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**MEETINGS and OVERNIGHTS:**

The Hilton Downtown  
501 East Broad Street  
Richmond, VA

**RECEPTION:**

Richmond CenterStage  
600 East Grace Street  
Richmond, VA



**REVISED 1/6/16 - ITINERARY**

**Monday, January 11, 2016**

- 4:00 - 6:00 pm      Hotel Check-In for COMMISSIONERS  
w/ OVERNIGHT ACCOMMODATIONS  
*The Hilton Downtown (valet park-charged to room)*
- 5:00 pm              **New Commissioner Orientation**  
*TCCR Office, 701 East Franklin Street, Suite 501*
- 6:30 – 8:30 pm      RECEPTION – *Richmond CenterStage*  
*(1 block down from Hotel/1 block up from office)*

**Tuesday, January 12, 2016**

\* HOTEL CHECK-OUT PRIOR TO YOUR MEETINGS\*

- 8:30 am              **TROF Committee Meeting**  
*The Hilton Downtown*
- 9:00 am              **Strategic Planning Committee Meeting**  
*The Hilton Downtown*
- 10:00 am             **Executive Committee Meeting**  
*The Hilton Downtown*
- 11:00 am             **Commission Meeting**  
*The Hilton Downtown*
- 12:00 pm             lunch (buffet)  
*The Hilton Downtown*



## The Hilton Downtown

501 E. Broad Street, Richmond, VA PHONE: 804-344-4300

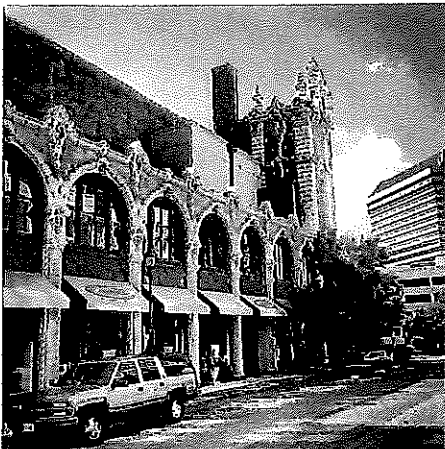
Gayle Barts	<del>Ronnie Montgomery</del>
John Cannon	<del>Dale Moore</del>
Sarah Capps	Ed Owens
Becky Coleman	Cecil Shell
Ben Dawson	Robert Spiers
Frank Harris	<del>Jessie Stamper</del>
John Holland	Ned Stephenson
Cathy Lowe	Robert Sutherland
<del>Don Merricks</del>	Sara Williams
Robert Mills, Jr.	Tommy Wright

**Directions:** Hotel is located in the central business district, located at the intersection of 5th and East Broad Streets. **VALET parking at the hotel. Commissioners & Staff will receive parking vouchers for the 12<sup>th</sup>. Overnighters will be charged to room.** Public parking is across 5<sup>th</sup> for a cost.

**FROM WEST: Take 64E to Exit 75 merge onto 3rd St., take left on Broad, take right on 5th. Hotel on left.**

**FROM EAST: Take 64W to Downtown Exit (#190). Hotel is 4 blocks on the left.**

This Hilton features complimentary WI-Fi and a 24-hour Business Center, complimentary fitness center, pool and a full-service restaurant on the property providing everything you need to make your stay successful.



## Richmond CenterStage

600 E. Grace Street, Richmond, VA

1 block down from Hotel  
(public \$ parking lots throughout area with limited street parking)

# REVISED - Unpublished



## COMMISSION AGENDA

Tuesday  
January 12, 2016 @ 11:00 am  
The Hilton Downtown  
Richmond, VA

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<b>Welcome and Call to Order</b>	<i>The Honorable Terry G. Kilgore, Chairman</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Election of Officers</b>	<i>The Honorable Terry G. Kilgore, Chairman</i>
<b>Approval of <u>9/23/15</u> minutes</b>	<i>(published on website)</i>
<b>Executive Committee</b>	<i>The Honorable Frank Ruff, Vice-Chairman</i>
<b>Agribusiness Committee</b>	<i>Robert Spiers, Chairman</i>
<b>Southside Economic Development Committee</b>	<i>The Honorable Tommy Wright, Chairman</i>
<b>Strategic Planning Committee</b>	<i>Missy Neff Gould and Becky Coleman, Co-Chairs</i>
<b>TROF Committee</b>	<i>The Honorable Terry G. Kilgore, Chairman</i>
<b>Center of Excellence Update</b>	<i>CoE Leadership</i>
<b>CCAM Update</b>	<i>Joe Moody, CCAM Executive Director</i>
<b><u>Hampton University Update</u></b>	<i>Bill Thomas, VP of Government Relations</i>
<b>Public Comments</b>	
<b>Adjourn</b>	

*\* Need copies of presentation*

## FY16 Agribusiness Committee Recommendations – December 2015

The Commission received seventeen proposals for FY2016 Agribusiness funds by the announced due date in October. Summaries of the proposals and Committee recommendations are contained below. Other Business regarding existing grants is also included.

Req #	Organization	Project Title	Requested Amount	Committee Recomm.
3118	Blue Ridge Center For Chinese Medicine Inc	Appalachian Medicinal Herb Growers Consortium - Phase II: Processing Herbs	\$196,062	<del>\$196,062</del>
3117	Blue Ridge Soil and Water Conservation District	The Greater Appalachian Sheep and Goat Improvement Initiative	\$290,200	<del>\$255,000</del>
3106	Campbell County	Central Virginia Producer Support Grant Program	\$467,500	<del>\$300,000</del>
3116	Ferrum College	Hydroponic System Model for Specialty Lettuce Production	\$49,000	<del>\$30,000</del>
3105	Halifax Soil & Water Conservation District	Southside Virginia Pasture Infrastructure Program	\$161,778	<del>\$161,778</del> - K. H. H. H. H.
3104	Lake Country Development Corporation	Southern Virginia Food Hub	\$79,776	<del>\$79,776</del>
3103	Lee County Livestock Association	Livestock Genetic Improvement Initiative for Far Southwest VA	\$200,000	<del>\$155,000</del>
3102	Pittsylvania County	SoVA Vineyard Development and Expansion to Support Virginia's Wine Industry	\$811,526	<del>\$811,526</del> - Ruff
3119	Providence Multimedia d/b/a Providence Farm	Mushroom Farm Incubator for Southern Virginia	\$195,000	tabled
3113	Virginia Cattlemen's Association	Promoting Quality Assured Feeder Cattle Marketing in Virginia's Tobacco Region	\$805,300	<del>\$59,000</del>
3111	Virginia State University	Postharvest processing, handling, and marketing of Southside Virginia edamame	\$164,822	<del>\$114,822</del>
3110	Virginia State University	Development of Berry Industry in Southside Virginia - Phase II	\$333,930	<del>\$292,930</del>
3109	Town of Wytheville	Wytheville Farmers' Market Site Development Project	\$185,000	<del>\$85,000</del>

<b>Total (17 requests/12 recommendations)</b>	<b>\$5,104,815</b>	<b>\$2,540,894</b>
<b>Balance available before/after recommendations</b>	<b>\$2,936,133</b>	<b>\$395,239</b>

*Reddie White*

**Blue Ridge Center For Chinese Medicine Inc (#3118)**  
***Appalachian Medicinal Herb Growers Consortium - Phase II: Processing Herbs***  
**\$196,062 Requested**

***Project Description Provided by Applicant:***

*Executive Summary:* Phase II builds upon the success of Phase I: the expertise of the Blue Ridge Center for Chinese Medicine (BRCCM) in Floyd County would expand the Appalachian Medicinal Herb Growers Consortium (currently 33 farms planted in 5 counties, with 17 more in Spring 2016), to double plantings at existing farms, begin the first major harvest, add capacity for drying, processing and packaging herbs (using solar power), and selling to licensed clinical practitioners, thus improving incomes for farming families. BRCCM has provided “alternative” healing that is sought by the nation’s top hospitals in Integrative Healing Centers, incorporating Eastern and Western medicine. Licensed practitioners in the U.S. (27,000) want domestic sources; quality of Chinese imports has deteriorated. Farmer income can rise \$300-\$27,000/year, depending on land planted. To be self-sustaining, funding is needed for 2 more years. BRCCM seems destined to be an epicenter—the U.S. Medicinal Herb Hub—helping reverse the loss of jobs.

*How will this project directly assist tobacco region producers access the identified market opportunity?* This project not only assists in retaining current jobs and producing new jobs, but is directly focused on agriculture - where the loss of the tobacco product resulted in the ultimate creation of the Tobacco Commission. Chinese medicinal herbs represent a new, high-income agricultural product that can be grown throughout the tobacco region to supply a very large U.S. medical market that cannot gain access to locally grown Chinese medicinal herbs. This project quite likely places Floyd County as the epicenter of Chinese Medicinal Hubs in the U.S. Tobacco region producers will be exposed to a new high-value crop and also will have the opportunity to interact with notable medical centers as Integrative Medicine continues to grow at places like Johns Hopkins, Mayo, Cleveland, Duke and others as doctors and Chinese practitioners seek ways to integrate the best of Western and Eastern medicines.

**Staff Comments:** This project received \$152,660 in FY15 with a balance of approximately \$70,000 remaining. The applicant has indicated that the balance will be requested by the end of this year for fourth quarter expenses covering labor costs, supplies and materials, and equipment purchases. The Phase II request seeks to build upon the success of the already funded work which has resulted in 33 current farms planted in 5 counties. An additional 17 farms will be planted during Spring 2016. In this phase plantings will be increased at existing farms and the first major harvest will be undertaken. Capacity for drying, processing and packaging herbs will be increased. Funds will be used for a operating support for project personnel (both salaried and contractual), travel, supplies (seeds and planting materials), shipping costs, harvesting and processing labor as estimated in the line item budget provided in the application. Matching funds are shown from the Appalachian Regional Commission (\$125,000 - Application intended) for Equipment and Construction purchases in 2016 and 2017. The applicant also presented its intent to direct \$100,000 of future revenues from 2016 and 2017 to the ongoing operational needs of the project. Conversations with the applicant also show an intent to pursue funding from USDA and other sources. Seventy-five farms are expected to participate in this phase of the project with \$3,062 in net new annual sales per farm. Overall, as a first-time grantee, the Center has fulfilled all reasonable expectations for the first grant in terms of new farms added, product grown and processed, and proper uses of grant funds. This current request does an outstanding job showing market demand from buyers across the U.S., and the demonstrated ability to grow desirable products at several farms in multiple tobacco region counties.

The growth market for these domestically grown products appears robust, with significant potential to expand production and attract net new income to the region from distant buyers.

**Committee recommends award of \$196,062.**

**Blue Ridge Soil and Water Conservation District**  
***The Greater Appalachian Sheep and Goat Improvement Initiative (#3117)***  
**\$290,200 Requested**

***Project Description Provided by Applicant:***

*Executive Summary:* The goal of the Greater Appalachian Sheep and Goat Improvement Initiative is to increase net farm income of existing sheep and goat producers, and help establish new sheep and goat farmers in Bland, Carroll, Floyd, Franklin, Henry, Grayson, Patrick, and Wythe Counties. Sheep and goat numbers are on the rise in Virginia. Families are purchasing sheep and goats for a number of reasons, including youth 4-H and FFA projects, wool production, and meat or dairy production. Unlike larger livestock, small ruminants consume less feed and require less land. Existing herds are growing and new herds are starting because Virginia offers a great climate to raise successful flocks. There is also an economic incentive to increase sheep and goat production. The US Census of Agriculture documented 220% growth in sheep and goat product revenue in these counties from 2007 until 2012. The total economic impact was \$853,000 in 2012.

*How will this project directly assist tobacco region producers access the identified market opportunity?* Qualified and approved applicants will be required to complete an online business plan through Ag Plan from the University of Minnesota and attend one training program to be considered for acceptance into the cost-share program. During the 5 year term of the grant agreement, participants will attend a yearly program education and training in FAMCHA and parasite control, breeding, genetics, feed and pasture management, and predator control. This will help them build and maintain a healthy, successful flock: the first step in establishing a profitable farm market venture. The project will serve 88 small ruminant producers in 8 counties during the initial round. Producers will be able to receive a cost-share payment of a maximum \$3000 after making a total investment of \$6000. The projected investment in building equipment and materials into the surrounding communities will be \$528,000. Future expansions or becoming certified will help strengthen market and profit.

**Staff Comments:** This project proposes to provide up to \$3,000 of 50:50 cost-share incentives to a total of 88 producers in eight tobacco counties (five in Southwest and three in Southern VA). Incentives would be used to construct barns/sheds, fencing, acquire feeders/feedbins, handling and milking equipment. Approximately \$21k of the request is sought for reimbursement of actual administrative expenses (printing, postage, mileage etc) and to conduct educational workshops. Participants will be required to attend training workshops, submit business plans, insure structures/equipment and maintain practices for at least five years. TRRC staff has requested clarification and tightening of the proposed program guidelines, and the applicants have responded positively on a number of issues. Minimum age for participants has been raised to 16 (with parental co-signing and participation). Minimum herd sizes to qualify for cost-share have been set at 15-25 depending on the practice (new versus existing producers etc.) and the purchase of the minimum required number of additional animals will be the responsibility of the producer. TRRC staff recommended lowering the cost-share to 33% of eligible practices in order to be consistent with other recent Commission cost-share programs, and the applicant has responded that it is hopeful the Committee will support the requested 50:50 cost-share. The outcome of \$10 net new annual income per producer was a typo and has been clarified to show several hundred to thousands of dollars of

net new income per producer, depending on the producers business plan (sale of meat, dairy products etc.). The projects revised guidelines have been well-developed and a network of Extension agents are poised to implement the project in early-2016. Staff remains of the viewpoint that a 33% reimbursement should provide ample incentive, and would set a precedent for expanding small ruminant cost-share incentives to other tobacco region counties. Overall, this request (along with the revised Lee Livestock proposal) is the first significant regional effort to provide TRRC incentives for small ruminant producers, a field where young and lower income producers have lower costs to entry in terms of purchasing animals, grazing needs etc., yet can realize significant measurable income relatively quickly. For equitable treatment relative to the similar Lee County proposal, staff suggests an award that would provide \$30k in each county and \$15k for projects admin costs and educational workshops.

**Committee recommends award of \$255,000 to be distributed per the applicant's revised guidelines, with a cap of 33% cost-share.**

**Campbell County**  
**Central Virginia Producer Support Grant Program (#3106)**  
**\$467,500 Requested**

***Project Description Provided by Applicant:***

*Executive Summary:* The overall objective of the Central Virginia Producer Support Grant (CVPSG) is to provide assistance to producers to enhance and enable their ability for greater pasture utilization, hay storage, feeding capability, herd genetics, and handling equipment. This will be accomplished by offering 33% cost share in seven (7) components. The components consist of some new projects as well as revising some projects from previous grant programs. They are: Pasture Watering Systems/Wells; Solar Equipment (excluding electric fencing); Hay Wrappers; Mix Wagons/Grinders/Creep Feeders; Cold Storage; and Cattle Working/Handling Equipment. This initiative will be targeted to 14 Tobacco Commission Counties: Amelia, Appomattox, Bedford, Brunswick, Buckingham, Campbell, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, Nottoway, Pittsylvania, and Prince Edward. Tobacco funds are being requested to provide matching funds for 10 Agriculture producers in each of the 14 counties. This grant would provide up to a .33% reimbursement not to exceed \$3,300 per producer.

*How will this project directly assist tobacco region producers access the identified market opportunity?* The market opportunities already exist. This project enables producers to be more competitive and or enlarge their opportunities to take advantage of the existing market by providing more product to sell or enhancing their product so it is more desirable to sell, i.e. more cattle/animals, better quality cattle/animals.

**Staff Comments:** Whereas the original request was to support six cost-share practices, staff is recommending funding to support three practices (e.g. Hay Wrappers, Mix Wagons Creep Feeders, and Cold Storage units for fruits and vegetable producers). The applicant has agreed to remove a practice for Pasture Watering Systems/Wells as a different proposal that is being recommended for funding by the Halifax SWCD covering eight of the thirteen counties included in this request is providing 25% cost-share for watering systems with wells not being eligible given the inability to limit these only to agriculture uses. A second practice for Solar Equipment for watering systems was also removed as it was directly tied to the watering systems practice. Recognizing that little information was provided to demonstrate demand/need, staff asked that this new cost-share grant and program be targeted to practices that have not been supported previously. As such the



Working/Handling Equipment practice, which was supported under a previous improved production techniques grant, is not included in those that are recommended to be supported. Estimated costs for the three practices being recommended for funding at \$10,000 or more, with participants being required to spend at least \$3,000 to be eligible for the 33% cost-share reimbursement. The applicant has provided data to support the cost savings and increased income to producers that are expected to result from implementation of the three practices recommended to be supported. Ultimately, a more focused project will still serve a significant number of producers across a broad swath of Southern Virginia and incentivize considerable private investment.

**Committee recommends award of \$300,000.**

## **Ferrum College**

### ***Hydroponic System Model for Specialty Lettuce Production (#3116)***

**\$49,000 Requested**

#### ***Project Description Provided by Applicant:***

*Executive Summary:* A pilot project is proposed on the Ferrum College campus. The objective is to offer a vehicle for farmers to examine and weigh the costs, benefits, and returns of a two-tiered scalable income opportunity – high tunnels alone, as well as a high tunnel fitted with a hydroponic system – firsthand. The seasonally agnostic environment of protected agriculture – a high tunnel and/or hydroponic system – makes it well-suited to functionally extend the growing season and command a price premium for specialty crops.

*How will this project directly assist tobacco region producers access the identified market opportunity?* High tunnel production provides two scalable tracks for prospective producers or those actively seeking to transition as a standalone in-ground system or hydroponics. Both iterations of this unifying design temper the otherwise significant costs of conventional greenhouse production with nominal startup costs. In addition, it provides the dexterity to rapidly adapt to prevailing market conditions. For example, a hydroponic setup can be reverted to a high tunnel and vice versa.

**Staff Comments:** Ferrum requests funds to construct, equip and purchase plants for an on-campus high tunnel and hydroponic facility. Funds are also requested to cover a portion of a farm manager position that would be created. Staff would note that the project would be demonstrating systems known to work, and this may be a source of food for the College's dining hall, which has minimal direct alignment with measurable Ag program objectives. Staff has asked the College's project leaders if they would be agreeable to TRRC funding only the \$25k capital costs to establish the high tunnel/hydroponic facility, plus a small amount for advertising/conducting workshops, on the condition that Ferrum commits to covering annual operating expenses including the farm manager, and under the condition that Ferrum conducts a specified number of public workshops over the next three years so that the Commission has assurance of our primary interest in educating area farmers about the opportunity for this type of production.

**Committee recommends award of \$30,000 to construct and equip the facility, and to conduct public education workshops, contingent on the applicant committing the required matching funds to operate and sustain the facility.**

**Halifax Soil & Water Conservation District**  
***Southside Virginia Pasture Infrastructure Program (#3105)***  
**\$161,778.24 Requested**

***Project Description Provided by Applicant:***

*Executive Summary:* This program utilizes a cost-share incentive to establish new pasture and increase the ability of livestock producers to implement rotational grazing, along with converting endophyte-infected tall fescue pastures into novel-endophyte or warm season grasses. The primary goal is to install practices that increase the ability of producers to graze their livestock (cattle, goats, sheep) more efficiently. The fencing portion of the program is based around increasing the number of grazing acres and the ability to intensively manage livestock for enhanced forage utilization. The conversion of traditional endophyte infected tall fescue pastures into novel-endophyte tall fescue or warm season grass pastures will further enhance grazing efficiency and livestock productivity. By implementing these practices, producers will improve utilization of pasture and decrease reliance on supplemental feed, resulting in an increase in net farm income.

*How will this project directly assist tobacco region producers access the identified market opportunity?* By increasing herd efficiency, this project allows producers to capitalize on increased profit from record-high livestock prices. With current high cattle prices and decreased cattle inventory, there is an opportunity for new producers to enter the market and existing producers to expand to meet demand. In addition to increased overall demand, consumer demand for locally raised, grass-finished beef is rising. Goat and lamb meat is an emerging market and price and demand for these products are increasing to meet consumer needs of the east coast metropolitan areas. Southside Virginia is ideally located 800 miles from 75% of the U.S. population, allowing us to take advantage of these value-added markets via new local channels such as Seven Hills Food in Lynchburg.

**Staff Comments:** This is a well-developed proposal and cost-share program designed to target new and existing livestock producers for establishing new pastures, rotational grazing systems, and pasture conversion to novel tall fescue or warm season grasses. The project is expected to benefit at least 60 cattle and small ruminant producers in eight Southside counties, resulting in \$5,000 annual increase in net income for program participants from improved weight gain and birthing rates and fewer hay/feed purchases. The SWCD presented very solid content on the agriculture problems to be addressed by the program, the need for a financial incentive to encourage the best practices, and return on investment calculations. VCE publication data included with the application identifies the calving rate for beef cows is substantially reduced when relying on hay rations, resulting in losses of \$26,497/year or ~ \$530 per cow/year in a 50 cow herd. A second VCE publication concludes that there is a 44% reduction in gain on ewes and lambs, the equivalent of 48 lbs loss or \$96 loss/lamb, from grazing on endophyte-infected pastures. A detailed budget with good justification explaining the use of TRRC funding to support education programs costs and materials, supplies and travel costs; and providing 25% cost-share reimbursements for up to \$3,000 per participant was proposed. The cost-share level provides for 3:1 match from producers, the most from any project in this grant cycle. Three SWCDs are partners on the project and initial funding allocations are for four participants from each of the eight counties, with funding ideally targeted to serve two cattle and two small ruminants producers in each locality. A solid ranking system for awarding of cost-share is presented, that is not just a first-come, first-served basis. The scoring system provides for priority emphasis with higher points awarded for new recipients of TRRC cost-share funding, beginning/newer producers, and those targeting higher pasture acreages under the program. This demonstration phase could lead to future requests, but will provide verifiable data on best practices in grazing and significant private investment across a multi-county project area.

**Committee recommends award of \$161,778.**

**Lake Country Development Corporation**  
**Southern Virginia Food Hub (#3104)**  
**\$79,776 Requested**

***Project Description Provided by Applicant:***

*Executive Summary:* This project is for the development of the Southern Virginia Food Hub (SVFH) that will be owned and operated by The Taylor-Wright Farm Company. The SVFH will collaborate with local farmers to increase on-farm income by offering a unique "Farm to Table" marketplace in Southern Virginia. They will partner with Virginia Tourism and Virginia Cooperative Extension (VCE) to serve as a showplace for locally grown meats and produce, as well as, Virginia's Finest and Virginia Grown items. The SVFH will contain a commercial kitchen for local food entrepreneurs and farmers to process their low value, blemished produce into high value-added products. The SVFH will host quarterly open houses, product cooking classes, and business/marketing classes offered through VSU, Virginia Tech, and VCE. The SVFH wishes to serve as a test market for farmers working to transition their farms from tobacco or just entering the market and need consumer feedback and marketing assistance.

*How will this project directly assist tobacco region producers access the identified market opportunity?* This project will directly assist tobacco region producers who are exploring value-added food enterprises and market outlets for local foods as potential income replacement options. Currently, there are 14 produce farmers committed to working with the SVFH, all of which have expressed interest in creating their own value-added products in the kitchen. There are also 5 local entrepreneurs ready to use the kitchen to process their wares, as evidenced from the attached document "Partnership with Local Producers". Traditional farmer markets have limited hours of one day per week. The SVFH will be open six days per week, greatly increasing consumer access to local agricultural products. The SVFH will serve as a regional receiving station for the purchase of blemished/past prime produce from local farmers. This produce will be processed into value-added product and sold to the consumer, thus assisting in the elimination of food waste and increasing farm income.

**Staff Comments:** One of the biggest challenges for the Agribusiness sector of the tobacco region, to increase farmer income from local grown produce, fruits, and meats, is the need for aggregating and processing produce in order to expand market opportunities. The goal of this project is to address this need through the development of a multi-purpose facility located in the downtown area of South Hill, serving as a privately owned Food Hub with a commercial kitchen and retail marketing outlet for the sale of locally grown fresh, frozen, and value-added products. The project has many strong letters of support from economic and agribusiness interests, and from producers with estimates of specific volumes of increased sales projected to result from working with SVFH. The project includes a partnership with VSU's Virginia Cooperative Extension program which has committed to assisting with marketing education and development of the food hub. At the time of application there were 14 produce, fruit and meat farmers representing seven tobacco region localities, who were confirmed as committed to working with the SVFH, all expressing an interest in the commercial kitchen; as well as expressed interest from the Southside Produce Auction in Charlotte County. In addition, there are five local food entrepreneurs expressing interest in value-added product production at the facility; and these and the producer numbers are expected to continue to increase once the business is in operation. A detailed line item budget for equipment items to be purchased from the grant was provided; and match is committed from \$325,996 in loans, grants and private investment for costs to purchase, renovate and equip the facility (match is 4:1 on the funding requested from the Commission). The applicant and beneficiary are committed to tracking outcomes of interest to the Commission and included with the application forms for collecting data on pounds and price paid to producers; pounds of product sold as fresh, raw

products; pounds of produce processed and sold as value-added product; and the number of local producers that use the commercial kitchen for value-added processing. Lake Country Development Corporation confirmed they plan to own the equipment purchased with grant funds, and will lease it the Southern Virginia Food Hub under a performance agreement requiring documentation of private investment, job creation, and purchasing from local producers and food entrepreneurs.

**Committee recommends award of \$79,776 subject to a satisfactory performance agreement between the private operator and the applicant which shall be approved by the Executive Director.**

**Lee County Livestock Association  
Livestock Genetic Improvement Initiative for Far Southwest Virginia (#3103)  
\$200,000 Requested**

***Project Description Provided by Applicant:***

*Executive Summary:* To enhance the livestock industry in the area, the Lee County Livestock Association with support from adjoining Cattlemen's Associations would like to offer cost-share for genetic improvements of livestock herds. Producers who operate livestock operations in Lee, Scott, Wise, Dickenson, and Buchanan Counties and attend educational classes will be eligible for funding based on first come first serve. The cost-share will be 50% reimbursement to producers up to \$5,000 for breeding stock and artificial insemination equipment for cattle operations, \$3,000 for small ruminants operations, or \$5,000 for mixed operations. As a result of this cost-share, producers will have the opportunity to receive increased premiums for better quality livestock, build a stepping stone for value added opportunities, and prepare for the future of the livestock industry.

*How will this project directly assist tobacco region producers access the identified market opportunity?* To meet Virginia Quality Assurance and other related value added marketing, livestock must quality grade and weaning weight are critical to bottom-line for producers. With better genetics, the quality of the livestock in far Southwest Virginia increases developing reputation for group marketing opportunities, increase the number of quality graded livestock, and upgrade the industry in the region to insulate against down turns in the livestock industry. With the educational component of the grant, producers will receive education on marketing, recordkeeping, genetics, and other related topics to assist them identify, develop, and adapt to these marketing opportunities. Working with the livestock groups in far Southwest Virginia, the grant will help groups assist producers in developing group marketing opportunities and create a genetic base to build upon.

**Staff Comments:** The applicant submitted a similar proposal in last year's Agribusiness cycle that would have served only Lee County. The project submitted this year expands the reach to four additional counties, and includes participation by several livestock producer organizations serving those counties. The current project proposes incentives for beef cattle and small ruminants producers. However, based on these counties having had access to numerous TRRC beef cattle grants since 2004, TRRC staff requested the applicant consider focusing this request on just small ruminants, and the applicant has responded positively to that suggestion. The revised small ruminant project seeks \$155,000 and proposes to provide up to \$3,000 of 50:50 cost-share incentives to a total of 50 producers in five far Southwest counties (\$30k/county). Incentives would be used to purchase registered and tested breeding rams, construct barns/sheds and fencing, and to acquire feeders/feedbins and handling equipment. Participants would be required to attend training workshops, insure structures/equipment, and have a herd of at least 25 breeding females. The revised request also seeks \$5,000 for reimbursement of actual administrative expenses (printing,

postage, mileage etc) and to conduct educational workshops. TRRC staff recommended lowering the cost-share to 33% of eligible practices in order to be consistent with other recent Commission cost-share programs, and the applicant has responded that it is hopeful the Committee will support the requested 50:50 cost-share. Staff remains of the viewpoint that a 33% reimbursement should provide ample incentive, and would set a precedent for expanding small ruminant cost-share incentives to other tobacco region counties. Overall, this request (along with an accompanying request from Blue Ridge SWCD) is the first significant regional effort to provide TRRC incentives for small ruminant producers, a field where young and lower income producers have lower costs to entry in terms of purchasing animals, grazing needs etc., yet can realize significant measurable income relatively quickly.

**Committee recommends award of \$155,000 to serve small ruminant producers in the five counties with maximum cost-share of 33%.**

### **Pittsylvania County**

#### ***SoVA Vineyard Deveopment and Expansion to Support Virginia's Wine Industry (#3102)***

**\$811,526 Requested**

#### ***Project Description Provided by Applicant:***

*Executive Summary:* The SoVA VDE project is a three year program consisting of four components. Educational aspects will be administered by the vineyard experts within Virginia Cooperative Extension (VCE). Second, a new producer cost-share, to incentivize interested producers/individuals who have never operated or managed a vineyard to establish at least 5 acres of new vines. Third, expanding current vineyards, will be a cost-share program as well. To participate, the vineyard must consist of at least 3 acres currently, with adequate production and would be willing to expand their acreage by at least 2 new acres of vines. The fourth component, on-farm research and development, will be initiated by the Institute for Advanced Learning and Research (IALR). IALR will be evaluating new varieties and genetics to improve disease resistance for increasing vineyard yields and reducing chemical costs for the Southern region. This project will target all Southside counties in the TRRC.

*How will this project directly assist tobacco region producers access the identified market opportunity?* The major hindrance to additional grape production are the installation costs. Most of our farmer base possesses the expertise to grow crops of any sort, our land is much more affordable and most is owned outright. Vineyard establishment offers a production crop that our farmers can transition into with less capital outlay than in other areas of the state. An acre of grapes will cost the farmer nearly \$35,000 to install and maintain until any marketable tonnage of fruit is harvested/sold. Based on these numbers, under the proposed cost-share program the TRRC investment would represent approximately 8.6% of total costs for a 5 year establishment period for a new vineyard, and no more than 33% of total capital costs for establishing the vineyard in the first year. TIC cost-share will incentivize our farmers to consider the rewards of establishing a vineyard. To date, nearly 70 individuals have already expressed interest.

**Staff Comments:** This is a very well developed proposal designed to be transformative for the Agriculture sector of the tobacco region and for meeting a critical need for the wine industry of the Commonwealth, with well-documented evidence of grower interest, and strong partnerships including the state viticulturist Dr. Tony Wolf with Virginia Tech/VCE and the Virginia Viticulture Association. With the number of wineries having more than doubled in the last eight years (from

119 in 2007, to 255 in 2015), the wine industry in Virginia is facing what is described as an acute shortage of grapes, as wines marketed under the Virginia label must contain at least 75% Virginia fruit. Data collected in 2012 by the Virginia Wine Marketing office and the Virginia Wine Board identified 31 specific varieties and 860 tons of grapes that wineries in Virginia would have bought if they had been available (representing a demand for at least 350 additional grape acres based average varietal production in Virginia at 2.5 tons/acre). The majority of project budget or \$716,000 is for cost-share payments directly benefiting new producers and existing vineyards and providing an incentive to establish and expand an estimated 238 acres of grape production in the Southside region. The balance of the TRRC funding request at \$95,526 is to support an essential educational outreach aspect of the project that will be led by the Virginia Tech VCE viticulture research station in Winchester for reimbursement of direct costs staff involvement in working with producers in the tobacco region; and a research component based out of the IALR in Danville that is focused on increasing yields through development of more cold tolerate and disease resistant varieties. A survey by the Virginia Farm Bureau has resulted in expressed interest from more than 70 individuals interested in establishing vineyards; and a VVA survey identified nearly all of the 32 vineyards in the Southside area expressing interests in participating. New growers will be required to establish at least 5-acres of grapes for commercial production, estimated to cost as much as \$173K, with TRRC grant funds cost-sharing at \$3,000 per acre for maximum of \$15,000 per participant in the direct costs for vineyard establishment. Interested producers will be required to participate in a comprehensive training program by VCE, and cost-share recipient selection, to be handled by the VVA, will be based on factors relating to site suitability and potential for success. Existing vineyards with at least 3-acres will be eligible for cost share of \$3,000 per acre with the addition of at least two acres, and a maximum of \$15,000 cost-share for typical participants; but with an added incentive for a \$20,000 maximum cost-share payment for vineyards adding 10-acres or more. Substantial investment and commitment is involved in establishment of vineyards, which can take at least three years to bring into production, and the Commission's cost-share portion is estimated to be less than 10% of the total costs to the producers, based on detailed cost-estimates for establishment of vineyards in the Commonwealth. The application identifies that it is expected to serve 50 producers in the Southside counties, of which they have a goal for 20 new producers to establish vineyards.

**Committee recommends a grant award of \$811,526, contingent on program guidelines limiting cost-share at the maximum thresholds identified in the proposal and not to exceed 33% of eligible costs for establishment of new acreage.**

## **Virginia Cattlemen's Association**

### ***Promoting Quality Assured Feeder Cattle Marketing in Virginia's Tobacco Region (#3113)***

**\$805,300 Requested**

#### ***Project Description Provided by Applicant:***

*Executive Summary:* The production of beef cattle is the largest segment of the tobacco region of Virginia agricultural economy representing over \$800 million in revenue to the Commonwealth in the past year. Half of the beef cattle and calves in Virginia are located in Virginia's tobacco regions and nearly all feeder cattle are exported to markets outside of the Commonwealth. The Virginia Quality Assured feeder cattle program is based in application of sound management and producer cooperation to create greater marketing advantage. Historically this has resulted in added value of more than \$80 per head. Use of Virginia Tobacco Commission funding will enable expanded access to feeder cattle markets for tobacco region producers and increase the value of an already important Virginia agricultural commodity. The Virginia Quality Assured feeder cattle program is a

cooperative effort of producers, Virginia Cattlemen's Association, Virginia Cooperative Extension and Virginia Department of Agriculture and Consumer Services.

*How will this project directly assist tobacco region producers access the identified market opportunity?* This project will directly assist tobacco region producers participating in the Virginia Quality Assured program by providing them resources for obtaining expected cattle performance data through genetic and beef carcass evaluation. Funding would subsidize genetic testing of current program herds to assist in promoting performance predictability of cattle prior to marketing. Follow up with buyers of these cattle will in turn be offered subsidy of obtaining harvest data of the cattle in return for sharing it with producers in the tobacco region. Utilizing this harvest carcass data will positively quantify the cattle performance and allow this information to be used in concert with herd genetic potential and promote the program cattle for added value based on expectations of quality performance and profitability for feeders. Substantiated expectations of program cattle performance and profitability will improve added value across the region and improve promotion capability to buyers of the regions cattle.

**Staff Comments:** The scope of this proposal appears to be for two initiatives. The first is for a genetics verification program that includes genetic testing, such as blood analysis, that is proposed to be cost-shared with producers, and carcass testing by feeder lots/buyers in the Midwest or elsewhere which is requested to be supported entirely from Commission funding. The second element is for hiring of a staff person in the Southside region to promote the VQA program. This first element for the genetics verification appears to be a program that would be better suited to be coordinated and administered by a research university, such as Virginia Tech; and better suited for funders that provide support for this type of research. Staff has questions about the completeness of the current project design, which does not appear to provide for data analysis, feedback mechanisms to producers for changing production to improve quality based on the results of data analysis, and potential for lack of consistency in carcass data collocation; all of which are aspects that would likely be addressed under a program led by a research university. While staff understands where this data would have value to the beef industry in demonstrating the quality of the cattle, it is noted that the program would require adding funding support in outgoing years, and it is questionable how well the results of this investment in research directly align to outcome measures of interest to the Commission. In terms of the 2nd aspect of the proposal for hiring of a staff person in Southside to promote VQA, staff points out that this program has been in existence for over 18 years, and based on the returns to producers presented in the application should be able to promote itself. After many years of cost-share grants and over \$5 million invested by the Commission in the Value-Added Beef Initiative program that was designed to result in increased participation in the VQA program, staff questions that, if these incentives did not produce the desired result by Southside producer, how likely it is that the funding requested here will have this result. This is based in part on conversations with agricultural professionals in Southside who indicate that producers in Southside are well aware of VQA but for various reasons are electing not to participate. While the application represents the increased return per cattle sold, and includes relatively minimal costs for supply and material, there are other costs to the producers including increased amount of time involved that is not reflected in the cost. A survey of the Southside producers would likely provide more specific reasons for their barriers to participation and gauge the likelihood for the targeted behavior change. Additionally staff needs to point out that while the project budget presents what appears to be a substantial amount of TRRC funding required and includes what appears to be a significant amount of matching fund contributions (\$2,358,200 total project cost), these figures appears to have errors and to be somewhat inflated. While the TRRC requested amount is listed at \$805,300, a tally of the line items shown in the detailed budget brings this total to \$515,499 (the difference is in the totals listed for transfer payments). Where the total matching funds are represented as being above and beyond the 1:1 that is required, staff notes that this appears to include many costs that are already

part of the annual operating budget for VCA, costs for VCE staff time that can be committed to VQA irrespective of the TRRC funding, and producer expenses for participating in VQA including their supply expenses and revenues paid to VQA (Note: revenues to VCA presumably support the VCA operating budget, and likely many of the line items that are already presented in this budget; and therefore, revenues to VCA are not appropriate to list as a match expenditure). An analysis of the budget suggests there to be ~ \$571,300 of new direct costs arguably to be essential to support the two initiatives that are proposed (which at 50% would be \$285,650, as opposed to the \$805,300 request amount). The calculation of this total on new direct costs includes a total of \$296,500 for the genetics program including \$271,500 of transfer payment for genomic testing and harvest quality and yield data and \$25,000 allocated for travel and supplies to promote the program; and ~ \$275K to add the Southside staff person with \$210,000 allocated for salary expenses (\$70,000 annually for 3 years), and \$75,000 allocated to support equipment, travel, and program promotion. The research component would be more appropriate to be handled by a research university and supported by research-type funders, recognizing the past investments by the Commission to support beef cattle producers including grants focused on increasing their participation in VQA, and the expressed concerns that the budget included in this request does not reflect essential project costs.

**Committee recommends award of \$59,000 for pilot genetics testing program.**

## Virginia State University

### *Postharvest processing, handling, and marketing of Southside Virginia edamame (#3111)*

**\$164,822 Requested**

#### ***Project Description Provided by Applicant:***

*Executive Summary:* Virginia State University (VSU) is working to develop vegetable soybean (edamame) as a cash crop in Southside Virginia. Edamame are a class of soybeans harvested at the green stage and marketed as a vegetable. It is mainly consumed in Asian cuisine but its popularity and market share in the U.S. continues to grow. Edamame is a viable cash crop in the region because it is similar to the regular soybean well known to Virginia farmers. Growers have tried various marketing avenues and realized prices ranging from \$2.50 to \$4.50 per pound of fresh beans. In 2014, we identified a market in North Carolina for frozen edamame. This new market provides an opportunity for large-scale contracted production that would significantly expand acreage under edamame in the Southside. To take advantage of this opportunity, higher-capacity harvesting equipment is required. We propose to purchase two ASA-list GB 100 harvesters for this purpose.

*How will this project directly assist tobacco region producers access the identified market opportunity?* In this application, we propose to purchase harvest equipment to enable fast and efficient recovery of edamame at a uniform and desirable stage of maturity. In comments on the quality of beans delivered in 2014, the NC buyer noted differences in maturity as a quality problem that needed to be overcome by Southside growers. This is because the crop was harvested using our small-scale harvesters designed for recovery of small batches of edamame for direct marketing. The equipment to be purchased is already used for harvesting edamame harvesting (the vendor has already sold 30 units to the Japanese market). An added advantage is the capacity to harvest other green beans including Lima and broad beans, green peas, and snap peas. Additionally, the project will enable growers to access and retain the identified market by hiring a project manager to monitor crop development and coordinate harvesting and postharvest processing.



**Staff Comments:** VSU is requesting funding to support at least 25 edamame growers in the Southside region for expanded production and market development. The Commission has previously supported development of this small farmer cash crop under two grants totaling \$389k in 2010 and 2012. A map included with the application shows the location of existing growers in fourteen localities in the Southside region. The University is working to form a grower cooperative, and as this effort progresses they expect the number of growers to continue to increase with a wholesale market opportunity in North Carolina in development and as operations at the Prince Edward County cannery are streamlined. Yields from existing tobacco region growers have confirmed that each acre of edamame can provide 4,000 – 5,000 lbs, with producers receiving an average of \$1.00/lb. based on a range in sale prices from \$0.55/lb. for in-pod wholesale frozen product and up to \$5.00/lb. shelled and fresh for direct sale. A wholesale market opportunity is in development with Delight Soy, a food company in North Carolina, which provided a letter of support confirming their interest in contracting with Virginia farmers to grow and deliver frozen edamame. The company will also be providing one seed variety for the producers to grow. Delight Soy has equipment and capacity for shelling the edamame beans and a distribution network for supplying beans to restaurants and institutions. The request to TRRC is to support equipment at \$110,585 for purchase of two harvesters, personnel at \$52,987 for a part-time manager in Southside for six months each year and 1% and 2% of four VSU staff salaries who are directly involved with the project, and a small amount at \$1,250 for supplies and materials. The larger harvesting equipment is necessary for managing the very short harvesting window and to provide consistency in the quality of beans delivered to the buyer in North Carolina. VSU has developed three edamame varieties that are approved by the USDA. Match on the TRRC funding is primarily through a Virginia Department of Corrections facility located outside of the tobacco region. VSU negotiated this relationship in part to have access to a quick freeze facility operated by VA-DOC at their Deerfield Work Center for Women in Southampton County. The VA-DOC partnership provides experience in, and will meet the project needs for seed production and processing on the VSU varieties (bagging and distribution to growers), and postharvest processing (sorting, flash freezing, and storage until delivery). With the second edamame grant from the Commission (#2617) having a current balance in the TRRC project account, staff asked VSU to look at how unobligated dollars could be adjusted to support some of the costs under this request. VSU agreed to allocate \$50,000 from this balance toward costs of one of the harvesters, resulting in a reduced amount of \$114,822 needed under the current request.

**Committee recommends award of \$114,822; and approval of repurposing of the \$50,000 under TRRC #2617 for the purchase of one of the two requested harvesters.**

## Virginia State University

### *Development of Berry Industry in Southside Virginia - Phase II (#3110)*

**\$333,930 Requested**

#### ***Project Description Provided by Applicant:***

***Executive Summary:*** Building upon TICRI grant #2261 successes, funding is needed to commercialize Southside Virginia (SV) berry production and marketing. Requested funds will provide infrastructure, technical support, and education to increase SV farmers converting land to profitable berry production. Lucrative opportunities exist capitalizing on skyrocketing “Superfood” markets focused on nutrient dense foods such as berries. Grant #2261 efforts resulted in conversion of 20 SV tobacco acres into berry production garnering \$610,644.00 in annual sales and creating 117 seasonal part-time jobs. Phase 2 will double the number of Southside berry growers by 2018 to increase available yields to meet local, Mid-Atlantic, and New England regional sales demand. The

“Southside Growers” (SG) branding is recognized by large-scale produce buyers. Buyers desire the SG brand, however Phase 1 revealed lack of berry volumes and distribution as reasons larger buyer accounts were inaccessible. The SG brand may also be used for “regionally branding” other farm products.

*How will this project directly assist tobacco region producers access the identified market opportunity?* A three prong approach of infrastructure, technical support, and marketing will directly assist tobacco region producers to access existing and new markets in Virginia, Mid-Atlantic, and New England regions. Training to access new markets will be conducted. Existing food hubs such as The Farm Table (Richmond) and new food hubs such as the planned Southern Virginia Food Hub-SVFH (South Hill), farmers markets, farm stands, pick your own, and CSAs will be cultivated as direct sale markets for producers. Wholesale berry market access is available through Cole Berry Farm, a grower/shipper company (Vernon Hill) with a distribution system reaching northern Virginia and Baltimore. Richmond based specialty food stores such as Ellwood Thompsons and A Southern Season will be solicited to purchase Southside Grown berries. Virginia Food Works (Farmville) and SVFH commercial kitchens may educate on creating SV berry value-added products. Utilization of “Southside Grown” product logo furthers brand recognition for producers.

**Staff Comments:** This proposal is a second phase to the successful \$300,000 grant from the Commission in January 2011, focused on expansion of berry production in the tobacco region. VSU reports that the first phase of funding has resulted in fifteen tobacco region producers establishing 20 acres of berry crops with aggregate annual sales of \$610,644 and employing 117 seasonable part-time positions; with the recognition that these numbers will only increase as the blueberry acreages which take several years to establish come into maturity. The first grant directly supported establishing 3 acres of strawberries, 3 acres of blackberries, 7 acres of blueberries, and 3 high tunnels for raspberry production; and among these growers one strawberry grower has committed to adding 5 new acres and three blackberry producers combined have completed or committed to adding 5 acres. A primary goal of the phase 2 grant is to expand the number of berry growers from 15 to 30; with targets for adding five growers for one acre each of blackberries and blueberries, three with an acre each of strawberries, and two for raspberries in high tunnel structures. While direct sales of berries to consumers such as through farmer markets can provide the highest return to producers, these outlets can be limited to smaller volumes of product being sold, and an emphasis of this project is continued development of other market opportunities. During this second phase, VSU will be working with Richmond-area buyers such as Ellwood Thompson’s (letter of support provided) and A Southern Season, to market the fresh and value-added berry products. The relationship with Cole Berry Farm in Halifax County will continue to provide an avenue for growers interested in wholesale marketing of berries, through Cole’s partnership with Produce Source Partners of Ashland (letter of support provided), providing distribution to outlets throughout the Mid-Atlantic region. While staff is working with VSU to close out the first grant and expects a balance of ~ \$50,000 to be de-obligated, staff also asked VSU to review the current request to identify any areas where the request could be reduced. The principal investigator provided a revised budget of \$292,930, which includes removing of the relatively high costs for the high-tunnels for raspberry production (this reduces the number of producers served to 13); and reductions to consultant costs, and to supplies and materials; and with match contributions from producers being increased. Staff recommends an award of \$292,930.

**Committee recommends award of \$292,930.**

**Town of Wytheville**  
**Wytheville Farmers' Market Site Development Project (#3109)**  
**\$185,000 Requested**

***Project Description Provided by Applicant:***

*Executive Summary:* The goal of this project is to redevelop a vacant warehouse and adjacent parcels at 210 W Spring Street in Wytheville, VA in to a permanent downtown indoor/outdoor retail location for Wytheville Farmers' Market. The site includes a 10,000 sq ft block building on concrete slab foundation, with two out-parcels, totaling 4,000 square feet each. Tobacco Commission funding will be utilized for the construction of two shelters covering the adjacent out-parcels for use as an outdoor venue for market operations. The project addresses known retail leakage in the grocery and specialty food sectors as well unmet demand for market access from local farmers. This project is expected to increase market sales and serve as catalyst for Wytheville's Downtown Revitalization efforts. The site is connected to Wytheville's Wither's Park, Elizabeth Brown Park and Main Street via Heritage Walk.

*How will this project directly assist tobacco region producers access the identified market opportunity?* By developing a larger site we can meet a known unmet demand for access. We know that the market currently accommodates 28 vendors has 5 full-time potential vendors on a waiting list. Based on the size and configuration of the proposed location, Wytheville farmers' market can reasonably expect to add at least 12 new vendors by year 3; a 43% increase over its current maximum of 28 vendors per week. Extend the market season: Some vendor provide products whose availability is not determined by season, such as organic beef and eggs. Unfortunately these vendors don't have access to a market beyond the current 20 week season. This project, by providing an indoor alternative, will allow the market to expand to a year round season, thereby increasing market access for current vendors by 32 weeks, or 260% when considering Saturdays only.

**Staff Comments:** Funding is requested to construct two shelters adjacent to a vacant warehouse in downtown Wytheville that is being redeveloped to provide new permanent space for the Farmer's Market. Since 2007 the Farmer's Market has operated on leased space, however the lease expired in October 2015 when the property owner chose to to renew it. The former site could accommodate 28 vendors with five currently on a waiting list. The new site will be able to accommodate 40 vendors. The indoor space will allow vendors to participate year round (32 additional weeks) to market seasonal items. The application shows estimated weekly sales per vendor (\$112,000 total sales for the 2015 market year). The increase in vendors and operating season is estimated to produce \$256,000 in sales. Matching funds are committed from several sources. The Wythe-Bland Foundation provided \$275,000, of which \$240,936 was used in December 2014 to acquire the building. The balance of this award (\$34,064) remains available for the project. USDA awarded a \$75,000 Rural Business Development Grant for renovation of the interior space. The Town of Wytheville will provide \$24,450 in cash for the project and will contribute \$11,320 in in-kind utility installation services for the project. TRRC funds appear to be the only funds associated with the cost of the outdoor shelters. Only one shelter is shown on the concept renderings provided with the application and the Town's project leaders have indicated that the one shelter would be sufficient at this time. Each shelter was estimated to cost \$84k plus a 10% contingency. The Town's long track record of operation of the market at its previous location (including the recording of aggregated sales revenue), and the commitment of matching funds to gain site control and make improvements to the enclosed structure, indicate this project has a strong likelihood for long-term support from regional producers and customers.

**Committee recommends an award of \$85,000 to construct one outdoor shelter fronting the Town's Heritage Walkway.**

## OTHER BUSINESS

Abingdon Feeder Cattle Association, Inc.

*Southwestern Commodity Storage Initiative (Phase II) (2476)*

\$700,000 Grant Award - Request for 5<sup>th</sup> year Extension

***Project Description in Approved Application:***

*Executive Summary:* The objective of the Commodity Storage Initiative is to improve the feed and storage efficiencies of commodities for livestock producers in tobacco dependent communities. Construction of on-farm structures will enhance farm profitability and therefore benefit the region's overall economy. Participating counties include: Buchanan, Dickenson, Lee, Russell, Scott, Smyth, Tazewell, Washington and Wise. By implementing improved feeding programs and using lower cost inputs, livestock producers can increase both production and farm profits. Funds are requested to provide capital incentives to producers to expand hay and/or feed storage capabilities. Three components of bulk commodity storage will be addressed: feed storage bins, bulk commodity storage structures, and hay storage structures. The purchase of storage bins and bulk structures will provide the means by which producers can purchase feed at a substantial discount by avoiding peak pricing periods. The construction of hay shelters will decrease storage losses and individual animal ration costs by better preserving on-farm harvested forages. This grant will allow qualified producers to be reimbursed on a 67/33 cost basis for eligible expenditures. A two-tier payment structure will be utilized. Higher cost bulk facilities are eligible for a maximum cost share of \$10,000. Hay and feed storage are eligible for maximum payment of \$3,300. Program guidelines of the Storage Initiative require participating producers to: attend an educational session offered by Virginia Cooperative Extension on animal nutrition and sourcing feedstuffs, maintain records on feed utilized in the storage facilities, maintain storage structure and file an annual report to the County Agriculture Extension Agent.

**Staff Comments:** This project was approved in January, 2012 and has a current balance of \$403,874.92 remaining. The grantee has requested an extension until July 30, 2016 to allow participants with already approved applications time to complete their projects. Correspondence with the grantee states that there are 63 projects totaling approximately \$225,000 outstanding.

**Committee recommends an extension until July 30, 2016 to allow already approved projects to be completed and the necessary documentation submitted to TRRC for reimbursement. The balance of the award will then be de-obligated.**

## FY16 Southside Economic Development Committee Recommendations – December 2015

The Commission received eight new funding requests this fall for the available Southside Economic Development balances (FY16 budget plus funds carried forward from previous years). Project summaries provided by the applicants, staff comments and Committee recommendations are included below for these new requests. Other Business regarding existing grants is also included.

Req #	Locality	Organization	Project Title	Allocation Available	Requested Amount	Committee Recommend.
3128	Danville	City of Danville	Danville Advanced Manufacturing Precision Machining Laboratory	\$1,419,544	\$800,000	tabled
3137		City of Danville	Project Nateo		\$500,000	\$500,000
3130	Dinwiddie	Dinwiddie County	Dinwiddie County Infrastructure Improvements	\$1,225,704	\$1,200,000	\$1,200,000
3080	Greensville	Greensville County	Wetland Mitigation Bank Engineering	\$42,865	\$40,500	\$40,500 <i>- should</i>
3129	Halifax	Town of Halifax	Banister Lake Boat Landing – Southern Virginia Wild Blueway Project	\$2,088,188	\$78,800	\$78,800
3127	Prince Edward	Prince Edward County	Prince Edward County Industrial Access Road	\$49,080	\$49,080	\$49,080
3125	Sussex	Sussex County	Route 602 (Cabin Point Road) Sewer and Water Line Extension	\$797,551	\$290,073	\$290,073
3126	Regional	Mid-Atlantic Broadband Communities Corporation	Dynamic Spectrum Wireless Broadband Access for Southern Virginia: Phase One	See note below	\$200,000	\$200,000
<b>Total (8 requests)</b>					<b>\$3,158,453</b>	<b>\$2,358,453</b>

Note: The MBC proposal seeks funds, with the consent of the participating localities, from the following available allocations: Campbell County (\$11,624); Charlotte (\$95,381); and Halifax (\$92,995).

## DANVILLE

City of Danville

*Project Nateo (#3137)*

\$500,000 requested

**Executive Summary Provided by Applicant:** The City of Danville is requesting a \$500,000 TROF enhancement grant from the Danville Southside allocation for Project Nateo. Project Nateo is an industrial food processing manufacturing project committed to potentially invest \$15 million capital investment and provide 150 jobs over a five year period in the City of Danville. This request is designed to help improve the overall incentive package for the City of Danville which is competing with other states and localities for the location of this industrial prospect. This project does support the City of Danville Economic Development Strategic Plan which identifies the food processing industry as one of its target industries. Additionally it supports the River District Redevelopment strategy identified in the Danville Economic Development Strategic Plan. To date the City has invested more than \$30 million of public investment leveraging more than \$100 million of private investment, a 3:1 return on investment.

**Staff Comments:** This is a late filed application that the Committee Chairman agreed to hear as it involves an active prospect for the City of Danville. The City is requesting that \$500,000 from their allocation be rolled into the \$930,000 TROF agreement from the Commission to attract an industrial food processing facility expected to result in 150 jobs and \$15 million private capital investment. The City is competing with a neighboring state for this project and a location decision is expected in the near future. The City proposes a location along the Dan River in the downtown area for this facility. As presented the company would commit to a \$7 million investment in equipment; and to a 25 year lease-to-purchase agreement with the City of Danville's IDA for the building which is estimated to cost \$8 million to construct. This agreement also places responsibility on the private company for paying local property taxes. The TROF, Southside funding, other matching funds, and any balance needed under a local bank loan to the IDA would be used for construction of a 50,000 sq. ft. building for food manufacturing with a hospitality area open to the public. By the nature of this business and its expectation to attract visitors from outside the area (estimated at up to 3,000 per week), and a visitor demographic expected to participate in local recreational opportunities for extending their stay (and spending) in the region, this project is considered by the City to be transformative in nature for the downtown area. The cost estimate for the \$8 million building is based on \$160/square foot, accounting for both the building and the necessary site work, and was provided by a local construction contractor who recently completed a building in the same area with similar construction considerations. The project is well leveraged with other funding including the \$1 million value of the four acre site, \$2 million from the City's Industrial Enhancement grant program (\$200,000 per year over 10 years), \$200,000 from the Virginia Enterprise Zone program, a Commonwealth Opportunity Fund grant for which the amount is still TBD, and up to \$2 million from the Danville Regional Foundation for gap financing.

**Committee recommends approval of \$500,000 to be transferred to the TROF Program to be added to the TROF incentive and performance agreement, contingent on the Project Nateo prospect company committing to the Danville site.**

## DINWIDDIE

### Dinwiddie County

#### *Dinwiddie County Infrastructure Improvements (#3130)*

**\$1,200,000 requested (increased from \$715,000)**

**Executive Summary Provided by Applicant:** The County requests funds for up fitting of a water line and to provide a pump station and force main that will be necessary to provide adequate water and sewer capacity to an industrial site for Project Minecraft. The up fitting of the water line will also aid in future industrial development along the Route 1 and Route 460 corridor of the County.

**Staff Comments:** This project was received after the announced deadline, again to accommodate an active economic development prospect. It was originally proposed to provide off-site water and sewer infrastructure to serve the privately owned Patton Commerce Park, in order to meet the needs of the prospect, Project Minecraft (200 jobs @ \$49,018 average wage rate and \$57 million capital investment); and also providing additional water capacity for future development elsewhere on the Patton property and along Routes 1 and 460. This included 5,500 linear feet of 24" waterline; and a wastewater pump station and 4,100 linear feet of 4" sewer force main. Total build out of the private industrial park requires a 16" waterline (estimated to cost \$1.11 million) and the Dinwiddie County Water Authority is requiring a 24" waterline in order to meet other future development needs on the Patton property and south of the industrial site along Route 1 and 460. A letter from the private developer confirms his agreement to commit \$1.2 million of proceeds from the sale of land for Project Minecraft toward the cost to bring water and sewer to the industrial park. Total estimated costs for the water and sewer infrastructure is over \$2 million (\$1.46 million for water and \$621K for wastewater). While the original request was to support water and sewer infrastructure costs, recognizing that these are revenue generating utilities and that the proposed infrastructure was to accommodate not only the industrial use at the Patton Property but also plans for mixed use retail and residential development and future service to the Village of Dinwiddie further down Route 1, the County has since made a change in the request to the Commission. The revised request is for an increased amount of \$1.2 million to support the property acquisition costs at \$40,000 per acre for the 30-acre industrial project site. The County has identified match for the Commission grant to include \$650,000 from the VDOT Access Road program, \$350K of local funds toward access road and offsite infrastructure, \$2.4 million from private funding for infrastructure development to the site, in addition to the company's \$57M investment. The preliminary TROF estimate for Project Minecraft is \$930,000 and the initial COF is estimated at \$600,000. The County has clarified their intentions to provide the property at no cost to the company; and has agreed to staff's suggestion that the funding could be rolled into the TROF performance agreement, with the local government requiring it to be used for the land acquisition, as a mechanism for requiring performance measures in order to protect the Commission's investment.

**Committee recommends an award of \$1.2 million to be transferred to the TROF program for administration under the TROF performance agreement, conditioned on Project Minecraft choosing to locate at the Patton Property and the County requiring that the Southside Economic Development grant funding be used toward costs for the land acquisition.**

## GREENSVILLE

### Greensville County Wetland Mitigation Bank Engineering (#3080) \$40,500 requested

**Executive Summary Provided by Applicant:** A majority of economic development projects in southside Virginia require the Army Corp issue a permit allowing wetlands to be disturbed. The permit requires localities to purchase wetland credit at a 2:1 ratio. Currently there is only one wetland mitigation bank in the watershed for Greensville County, the City of Emporia and Mecklenburg County. Being the only bank, the credits are sold for over \$65,000/acre. Preliminary engineering has estimated a 50 acre bank can be built for just over \$36,000/acre, saving approximately \$1,450,000. The County requests \$40,500 to complete engineering of a RIFA owned wetland bank.

**Staff Comments:** County staff identified current needs for a wetland mitigation bank at over 62.1 acre credits including 49 for full buildout at the MAMAC site, 13.1 credits for a county reservoir, and additional credits needed for water/sewer lines in the City of Emporia and the County that will be serving the MAMAC and Dominion power plant properties. The proposed area for wetlands creation consists of flat open farm fields that are immediately adjacent to a large forested wetlands complex; with soils that are hydric or nearly hydric, which is suitable for wetlands creation. The County also indicated that the Army Corps of Engineers has been to the site and did not offer any objections. The County has entered into an option agreement valid through August 31, 2016, to purchase the property for \$14,000 per acre; and giving the County rights to purchase more or less acreage depending on results of the study. Staff notes that the \$14,000 per acre purchase price seems rather high for farm acreage that would become undevelopable property; and the County has stated its expectation for Commission funding to be used for this (presumably from the Megasite program). Nonetheless, Commission staff has encouraged the development of publicly-owned wetlands banks, and the County is to be commended for pursuing this option, which ultimately is expected to be less than costs for purchasing wetland credits on the open market.

Committee recommends an award of \$40,500.

## HALIFAX

### Town of Halifax *Banister Lake Boat Landing – Southern Virginia Wild Blueway Project (#3129)* \$78,800 requested (reduced from \$133,000)

**Executive Summary Provided by Applicant:** The Town of Halifax is seeking funding from the Tobacco Commission in order to rehabilitate the existing boat ramp at Banister Lake, a recognized attraction on the Virginia Birding and Wildlife Trail, which located off US Highway 501 in Halifax County. It has been in use for over 40 years as a popular boating and fishing destination. However, it is in need of significant repairs, upgrades and enhancements, in order to successfully promote EcoTourism in the region. This project will serve as Phase I of a Multi-Phase process of constructing 3 Put-Ins/Take-Out Canoe/Kayak Facilities listed in Roanoke River Basin Association



- Upper Reach Blueways Master Plan: Banister River, Terry's Bridge & Wolftrap facilities, with the later two facilities to be designed and constructed at a later time.

**Staff Comments:** The scope of the project supports a portion of the costs for rehabilitation of an existing motor boat ramp and the addition of a second non-motorized launch specifically designed for canoes and kayaks. The request is based on the Town's involvement in a multi-locality regional initiative to develop blueways (canoe/kayak water trails) in order to attract visitors to the region. The location of the launch is to provide access on a section of the 63.3 mile Banister Scenic River Corridor, designated as a state scenic river that starts in Pittsylvania County at US 29, includes the Banister Lake section of the river and continues to the confluence with the Dan River. The Commission supported the regional Southern Virginia Wild Blueways initiative in its early stage of development under a 2011 Special Projects grant for \$185,250 to the Roanoke River Basin Association that provided funding for mapping of blueways, design and construction on three canoe/kayak launches, interpretive signage at numerous sites, and development of a set of metrics for assessing tourism impact. In this very short timeframe since that first grant this initiative has been recognized nationally and regionally, and the request from the Town is to continue development of a priority site to be marketed to visitors. The Town received a \$90,000 grant from DGIF to support the then estimated costs for \$134,000 for rehabilitation of the facility; however, construction bids came in substantially higher than the budgeted funds. While the original request for \$133,000 included costs attributed to both the motor boat and the non-motorized canoe/kayak launch, TRRC staff asked the Town to revisit the budget to identify only those costs associated with the non-motorized launch, which would be consistent with costs previously supported by the Commission. A revised detailed budget has been provided for a reduced request amount of \$78,800. The revised budget included \$8,000 for the interpretive blueway signage which was left out of the original request in error. The revised budget to cover the \$274,000 total project cost includes \$38,000 cash match from the Town, in addition to the \$90k DGIF funding, and plans to pursue other grant and private donations for the balance of funding needed. A 2014 Economic Impact Assessment for the Roanoke River Basin, developed and implemented under a contract with Virginia Tech, used targeted survey responses to identify that the 1,227 individuals paddled 3.4 times per year, spending an average of \$225.47 per person per day. Staff views the blueways development as a unique tourism asset for the region with the potential to draw national and international visitors to the region, and this request is well-aligned with that regional initiative.

**Committee recommends funding of the revised request of \$78,800, for the detailed costs presented as associated with the non-motorized boat launch.**

## **PRINCE EDWARD**

### **Prince Edward County**

#### ***Prince Edward County Industrial Access Road (#3127)***

**\$49,080 requested**

**Executive Summary Provided by Applicant:** In 2008, Prince Edward County received a Southside Economic Development Tobacco Commission grant to help pay for the development of 4 "Ready-to-Go" pad sites. The County was awarded \$193,510; Prince Edward contributed \$507,490, and the IDA of Prince Edward paid \$61,000 towards this project. One lot has been sold

to VDOT for their new Regional Office, 2 lots are currently under option consideration, leaving only one lot available. To gain access to the remaining undeveloped land (60+/- acres) within the Prince Edward Industrial Park, the County needs to construct a new access road. On September 23, 2015, the Commission awarded the Industrial Park Access Road Project \$328,395 in a Special Projects grant.

**Staff Comments:** This project requested \$475,000 under the Commission's FY16 Special Projects Program and received an award of \$328,395. This request, for the full balance available in the Prince Edward County allocation, is to support this same project estimated to cost \$1,058,650 for construction of an access road into the Prince Edward County Industrial Park in order to support two existing county businesses with expansion opportunities. The Commission's grant funds will be used to match VDOT Access Road funds and cash contributions by the County for construction of a new road within the park to serve Lots 7 A/B and Lot 11. An existing business plans to expand to Lots 7A/B investing \$2 million and creating more than 25 jobs; and a second company that is currently renting a space elsewhere in the County and having recently created 80 jobs, is interested in relocating to Lot 11 with plans to invest an estimated \$2 million and an additional 20-30 jobs. Construction of the road requires moving dirt from Lot 11, which would provide a secondary benefit for assisting with a portion of the site development costs for this lot and the access road. The access road will also result in the back portion of the industrial park being made accessible for future development opportunities. During the review of the Special Projects application, the County provided staff with a \$680K estimate for Lot 11 site grading and expressed that the Prince Edward County IDA is committed to covering any portion of these costs not covered by grant funds in order to accommodate the second prospect. The majority of site development costs for Lot 7 A/B have already been completed making the site ready to accommodate expansion for the existing business in the park once access is addressed. The Commission provided a \$193,510 grant to the County in 2008 which covered preliminary engineering cost for development of three lots in this industrial park. This project supports previous Commission investments and is likely to result in significant new private investment and job creation.

**Committee recommends award of \$49,080.**

## **SUSSEX**

### **Sussex County**

#### **Route 602 (Cabin Point Road) Sewer and Water Line Extension (#3125) \$290,073 requested**

**Executive Summary Provided by Applicant:** Sussex County desires to extend water and sewer service mains to the Route 602 (Cabin Point Road) Industrial Park, consisting of approximately 156 acres, located at the intersection of Route 460 and Route 602. Proposed improvements include approximately 3,600 linear feet of 6-inch diameter sanitary sewer force main and approximately 760 linear feet of 12-inch diameter waterline. A permanent 30 foot wide utility easement will be obtained by Sussex County for the installation and maintenance of the proposed utilities on the north side of Route 460. Bores under Route 460 and 602 will be required for the sanitary sewer force main and water main extensions. Erosion and sediment control measures will be constructed and maintained as required and in accordance with the Virginia Erosion and Sediment Control

Program. Engineered plans have been completed and approved by all regulatory agencies. Bid specifications and contract documents are currently being prepared and finalized.

**Staff Comments:** The Commission provided a \$552,293 grant to Sussex County in 2011 to support site development costs for the 156-acre Cabin Point Road Industrial Park. In 2014 the county requested a fourth year extension and repurposing of the grant to support engineering and construction costs for the water and sewer infrastructure to serve the property. At that point, given the limited time during a fourth year extension period to complete the proposed work, Commission staff approved repurposing of \$84K in funding for the engineering only, with the remaining \$467K on the project account being de-obligated, and suggesting that the County could reapply with a new proposal for the scope for work relating to the construction of the water and sewer infrastructure, which is reflected in this application. The Virginia Gateway Region, a regional economic development marketing group that serves Sussex County has identified the lack of infrastructure as a primary reason why the Cabin Point Road Industrial Park, owned by the County since 2006, has not been successful in attracting a prospect. TRRC staff would note that the park property remains in an unimproved state that may be a greater hindrance to a potential prospect's development timeline, and that at least partial clearing/grading of the property may be a more effective means of attracting industrial prospects (albeit permitting for speculative development may be problematic). With close highway access to U.S. Route 460, the availability of natural gas, electricity, and broadband fiber, the primary remaining off-site infrastructure need for the park is the water and sewer. Under the proposed project the lines are designed for providing 120,000 GPD water supply; and a maximum of 700 GPM sewer flow velocity (a sewer pump station would still need to be designed and constructed once the user is determined). The design capacities are intended to accommodate a manufacturing or warehouse/distribution company as these are targeted for this park. Construction of this infrastructure is considered speculative development to meet the needs of a future prospect; and the County has confirmed that there are no existing customers that would be connected to these lines and therefore, there are no new cash revenues until a prospect is attracted to the industrial park. In comparison, Sussex County rates for water and wastewater are lower than the median rates across the Commonwealth: \$20 verses \$29.80 for water per 5,000 gallons for residential water, and \$4,000 compared to \$5,065 for non-residential per 1 million gallons water usage; and \$34 versus \$41 residential wastewater per 5,000 gallons, and \$4,000 compared to \$6,633 for non-residential wastewater per 1 million gallons. This suggests that the Service Authority may have capacity to increase rates in order to finance water and wastewater improvements. However, it is also noted that Sussex County is rated as having Above Average fiscal stress (based on 2013 index).

Committee recommends award of \$290,073.

## REGIONAL

**Mid-Atlantic Broadband Cooperative, Inc.**

*Dynamic Spectrum Wireless Broadband Access for Southern Virginia: Phase One (#3126)*

\$200,000 requested

**Executive Summary Provided by Applicant:** MBC and Microsoft have agreed to partner on the design, deployment and operation of an innovative wireless broadband access network in Southern

Virginia. MBC will operate this network as an open-access wholesale wireless network. MBC has partnered with the K-12 School Districts in Halifax and Charlotte Counties to act as the hub sites for this network. Content delivery of educational and job training resources will be provided at no cost to network customers. Commercial Internet services will be available from private sector ISP's that are connected to MBC's network.

**Staff Comments:** This project was submitted to the FY16 Special Projects Program requesting \$500,000, and a reduced award amount was approved at \$300,000 to support construction of six mast/towers. This award was made contingent on the localities agreeing to seek Southside Economic Development and/or other non-Commission funds for the \$200,000 non-funded costs for the base stations, customer premise equipment and related costs for broadband access equipment within each locality. All three counties benefiting from this pilot project have agreed in writing to Southside program funding being used to support costs for the TV white space equipment which is calculated as \$11,624 for Campbell County, \$92,995 for Halifax County, and \$95,381 for Charlotte County. A primary outcome of this project is the provision of broadband access to areas not currently served and those areas lacking affordable access; and is driven by an innovative model of free access to educational content. The project will utilize unused broadcasting frequencies called TV White Spaces which are gaps left between broadcast channels to deliver wireless internet access. Through existing or to be installed towers at sixteen locations primarily in Halifax and Charlotte Counties (one location in Campbell County), the project is expected to reach over 10,000 households and 235 registered businesses. The commodity internet portion of the project will tie in directly with MBC's retail ISP providers; and MBC has clarified that it does not compete with existing DSL, 4G/LTE, cable modems or other wireless ISP services. Total capital expenditures are estimated at \$1,419,200 which is to be covered by the Special Projects grant and this request, and their required matches including \$250,000 each from MBC and Microsoft, as well as ~ \$320,000 from an available balance in an existing MBC grant (#2467), with the remaining capital costs being covered by MBC. This project provides the affordable last mile service that many government officials and residents have decried for years was not accomplished by the Commission's initial investments in broadband, and will demonstrate the innovative educational access model referenced above. If the project is successful, future requests to the Commission to expand to other areas of the tobacco region are anticipated.

**Committee recommends a grant award of \$200,000, comprised of proportionate funding from three county allocations based on the locations for the TV white space equipment: Campbell County (\$11,624), Halifax County (\$92,995), and Charlotte County (\$95,381). Staff is also recommending approval of a fifth year extension and repurposing of available funds under TRRC #2467 to support capital costs for the project (see details under Other Business).**

## **OTHER BUSINESS**

### **Town of Boones Mill**

#### ***Industrial Development Project (#2308)***

**\$100,000 award, end date of 1/10/2016 – 12-month extension requested**

This grant awarded in January 2012 provided funding to complete a site master plan and supported demolition and structural renovations for development of the Boones Mill Industrial Park on the northern end of Franklin County. This 62-acre rail-served site, purchased by the Town in 2011, was previously the manufacturing facility for North American Housing Corporation. The Town has steadily made progress on redevelopment of the property, and through some transitions in Town management, has demonstrated frugal usage of the available grant funds, and in many cases have used their own limited staff resources for demolition and clean-up. The Commission awarded a second grant of \$238,280 in January 2015, for renovation costs to the large manufacturing building on the property in order to accommodate two active prospects. The Town's consultant and recently hired Town Manager have continued to work with Commission staff toward accomplishing their goals for the site. In recent months the Town has contracted with an A&E firm on the design of utility upgrades to serve the site; and with another A&E firm for basic documents necessary to be able to issue a design/build RFP for the building renovations. A balance of \$31,131.05 is remaining in the project account for grant #2308, and the town has provided a detailed timeline for the work that is planned. The balance on the project account will be used to support the mentioned A&E costs and the resulting utility improvements, and any funds remaining after these costs are covered will be put toward the larger building renovation contract.

**Committee recommends approval of a one year extension to January 10, 2017.**

### **Mid-Atlantic Broadband Cooperative, Inc.**

#### ***Southern Virginia Broadband Expansion (#2467)***

**\$2,500,000 award - repurpose and extension approval requested**

This grant was awarded in January 2012, at a time when the Commission was budgeting funds annually to the Economic Development program to support regional broadband expansion projects. The original project focused on implementation of infrastructure projects to extend availability of broadband to unserved communities, leveraging of private sector investments, and incorporating new technologies for a test-bed project. When the opportunity was presented for establishing a Genome Sequencing Center in Southern VA, the Commission approved in September 2012 for \$1,000,000 from this grant to support the Genome Center. In May 2014, when the Genome Center did not come to fruition, this funding was transferred back to #2467, to support several identified capital improvement projects including tower construction. Construction of two of these towers, Montvale in Bedford County and Saxe in Charlotte County, has been delayed and MBC is requesting an additional six months to complete this work. Additionally, MBC has requested that the Commission allow for any balance remaining in this grant to be reallocated to support capital costs for the new project for Dynamic Spectrum Wireless Broadband Access for Southern Virginia, that

received a \$300,000 Special Projects grant award in September 2015, and for which funding from three Southside allocations is requested in the current grant cycle (#3126). This added scope of work will require additional time for project completion.

**Committee recommends approval of a one year extension to January 10, 2017, and approval for of any remaining funds to support the Dynamic Spectrum project.**



**STRATEGIC PLANNING COMMITTEE AGENDA**

Tuesday  
January 12, 2016 @ 9:30am  
The Hilton Downtown  
Richmond, VA

**Welcome and Call to Order**

*Missy Neff Gould and Becky Coleman,  
Co-Chairs*

**Call of the Roll**

*Evan Feinman, Executive Director*

**Committee Discussions**

*Missy Neff Gould and Becky Coleman,  
Co-Chairs*

**Strategic Plan Outline, Review & Edit**

*Evan Feinman, Executive Director*

**Public Comments**

**Adjournment**

SS / April  
SW / MGR  
• sectors  
• plan

\*press notice  
as well  
as typical  
notifications

Push out most recent  
version of SP w/  
notifications.



**EXECUTIVE COMMITTEE AGENDA**

Tuesday  
January 12, 2016 @ 10:30 am  
The Hilton Downtown  
Richmond, VA

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<b>Welcome and Call to Order</b>	<i>Delegate Terry Kilgore, Chairman</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Approval of the <u>9/22/15</u> Minutes</b>	<i>(published on website)</i>
<b>Bylaws Update</b>	<i>Evan Feinman, Executive Director</i>
<b>Strategic Planning Discussions</b>	<i>Evan Feinman, Executive Director, Missy Neff Gould and Becky Coleman, Co-Chairs</i>
<b>Agreement with VRA</b>	<i>Evan Feinman, Executive Director</i>
<b>Capitalization of Loan Fund</b>	<i>Evan Feinman, Executive Director</i>
<b>Prospect Incentive Fund Guidelines</b>	<i>Tim Pfohl, Grants Director</i>
<b>Public Comments</b>	
<b>Adjournment</b>	

*Hampton University*



# **Current Bylaws**

showing proposed revisions

Jan 12, 2016

**VIRGINIA TOBACCO INDEMNIFICATION AND  
COMMUNITY REGION REVITALIZATION COMMISSION**

**COMMISSION BYLAWS**

adopted 1999, revised 6/8/01, revised 1/10/12 revision proposed 1/12/16

**ARTICLE I.  
NAME AND PURPOSE**

Section 1.1. Name. The Tobacco Indemnification and Community Region Revitalization Commission is created as a body corporate and a political subdivision of the Commonwealth, vested with those powers set forth in Section 3.2-3103 of the *Code of Virginia* (the "Code").

Section 1.2. Purpose. The Commission's purposes are to determine the appropriate recipients of moneys in the Tobacco Indemnification and Community Revitalization Fund (the "Fund") and distribute such moneys consistent with the purposes provided in Chapter 31, Title 3.2 of the *Code*.

Section 1.3. Offices. The principal office of the Commission shall be located within the Commonwealth of Virginia, as established by the Commission. The Commission may also establish such other offices at such locations within the Commonwealth as may be designated by resolution of the Commission.

Section 1.4. Fiscal Year. The fiscal year of the Commission shall begin on the first day of July in each calendar year and shall end at the close of business on the thirtieth day of June in the following calendar year.

**ARTICLE II.  
MEMBERS OF THE COMMISSION**

Section 2.1. Membership. The Commission shall ~~have thirty-one~~ be governed and administered by members who shall be selected ~~appointed~~ and hold office as provided by *Code* Section 3.2-3102.

Section 2.2. Terms. Terms shall be as provided in *Code* Section 3.2-3102.

Section 2.3. Vacancies. Any vacancy on the Commission shall be filled by the entity charged by statute ~~the Code~~ with making the original appointment. The Executive Director shall forthwith notify ~~the appropriate~~ such appointing entity whenever ~~such a~~ vacancy occurs.

Section 2.4. Reimbursement. Members of the Commission shall receive reimbursement for actual expenses incurred in the performance of their duties on behalf of the Commission, as provided by ~~law~~ the Code. ~~The Executive Director shall be compensated as provided by statute.~~

### ARTICLE III. OFFICERS

Section 3.1. The Chairman. The Commission shall elect from its membership a Chairman to serve for a period of no more than two (2) years. The Chairman, or in his absence, the Vice-Chairman, shall preside over all the meetings of the Commission. The Chairman shall have supervision over the policies of the Commission, subject, however, to the control of the Commission.

In general, the Chairman shall perform all duties incident to such office and such other duties as may from time to time be assigned to him by the Commission, consistent with *Code* Sections 3.2-3100 through 3.2-3111. The Chairman or his designee shall sign all written authorizations to the State Treasurer and/or Comptroller for disbursements of expenditures from the Fund. The Chairman or his designee shall have the authority to sign contracts that may be entered into from time to time by the Commission. ~~In addition, the Chairman shall have such other powers and authority as are elsewhere in these bylaws conferred upon that office.~~

Section 3.2. The Vice-Chairman. The Commission shall elect from its membership a Vice-Chairman to serve for a period of no more than two (2) years. The Vice Chairman shall preside over meetings of the Commission and discharge such other duties pertaining to the office of the Chairman that may arise during the Chairman's absence. ~~The Vice Chairman also shall perform such other duties as may from time to time be assigned by the Commission.~~

Section 3.3. The Executive Director. An Executive Director shall be appointed pursuant to *Code* Section 3.2-3105 and shall be compensated as provided by *Code*. The Executive Director also shall serve as the Secretary of the Commission, and shall administer, manage, and direct the affairs and business of the Commission, in accordance with these Bylaws and the provisions of Sections 3.2-3101 through 3.2-3111 of the *Code*, subject to the policies, direction, and control of the Commission.

~~In addition to the Chairman's authority to sign contracts pursuant to Section 3.1 of these bylaws,~~ ¶The Executive Director shall have the power authority to negotiate and sign one or more contracts when each such contracts are is not expected to exceed \$50,000; for the purchase or annual lease of goods, or for the purchase of annual services, annual insurance, or for construction in accordance with the small purchase procedures established by the Department of General Services, pursuant to Section 2.2-4303(G and H) of the Code or pursuant to such procedures as may hereafter be established by the Commission pursuant to Section 2.2-4303(G and H) of the Code.

~~The Executive Director also shall have the authority to recommend the organization and hiring of Commission staff, subject to the oversight, review, and approval of the Executive Committee; provided, however, the Executive Director is delegated the following authority with respect to personnel matters involving employees and staff of the Commission: (i) to take appropriate performance and disciplinary actions regarding all employees and staff, and (ii) with respect to positions that have been approved for staffing by the Commission that are below the Director level or do not include management/supervisory responsibilities, the Executive Director shall have the authority to hire employees or otherwise staff such positions. These personnel actions~~

~~may be taken without the prior approval of any committee or the Commission. The Executive Director is authorized to organize, hire, and manage all Commission employees. For employees whose official job title includes the word "Director", the Executive Director is authorized to take appropriate performance and disciplinary actions only with prior approval by the Commission. For all other employees the Executive Director is authorized to take appropriate performance and disciplinary action without prior approval of the Commission or any of its committees.~~

~~Further, The Executive Director has the authority to establish operational policies and procedures, procure and contract supplies and services needed to commence and conduct Commission operations, and to enter into agreements and enter into Memoranda of Understanding with other state agencies and political subdivisions of the Commonwealth in order to perform essential business and operating functions on behalf of the Commission.~~

Section 3.4. Other Officers or Appointees. The Commission may appoint or employ other officers, technical experts, agents, advisors or other persons (excluding legal counsel) either temporarily or permanently as it may require for the transaction of its business. The Commission shall determine the qualifications, duties, and compensation, if any, of such appointees or employees. The Commission may delegate such administrative functions, as it deems proper, to such appointees or employees, paying actual expenses of performing such duties from the Fund.

Section 3.5. Absence of Chairman and Vice Chairman. Whenever the Chairman and Vice Chairman are unable to attend or preside at a meeting of the Commission, the Commissioners present at such meeting shall designate a temporary Chairman from among the Commissioners present, who shall preside at such meeting.

#### **ARTICLE IV. LEGAL COUNSEL**

~~Section 4.1. Counsel. The Office of the Attorney General shall provide counsel to the Commission.~~

#### **ARTICLE IV. POWERS AND DUTIES**

~~Section 54.1. Powers. The Commission shall have only those powers enumerated in the Code Section 3.2-3103.~~

~~Section 54.2. Duties. The Commission shall have the duties enumerated in the Code, including Section 3.2-3103, and these Bylaws.~~

~~Section 5.3. Studies. The Commission shall undertake studies and gather information and data in order to determine (i) the economic consequences of the reduction in or elimination of quota for tobacco growers, (ii) the potential for alternative cash crops, and (iii) any other matters the Commission believes will affect tobacco growers in the Commonwealth.~~

Section 5.4.3 Establish Requirements. The Commission shall establish an application process detailing the requirements by which all requests for economic development funds disbursement from the Fund will be determined.

~~Section 5.5. Voting Requirements. A two thirds (2/3) vote of the members of the Commission serving at the time shall be required to amend (but not to adopt) formulary rules or guidelines for the allocation of monies from the Fund. All other voting shall be by majority vote of the quorum as provided in Section 7.5 of these Bylaws.~~

~~Section 5.6.4. Evaluate Proposals. The Commission shall evaluate proposals for the use of the assets of the Fund in accordance with the criteria established by the Commission and the provisions of Chapter 31, Title 3.2 of the Code.~~

~~Section 5.7.4.5. Evaluate Implementation by Recipient Organizations. The Commission shall establish criteria for determining whether a recipient organization or entity complies with its the Commission's established goal of economic revitalization. Monitoring activities may be delegated to the Executive Director, or other employees of the Commission, but ensuring each recipient's compliance with the provisions of law and the terms and conditions of disbursements from the Fund disbursement shall remain be the responsibility of the Commission.~~

~~Section 5.8.4.6. Disclosure Statements. All ~~m~~Members of the Commission are required to shall file the applicable Financial Disclosure Statements (Statement) with the Secretary of the Commonwealth and the Executive Director of the Commission as required by the Code. For purposes of compliance with this Section, citizen members of the Commission shall file the statement required for non-salaried citizen members of policy and supervisory boards, commissions and councils pursuant to Sections 2.2-3114 and 2.2-3118 of the Code.~~

~~Legislative and state official members of the Commission shall be deemed to have satisfied the requirements of this Section by filing the Statement they are otherwise required to file pursuant to Chapter 31 of Title 2.2 of the Code. In the event a state official or his designee serving on the Commission does not otherwise file a Statement, he or she shall file the Statement required of state officers and employees pursuant to Sections 2.2-3114 and 2.2-3118 of the Code.~~

~~Section 5.9.4.7 Strategic Planning. The Commission shall prepare and maintain a Strategic Plan in accord with Section 3.2-3103 C of the Code, and evaluate the same at least biennially.~~

## ARTICLE VI. COMMITTEES

~~Section 65.1. Executive Committee. The Executive Committee shall be appointed by the Chairman and shall consist of ~~thirteen~~ not less than ten (10) members, including the Chairman, the Vice-Chairman, and other members from of the Commission, as appointed by the Chairman. The Executive Committee may exercise the administrative functions of act on behalf of the Commission during a recess of the Commission when authorized to do so by the Commission, or in emergencies, or when otherwise directed or authorized by the Commission. The Chairman of the Commission shall serve as Chairman of its Executive Committee.~~

A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business by the Committee. Once a quorum is constituted, a majority vote of the quorum shall be required to adopt any motion.

Section ~~65~~.2. Other Committees. The Commission may create additional permanent or *ad hoc* committees, as it deems necessary, and the Chairman may create additional *ad hoc* committees, as s/he deems necessary, to assist with the work of the Commission, so long as the mission and function of any such committee is consistent with the Commission's enabling statutes, ~~other State laws~~the *Code*, and these Bylaws. The Chairman shall have the authority to appoint members, and a chairman, and a vice chairman to serve on all such designated committees, unless otherwise provided by majority vote of the Commission.

A majority of the members appointed to any such additional permanent or *ad hoc* committee shall constitute a quorum for the transaction of business by the committee. Once a quorum is constituted, a majority vote of the quorum shall be required to adopt any motion.

## ARTICLE VII. MEETINGS

Section ~~76~~.1. Meetings. The Commission shall meet quarterly, ~~but may meet more or less frequently three times per calendar year and may meet more frequently~~ at the call of the Chairman. To the extent possible, the Commission shall agree on the date of its next regular meeting before adjournment of the meeting in progress, unless it previously adopted a meeting schedule.

Section ~~76~~.2. Notice of Meeting. Notice of each meeting of the Commission shall be made and posted as required by the Virginia Freedom of Information Act (*Code* Section 2.2-3707 *et seq.*).

Section ~~746~~.3. Place of Meeting. The Commission may hold its meetings within the Commonwealth of Virginia at such place or places as the Chairman may from time to time determine (unless contrary to resolution of the Commission) or at such place as shall be specified in the respective notices.

Section ~~756~~.4. Quorum and Voting. A majority of the members of the Commission serving at any one time shall constitute a quorum for the transaction of business. Once a quorum is constituted,

- (i) Pursuant to Sections 3.2-3102 A and 3.2-3104 A of the Code, a majority vote of the members of the Commission shall be required to request a payment of up to 6% of the corpus of the Endowment to the Fund, a two-thirds (2/3) vote of the members of the Commission shall be required to request that up to 10% be so paid, and a three-fourths (3/4) vote of the members of the Commission shall be required to request that up to 15% of the corpus be so paid.
- (ii) a two-thirds (2/3) vote of the members of the Commission shall be required to amend, supplement or repeal these Bylaws, provided that notice of the proposed amendment, supplement or repeal shall have been included in the notice of such meeting, or such

notice shall have been waived by a two-thirds (2/3) vote of the members of the Commission.

(iii) a two-thirds (2/3) vote of the quorum shall be required to adopt or amend formulary rules or guidelines for the allocation of monies from the Fund.

(iv) a majority vote of the quorum shall be required to adopt any other motion.

~~If one or more Commissioners are disqualified or abstain from voting on any matter pursuant to the Virginia State and Local Government Conflict of Interests Act, or for any other reason, the remaining Commissioners shall have authority to act for the Commission by a majority vote (except as provided herein) as prescribed in subparagraphs (i) through (iv) above. No vacancy in the membership of the Commission shall impair the right of a quorum to exercise all the rights and perform all the duties of act for the Commission within the limits of the quorum's authority as described above. A majority of the Commissioners present at any meeting, whether or not constituting a quorum, may adjourn the meeting to another time and place.~~

Section 7.66.5. Manner of Voting. The yeas and nays of every vote by the Commission shall be entered upon the minutes of such meeting. Voting on all questions shall be by voice vote unless a roll call is requested by any Commissioner. The chairman of the Commission and the chairman of any of its duly constituted committees shall be entitled to vote on any question properly brought before the Commission or the committee, as the case may be, whether or not such vote results in a tie (in which case the motion is lost) or changes the result.

Section 7.76.6. Resolutions and Effective Date. ~~A transcript of all All-resolutions shall be in writing and shall be prepared and contained in the Minute Book of the Commission, which shall be maintained by the Executive Director. Resolutions shall become effective on the date of passage, upon adjournment of the meeting, unless otherwise stated in the resolution.~~

## **ARTICLE VIII. REPORTS AND AUDITS**

Section §7.1. Reports. The Commission shall be responsible for ensuring that the Executive Director, on behalf of the Commission, submits a report annually to the Governor and the General Assembly.

Section §7.2. Audits. The accounts of the Commission shall be audited annually by the Auditor of Public Accounts, or his legally authorized representative. The Executive Director shall make available the accounts and records of the Commission showing receipt and disbursement of funds in such form as prescribed by the Auditor of Public Accounts.

Section §7.3. Budget. ~~Commission staff~~ The Executive Director shall present annually to the Commission a budget detailing the projected income and expenditures of the Commission for the next fiscal year. The Commission shall not adopt or amend any annual budget that provides for expenditures in excess of the sum of ten percent (10%) of Endowment corpus (as defined by

~~Section 3.2-3104 of the Code) plus all other income sources without a two thirds (2/3) majority vote of the members of the Commission serving at the time.~~

~~Section 7.4. Financial Reports. Commission staff~~The Executive Director shall present quarterly to the Commission financial reports detailing the actual income and expenditures of the Commission and status of funded projects.

#### **ARTICLE ~~IX~~VIII. PARLIAMENTARY AUTHORITY**

Section 98.1. Parliamentary Authority. In all matters of procedure not covered by these Bylaws, meetings shall be conducted in accordance with the most recent edition of *Roberts Rules of Order*.

#### **ARTICLE IX. BYLAWS**

~~Section 10.1. Amendments. These Bylaws may be amended, supplemented or repealed by a two thirds (2/3) vote of the Commissioners serving at the time, provided that notice of the proposed amendment, supplement or repeal (a) shall have been included in the Notice of such meeting, or (b) such notice shall have been waived by all of such Commissioners.~~

~~Section 10.29.1. Effective Date. These Bylaws shall take effect immediately upon adoption by the Commission.~~



# **Proposed Bylaws**

with revisions incorporated

Jan 12, 2016

# TOBACCO REGION REVITALIZATION COMMISSION

## BYLAWS

adopted 1999, revised 6/8/01, revised 1/10/12, proposed 1/12/16

### ARTICLE I. NAME AND PURPOSE

Section 1.1. Name. The Tobacco Region Revitalization Commission is created as a body corporate and a political subdivision of the Commonwealth, vested with those powers set forth in Section 3.2-3103 of the *Code of Virginia* (the "Code").

Section 1.2. Purpose. The Commission's purposes are to determine the appropriate recipients of moneys in the Tobacco Indemnification and Community Revitalization Fund (the "Fund") and distribute such moneys consistent with the purposes provided in Chapter 31, Title 3.2 of the *Code*.

Section 1.3. Offices. The principal office of the Commission shall be located within the Commonwealth of Virginia, as established by the Commission. The Commission may also establish such other offices at such locations within the Commonwealth as may be designated by resolution of the Commission.

Section 1.4. Fiscal Year. The fiscal year of the Commission shall begin on the first day of July in each calendar year and shall end at the close of business on the thirtieth day of June in the following calendar year.

### ARTICLE II. MEMBERS OF THE COMMISSION

Section 2.1. Membership. The Commission shall be governed and administered by members who shall be appointed and hold office as provided by *Code* Section 3.2-3102.

Section 2.2. Terms. Terms shall be as provided in *Code* Section 3.2-3102.

Section 2.3. Vacancies. Any vacancy on the Commission shall be filled by the entity charged by the *Code* with making the original appointment. The Executive Director shall forthwith notify such appointing entity whenever a vacancy occurs.

Section 2.4. Reimbursement. Members of the Commission shall receive reimbursement for actual expenses incurred in the performance of their duties on behalf of the Commission, as provided by the *Code*.

### ARTICLE III. OFFICERS

Section 3.1. The Chairman. The Commission shall elect from its membership a Chairman to serve for a period of no more than two (2) years. The Chairman, or in his absence, the Vice-Chairman, shall preside over all the meetings of the Commission. The Chairman shall have supervision over the policies of the Commission, subject, however, to the control of the Commission.

In general, the Chairman shall perform all duties incident to such office and such other duties as may from time to time be assigned to him by the Commission, consistent with *Code* Sections 3.2-3100 through 3.2-3111. The Chairman or his designee shall sign all written authorizations to the State Treasurer and/or Comptroller for disbursements of expenditures from the Fund. The Chairman or his designee shall have the authority to sign contracts that may be entered into from time to time by the Commission.

Section 3.2. The Vice-Chairman. The Commission shall elect from its membership a Vice-Chairman to serve for a period of no more than two (2) years. The Vice Chairman shall preside over meetings of the Commission and discharge such other duties pertaining to the office of the Chairman that may arise during the Chairman's absence.

Section 3.3. The Executive Director. An Executive Director shall be appointed pursuant to *Code* Section 3.2-3105 and shall be compensated as provided by *Code*. The Executive Director shall administer, manage, and direct the affairs and business of the Commission, in accordance with these Bylaws and the provisions of Sections 3.2-3101 through 3.2-3111 of the *Code*, subject to the policies, direction, and control of the Commission.

The Executive Director shall have the authority to negotiate and sign one or more contracts when each such contract is not expected to exceed \$50,000 for the purchase or annual lease of goods, or for the purchase of annual services, annual insurance, or for construction in accordance with the small purchase procedures established by the Department of General Services, pursuant to Section 2.2-4303(G and H) of the *Code* or pursuant to such procedures as may hereafter be established by the Commission pursuant to Section 2.2-4303(G and H) of the *Code*.

The Executive Director is authorized to organize, hire, and manage all Commission employees. For employees whose official job title includes the word "Director", the Executive Director is authorized to take appropriate performance and disciplinary actions only with prior approval by the Commission. For all other employees the Executive Director is authorized to take appropriate performance and disciplinary action without prior approval of the Commission or any of its committees.

Further, The Executive Director has the authority to establish operational policies and procedures and to enter into agreements with other agencies and political subdivisions of the Commonwealth in order to perform essential business and operating functions on behalf of the Commission.

Section 3.4. Other Officers or Appointees. The Commission may appoint or employ other officers, technical experts, agents, advisors or other persons (excluding legal counsel) either temporarily or permanently as it may require for the transaction of its business. The Commission shall determine the qualifications, duties, and compensation, if any, of such appointees or

employees. The Commission may delegate such administrative functions, as it deems proper, to such appointees or employees, paying actual expenses of performing such duties from the Fund.

Section 3.5. Absence of Chairman and Vice Chairman. Whenever the Chairman and Vice Chairman are unable to attend or preside at a meeting of the Commission, the Commissioners present at such meeting shall designate a temporary Chairman from among the Commissioners present, who shall preside at such meeting.

#### **ARTICLE IV. POWERS AND DUTIES**

Section 4.1. Powers. The Commission shall have only those powers enumerated in the *Code* Section 3.2-3103.

Section 4.2. Duties. The Commission shall have the duties enumerated in the *Code* and these Bylaws.

Section 4.3 Establish Requirements. The Commission shall establish an application process detailing the requirements by which requests for disbursement from the Fund will be determined.

Section 4.4. Evaluate Proposals. The Commission shall evaluate proposals for the use of the assets of the Fund in accordance with the criteria established by the Commission and the provisions of Chapter 31, Title 3.2 of the *Code*.

Section 4.5. Evaluate Implementation by Recipient Organizations. The Commission shall establish criteria for determining whether a recipient organization or entity complies with the Commission's established goal of economic revitalization. Monitoring activities may be delegated to the Executive Director, or other employees of the Commission, but ensuring each recipient's compliance with the terms and conditions of disbursements from the Fund shall be the responsibility of the Commission.

Section 4.6. Disclosure Statements. Members of the Commission shall file applicable Financial Disclosure Statements as required by the *Code*.

Section 4.7 Strategic Planning. The Commission shall prepare and maintain a Strategic Plan in accord with Section 3.2-3103 C of the *Code*.

#### **ARTICLE V. COMMITTEES**

Section 5.1. Executive Committee. The Executive Committee shall be appointed by the Chairman and shall consist of not less than ten (10) members, including the Chairman, the Vice-Chairman, and other members of the Commission. The Executive Committee may act on behalf of the Commission during a recess of the Commission when authorized to do so by the

Commission, or in emergencies. The Chairman of the Commission shall serve as Chairman of its Executive Committee.

A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business by the Committee. Once a quorum is constituted, a majority vote of the quorum shall be required to adopt any motion.

Section 5.2. Other Committees. The Commission may create additional permanent or *ad hoc* committees, as it deems necessary, and the Chairman may create additional *ad hoc* committees, as s/he deems necessary, to assist with the work of the Commission, so long as the mission and function of any such committee is consistent with the Commission's enabling statutes, the *Code*, and these Bylaws. The Chairman shall have the authority to appoint members, a chairman, and a vice chairman to serve on all such designated committees, unless otherwise provided by majority vote of the Commission.

A majority of the members appointed to any such additional permanent or *ad hoc* committee shall constitute a quorum for the transaction of business by the committee. Once a quorum is constituted, a majority vote of the quorum shall be required to adopt any motion.

## ARTICLE VI. MEETINGS

Section 6.1. Meetings. The Commission shall meet three times per calendar year and may meet more frequently at the call of the Chairman. To the extent possible, the Commission shall agree on the date of its next regular meeting before adjournment of the meeting in progress, unless it previously adopted a meeting schedule.

Section 6.2. Notice of Meeting. Notice of each meeting of the Commission shall be made and posted as required by the Virginia Freedom of Information Act (*Code* Section 2.2-3707 *et seq.*).

Section 6.3. Place of Meeting. The Commission may hold its meetings within the Commonwealth of Virginia at such place or places as the Chairman may from time to time determine (unless contrary to resolution of the Commission) or at such place as shall be specified in the respective notices.

Section 6.4. Quorum and Voting. A majority of the members of the Commission shall constitute a quorum for the transaction of business. Once a quorum is constituted,

- (i) Pursuant to Sections 3.2-3102 A and 3.2-3104 A of the Code, a majority vote of the members of the Commission shall be required to request a payment of up to 6% of the corpus of the Endowment to the Fund, a two-thirds (2/3) vote of the members of the Commission shall be required to request that up to 10% be so paid, and a three-fourths (3/4) vote of the members of the Commission shall be required to request that up to 15% of the corpus be so paid.
- (ii) a two-thirds (2/3) vote of the members of the Commission shall be required to amend, supplement or repeal these Bylaws, provided that notice of the proposed amendment, supplement or repeal shall have been included in the notice of such meeting, or such

notice shall have been waived by a two-thirds (2/3) vote of the members of the Commission.

- (iii) a two-thirds (2/3) vote of the quorum shall be required to adopt or amend formulary rules or guidelines for the allocation of monies from the Fund.
- (iv) a majority vote of the quorum shall be required to adopt any other motion.

If one or more Commissioners are disqualified or abstain from voting on any matter for any reason, the remaining Commissioners shall have authority to act for the Commission as prescribed in subparagraphs (i) through (iv) above. No vacancy in the membership of the Commission shall impair the right of a quorum to act for the Commission within the limits of the quorum's authority as described above. A majority of the Commissioners present at any meeting, whether or not constituting a quorum, may adjourn the meeting to another time and place.

Section 6.5. Manner of Voting. The yeas and nays of every vote by the Commission shall be entered upon the minutes of such meeting. Voting on all questions shall be by voice vote unless a roll call is requested by any Commissioner. The chairman of the Commission and the chairman of any of its duly constituted committees shall be entitled to vote on any question properly brought before the Commission or the committee, as the case may be, whether or not such vote results in a tie (in which case the motion is lost) or changes the result.

Section 6.6. Resolutions and Effective Date. A transcript of all resolutions shall be prepared and maintained by the Executive Director. Resolutions shall become effective on the date of passage, upon adjournment of the meeting, unless otherwise stated in the resolution.

## ARTICLE VII. REPORTS AND AUDITS

Section 7.1. Reports. The Commission shall be responsible for ensuring that the Executive Director, on behalf of the Commission, submits a report annually to the Governor and the General Assembly.

Section 7.2. Audits. The accounts of the Commission shall be audited annually by the Auditor of Public Accounts, or his legally authorized representative. The Executive Director shall make available the accounts and records of the Commission showing receipt and disbursement of funds in such form as prescribed by the Auditor of Public Accounts.

Section 7.3. Budget. The Executive Director shall present annually to the Commission a budget detailing the projected income and expenditures of the Commission for the next fiscal year.

Section 7.4. Financial Reports. The Executive Director shall present to the Commission financial reports detailing the actual income and expenditures of the Commission.

**ARTICLE VIII.  
PARLIAMENTARY AUTHORITY**

Section 8.1. Parliamentary Authority. In all matters of procedure not covered by these Bylaws, meetings shall be conducted in accordance with the most recent edition of *Roberts Rules of Order*.

**ARTICLE IX.  
BYLAWS**

Section 9.1. Effective Date. These Bylaws shall take effect immediately upon adoption by the Commission.

**Memorandum of Agreement**  
**version 12/15/15**

This Memorandum of Agreement (this "MOA") is made as of \_\_\_\_\_, 2016, among the **TOBACCO REGION REVITALIZATION COMMISSION** (the "Commission"), the **VIRGINIA DEPARTMENT OF THE TREASURY** (the "Treasury") and the **VIRGINIA RESOURCES AUTHORITY** (the "Authority"). The purpose of this MOA is to outline the respective roles of the Commission, the Treasury, and the Authority in the management of the Virginia Tobacco Region Revolving Fund (the "Fund") established pursuant to Va. Code §3.2-3113 et seq. (the "Chapter"), as amended. Unless otherwise defined herein, each capitalized term used herein shall have the meaning given it in Va. Code §3.2-3112.

**Joint Responsibilities of the Commission and Authority**

The Commission and Authority shall jointly have the following responsibilities:

1. Provide program and administrative assistance as needed to applicants for and recipients of loans from the Fund.
2. Conduct outreach meetings and disseminate educational materials and other information to the public regarding the Fund.
3. Report all budget, financial, and other appropriate Fund information in a timely fashion as required by the Chapter.
4. Develop annual calendar for application deadlines, if applicable.

**Responsibilities of the Commission**

The Commission shall have the following responsibilities:

1. Monitor all statutory, regulatory, and programmatic changes and modifications to the Fund and advise the Authority of the same.
2. Notify the Authority of any authorized funding from the Commission to the Fund.
3. Upon receipt from the Authority of notice of each loan closing date (pursuant to item #19 below) the Commission shall ensure that the Fund is sufficiently capitalized at least two weeks prior to such closing date.
4. Money transferred from the Commission to the Fund shall be by check payable to Virginia Resources Authority at 1111 E. Main Street, Richmond, VA 23219 and identified as Virginia Tobacco Region Revolving Fund.
5. Develop a guidance document (the "Project Guidelines", attached hereto as Exhibit A), in consultation with VRA, governing project eligibility and project



priority criteria and amend the Project Guidelines as necessary to improve the program or reflect changes in applicable law; and communicate the Project Guidelines and any amendments thereto to the Tobacco Region communities.

6. Consult with the Authority regarding funding availability to determine the types and amounts of loans to be considered for funding during any financing round.
7. Consult with all potential loan applicants to determine eligibility and priority pursuant to the Project Guidelines.
8. Refer to the Authority projects eligible for loans from the Fund and designate in writing to the Authority the local government to which a loan is to be made, the purpose of the loan, the maximum amount of the loan, and the associated identifiable revenue stream. Provide the Authority with copies of all correspondence between the Commission and the applicant that occur after such written designation.
9. In conjunction with the Authority, report annually to the General Assembly and the Governor on all loans made from the Fund.

#### **Responsibilities of the Authority**

10. In accordance with the Project Guidelines, determine the structure of the loans to be made to eligible recipients, including the interest rates, repayment terms, and other financial and security conditions thereof, and approve the type and sufficiency of the security pledged by the borrower to secure any loans from the Fund. The Authority may provide that obligations evidencing the loans be tax-favored if permitted under federal tax law and regulations.
11. Comply with any federal and state laws and regulations governing the disbursement of funds to loan recipients.
12. Following receipt from the Commission of written loan designations, obtain a loan application from each applicant, conduct a financial capability analysis on each applicant to determine the applicant's revenue generating and other payback capabilities, offer and enter into funding commitments, document and process the loan, and close. In the event that the Authority discovers problems or concerns, it shall notify the Commission and await direction from the Commission before proceeding.
13. Serve as loan originator, processor, underwriter, and closing agent for all loans made from the Fund.
14. Service all loans from closing, through payoff, including on-going loan monitoring, diligent and timely default processing, foreclosure, deficiency collection, and debt set-off to the full extent of the law without forbearance and without the necessity of consultation with the Commission.

15. After consultation with the Commission, (i) employ any person(s) as may be required to carry out the administration and management of the Fund, (ii) determine their duties and compensation, and (iii) disburse from the Fund the reasonable costs and expenses thereof. The Authority shall notify the Commission regarding any potential material budget variance, excessive time needed for a particular loan, or expected legal costs greater than customary fees.
16. Assure that all loan expenditures are reasonable and necessary for the closing of an approved loan in accordance with applicable laws and Project Guidelines.
17. Upon approval of the MOA by the Commission, disburse from the Fund a start-up fee of \$10,000, paid to the Authority for its management services related to the Fund. In addition, and continuing until changed by mutual agreement, the Authority will periodically invoice the Commission consistent with the current cost allocation plan, attached as Exhibit C as amended from time to time. Such invoice will be supported with proper time and expense records and be charged to the Fund only after approval by the Commission, provided however that the Authority agrees to provide advance notice to the Commission of any single loan for which such expenses are estimated to exceed \$15,000. Expressly excluded from all such management services are ordinary expenses incurred by the Authority for services unrelated to the Fund or the proceeds thereof.
18. Participate in Fund status meetings with the Commission and other appropriate entities.
19. At least three weeks prior to each loan closing date, notify the Commission of the balance in the Fund and the amount of the loan to be closed.
20. Develop the Fund's annual expense budget based on anticipated Fund activity. Submit such budget to the Commission for review and comment annually not later than April 1 of each year.
21. Invest uncommitted and undisbursed funds in compliance with applicable VRA investment policies, regulations, and the Investment of Public Funds Act, Chapter 45, Title 2.2 of the Code of Virginia (1950), as amended.
22. Establish and maintain fiscal controls, accounting, and audit procedures for the Fund that conform to generally accepted accounting principles and are consistent with state and federal laws and regulations. Maintain all fiscal and financial records that will identify all cash flow activity of the Fund, and prepare all financial reports for the same.

The parties to this MOA acknowledge and agree that all sums of money transferred from the Commission to the Authority pursuant to the Chapter, together with all interest earned thereon, loans made therewith, and proceeds thereof, shall become assets of the Fund as of the date(s) of transfer and shall no longer be assets of the Commission.

As a general guideline, Exhibit D hereto describes the normal document flow and related

responsibilities of each entity at each step in the process.

This MOA is effective upon signature by the parties and shall continue indefinitely unless terminated. This MOA may be supplemented or amended only by a writing signed by all of the parties. If any part of this MOA shall be found by a court of competent jurisdiction to be unlawful, such part shall be severed from this MOA, and the remainder of this MOA shall remain in full force and effect. The parties represent and warrant that the undersigned are authorized to enter into this MOA and that this agreement is binding and enforceable against the parties.

IN WITNESS WHEREOF, the parties have caused this MOA to be executed as of the date first written above.

**VIRGINIA RESOURCES AUTHORITY**

By \_\_\_\_\_  
Stephanie L. Hamlett, Executive Director

**TOBACCO REGION REVITALIZATION COMMISSION**

By \_\_\_\_\_  
Evan Feinman, Executive Director

**VIRGINIA DEPARTMENT OF TREASURY**

By \_\_\_\_\_  
Manju Ganeriwala, State Treasurer

EXHIBIT A  
**Project Guidelines**

**Project Eligibility:** Any economic development project that is consistent with the Commission's Strategic Plan from which there is an identifiable revenue stream sufficient to repay the loan (e.g. the design, acquisition, construction, and/or management of utility systems (electricity, gas, water, waste, communications, transportation), tourism venues, or educational facilities serving residential or commercial users within the tobacco region of Virginia, as the same is defined by the Commission).

**Project Priority:** The following priorities shall be used as a guide:

- A. Projects for which the loan term is 20 years or less
- B. Projects with high job creation potential
- C. Projects with potential to result in an increase in the tax base
- D. Projects with potential to result in private capital expenditure
- E. Projects that primarily serve commercial entities

EXHIBIT B  
**Loan Guidelines**

**Interest Rates:** Interest rates will be based upon the AA GO Tax-Exempt spot rate and the loan term. The interest rate will be established using current market rates when a commitment letter is provided to a Fund applicant. Interest shall be calculated based upon the amount of funds drawn by the borrower.

**Term:** The term shall not exceed the useful life of the project and all loans must be fully amortized within 20 years or less after the expected project completion date.

**Payments:** The first payment of interest only, will be scheduled approximately six months after the expected project completion date. Principal and interest will be due on the loan semi-annually thereafter.

**Minimum Loan Amount:** Loan proceeds requested by an applicant of the Fund shall not be less than \$250,000.

**Fees and Charges:** Legal expenses incurred by the Fund will be passed-through to the applicant regardless of whether or not the loan closes. An origination fee may be charged by the Fund at loan closing to offset costs incurred by the Authority in making the loan and payable at closing.

**Collateral Security:** The Authority will determine adequacy of collateral security, lien structure, covenants, conditions, and documentation requirements on a loan-by-loan basis. If the borrower is not a city, county, or town ("Locality"), at least one Locality will be required to provide a Moral Obligation pledge for the loan.

EXHIBIT C  
Cost Allocation Plan

Virginia Resources Authority (“VRA”) is responsible for certain aspects of programs and funds it co-administers with state partners such as the Virginia Water Facilities Revolving Fund with the Department of Environment Quality and Virginia Water Supply Revolving Fund with the Department of Health. VRA also operates, on its own, programs such as the Virginia Pooled Financing Program.

**Purpose**

The purpose of this cost allocation plan is to summarize, in writing, the methods and procedures that VRA will use to allocate costs to the various programs it manages under agreement with other state partners and for itself.

**General Approach**

The general approach in allocating costs to particular programs is as follows:

- I. All allowable direct costs are charged directly to the program.
- II. All other allowable general and administrative or indirect costs are allocated to programs in proportion to employee time spent on programs which results in an equitable distribution of costs.
- III. To be allowable for any federal or pass-through award cost reimbursement, a cost must be necessary and reasonable for the administration of a program and subject to applicable regulations including 2 CFR Part 225 Cost Principles for State, Local, and Indian Tribal Governments (formerly OMB Circular A-87).

**Allocation of Costs**

- A. Employee compensation (consisting of salary plus benefits) will be directly charged to a specific program for the time devoted and documented by employee time sheets.
- B. Employee compensation for general and administrative and leave will be allocated proportionally to each program based on the percentage of total employee compensation directly charged to a particular program.
- C. Costs readily assignable, such as legal costs specific to a transaction or bank fees, are passed-through the program to the borrower as a direct cost and be subject to diligent collection efforts by the Authority. Costs that benefit more than one specific program, but not all, will be reasonably allocated to those programs.
- D. General and administrative costs not readily assignable will be allocated proportionally to each program based on the percentage of total employee compensation directly charged to a particular program.

**Procedures**

- A. Indirect costs will be allocated to a program based on the previous two-year historical percentage of total employee compensation directly charged. At the end of the fiscal

year, indirect expenses will be calculated on the actual percentage of total employee compensation directly charged and adjusted accordingly.

- B. All direct employee compensation and costs readily assignable will be charged as incurred.
- C. Supporting documentation shall be made available to state agency partners.
- D. State partners are sent an invoice quarterly.
- E. The current published State Travel Regulations apply to any travel related costs.
- F. State agency partners shall be notified and consent to the incurrence of costs with material budget impacts or above the typical costs associated with program service delivery.

**Reporting**

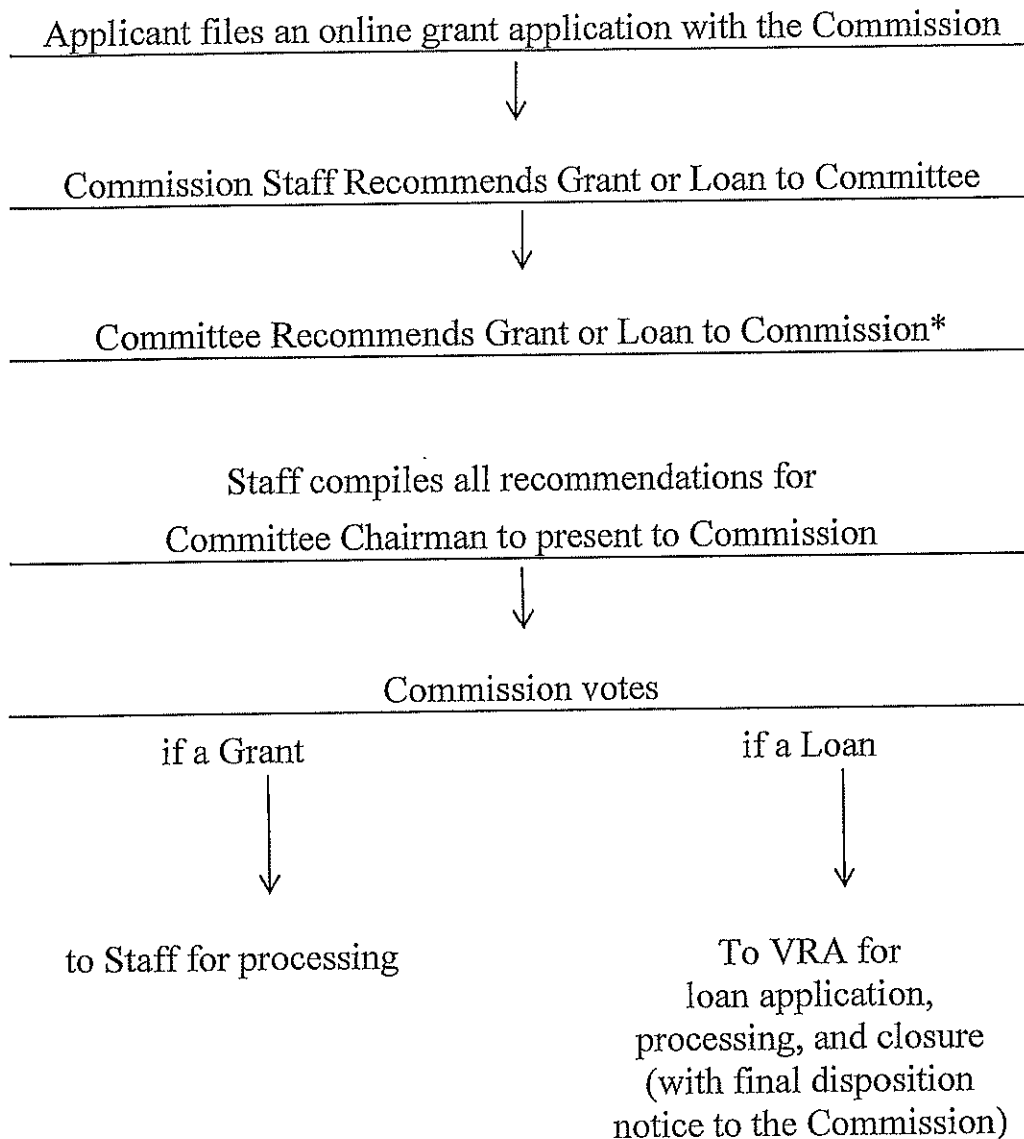
- A. Detailed Monthly Expense Report: Shows total monthly expenses and the amount allocated to each program.
- B. Cost Allocation Summary by Program: Shows totals costs year to date for each program.
- C. Cost Allocation Worksheet: Shows employee compensation, direct and indirect hours, and allocation to programs.

**Amendment to draft Memorandum of Agreement among Tobacco Commission, Virginia Resources Authority and Department of Treasury**  
**1/12/16**

Responsibilities of the Department of Treasury

23. At the request of the Commission, Treasury shall provide reimbursements to the General Account from funds already approved and transferred through the Commission's regular corpus invasion requests from the Taxable Endowment Investment Portfolio to the Taxable Fund Investment Portfolio (fund 0732, project 82003). Such reimbursement requests will be included with the regular drawdown from investments to the General Account.

EXHIBIT D  
Flow Chart



\* If a loan, Committee must concurrently recommend a transfer of money from its budget to VRA upon approval by Commission



**Tobacco Indemnification and Community Revitalization Commission**  
 Financial Summary  
 As of November 30, 2015

TICR Fund Balance	\$ 231,838,778
Restricted Endowment Balance	\$ 75,976,441
Unrestricted Endowment Balance	\$ 190,588,027
Restricted Endowment Accum Interest	\$ 2,392,877
Unrestricted Endowment Accum Interest	\$ 5,668,652
<b>Total Cash &amp; Investments</b>	<b>\$ 506,464,776</b>

Cash Disbursements - this month	\$ 4,024,429
Cash Disbursements - FYTD	\$ 20,567,198

Fund	Unobligated Balances
Special Projects	\$ 13,311
Education	\$ 1,434,084
TROF (Deal Closing)	\$ 11,899,846
Southside Economic Development	\$ 19,805,974
Southwest Economic Development	\$ 181,019
Agribusiness	\$ 2,950,454
R&D	\$ 18,645,416
Reserve	\$ 342,374
Megapark	\$ 6,288,563
Megasite Prospect Incentive Fund	\$ 6,040,000
Loan Program set-aside	\$ 5,000,000
Administration	\$ 1,574,949
TICRC General Account	\$ 6,592,328
FY2016 Budget Balance	<b>\$ 80,768,319</b>

**Tobacco Indemnification and Community Revitalization Commission**  
Statement of Revenues, Expenditures, and Changes in Fund Balance (Cash Basis)  
As of November 30, 2015

	FY16 Budget	YTD Actual	YTD Actual as % of Budget	Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Other Revenue (all cost codes)	\$ -	\$ 2,986,575.54		2,986,575.54
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 2,986,575.54</b>		<b>\$ 2,986,575.54</b>
<b><u>EXPENDITURES</u></b>				
<b>Administration</b>				
Salaries, Fringe Benefits, Per Diems	\$ 1,468,925	\$ 568,512.27	38.7%	\$ 900,412.73
Contractual Services	384,500	89,516.14	23.3%	294,983.86
Supplies and Materials	6,500	2,987.43	46.0%	3,512.57
Transfer Payments	244,268		0.0%	244,268.00
Rent, Insurance, Agency Svc Charges	150,950	96,905.35	64.2%	54,044.65
Furniture and Equipment	37,900	172.44	0.5%	37,727.56
Subtotal - Administration	\$ 2,293,043	\$ 758,093.63	33.1%	\$ 1,534,949.37
<b>Community Revitalization</b>	47,750,000	19,809,104.38		
<b>Total Expenditures</b>	<b>\$ 50,043,043</b>	<b>\$ 20,567,198.01</b>		
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (50,043,043)</b>	<b>\$ (17,580,622.47)</b>		
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In (endowment and earnings)		\$ -		
CASH BALANCE, June 30, 2015	\$ 249,419,401	\$ 249,419,400.79		
CASH BALANCE, November 30, 2015	\$ 199,376,358	\$ 231,838,778.32		

*VIRGINIA TOBACCO COMMISSION COMMITTEES*  
(as of 12/21/15)

**AGRIBUSINESS  
COMMITTEE**

James Edmunds  
Frank Harris  
Todd Haymore  
Don Merricks  
Ronnie Montgomery, *Vice-Chair*  
Cecil Shell  
Robert Spiers, *Chair*  
William Stanley  
Richard Sutherland  
Tommy Wright

**RESEARCH AND  
DEVELOPMENT  
COMMITTEE**

Kathy Byron, *Chair*  
Bill Carrico  
Rebecca Coleman  
Maurice Jones  
Danny Marshall  
Dale Moore  
Will Morefield, *Vice-Chair*  
Ed Owens  
Frank Ruff  
Ralph Smith

**SOUTHWEST  
ECONOMIC  
DEVELOPMENT  
COMMITTEE**

Bill Carrico, *Chair*  
Becky Coleman  
Maurice Jones  
Ronnie Montgomery  
Will Morefield  
Ralph Smith  
Richard Sutherland  
(no Vice-Chair assigned)

**EDUCATION COMMITTEE**

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

**R&D SUBCOMMITTEE  
(VETTING)**

Kathy Byron, *Chair*  
Becky Coleman  
Maurice Jones  
Dale Moore  
Ed Owens

**STRATEGIC PLANNING  
COMMITTEE**

Kathy Byron  
Mary Rae Carter  
Rebecca Coleman, *Co-Chair*  
Missy Neff Gould, *Co-Chair*  
Danny Marshall

**EXECUTIVE COMMITTEE**

Kathy Byron  
Bill Carrico  
Maurice Jones  
Terry Kilgore, *Chair*  
Danny Marshall  
Don Merricks  
Will Morefield  
Ed Owens  
Frank Ruff, *Vice-Chair*  
Tommy Wright

**SOUTHSIDE  
ECONOMIC  
DEVELOPMENT  
COMMITTEE**

Kathy Byron  
John Cannon  
James Edmunds  
Missy Neff Gould  
Maurice Jones  
Danny Marshall  
Don Merricks  
Ed Owens, *Vice-Chair*  
Frank Ruff  
William Stanley  
Tommy Wright, *Chair*

**SPECIAL PROJECTS  
COMMITTEE**

Kathy Byron  
John Cannon  
Bill Carrico, *Vice-Chair*  
Missy Neff Gould  
Maurice Jones  
Danny Marshall, *Chair*  
Ed Owens  
Ralph Smith  
Robert Spiers

**PERFORMANCE MEASURE  
COMMITTEE**

Missy Neff Gould  
Danny Marshall  
Dale Moore  
Ed Owens

**TROF COMMITTEE**

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



#1816 → 1 yr. ext. approved  
#2171

## TROF COMMITTEE AGENDA

Tuesday  
January 12, 2016 @ 8:30am  
The Hilton Downtown  
Richmond, VA

**Welcome and Call to Order**

*The Honorable Terry Kilgore, Chair*

**Call of the Roll**

*Evan Feinman, Executive Director*

**Approval of the 9/22/15 Minutes**

*(published on website)*

**Scott County PA #2815**

*Ned Stephenson, Deputy Director*

**Reserve Grant Extensions**

*Tim Pfohl, Grants Program Director*

**Public Comments**

**Adjournment**

Collateral  
60 days =  
3/12/16  
If received  
year ext. approved =  
1/12/17