



FY2019 Special Projects

Program Guidelines and Call for Proposals

Program Objective: The purpose of the Commission's Special Projects Grant Program is to promote economic growth and development in tobacco-dependent communities in an equitable manner throughout the Southern and Southwest regions of the Commonwealth in order to assist such communities in reducing their dependency on tobacco and tobacco-related business. Generally, projects are intended to be those activities and/or partnerships which:

- provide potential positive impacts across a substantial portion of the tobacco region of Virginia;
- are so innovative in nature that they provide replicable models that could potentially reshape the economies of communities across the tobacco region;
- are so broad in scope and geographic impact that they do not clearly fit under the eligibility and project types for the Commission's other funding pools

Requests to the Commission's Special Projects program should support either **Regional Economic Development** projects, or projects that **Expand Access to Healthcare** for residents of a multi-locality service area. The Special Projects Committee is also delegated to review requests for the Commission's **Megawatt** funding, which is awarded under a separate application and approval process.

Regional Economic Development - Eligibility for the Special Projects program's regional economic development funding requires the **active participation of at least three localities** (defined as a significant role in the financing and governance of a project). Projects that serve the greater tobacco region generally receive higher funding priority. The primary **outcome measures** for regional economic development projects are the numbers of net new jobs directly created, the amount of net new taxable private capital investment, and (in the case of regional tourism projects) the net new revenues created for tobacco region localities and entities.

Regional economic development projects should generally fall into one of the following project types:

- Building and utility infrastructure creation or improvements for economic development sites that involve regional revenue-sharing, including acquisition and/or development of land and physical improvements.
- Programs and facilities to provide workforce training.
- Support of new opportunities for economic diversification, such as new industry and employment clusters, and entrepreneurial development. This may include regional partnerships to implement direct marketing strategies for targeted recruitment of back-office jobs to existing available commercial properties (including downtowns) in multiple localities.
- Enhancements to regional tourism infrastructure that demonstrate ability to attract measurable visitor revenues from outside the tobacco region.

Expanding Access to Healthcare - The Commission's Strategic Plan also designates the Special Projects program as the venue for considering grant and loan proposals that **expand access to healthcare** in the tobacco region. The Special Projects Committee stated that its priorities for proposals to deliver expanded healthcare services will be for **cancer research** (per the Commission's enabling legislation revised in the 2012 General Assembly session) and for **telemedicine** projects. The TRRC Strategic Plan updated in May 2018 further defines a priority for "Improved access to physical,

behavioral and oral health care through mobile health services and tele-health capabilities when such activities provide significant new sources of capital to the region through federal payment programs.” Requests for **operating funds** should not exceed three years of funding and should demonstrate declining support from TRRC operating funds in years two and three, concurrent with increasing support from other non-TRRC funding sources. As with all TRRC programs, applications that will benefit a private for-profit healthcare organization **MUST** be submitted by an **eligible applicant** entity (e.g. government or IRS-designated non-profit). The primary **outcome measure** for healthcare projects will be the net new number of patients directly receiving new healthcare services (stated as an increase over baseline number(s) of patients currently being treated, and as a percentage of the population of the defined service area). Projects that serve the greater tobacco region will receive higher funding consideration.

Funding Priorities: Applications submitted to this program should fall into one of the categories the Commission has focused upon as critical for the economic renewal of the [TRRC region](#). Additional information about the Commission’s funding priorities for the Special Projects program can be found in the Program’s Logic Models in the [Strategic Plan](#) on the Commission’s website. Applicants are strongly encouraged to review the [Funding Policies for Grant Awards: Information for Grantees and Applicants](#) (Revised May 2016) document which is also available on the website.

Loans for projects: Applicants should be aware that any project which, when in full operation, will generate revenues such as user fees or other income, will be reviewed for eligibility for a loan (rather than a grant) to be funded by the Commission in partnership with the Virginia Resources Authority. For more information on TRRC-funded loans, please see our website and contact Commission staff.

Low Priorities: The Commission’s General Funding Policies state that requests for projects involving non-basic economic development, including but not limited to the following, are low priorities:

- Community Centers
- Wellness Centers
- Childcare Facilities
- Retail Development
- Housing
- K-12 education
- Arts/Cultural/Historic Preservation
- Studies
- 4-H centers
- Airports and other transportation
- Other community amenities that may support economic development but primarily serve a local market (e.g. recreation, etc.)

Applications for projects such as these will be accepted and processed with a Staff recommendation of no award. For additional clarification on Low Priorities please contact the Commission’s Staff.

Outcome Measures: Applicants for regional economic development are expected to describe and be prepared to measure the anticipated ROI (e.g. private sector capital investment, employment and wage outcomes, tax benefits) in relation to proposed Commission investments. The primary outcome measure for healthcare projects will be the net new number of tobacco region patients directly receiving new healthcare services (stated as an increase over baseline number(s) of patients currently being treated).

Matching Fund Requirement: Language adopted in Code of Virginia in 2015 now requires dollar-for-dollar matching funds for all grants (i.e. at least 50% of the Total Project Costs to be provided from non-TRRC funds), unless otherwise approved by a two-thirds majority of Commissioners. No more than 25% of the required matching funds can be provided from in-kind project contributions. Staff will not recommend funding for any project that does not propose dollar-for-dollar match, and/or proposes more than 25% in-kind match. Matching funds are **NOT** required for loan requests, as the TRRC funds will be re-paid to the Commission.

Required Budget Documents for Funding Request: Depending on the proposed use of grant or loan funds, different supporting documents with line-item details on the uses of TRRC and matching funds are required. Requests for the acquisition, construction or equipping of long-lived physical assets must provide written cost estimates from independent qualified professional sources. Requests for start-up operating costs must provide a line item detail and annual operating pro forma with a clear breakdown on the proposed use of funds.

- **Construction Budget** – If the project involves any building construction and/or renovation, land improvements, or physical infrastructure construction, a detailed, itemized construction budget is required. Cost estimates must be provided from a licensed architecture and/or engineering firm or from a licensed contractor.
- **Equipment List** – If Commission funds will be used to purchase equipment, an itemized equipment list is required. Quotes from product vendors must be provided for purchases of all long-lived assets.
- **Detailed Line Item Budget** – Requests for operating funds must include a line-item detailed budget showing specifically how funds from the Commission and required Matching funds will be used, along with an annual operating pro forma as described below.

Other Program Guidelines/Requirements: Depending on the project type, additional information in the form of attachments is required to provide details critical to the evaluation of the application. Failure to submit all required information may result in a recommendation of no award.

- **Operating budget** – *Required for Workforce Development Centers, Tourism, Healthcare and Other Projects* – Applications for these project types are required to submit an operating budget to demonstrate how operating costs will be supported and how the project will be sustained beyond a start-up period of no more than 3-years (the maximum time period typically allowed for support from Commission funds).
- **Marketing Plan** – *Required for Tourism Projects* – A marketing plan to describe the project’s target market and the plan to capture that market must be described in the application.
- **Cash Flow Analysis** – *Required for Water/ Sewer Infrastructure and Healthcare Projects* – For projects that will generate revenues, applicants must provide a detailed cash flow analysis that shows the effect of this project on revenues and expenditures. A Pro forma must be submitted for new or expanding health care facilities including revenue and operating expense projections. The analysis should include a baseline of your current operations and demonstrate how the TRRC funded infrastructure or facility will impact revenues and expenditures.
- **Rate Structure** – *Required for Water/ Sewer Infrastructure Projects* – For revenue generating projects a current rate structure for existing customers must be provided. Proposed or planned changes to the utility rate structure that will result from and/or is necessary to support the project requested for support from the Commission should be identified either in the Cash Flow Analysis or with the information on the Rate Structure.
- **Construction Documents**- Additional supporting documents including Preliminary Engineering Reports, other A&E Documents, Building Plans, etc. should also be submitted with the application.
- **Real estate acquisitions** – if real estate is to be acquired with Commission funds or proposed as matching funds, the applicant must provide an independent appraisal completed within the previous year.
- **Letters of Support** – Applicants are asked to provide letters from project partners, beneficiaries and others that demonstrate the commitment of resources to the project or document the project’s need.
- **Multiple & Multi-faceted proposals** – Multiple proposal submissions and proposals that involve multiple projects should provide a priority ranking of the initiatives so that the Commission may focus its primary consideration on the applicant’s stated #1 priority.

- **Million dollar-plus projects** - All projects that will involve current and future requests to the Commission that in aggregate will be for more than \$1 million should provide evidence of the commitment of at least 50% of the funds needed to construct the anticipated multi-million dollar facility, and a projected timeline for construction.
- **Additional Requirements for Applicants** (*Utility Infrastructure, Regional Partnerships, Use of Funds by For-Profit Entities, etc.*) – All applicants should review Section III of the [Funding Policies for Grant Awards: Information for Grantees and Applicants](#) for details concerning other specific information that may be required.

Tax-Sharing/Revenue Return: Projects funded by the Special Projects Committee may be subject to a tax-sharing agreement between the Commission and the localities, depending on the nature of the project. For taxpaying economic development projects, the Commission will negotiate agreements with partner localities that include a return of a percentage of local tax revenues generated by the project. As an initial target, the Commission will seek to receive 15% of tax revenues generated by projects receiving Special Projects Committee funds. Given the varying nature of projects and tax arrangements, not all projects will be subject to identical tax-sharing agreements.

Program Budget and Value of Awards: In May 2018 the Commission adopted its FY2019 budget. The amount budgeted for the FY19 Special Projects program is \$1.5M, in addition to \$3.2M of funds carried forward from FY18. There is no stated minimum or maximum grant amount, and grant awards in the most recent year averaged approximately \$425,000. The number of awards and grant or loan award amounts are subject to the quality and quantity of proposals received and other applicable considerations. Requests which exceed the Program’s available balance will not receive a staff recommendation.

Application Deadline: On-line applications must be submitted by the **Thursday, July 19, 2018** application deadline.

Start Date: It is anticipated that the Commission will make final funding decisions at its meeting on **September 19, 2018**. Proposals should therefore plan for TRRC-funded project activities to start no earlier than October 1, 2018.

Pre-applications and Technical Assistance: An optional pre-application is available on the TRRC website for applicants who wish to obtain feedback from Commission Staff on potential projects, prior to submitting a full application. For technical assistance, or to discuss a pre-application, please contact Sarah Capps in the TRRC Southern office (scapps@revitalizeva.org), Sara Williams in the TRRC Southwest office (swilliams@revitalizeva.org), or Tim Pfohl in the TRRC Richmond office (tpfohl@revitalizeva.org).

Evaluation Criteria: All projects competing for funding must fall within one of the categories recognized by the Commission *and* meet the criteria for approval as detailed in the Program guidelines. Funding recommendations will be based, in part, upon the following criteria used to evaluate proposals.

Technical Merit:

- The significance and strategic fit of the project to the community, as demonstrated by assessment of needs or opportunities, and evidence of community support
- Evidence of the project’s readiness for immediate implementation
- The feasibility of the project reaching a successful conclusion; qualified and committed leadership of the project

- The soundness of the proposal's budget; leveraging of the Commission's funds with other appropriate sources of funds
- The ability of the proposal to serve as a model for other applicants or regions
- Sustainability of the program beyond the term of the TRRC funding
- The ability to clearly demonstrate or evaluate the proposal's effectiveness

Regional Economic Development Potential (for applicable projects):

- Number of potential jobs created by the project.
- Salaries of potential jobs.
- Project's ability to increase income and revenues in the region (vs. outmigration of local dollars)
- Long-term nature of the projects' employment abilities
- Activities that improve the economic competitiveness of a community or region
- Moves region toward recruitment of targeted economic opportunity
- Project activities increase skills of region's workforce
- Needs assessment of such a project in the community; in the case of industrial parks, a full accounting of how many other parks exist in the region and at what capacity they are operating.

Healthcare Outcomes (for applicable projects):

- Needs assessment
- Number of net new residents treated annually
- access to technology and/or services not previously available in the project area

Significance to Commission's Mission:

- Activities include one or more of the categories outlined in the Instructions.
- Strategic fit with the Commission's [Strategic Plan](#) and the Program's objective.
- Regional cooperation and/or financial collaboration for this project (multiple localities).