on weather conditions and supply chain delays. Bedford County requests an extension to allow time for the work to be completed. \$70,000 remains in the project account for Property Improvements. \$10,000 was spent in Spring 2022 on Contractual Expenses related to the project.

Staff Recommendation: Staff recommends an extension through September 30, 2025.

West Piedmont Planning District Commission

Regional Outdoor Recreation Economy Program (#4156)

Request to Remove Contingency and Reduce the Scope

Staff Comments: In October 2023, the Commission approved an award to the West Piedmont Planning District Commission to complete an outdoor recreation economy master plan and impact study for their service region, providing an asset inventory and a marketing strategy with brand and logo. Matching funds were intended from the Appalachian Regional Commission and US DOC Economic Development Administration. While the ARC funding was secured, the EDA funds were not. A lack of these matching funds changed the scope of the project to limit the Outdoor Recreation Plan to the city of Martinsville and the counties of Henry and Patrick as they are part of the Appalachian Regional area. Original localities in the application included the counties of Franklin, Pittsylvania and the city of Danville. The original Economic Impact Study will not be completed due to lack of EDA funds, but this assessment will be in the Master Planning document. Reduced funding is available to support marketing, however, branding and logo development, and a modest amount for website development will be part of the Master Planning. A contract was signed by Friends of Southwest on behalf of West Piedmont PDC with Destination by Design to complete the work. To date, 70% of the work has been completed and it is estimated to be finished by June 2025. No grant funds have been expended towards the project.

A request came to the Commission to reduce the scope of the project, reduce the budget of the project to \$86,000, and remove the contingency related to required matching EDA funds. The second contingency placed on the grant was for TRRC staff to approve tourism economic outcome projections prior to the launching of the marketing campaign. This work is expected to be completed in June 2025 and can be satisfied at that time.

Staff Recommendation: Staff recommends the contingency for EDA matching funds to be removed and to accept the reduction in scope and in budget for a reduced award of \$86,000.