

TABLE OF CONTENTS

MEETING LOGISTICS	
Itinerary	1
Hotel, Meeting & Reception Information.....	2
Commission Agenda.....	3
EXECUTIVE COMMITTEE	
Agenda.....	4
Russell County – Appalachian Biofuels Clawback Letter.....	5
Performance Agreement	6
City of Danville – Norhurst Clawback Letter.....	14
Performance Agreement	16
Grant Repayment Agreement	24
AGRIBUSINESS COMMITTEE	
Agenda.....	30
Staff Summaries & Recommendations.....	31
EDUCATION COMMITTEE	
Agenda.....	46
Workforce Financial Aid Priorities ‘17-‘18 School Year.....	47
R&D COMMITTEE	
Agenda.....	50
Staff Summaries	51
Broadband Glossary	62
SOUTHSIDE ECONOMIC DEVELOPMENT COMMITTEE	
Agenda.....	75
Staff Recommendations.....	76
SOUTHWEST ECONOMIC DEVELOPMENT COMMITTEE	
Agenda.....	86
Extensions.....	87
SPECIAL PROJECTS COMMITTEE	
Agenda.....	89
Extensions.....	90
Project Reclaim #3397 Application.....	93
ADMINISTRATIVE	
Financial Summary 10/31/17.....	104
Statement of Revenues, Expenditures and Changes 10/31/17.....	105
Committee Assignments.....	106

The first part of the document discusses the importance of understanding the underlying principles of the subject matter. It emphasizes that a solid foundation in the basics is essential for tackling more complex problems. The author notes that many students struggle because they skip these fundamental steps, leading to confusion and frustration.

In the second section, the author provides a detailed explanation of the key concepts. They use clear, step-by-step examples to illustrate how these principles are applied in practice. The goal is to ensure that the reader not only understands the theory but also knows how to use it effectively. The author encourages the reader to practice these techniques regularly to build confidence and proficiency.

The third part of the document focuses on common pitfalls and how to avoid them. The author identifies several areas where students often make mistakes, such as misreading the question or overlooking important details. By being aware of these traps, the reader can approach their work with a more strategic and careful mindset.

Finally, the author offers some concluding thoughts and advice. They stress the importance of persistence and a positive attitude. Learning is a process, and it's normal to face challenges. The key is to stay motivated, seek help when needed, and continue to work hard. The author wishes the reader the best of luck in their studies and hopes that this document has provided some valuable insights.

The document concludes with a summary of the main points discussed. It reiterates the importance of a strong foundation, the application of key concepts, and the avoidance of common mistakes. The author expresses their hope that the reader will find this information helpful and encouraging. They also provide contact information for further assistance or questions.

In addition, the author includes a list of recommended resources for further study. These include textbooks, online courses, and practice problems. The author believes that these resources will provide the reader with additional opportunities to reinforce their learning and gain a deeper understanding of the subject.

The author also mentions that they are available for one-on-one tutoring sessions. They offer flexible scheduling and a supportive environment where the reader can ask questions and receive personalized guidance. This service is designed to help the reader overcome any remaining difficulties and achieve their academic goals.

Overall, the document is a comprehensive guide for students looking to improve their performance in the subject. It covers everything from basic principles to advanced techniques, providing a clear path forward. The author's expertise and passion for the subject are evident throughout, making the content both informative and engaging. The reader is encouraged to take action on the advice provided and to stay committed to their learning journey.

The author's contact information is provided at the end of the document. They can be reached via email at [email address] or by phone at [phone number]. The author's office is located at [address]. The author's goal is to provide the highest quality of support and assistance to all their students. They look forward to helping the reader succeed in their studies and beyond.



ITINERARY

Monday, January 8, 2018 - Homewood Suites, 700 E. Main Street, Floor 2

- 1:30pm **SOUTHSIDE ECODEV** Committee Meeting
- 2:00pm **HOTEL CHECK-IN**
Hampton Inn & Suites, 700 E. Main Street, Floor 1
- 2:30pm **AGRIBUSINESS** Committee Meeting
- 4:00pm **EDUCATION** Committee Meeting
- 5:00pm **SOUTHWEST ECODEV** Committee Meeting
- 5:30pm **EXECUTIVE** Committee Meeting
- 6:30 – 8:30pm **RECEPTION**
Kabana Rooftop, 700 E. Main Street, Floor 20

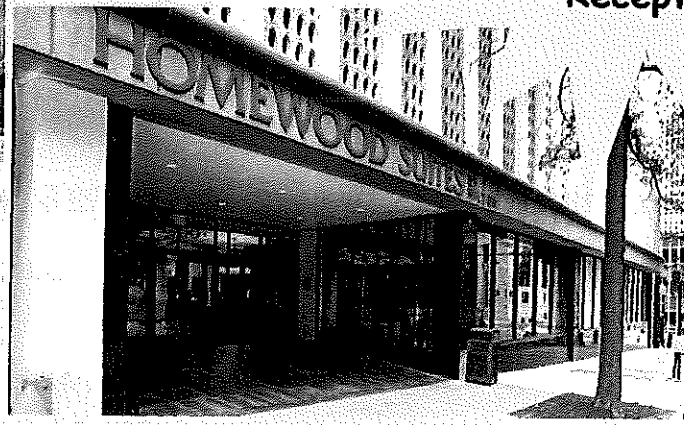
*Jackie
transcribed

Tuesday, January 9, 2018 - Homewood Suites, 700 E. Main Street, Floor 2

- 6:30 – 9:00am continental breakfast @ Hotel – Floors 1 and 2
- 8:30am **R&D** Committee Meeting
- 9:30am **SPECIAL PROJECTS** Committee Meeting
- 10:00am **COMMISSION** Meeting
- 11:30am lunch buffet (Conrad Room)
- noon **NEW COMMISSIONER ORIENTATION**

deadline for Hotel check-out

*Luan
transcribed



**Accommodations,
Meetings &
Reception**

Barts
Blevins
Capps
Clark
Coleman
Cunningham
Ehrhardt
Faircloth
Harris
Hensley
Mills
Owens
Ratliff
Shell
Shelton
Spiers
Stamper
Sutherland
Williams
Wright

Hampton Inn & Suites – Floor 1
Homewood Suites by Hilton – Floor 2
 700 East Main Street, Richmond, VA 23219

IMPORTANT NOTE: The entrance to the hotel is located on the 7th Street side of the building.

DIRECTIONS FROM THE NORTH – VIA I-95 SOUTH

On I-95 South, take Exit 74A onto I-195 (toll road). Then take the Canal Street exit and pay the toll. Turn right onto 7th Street. The hotel will be on your right.

DIRECTIONS FROM THE SOUTH – VIA I-95 NORTH

Take I-95 North to Exit 74A onto I-195 (the toll road). Then take the Canal Street exit and pay the toll. Turn right onto 7th Street. The hotel will be on your right.

DIRECTIONS FROM THE EAST – VIA I-64 WEST

Take I-64 West to Exit 190 merging onto I-95 South. On I-95 South, take Exit 74A onto I-195 (toll road). Then take the Canal Street exit and pay the toll. Turn right onto 7th Street. The hotel will be on your right.

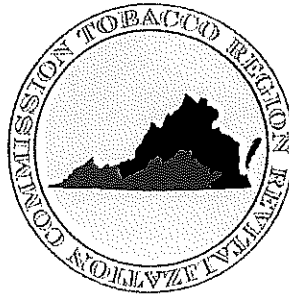
DIRECTIONS FROM THE WEST – VIA I-64 EAST

Take I-64 East to I-95 South. From I-95, take Exit 74A onto I-195, the toll road. Take the Canal Street exit and pay the toll. Turn right onto 7th Street. The hotel will be on your right.

PARKING – the hotel has a built-in parking deck on the 7th street side.



Kabana
 700 East Main Street
 Rooftop-Floor 20
 Richmond, VA 23219



COMMISSION Agenda

Tuesday
January 9, 2018 @ 10:00am
Homewood Suites
Richmond, VA

Welcome and Call to Order	<i>The Honorable Terry G. Kilgore, Chairman</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Approval of <u>9/20/17</u> minutes	<i>(published on website)</i>
Executive Committee	<i>The Honorable Frank Ruff, Vice-Chairman</i>
Agribusiness Committee	<i>Robert Spiers, Chairman</i>
Education Committee	<i>The Honorable Frank Ruff, Vice-Chairman</i>
R&D Committee	<i>The Honorable Kathy Byron, Chairman</i>
Southside Economic Development Committee	<i>The Honorable Tommy Wright, Chairman</i>
Southwest Economic Development Committee	<i>The Honorable Bill Carrico, Chairman</i>
Special Projects Committee	<i>The Honorable Danny Marshall, Chairman</i>
TROF Committee	<i>The Honorable Terry G. Kilgore, Chairman</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjourn	



EXECUTIVE COMMITTEE AGENDA

Monday
January 8, 2018 @ 5:30pm
Homewood Suites
Richmond, VA

Welcome and Call to Order	<i>The Honorable Terry Kilgore, Chairman</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Approval of the <u>9/20/17</u> Minutes	<i>(published on website)</i>
Executive Session - personnel	<i>Evan Feinman, Executive Director</i>
FY'19 Scholarship Award	<i>Stephanie Kim, Finance Director</i>
TROF Appeals: Russell County - Appalachian Biofuels City of Danville - Norhurst	<i>Chris Piper, Deputy Director</i>
TROF Policy Review	<i>Chris Piper, Deputy Director</i>
Update on Major Projects	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	

The Honorable Terry G. Kilgore
Chairman

The Honorable Frank M. Ruff
Vice Chairman



701 E. Franklin Street, Suite 501
Richmond, Virginia 23219

804-225-2027
804-786-3210 [Fax]
www.tic.virginia.gov

TOBACCO REGION REVITALIZATION COMMISSION

March 24, 2017

BY USPS RETURN RECEIPT

Mr. Charles Lessin
President/CEO
Appalachian Biofuels, LLC
P.O. Box 906
St. Paul, VA 24283

Re: Clawback of Grant # 2941 in the amount of \$565,000

Dear Mr. Lessin:

On November 6, 2014, a performance agreement between the Tobacco Indemnification & Community Revitalization Commission (now the Tobacco Region Revitalization Commission) and Appalachian Biofuels, LLC was finalized. I write to you directly now as the signatory of the aforementioned performance agreement.

As a result, the Commission is invoking Section 9 of the Performance Agreement and is demanding repayment in the amount of \$565,000 within 30 days of the date of this letter for failing to meet the Company's promised performance obligations.

You may contact me at (804) 786-7690 or via email chris.piper@tic.virginia.gov if you have any questions while preparing your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Piper".

Chris Piper
Deputy Director

*355 encrow
+ 20 JDA/personal
= 375 K Return
ask: Waive 190K clawback
Denied*

CP/sr
Enclosures

talks again

PERFORMANCE AGREEMENT

This Performance Agreement (the "Agreement") is made and entered into this 8th day of August, 2014, by and among the Virginia Tobacco Indemnification and Community Revitalization Commission (the "Commission"), a political subdivision of the Commonwealth, the Industrial Development Authority of Russell County, Virginia (the "Grantee"), a political subdivision of the Commonwealth, and Appalachian Biofuels, LLC, (the "Company"), a Virginia limited liability company whose Federal Employer Identification Number is 47-1054334.

WITNESSETH:

WHEREAS the Grantee has been selected to receive a grant in the amount of \$565,000 (the "Grant") from the Commission for its use in inducing the Company to construct or locate taxable assets and employ persons in Russell County (the "Locality");

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

WHEREAS the Commission, the Grantee and the Company desire to set forth their understanding and agreement as to the use of the Grant, the obligations of each party hereto, the conditions under which the Grant must be repaid, and the obligations of each party hereto in the event of default;

WHEREAS the Commission finds that the Grant serves a valid public purpose and is consistent with the Commission's mission as outlined in Section 3.2-3100, et. seq. of the Code of Virginia.

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

Section 1. Disbursement of the Grant

The deadline for this Agreement to be executed by all parties hereto is 90 days after the date first written above. If this Agreement has not been executed by all parties hereto on or before that date, Grantee's right to the Grant shall automatically terminate. The Commission shall disburse the Grant to the Grantee within 30 days of the Commission's receipt of (i) this Agreement, executed by all parties hereto, and (ii) a written request for disbursement from the Grantee, PROVIDED that the Grantee is not in default on its obligations to the Commission as of the date first written above. In the event that the Grantee is in default on its obligations to the Commission as of the date first written above, disbursement of the Grant shall be withheld until such default is cured.

If disbursement to the Grantee has not occurred within one hundred twenty (120) days from the date of this Agreement, the Grant shall be automatically rescinded. Unless otherwise agreed in writing by the parties hereto, Grantee shall disburse the Grant to the Company, or for the Company's benefit, within 30 days of receipt of the Grant from the Commission or return the money to the Commission.

Section 2. Use of the Grant

Under this Agreement, the Commission places no restriction on the use of the Grant proceeds by the Company. Should there be any such restrictions imposed by the Grantee, the same shall be described in Exhibit A, which shall be attached hereto and made a part hereof, but which shall be binding upon the Company only if signed thereon by an authorized Company representative, and not by reference herein. The Grantee shall be responsible for enforcement of any restrictions described in said Exhibit A.

Section 3. Employment Obligation

The Company shall employ* at least 40 persons in the Locality with a quarterly aggregate payroll of at least \$370,000. Said employment and payroll will be in addition to those already employed in the Locality by the Company and paid during the calendar quarter ending on June 30, 2014, hereinafter called the "Base Quarter." Persons employed by the Company in the Locality shall be counted as employment hereunder only to the extent that they (a) exceed the aggregate number of employees at all Company locations within the Commonwealth of Virginia during the Base Quarter, and (b) are not counted as fulfillment of any other employment obligation made to the Commission by the Company under any other agreement.

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

Section 4. Obligations Regarding Taxable Assets

The Company shall locate or construct taxable assets in the Locality having an assessed value of at least \$3,500,000, as determined by the locality's Commissioner of Revenue ("COR"). If the locality elects to arrange for reimbursement to the Company of all, or any portion of, the tax paid by Company for said taxable assets, or elects to waive all or any portion of such tax liability, Company's aforementioned obligation to locate or construct taxable assets in the Locality shall not be waived or reduced. Company shall receive credit for the value of all taxable assets so determined by the COR, notwithstanding the local taxing authority's election to waive or refund the taxes so levied. Said taxable assets will be in addition to those counted in fulfillment of any other taxable asset or capital investment obligation made to the Commission by the Company under any other agreement. If the Company is exempt from the payment of property taxes on certain assets by state law, the Company shall not be entitled to receive or keep any portion of the Grant allocated to its investment in those certain assets.

Section 5. Determination of Performance - Employment

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

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

The foregoing shall be based upon reports made by, or on behalf of, the Company to the VEC including but not limited to *VEC Form FC-20 Employer's Quarterly Tax Report* and *Q.M.B. Form No 1220-0134 Multiple Worksite Report - BLS 3020* (or any successor forms designated by VEC, or accepted by VEC in lieu thereof). If such tax filings include Company employees who did not work in the Locality, it shall be the duty of the Company to provide additional information sufficient to identify those employees who did work in the Locality. Employees of subsidiary companies, related entities, entities under common ownership or control, or employees of independent contractors hired by the Company shall not be counted as employees of the Company in fulfillment of its promise hereunder UNLESS such entities and their relationship to the Company are disclosed to and approved by the Commission in writing, AND such entities supply the Commission with the same employment documentation as described herein. Employees of temporary employment agencies ("temps") who are assigned to work for the Company in the Locality shall not be counted UNLESS evidenced by letter from the temp agency setting forth the number of man-hours so assigned within the 36 months immediately following the Base Quarter. Such man hours shall be credited to the Company's job-creation obligation at the rate of one job for one quarter for every 520 man hours evidenced by the letter.

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

Section 6 Intentionally Blank

Section 7. Determination of Performance – Taxable Assets

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

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

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

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

For purposes of this Agreement, leased assets are defined as those for which the Company is contractually obligated to pay the property taxes thereon during the term of the lease, and evidence of the Company's obligation to pay such property taxes is presented to the Commission.

The Company hereby expressly grants its consent for (a) the COR for the Locality to release to the Tobacco Commission or the Grantee records necessary to disclose the information required in Section 7 hereof, and (b) the Virginia Employment Commission to release to the Tobacco Commission all Company employment records of any kind held by the Virginia Employment Commission.

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

Section 8. Repayment Obligation

In the event that the Company does not meet its obligations hereunder within thirty six (36) months after the end of the Base Quarter, it shall repay to the Grantee the unearned portion of the Grant, which is calculated as follows:

- a. A minimum increase in taxable assets is required before any portion of the Grant is earned by the Company, hereinafter called the Minimum Investment Requirement. The Minimum Investment Requirement is the greater of (a) \$1.0 million or (b) one-half of the taxable asset obligation described in Section 4 hereof.

- b. For purposes of repayment, fifty percent (50%) of the Grant is allocated for the Company's taxable assets obligation and fifty percent (50%) for its employment obligation.
- c. Subject to the terms of Section 8.d. below, after exceeding the Minimum Investment Requirement, the fraction of the Grant allocated to employment that is earned by the Company is determined by dividing the average number of employees receiving pay during the three consecutive quarters as determined in Section 5 above with the highest employee count by the number of jobs promised in Section 3.
- d. The method of computation set forth in Paragraph 8.c. above will be used only if the quarterly aggregate payroll for the three consecutive quarters described in Section 5 equals or exceeds that promised in Section 3. If that quarterly aggregate payroll is less than that promised in Section 3, the number of qualifying employees shall be reduced in proportion to the shortfall in quarterly aggregate payroll and the reduced number of employees shall be used to determine whether Company has satisfied its employment obligation hereunder.
- d. After exceeding the Minimum Investment Requirement, the fraction of the Grant allocated to taxable assets that is earned by the Company is determined by dividing the greatest value of assets attested to by the COR under Section 7 above by the taxable assets promised in Section 4 above.
- e. All unearned portions of the Grant shall be repaid by the Company to the Grantee not later than thirty days after the date on which the Company is notified of the unearned amount. The Grantee agrees to remit the same to the Commission. Any refund owed by the Company to the Grantee hereunder shall immediately constitute an obligation of the Grantee to repay the Commission and such Grantee's obligation shall **not** be contingent upon successful collection of any amount from the Company. **The Grantee shall be liable for repayment to the Commission that portion of the Grant determined by the Commission to be due under the terms of this Section and hereby agrees to make such repayment without regard to whether Grantee has received repayment from the Company.**
- f. Interest shall accrue on unpaid balances at the rate of 3% per annum beginning on the 31st day after the Company is notified of the amount due.
- g. Monies due to the Locality pursuant to this agreement, if any, shall be considered to be owed to the Treasurer for the Locality and subject to the Treasurer's statutory powers provided for in the Code of Virginia.
- h. If the Company does not meet its employment obligations or taxable asset obligations hereunder by the date which is 36 months after the end of the Base Quarter because of an "Event of Force Majeure" (as defined herein), the date by which a requirement to meet such commitments shall be extended day-for-day for a period equal to the time elapsed during the Event of Force Majeure. "Event of Force Majeure" means without limitation any of the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or any kind of the government of the United States of America or of the Commonwealth of Virginia or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; draughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals not caused by the

Company; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company.

Section 9. Events of Default

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

- a. The Company applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets, files a voluntary petition of bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating the Company as bankrupt or insolvent or approving a petition seeking reorganization of the Company or appointing a receiver, trustee or liquidator of the Company or of all or a substantial part of its assets which remains undismissed, undischarged or unstayed for a period of forty-five (45) days.
- b. The Company ceases to be of record and in good standing with the Virginia State Corporation Commission, and such failure is not cured within 60 days from notice thereof, unless Company obligations hereunder have been assumed by another entity and that assumption approved by the Commission and the Grantee.
- c. The Company fails, for reasons other than an Event of Force Majeure, to fulfill at least twenty five percent (25%) of either its employment obligation described in Section 3 above or its taxable asset obligation described in Section 4 above within eighteen (18) months after the end of the Base Quarter.
- d. Failure to provide verification to the Commission as described in Section 10, below, within 60 days from a written request from the Commission.
- e. The Company closes its business in the Locality for a period of more than 30 days.

Section 10. Verification of Performance

If the Commission is unable to verify the Company's progress towards meeting its taxable asset and employment obligations herein using the information available pursuant to Sections 5 and 6, the Company shall provide, at the Company's expense, detailed verification to the Commission and the Grantee, of the Company's progress toward meeting its taxable asset and employment obligations. Such verification shall be limited to the Company's payroll tax filings and property tax filings, together with such other supporting documentation about the payroll and property tax filings as the Commission may request, but any such request shall be no more often than annually.

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

Section 11. Acknowledgment and Notice

The Company and the Grantee each acknowledge and agree to its respective repayment obligation in accordance with Section 7 of this Agreement. Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail, undelivered) and addressed as follows:

if to the Company, to:

NAME: Appaloachian Biofuels, LLC
ADDRESS: P.O. Box 906
St. Paul, Virginia 24283
Attention: Chuck Lessin, CEO

if to the Grantee, to:

NAME: Industrial Development Authority of Russell County
ADDRESS: P.O. Box 1150
Honaker, Virginia 24260
Attention: Harry T. Rutherford, Chairman

if to the Commission, to:

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

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

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

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

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

The provisions of this Agreement are intended to and shall survive closing, the delivery of any deed or other instrument, and any other event.

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

TOBACCO INDEMNIFICATION AND
COMMUNITY REVITALIZATION
COMMISSION

By: 
Interim Executive Director


Date: 11.6.14

RUSSELL COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

By: 
Title: Chairman

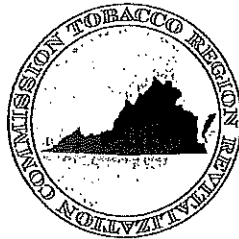
Date: 10/22/14

APPALACHIAN BIOPUELS, LLC

By: 
Charles Lessin
Title: President / CEO

Date: October 20, 2014

The Honorable Terry G. Kilgore
Chairman



701 E. Franklin Street, Suite 501
Richmond, Virginia 23219

The Honorable Frank M. Ruff
Vice Chairman

804-225-2027
804-786-3210 [Fax]
www.tic.virginia.gov

TOBACCO REGION REVITALIZATION COMMISSION

July 7, 2017

BY USPS RETURN RECEIPT

Tim Norton, President
Norhurst, Inc.
2291 Memorial Drive
Danville, VA 24541

Re: Clawback of Grant # 2592

Dear Mr. Norton:

On August 23, 2012, a Performance Agreement ("Agreement") between the Tobacco Indemnification & Community Revitalization Commission (now the Tobacco Region Revitalization Commission), the City of Danville, and Norhurst, Inc. was finalized. I write to you directly now as the signatory of the aforementioned performance agreement.

After careful review, it has been determined that the company has not met its performance measures. As noted in previous communications, Norhurst, Inc. is already making payments toward the promised employee shortfall; however, we now have data confirming that the promised capital investment amounts of \$2,200,000 was not achieved. The actual amount invested is \$1,764,949 which is 20% less than promised; therefore, we are requesting \$62,500 be paid within 30 days of the date of this letter. If full payment cannot be made in this time, please provide a reasonable plan for payment for staff consideration within 30 days of the date of this letter.

I have enclosed a copy of the Agreement for your reference. You may contact me at (804) 786-7690 or via email chris.piper@tic.virginia.gov if you have any questions.

Sincerely,

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

Chris Piper
Deputy Director

* Review Value Loss of property if not developed - Review in May if not settled before

CP/sr

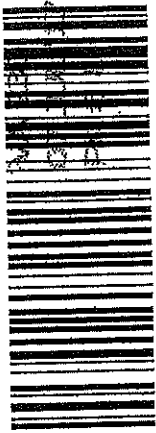
Enclosure

cc: Telly Tucker, City of Danville (via email)



701 E. FRANKLIN STREET
SUITE 501
RICHMOND, VIRGINIA 2321

CERTIFIED MAIL



7015 3010 0001 3666 5127

SECOND NOTICE,
NO REPLY TO
1ST NOTICE
MAILED 7/31/77
78110

Tim Norton, President
Norhurst, Inc.
2291 Memorial Drive
Danville, VA 24

Handwritten initials/signature

274 SE 1 0008/14/17

RETURN TO SENDER
UNCLAIMED
UNABLE TO FORWARD

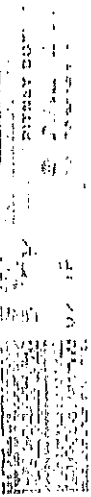
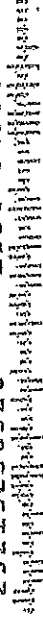
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PERFORMANCE AGREEMENT

This Performance Agreement (the "Agreement") is made and entered into this 23rd day of August, 2012, by and among the Virginia Tobacco Indemnification and Community Revitalization Commission (the "Commission"), a political subdivision of the Commonwealth, the City of Danville, Virginia (the "Grantee"), a political subdivision of the Commonwealth, and Norhurst, Inc. (the "Company"), a Delaware corporation whose Federal Employer Identification Number is 202207957.

WITNESSETH:

WHEREAS the Grantee has been selected to receive a grant in the amount of \$625,000 (the "Grant") from the Commission for its use in inducing the Company to make capital investments and employ persons in the City of Danville (the "Locality");

WHEREAS the Grantee has indicated its desire to tender the Grant to the Company for its use and benefit, provided that the Company commits to the achievement of certain goals relating to employment and capital investment as described herein;

WHEREAS the Commission, the Grantee and the Company desire to set forth their understanding and agreement as to the use of the Grant, the obligations of each party hereto, the conditions under which the Grant must be repaid, and the obligations of each party hereto in the event of default;

WHEREAS the Commission finds that the Grant serves a valid public purpose and is consistent with the Commission's mission as outlined in Section 3.2-3100, et. seq. of the Code of Virginia.

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

Section 1. Disbursement of the Grant

The Commission shall disburse the Grant to the Grantee within 30 days of the Commission's receipt of (i) this Agreement, executed by all parties thereto, and (ii) a written request for disbursement from the Grantee, PROVIDED that the Grantee is not in default on its obligations to the Commission as of the date first written above. In the event that the Grantee is in default on its obligations to the Commission as of the date first written above, disbursement of the Grant shall be withheld until such default is cured.

If disbursement to the Grantee has not occurred within one hundred twenty (120) days from the date of this Agreement, the Grant shall be automatically rescinded. Unless otherwise agreed in writing by the parties hereto, Grantee shall disburse the Grant to the Company, or for the Company's benefit, within 30 days of receipt of the Grant from the Commission or return the money to the Commission.

Section 2. Use of the Grant

Under this Agreement, the Commission places no restriction on the use of the Grant proceeds by the Company. Should there be any such restrictions imposed by the Grantee, the same shall be described in an Exhibit A and attached hereto, which shall be binding upon the Company only if signed thereon by an authorized Company representative, and not by reference herein. The Grantee shall be responsible for enforcement of any restrictions described in said Exhibit A.

Section 3. Employment Obligation

The Company shall employ at least 108 persons in the Locality with a quarterly aggregate payroll of at least \$1,798,200. Said employment and payroll will be in addition to those already employed in the Locality by the Company and paid during the calendar quarter ending on June 30, 2012, hereinafter called the "Base Period". Persons employed by the Company in the Locality shall be counted as employment hereunder only to the extent that they (a) exceed the aggregate number of employees at all Company locations within the Commonwealth of Virginia during the Base Period, and (b) are not counted as fulfillment of any other employment obligation made to the Commission by the Company under any other agreement.

Section 4. Capital Investment Obligation

The Company shall make capital investments in the Locality of at least \$2,200,000 in assets subject to local tax levy, notwithstanding the local taxing authority's election, if any, to waive or refund the taxes so levied. Said investments will be in addition to (a) those already made as of the end of Base Period, and (b) those counted in fulfillment of any other capital investment obligation made to the Commission by the Company under any other agreement. If the Company is exempt from the payment of property taxes on certain assets by state law, the Company shall not be entitled to receive or keep any portion of the Grant allocated to capital investment in those certain assets.

Section 5. Determination of Performance - Employment

To earn the Grant, the Company must meet its employment obligations hereunder not later than thirty six (36) months after the end of the Base Period. The Company's employment obligation will be deemed to have been fully met when it can document any eight (8) consecutive calendar quarters after the Base Period in which (i) the total wages paid by the Company to employees in each quarter exceed the wages paid by the Company to employees in the Base Period by at least the amount promised in Section 3 above, AND (ii) the average number of

employees who received pay from the Company during each of those eight (8) consecutive quarters* exceeds the average number of employees who received pay in the Base Period by at least the number promised in Section 3 above, AND (iii) all such employees worked in the Locality. Employment gains by the Company in the Locality that are offset by employment losses elsewhere in Virginia shall not be counted as employment hereunder.

The foregoing shall be based upon payroll tax filings made by, or on behalf of, the Company to the Virginia Employment Commission (now/formerly made on Form VEC FC-20 or facsimile thereof). If such tax filings include Company employees who did not work in the Locality, it shall be the duty of the Company to provide additional information sufficient to identify those employees who did work in the Locality. Employees of subsidiary companies, related entities, entities under common ownership or control, or employees of independent contractors hired by the Company shall not be counted as employees of the Company in fulfillment of its promise hereunder UNLESS such entities and their relationship to the Company are disclosed to and approved by the Commission in writing, AND such entities supply the Commission with the same employment documentation as described herein. Employees of temporary employment agencies ("temps") who are assigned to work for the Company in the Locality shall not be counted UNLESS evidenced by letter from the temp agency setting forth the number of man hours so assigned within the 36 months immediately following the Base Period. Such man hours shall be credited to the Company's job-creation obligation at the rate of one job for one quarter for every 520 man hours evidenced by the letter.

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

Section 6. Determination of Performance – Capital Investment

The Company shall meet its capital investment obligations hereunder not later than thirty six (36) months after the end of the Base Period. The Company's capital investment obligation shall be deemed to have been fully met when

(1) the Grantee submits to the Commission a letter from the Commissioner of Revenue for the Locality attesting to:

(a) the highest assessed value of all real property that was acquired or leased by the Company during the thirty six (36) months after the end of the Base Period and owned or leased without interruption from the date of said acquisition or lease until thirty six (36) months after the end of the Base Period, notwithstanding the Locality's election, if any, to waive or refund taxes levied on such property, and

(b) the original cost (not the depreciated value) of all personal property subject to taxation and acquired or leased by the Company during the 36 months after the end of the Base

Period and owned or leased without interruption from the date of said acquisition or lease until 36 months after the end of the Base Period, notwithstanding the Locality's election to waive or refund taxes levied on such property. In the event that the original cost is not known to the Commissioner of Revenue, the assessed value shall be reported in lieu thereof, and

(2) the sum of items 1(a) and (b) above equals or exceeds the amount promised in Section 4. For purposes of this Agreement, leased assets are defined as those for which the Company is contractually obligated to pay the property taxes thereon during the term of the lease, and evidence of the Company's obligation to pay such property taxes is presented to the Commission.

The Company hereby expressly grants its consent for (a) the Commissioner of Revenue for the Locality to release to the Tobacco Commission or the Grantee records necessary to disclose the information required in Section 6 hererof, and (b) the Virginia Employment Commission to release to the Tobacco Commission all Company employment records of any kind held by the Virginia Employment Commission.

Capital investments of subsidiary companies, related entities, entities under common ownership or control, shall not be counted as capital investments by the Company in fulfillment of its promise hereunder UNLESS such entities and their relationship to the Company are disclosed to and approved by the Commission in writing, AND such entities supply the Commission with the same capital investment documentation as described in this Section.

Section 7. Repayment Obligation

In the event that the Company does not meet its obligations hereunder within thirty six (36) months after the end of the Base Period, it shall repay to the Grantee the unearned portion of the Grant, which is calculated as follows:

- a. A minimum capital investment of \$1.0 million is required before any portion of the Grant is earned by the Company, hereinafter called the Minimum Investment Requirement.
- b. For purposes of repayment, fifty percent (50%) of the Grant is allocated for the Company's capital investment obligation and fifty percent (50%) for its employment obligation.
- c. After exceeding the Minimum Investment Requirement, the fraction of the Grant allocated to employment that is earned by the Company is determined by dividing the average number of employees receiving pay during the eight consecutive quarters as determined in Section 5 above with the highest employee count by the number of jobs promised in Section 3 notwithstanding the total wages paid by the employer.
- d. After exceeding the Minimum Investment Requirement, the fraction of the Grant allocated to capital investment that is earned by the Company is determined by dividing the greatest value of assets attested to by the Commissioner of Revenue under Section 6 above by the capital investment promised in Section 4 above.

- e. All unearned portions of the Grant shall be repaid by the Company to the Grantee not later than thirty days after the date on which the Company is notified of the unearned amount. The Grantee agrees to remit the same to the Commission. Any refund owed by the Company to the Grantee hereunder shall immediately constitute an obligation of the Grantee to repay the Commission and such Grantee's obligation shall **not** be contingent upon successful collection of any amount from the Company. **The Grantee shall be liable for repayment to the Commission that portion of the Grant determined by the Commission to be due under the terms of this Section and hereby agrees to make such repayment without regard to whether Grantee has received repayment from the Company.**
- f. Interest shall accrue on unpaid balances at the rate of 3% per annum beginning on the 31st day after the Company is notified of the amount due.
- g. Any monies due to the Locality pursuant to this agreement shall be considered to be owed to the Treasurer for the Locality and subject to the Treasurer's statutory powers provided for in the Code of Virginia.
- h. If the Company does not meet its employment obligations or capital investment obligations hereunder by the date which is 36 months after the end of the Base Period because of an "Event of Force Majeure" (as defined herein), the date by which a requirement to meet such commitments shall be extended day-for-day for a period equal to the time elapsed during the Event of Force Majeure. "Event of Force Majeure" means without limitation any of the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or any kind of the government of the United States of America or of the Commonwealth of Virginia or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; draughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals not caused by the Company; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company.

Section 8. Events of Default

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

- a. the Company applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets, files a voluntary petition of bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating the Company as bankrupt or insolvent or approving a petition seeking reorganization of the

Company or appointing a receiver, trustee or liquidator of the Company or of all or a substantial part of its assets which remains undismissed, undischarged or unstayed for a period of forty-five (45) days.

- b. the Company ceases to be of record and in good standing with the Virginia State Corporation Commission, and such failure is not cured within 60 days from notice thereof, unless Company obligations hereunder have been assumed by another entity and that assumption approved by the Commission and the Grantee.
- c. the Company fails, for reasons other than an Event of Force Majeure, to fulfill at least twenty five percent (25%) of either its employment obligation described in Section 3 above or its capital investment obligation described in Section 4 above within eighteen (18) months after the end of the Base Period.
- d. Failure to provide verification to the Commission as described in Section 9, below, within 60 days from a written request from the Commission.

Section 9. Verification of Performance

If the Commission is unable to verify the Company's progress towards meeting its capital investment and employment obligations herein using the information available pursuant to Sections 5 and 6, the Company shall provide, at the Company's expense, detailed verification to the Commission and the Grantee, of the Company's progress toward meeting its capital investment and employment obligations. Such verification shall be limited to the Company's payroll tax filings and property tax filings, together with such other supporting documentation about the payroll and property tax filings as the Commission may request, but any such request shall be no more often than annually

If any of the capital investments described in Section 4 have been made on behalf of the Company by a lessor, the Company shall be responsible for gathering and reporting to the Commission information regarding the capital investment made by the lessor on behalf of the Company.

Section 10. Acknowledgment and Notice

The Company and the Grantee each acknowledge and agree to its respective repayment obligation in accordance with Section 7 of this Agreement. Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail, undelivered) and addressed as follows:

if to the Company, to:

NAME: Norhurst, Inc.
ADDRESS: 944 MAIN STREET DANVILLE, VA 24541
Real Estate Manager TIM NORTON
Attention: TIM NORTON

if to the Grantee, to:

NAME: City of Danville
ADDRESS: 427 Patton Street
Danville, VA 24543
Attention: Joseph C. King, City Manager

if to the Commission, to:

NAME: Tobacco Indemnification and Community Revitalization Commission
ADDRESS: 701 East Franklin Street, Suite 501
Richmond, Virginia 23219
Attention: Neal E. Noyes, Executive Director

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

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

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

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

The provisions of this Agreement are intended to and shall survive closing, the delivery of any deed or other instrument, and any other event.

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

TOBACCO INDEMNIFICATION AND
COMMUNITY REVITALIZATION
COMMISSION

By: Neal E. Noyes
Executive Director

Date: 9/12/12

CITY OF DANVILLE

By: [Signature]

Title: CITY MANAGER

Date: 9/16/12

NORHURST, INC

By: [Signature]

Title: PRESIDENT

Date: 5 SEP 2012

7070

GRANT REPAYMENT AGREEMENT

This Grant Repayment Agreement dated and entered into this 7th day of July, 2014 by and among the Tobacco Region Revitalization Commission (the "Commission"), a political subdivision of the Commonwealth of Virginia, the City of Danville, VA (the "City"), a political subdivision of the Commonwealth of Virginia, and Norhurst, Inc., (the "Company"), a Delaware corporation provides as follows:

RECITALS:

Pursuant to the terms of a certain Performance Agreement dated August 23, 2012 by and among the Commission, the City, and the Company, a copy of which is attached hereto, the Commission made a certain grant in the amount of \$625,000.00 (the "Grant") to the City in order to support its economic development initiatives, specifically as they relate to a proposed economic development project of the Company. The Commission fully funded the Grant to the City, and the City delivered the Grant funds to the Company for its use and benefit. The Company failed to meet its obligations under Section 3 of the Performance Agreement and, as a result, is in default under the terms thereof. Pursuant to Section 7 of the Performance Agreement, the City is liable for repayment to the Commission of that portion of the Grant determined by the Commission to be due in accordance with the terms of the Performance Agreement. The parties hereto acknowledge and agree that there has been an event of default by Company under the Performance Agreement and that the City is liable for repayment to the Commission for the unearned portion of the Grant. The parties are entering into this Grant Repayment Agreement to confirm their understandings regarding repayment of the Grant amount to the Commission.

Now, therefore, for and in consideration of the matters hereinafter set forth and good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgement by the City

The City and the Company hereby acknowledge their joint and several liability for repayment in full to the Commission of the sum of \$312,500.00, which represents the one-half of the Grant amount allocated to employment pursuant to Section 7 b. The City and the Company hereby irrevocably acknowledge that a default exists under the terms of the Performance Agreement and that pursuant to paragraph 7 of the Performance Agreement,

the City and the Company are jointly and severally liable and responsible for repayment to the Commission of \$312,500.00.

2. Repayment of Grant Amount

The City and the Company hereby agree to make repayment of one-half of the Grant amount to the Commission on the following terms: \$78,125.00 in cash, certified funds, or in other form acceptable to the Commission on or before August 6, 2015, plus additional payments of \$78,125.00 each to the Commission on August 6, 2016, 2017, and 2018. No interest shall be due on the unreimbursed portion of the Grant provided that timely payments are made on or before the dates hereinabove specified.

3. Default and Repayment

In the event of default by either the City or the Company in payment of all or any remaining portion of the Grant funds as a result of failure to make payment of the refund amount on the dates specified in paragraph 2 *supra*, the entire remaining balance shall be immediately due and payable, together with interest thereon at the rate of six percent (6%) per annum from the date of this Agreement. In addition, the City and the Company shall be jointly and severally liable for payment to the Commission of any and all attorney's fees and costs incurred by the Commission related to enforcement of its rights under this Agreement and collection of any remaining Grant funds which are incurred as a result of a default hereunder.

4. Entire Agreement.

This Agreement constitutes the entire agreement by and among the parties with respect to the matters referenced herein. This Agreement may be hereafter amended or modified only by written agreement signed and executed by all parties hereto. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

5. Authorization

Each of the parties hereto represents and warrants that all necessary action has been taken by such party to authorize the execution and delivery of this Agreement by such party.

6. Notices

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received two (2) days after mailing of the same in the United States Mail by certified mail, postage prepaid, or by overnight courier addressed as follows:

If to the Commission, to:

Tobacco Region Revitalization Commission
701 East Franklin, Suite 501
Richmond, Virginia 23219

Attention: Executive Director

If to the City, to:

City of Danville, VA
427 Patton Street
P.O. Box 3300
Danville, VA 24543

Attention: City Manager

If to the Company, to:

Norhurst, Inc.
944 Main Street
Danville, VA 24543

Attention: Tim Norton

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

Tobacco Region Revitalization
Commission, a political subdivision of the
Commonwealth of Virginia

By: [Signature]
Executive Director

Date: 9-29-15

Commonwealth of Virginia
City/County of Richmond:

The foregoing Repayment Agreement was acknowledged before me this
29 day of September, 2015 by Evan Fenman,
the Executive Director of the Tobacco Region Revitalization Commission.

My notary expires: 7-31-2019

Notary Registration No. 330700

Wilma M. Jordan
Notary Public



City of Danville, VA, a political subdivision
of the Commonwealth of Virginia

By: Kenneth F. Larking
Acting

Title: City Manager

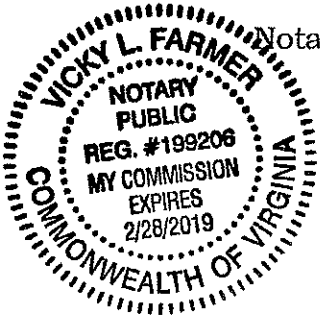
Commonwealth of Virginia

City/County of Danville:

The foregoing Repayment Agreement was acknowledged before me this
1st day of September, 2015 by Kenneth F. Larking, the ^{Acting} City
Manager of Danville, VA, a political subdivision of the Commonwealth of
Virginia.

My notary expires: 2/28/19

Notary Registration No. 199206



Vicky L. Farmer
Notary Public

KIMBERLY ANN CUSTER
NOTARY PUBLIC
Commonwealth of Virginia
Reg. #7519125

Norhurst, Inc., a Delaware
corporation

By: Carl T. Norton

Title: PRESIDENT

Commonwealth of Virginia

City/County of Danville:

The foregoing Repayment Agreement was acknowledged before me this
31st day of August, 2015 by Carl T. Norton,
the President of Norhurst, Inc.

My notary expires: 11/30/16

Notary Registration No. 7519125

Kimberly Ann Custer
Notary Public



AGRIBUSINESS COMMITTEE AGENDA

Monday
January 8, 2018 @ 2:30pm
Homewood Suites
Richmond, VA

Welcome and Call to Order	<i>Robert Spiers, Chairman</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Approval of the <u>5/18/17</u> Minutes	<i>(published on website)</i>
Application Reviews	<i>Tim Pfohl, Grants Program Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	

**FY18 Agribusiness
Staff Summaries & Recommendations
January 2018**

The Commission received twelve proposals for FY18 Agribusiness funds by the announced due date in October. Executive summaries of the proposals and Staff comments and recommendations are contained below.

Request #	Organization	Project Title	Requested Amount	Staff Recommendation
3373	Appalachian Sustainable Development	Out of the Woods: Expanding Capacity and Market Access of Forest Botanical Farming	\$326,000	90,000 Table
3368	Blue Ridge Plateau Initiative	Meat Processing Facility (Phase 1 Site Preparation)	\$62,500	Table ✓
3364	Town of Boones Mill	Construct Year-Round Farmers Market in Boones Mill	\$72,000	\$72,000 ✓
3372	Dinwiddie County	Project Coley Creamery	\$250,000	✓ Refer to VRA for <\$750,000 loan ✓
3369	Helping Overcome Poverty's Existence Inc	HOPE/Pay What You Can Kitchen Collaborative	\$175,000	0 ✓
3362	Institute for Advanced Learning and Research	Utilizing Naturally Occurring Beneficial Microbes for Farm Specific Agriculture Solutions in Southern Virginia	\$258,020	\$258,020 ✓
3365	Lee County Livestock Association	Small Ruminant Improvement Initiative for Far Southwest Virginia: Round Two	\$24,000	0 ✓
3366	Olde Dominion Agricultural Foundation, Inc.	Olde Dominion Agricultural Complex Phase II Livestock Expansion	\$438,178 ✓	0 ✓
3371	Russell County Board of Supervisors	Russell County Canneries Revitalization Project	\$250,840	Table ✓
3370	Russell County Fair Association, Inc.	Renovation of the Russell County Fair Grounds	\$275,000	Table ✓
3363	Virginia Polytechnic Institute and State University	Adding Value to Virginia Wheat and Barley	\$267,425	\$267,425 ✓
3367	Virginia State University	On-farm Research to Establish Chickpea in Virginia - II	\$22,800	0 ✓

Total (12 requests/ 4 funding recommendations)

\$2,421,763

\$1,347,445

available balance

\$2,485,312

Appalachian Sustainable Development

Out of the Woods: Expanding Capacity and Market Access of Forest Botanical Farming (#3373)

\$326,000 Requested

Executive Summary Provided by Applicant: “Out of the Woods” strengthens an agriculture cluster with a high demand product: forest botanicals. The proposed work 1) builds production capacity by training forest farmers and 2) increases revenue for forest farmers by adding process support, shifting more supply chain activities to the Tobacco region and expanding premium and value-added opportunities. An applied research component establishes testing capabilities at the Appalachian College of Pharmacy (ACP) where potency analyses on harvested botanicals will help forest farmers maximize profit. Training programs led by Appalachian Sustainable Development (ASD) increase forest farmer efficiency and profitability through best practices and premium value certification and by expanding equipment at a community processing facility in Duffield, Virginia. A contracted Market Specialist will expand the cluster network and connect to growing commercial buyer interests, serving multiple producers. “Out of the Woods” increases producers, product, and profit while ensuring long-term availability of this valuable agricultural resource.

How will this project directly assist tobacco region producers access the identified market opportunity? This project is designed to help individual forest farmers and builds the structure for an aggregated cluster, responding to market opportunities. Southwest Virginia’s communities may lack access to an abundance of flat tillable farmland, but vast forestlands exist here, perfect for forest farming through new plantings or stewardship of existing wild stands. Income potential is maximized through training to achieve FGV and Organic certifications. Access to the Duffield processing hub helps growers achieve greater profits per pound by increasing post-harvest handling efficiencies and reducing labor costs. Networked farmers maintain an aggregated supply stream, providing access to large purchasers not typically achievable by small producers. The proposed ACP lab designed to conduct qualitative and quantitative phytochemical analyses completes a feedback loop to forest farmers, delivering critical potency assessment for harvest management to maximize profit. ACP work sets the stage for increased commercialization opportunities for these products in the Tobacco region.

Staff Comments and Recommendation: This project involves an ambitious multi-faceted plan to dramatically increase the number of growers of non-timber forest products (NTFPs, such as ginseng and other understory plants) throughout much of TRRC’s southwest region. Multiple agencies and organizations are participating at differing levels of involvement and the project is expected to have multiple phases. The exact scope, and associated cost of these phases has yet to be determined. Much of the work proposed in the current application will determine the future direction of the project. The application describes this project as helping individual forest farmers while building a structure for an aggregated cluster of producers to better respond to existing and growing market opportunities for these products. A processing hub in Duffield will be expanded to help farmers realize economies of scale necessary to obtain the higher revenues from their harvested botanicals. Lab space at the Appalachian College of Pharmacy (ACP) will be improved to provide analysis related to the potency and other quality factors of the plants. A proposed cost share program will assist farmers with startup costs to establish plots while providing training and assistance with certification and inspections. Outreach and marketing will be expanded to recruit potential forest farmers and to establish large scale commercial sale opportunities for participants. A “tenant” forest farm will be established in Tazewell County to provide guidance and assistance in an easily monitored location for interested parties. These activities will occur over a two year period and will focus around the five stated goals of increasing the number of growers/ forest farmers in SW VA, Increase profit for forest farmers in SW VA, Increase volume of marketable forest farmed botanical products, expand markets for forest farmed products and growers/ farmers, and to create forest farmed product and regional supply system infrastructure. A total project cost of \$885,336.00 for this phase was presented in the application with a large portion of matching funds (\$321,111) coming from a recently filed ARC application and from an intended EDA application. Private foundations

will be contacted for \$81,590 of matching funds. Two proposals are pending with the Dietel and the Rural Rehabilitation Trust Fund. The Thompson Charitable Foundation has awarded \$68,800 for the project. In-Kind support of \$156,636 has been committed by all partners. This support represents salaries for staff and for ACP lab equipment and supplies (\$24k). TRRC funds will be used to support salaries (\$141k) for five ASD and AVP staff members and it appears that at least some of these are already existing ASD positions. Additional positions - including \$61k for a NTFP Market Specialist based in Blacksburg - will be supported under the Contractual Services line item (\$115,400) which will also support marketing and outreach activities. Equipment purchases (\$46,000) will be made primarily for the Duffield location, with some funds also allocated for the ACP lab space. Consumable supplies for the Duffield herb hub and the ACP lab will be purchased. Training and event supplies and promotional materials will also be supported under this line item which totals \$13,750. A cost share program which is intended to assist 14 forest farmers and certification for the Duffield hub (2 years) is supported under the \$6,500 Transfer Payments line item. ACP has requested 2 years of support for herb facility rental which is budgeted for \$2,500 (Contractual Services). It appears that more than \$150k is being requested for a lab at ACP that seems premature, and a NTFP Specialist based outside the tobacco region. The complex and multifaceted nature of this proposal was reflected in the wide use of the requested funding. It was difficult to determine which items, and their associated costs, resulted in direct project outcomes sufficient to justify the level of current and future support that is expected from the Commission. Currently there are three producers using the Duffield hub. While the project projects to recruit 20 new growers earning an additional \$3,700 or revenue annually there was no evidence that expanded capabilities in Duffield are needed at this time. This would be a significant investment by TRRC resulting in only modest returns for a small number of region farmers. Additional details on the cost share program, including program guidelines and expectations for participant contribution, are needed to better evaluate its suitability for funding. The information submitted in this application seems to indicate that no contribution is expected from cost share participants. Due to the broad, and often unclear, scope of the project that was presented in this application it is difficult to determine what activities are essential for growth of a forest farmer network, which would seem to be an essential first step to accomplish other project goals such as aggregation of product for processing and sale. As other required matching funds are being pursued, Staff suggests that additional planning is needed for the applicant and their partners to define a prioritized scope of work that best fits the priorities of this program and one which provides direct and measurable benefits to area farmers.

Staff recommends this request be tabled.

Blue Ridge Plateau Initiative

Meat Processing Facility (Phase 1 Site Preparation) (#3368)

\$62,500 Requested

Executive Summary Provided by Applicant: To establish a red meat slaughter and processing facility, designed to harvest multiple species including bovine, swine, goat and sheep. The location has been selected based upon geographic proximity to interstates I-77 and I-81 and the wholesale Southwest Virginia Farmers Market while keeping in mind the location of existing facilities. The facility will be 12,800 square feet pre-fabricated metal structure, will include carefully designed holding pens that will meet or exceed animal welfare certification standards. Equipment within the facility will meet wholesale/commercial packaging requirements. The facility will be made available to small and larger scale producers alike and will have the capability of custom inspected packaging in addition to un-inspected personal consumption packaging. Services and fee structure will be competitive. Protocols will be in place to inspect and label specialty products such as organic, grass fed, antibiotic and hormone free. The requested funds would be used for complete site preparation.

How will this project directly assist tobacco region producers access the identified market opportunity? This 2.9 million dollar total investment project will assist tobacco region producers. Several tobacco farmers looked into diversifying their farm operations to include other crops during tobacco industry hardships. One of the crops that tobacco farmers often considered was beef cattle. As more beef cattle and harvest animal operations established the demand increased on how to market their animals and receive premium price. Holding to harvest weights and marketing finished product is a way to accomplish this goal. Providing farmers access to a facility that offers correct packing requirements for commercial contracts, inspection, meets handling requirements for niche producers, offers competitive price points and an opportunity to direct market their products will provide opportunity for premium price of the commodity to be leveraged by the producer.

Staff Comments and Recommendation: In 2010 the Commission provided funding of \$48k to Grayson Landcare to conduct a feasibility study to explore the potential of establishing a meat processing facility. This grant, matched by ARC, was also used to develop a business plan. These reports, completed in 2011, showed a strong need for such a facility with very few opportunities for similar processing within a four hour radius of Carroll County. Since 2011 a new non-profit has been formed (the applicant) to continue the development of the project although many of the Grayson Landcare members are still actively involved. According to the feasibility study there is a potential to harvest 100,000+ beef cows and other animals annually. The application estimates outcomes of 1,453 annual TRRC region producers using the facility annually, resulting in \$20,000 in annual sales revenue per producer. Phase 1 Site Preparation which is the intended use of this request is budgeted at \$125,000, and the request is for TRRC to cover half of that amount. While this project is described as “a \$2.9 million total investment project” only vague information was provided related to potential funding for the construction and equipping of the facility. An intent to request TRRC and ARC support in Fall 2018 for start-up operating and equipment was noted. It appears that a large portion of the construction funding may come from an unnamed private investor. Additional detail on the potential ownership and operations of the facility was requested prior to Staff’s review of the application, however no response has yet been received. This information, along with updated information for the phased development of the facility, would better enable an understanding of how the project will be financed and who the specific beneficiaries are that will operate the proposed facility. Without this information, along with a recent detailed cost estimate for full development, it is not possible to evaluate the appropriateness of a TRRC investment at this time. The information provided in the application was included in the feasibility study and business plan completed in 2011 and may not be reflective of the current status and costs of the project. The Phase 1 cost estimate provided by a contractor listed the cost at \$141,250 although the applicant stated some of the work described in the quote is not needed at this time. Carroll County provided a quote estimating \$183,750 of water and sewer improvements are needed at the site however it is unclear in what phase of the project these are needed. Matching funds for of \$31,250 are committed from the Blue Ridge Plateau Initiative and an additional \$31,250 in-kind support will be contributed by the Carroll County Board of Supervisors. This support, which appears to exceed the Commission’s in-kind limit (no more than 25% of total match), represents a portion of the appraised value of the proposed site in the County Industrial Park (\$10,000) as well as staff time (\$21,250) for professional engineering services and project and grant management, and does not appear to provide the half of the site development costs needed to prepare the site. Ultimately this could be a solid project with an anchor user in River Ridge Meats, a Grayson County livestock processor that was awarded a TROF grant and is currently using out of state slaughterhouses. However, Commission support for the requested initial phase of site preparation seems premature until the full scope of the project is better understood, including total costs to develop the facility, sources of funding, ownership and operator agreements. Given the potential regional agribusiness impact of this facility once these issues are addressed, Staff recommends the proposal be tabled.

Staff recommends this request be tabled.

Town of Boones Mill

Construct Year-Round Farmers Market in Boones Mill (#3364)

\$72,000 Requested

Executive Summary Provided by Applicant: This project helps renovate a blighted industrial building to create a year-round farmers market in northern Franklin County. The farming community around Boones Mill organized a wholesale produce auction in 2016; the auction provides business to business sales, but farmers also seek a retail option. Small-scale, specialty-crop farmers report a lack of nearby market options, as well as problems with existing outdoor markets. Last year, the Commission funded the design for this year-round market in Boones Mill. The USDA awarded \$110,000 for construction, but our project cost requires an additional \$72,000. Construction procurement is underway, and the project is shovel-ready. The market will be enclosed and heated, with accessible bathrooms, ample power, and freezer and cooler space for vendor inventory. Eight farmers have committed to sell in the market; more are interested. In addition to supporting farm investment, the market also provides a healthy food outlet where none exists now.

How will this project directly assist tobacco region producers access the identified market opportunity? The policy logic for farmers markets as venues for agribusiness and agritourism development is well understood. Our project team has tailored the design and proposal to fit our market niche and maximize value for local producers. An early draft of the design included a demonstration kitchen to educate consumers or support catering at events. We cut this expense to focus on vendor space and reduce costs. Design drafts also included a loading dock. Farmers reported using pickup trucks and smaller volumes of inventory, and the dock expense could be cut. The adjacent produce auction has a forklift, if needed. Farmers also reported a priority for storage space for their inventory. We therefore add two walk-in units for frozen and refrigerated storage. Our vendor mix ranges from meat to cheese and leafy vegetables. Architecturally, this project closely matches the reported needs to producers to expand their businesses with a new market.

Staff Comments and Recommendation: Agribusiness outcomes are through the provision of a publicly-owned value added marketing facility and estimated at 25 producers benefiting from an average of \$5,000 in net new sales revenue per producer by the end of the 1st year of operation. Funds are requested to support a portion (39%) of the costs for renovations and equipping of an existing building at The Village Park at Boones Mill, converting it into a year-round indoor retail farmers market. The facility also provides expanded space for inventory including walk-in freezers and refrigerated storage. In an effort to demonstrate the regional benefit of the market, the Town has identified eight farmers from Franklin, Bedford, Floyd and Henry Counties who have committed to selling produce, meats, fish, and other agricultural commodities at the market, with additional farmers having expressed interest. While other farmers markets exist 11 miles south in Rocky Mount and 14 miles north in downtown Roanoke; the Town made a strong case for the market opportunity in the Town of Boones Mill which has no grocery store in the area pegging it as a 'food desert'. With this designation the Town was successful in securing a USDA Rural Business Development Grant of \$110K to support the project. Adjustments to the original design were made to reduce costs and focus on priority producer needs identified from a Farmers Survey (responses provided with the application). The Town plans to hire a market manager to help staff the market, allowing farmer products to be sold without their having to be on site at all times, and with this individual being responsible for tracking outcomes. A proposed schedule for operation is for being open three or four days per week, during the afternoons/evenings on weekdays and during the day on weekends. The Commission received a request to support construction of this market in the FY17 Agribusiness grant cycle; but opted to support a \$20,000 grant only for design costs, encouraging the Town to continue to work on planning and developing the case for producer and consumer interest in the market, and for securing the required matching funds. With this application the Town demonstrates that the project is now ready-- having provided detailed schematics for the design, farmer survey results and commitments, an operating plan, and evidence of secured match. Approval of this request will allow the market to proceed on its schedule for a grand opening in June 2018.

Staff recommends approval of a \$72,000 grant award.

Dinwiddie County
Project Coley Creamery (#3372)
\$250,000 Requested

Executive Summary Provided by Applicant: Project Coley (name redacted for confidentiality of a potential VDACS grant) involves a dairy farm that has been under the leadership of a family since the mid-1700s and transitioned to dairy farming in 1952, when they shifted from tobacco farming to selling commodity milk. The farm plans to expand into a creamery adding value to the commodity milk produced on the farm by processing it into milk, butter, and ice cream to be sold through an on-farm store, and wholesale to other retail locations. The project includes a milk processing facility that will enable them to pasteurize, homogenize and bottle milk in addition to making value added products. The store will carry other value added products from local producers in addition to sourcing local ingredients to use in the restaurant and making of ice cream add ins/flavors. This project will make value added dairy products to direct market to consumers while increasing employment opportunities and contributing economic growth to the surrounding community.

How will this project directly assist tobacco region producers access the identified market opportunity? This project will directly impact a current farm in the tobacco region that is trying to sustain in a changing market. By providing access to capital to construct a value-added processing facility. The on-farm retail store will also be an outlet for local producers to sell product. Local products throughout the region will also be source as inputs for the creamery's ice cream.

Staff Comments and Recommendation: This project, confidentially code-named Project Coley, will principally benefit one long-standing, family-owned dairy operation located on U.S. 460 in western Dinwiddie, although some products including additional cream and fruits for flavoring will reportedly be purchased from nearby farm operations. The applicants provided a very thorough feasibility study conducted by a well-known agricultural consulting firm, and that study provided the foundation for a well-detailed business plan. The feasibility study and business plan acknowledge the competition from in-state farm-based creameries including Homestead in Franklin County and others in the Shenandoah Valley. The request seeks grant funds toward the construction of a creamery building and purchase of equipment (a well-detailed equipment list is also provided), with the intention of raising the bulk of the remaining project funds through conventional financing. TRRC staff noted the private benefit and revenue-generating capacity in this project and contacted the County to see if the family-owned business would consider a TRRC/VRA loan for up to half of the project. The family indicated interest in that approach, and now wishes the Commission to consider a loan of up to \$750,000 for the project. Staff notes the project will provide considerable opportunities to export tobacco region products to metro regions outside our footprint, including Richmond, Hampton Roads and Raleigh, thereby importing sales revenues from those areas. The project is expected to create 11+ FTE positions at startup, and an additional 5+ jobs within three years. While the principal benefit to one farm does not align well with the Agribusiness Program objectives, the job creation, importing of revenues from outside the footprint, and the possibility of a loan that could be recycled into future projects as it's repaid overrides the benefit to one farm.

Staff recommends this project be referred to VRA for credit analysis and consideration of a loan of up to \$750,000.

Helping Overcome Poverty's Existence Inc
HOPE/Pay What You Can Kitchen Collaborative (#3369)
\$175,000 Requested

Executive Summary Provided by Applicant: The proposed project builds upon HOPE's existing Community Food Kitchen program to create a Pay-What-You-Can (PWYC) restaurant with commercial kitchen incubator, cold storage, and mini market to assist local entrepreneurs. The restaurant will provide healthy, local food for local customers and tourists along the I-81 and I-77 corridors, while assisting entrepreneurs including culinary students and beginning farmers, established farmers, and SNAP users throughout Wythe, Bland, Grayson, Carroll, and Smyth counties, and the city of Galax. The PWYC restaurant will focus on: (1) sourcing local food to support farmers, (2) providing on the job employment training for culinary arts students as part of ProStart certification, and (3) making commercial kitchen, processing, cold storage facilities, and mini market available for regional farmers. All of these job training and economic development programs and facilities will enhance farm revenue and entrepreneurship, all while providing healthy, local food for SNAP and non-SNAP customers alike.

How will this project directly assist tobacco region producers access the identified market opportunity? We used primary research, including interviews and surveys to market the model and assess demand by producers. As we build, we will complete a demand analysis with Local Concepts, LLC and VDACS to ensure we grow our programs to best serve regional farmers, and programs are accessible. This analysis work is also an organizing tactic to spread the word about our facility and programs and ensure farmer feedback is included throughout the development and launch stages. Both marketing and feedback will enable access. Finally, because we rely on local food for our restaurant and facilities, we will conduct outreach throughout winter with regional farmers to produce and/or scale for our restaurant and mini market. We will host production planning workshops, both to include many farmers in our purchasing and to share anticipated amounts of product we will need each week for which farmers can plan, together.

Staff Comments and Recommendation: Funds are requested to assist with renovation costs related to a commercial kitchen incubator to be co-located with a "pay-what-you-can" restaurant and a "mini market" in downtown Wytheville. Produce and ingredients to support these endeavors will reportedly be supplied by producers from six TRRC region localities (Bland, Carroll, Galax, Grayson, Smyth, and Wythe). While the application estimates that a minimum of 25 farmers will be supplying the facility by year three, with each earning an additional \$1,000 annually as a result of the restaurant, cold storage, and mini mart; it also appears that donations will also be accepted, and possibly prioritized. The broad human service mission of this organization with its assorted programs and uses make it difficult to determine which uses, and their associated outcomes, are most suitable for this program. While there can certainly be the potential for area farmers to supply ingredients to the facility and to offer a commercial kitchen and culinary training, it is not known if these outcomes are sufficient to justify the request amount. This benefit appears to be largely indirect to mostly unnamed producers and was not clearly quantified. No justification was provided on how the proposed \$70k of annual purchases and 25 participating farmers will be reached. In 2016 the Commission provided \$85,000 to support the construction of the Wytheville Farmers Market to be located in close proximity to this project. It is likely that the mini market will compete with the farmers market for customers in this small area. Few operational details for the mini-market or the commercial kitchen incubator, the programs which best align with this program's objectives, were provided. The project has a total cost of \$964,500 with matching funds approved from the Wythe-Bland Foundation (\$222,000), USDA (\$240,000), the Gwathmey Memorial Trust (17,500), the Beirne Carter Foundation (\$75,000), and the Robert Morgan Foundation (\$25,000). Applications totaling \$210,000 will be filed with several additional foundations including the United Company Foundation, Walmart State Foundation, Lowe's Foundation, C.E. Richardson Foundation, Conservation Fund/CSX, and the Oak Hill Fund. While the application describes the use of the \$175,000 TRRC request as for construction of the commercial kitchen, dining area, cold storage and renovation to the HOPE building, this is a broad description and it is unclear specifically where or how funds will be used or how the request amount was determined relative to the total project scope. It appears that the

kitchen will primarily serve the PWYC dining operation and that the commercial incubator would be ancillary to this function. TRRC support for this project could establish a precedent for funding similar farm-to-table restaurant and institutional buyers or human service agencies with similar project outcomes. When considering the many uses of this facility it appears that this project, as presented, serves essentially a human service function. As noble as HOPE's mission is, and as thorough as their fundraising efforts are, there are still too many unclear and unsubstantiated outcomes to suggest that the project aligns well with Agribusiness outcomes and objectives and deserves funding support.

Staff recommends no award.

Institute for Advanced Learning and Research
Utilizing Naturally Occurring Beneficial Microbes for Farm Specific Agriculture
Solutions in Southern Virginia (#3362)
\$258,020 Requested

Executive Summary Provided by Applicant: In the next 30 years, agricultural production must double on a per acre basis to feed the expanding global population. To reduce the use of chemicals in agriculture, new solutions to boost production must be found that are natural, sustainable, and regionally appropriate. Plant probiotics called endophytes hold such hope. This applied research and education proposed project focuses on improving plant health and disease control in high value crops including tobacco, strawberry, grapevine, vegetables, and hops by; 1) developing regional, crop life-cycle specific, farm disease challenge surveys with 20 farmers in a six county region and; 2) introducing microbial inoculant technologies through workshops and informal outreach to a wide variety of participants. This project aims to increase agricultural profits, production, and sustainability through targeted naturally derived disease control measures at a field specific level and to introduce existing and potential farmers to these technologies to increase sustainable agribusinesses.

How will this project directly assist tobacco region producers access the identified market opportunity? This project will directly assist tobacco region producers access the benefits of utilizing biological controls by; 1) working one on one with area producers to understand their farm specific disease pressures; 2) introducing these technologies to current and future producers and; 3) allowing IALR scientists to collect a database of regionally important disease pressures to test for solutions in the lab and field. These goals will be accomplished by collaborating with Cooperative Extension Agents, Virginia Department of Agriculture and Consumer Services representatives, and county agriculture agents. The Institute for Advanced Learning and Research is committed to assisting regional producers maximize profits by simultaneously increasing the value of their crops and environmental sustainability.

Staff Comments and Recommendation: This project is submitted under the "applied research and education" Agribusiness investment strategy. IALR and its agricultural researchers have created a solid research foundation regarding identifying plant probiotics called endophytes (the PI has nearly 15 years of work on this topic), including building a substantial library of strains that inhibit the growth of various common types of fungus. The request would fund a newly-hired lab technician for three years (\$210k salary and benefits, plus travel, supplies and materials) to work with 20 area farmers in a six county region stretching from Mecklenburg to Patrick. The technician and other research staff will spend year one conducting disease surveys on the farms, and 2 years of field trials to test inoculation of several high value crops (tobacco, berries, grapes, hops etc) to determine the effectiveness of endophytes in reducing occurrences of fungal infections and other prevalent plant diseases. Results will be disseminated to area farmers through workshops, publications, on-farm consultations etc. Required matching funds are committed from sources including the Commonwealth Higher Education Trust Fund (\$114k for gene sequencing equipment), USDA funds passed through VDACS for research staff and expenses (\$50k), and Commonwealth funds appropriated to IALR for

principal researchers salaries and expenses (\$121k). Ultimately, the research is expected to enable farmers to replace or reduce the use of expensive chemical fungicides and pesticides with natural biological endophytes that will also allow crops to be marketed at higher prices as being chemical-free and naturally organic. The proposed activities and uses of funds are clearly stated, built upon an extensive research foundation, and focused on project expenses to be incurred entirely within the tobacco region. The project potentially has far-reaching economic benefits to producers growing a variety of high-value crops, and as such, is the second highest scoring proposal in this year's grant cycle.

Staff recommends award of \$258,020.

Lee County Livestock Association

Small Ruminant Improvement Initiative for Far Southwest Virginia: Round Two (#3365)

\$24,000 Requested

Executive Summary Provided by Applicant: Small Ruminant Improvement Initiative is a cost-share program for producers who operate small ruminant operations in Lee, Scott, Wise, Dickenson, Buchanan, Tazewell, Russell, Smyth, and Washington Counties, meet the basic qualifications, and fulfill the educational hours required will be eligible for funding based on first come first serve. Offering the cost-share program gives Southwest Virginia's producers the ability to improve the quality of the genetics of herds and assist with improved facilities. Improved genetics means increased weights, better quality for grading, and increase number of offspring. Improved facilities means ability for farms to become more efficient, increase capabilities to background offspring to heavier weights, and have birthing cycles that fits the holiday marketing cycle. The project has been successful and now has a waiting list for funds. The proposed project is to providing funding to those on the waiting list.

How will this project directly assist tobacco region producers access the identified market opportunity? Producers who plan to apply for cost-share funds must attend 4 hours of educational training that will focus on helping them understand marketing options and techniques to background small ruminants. The cost-share provides producers with ability to buy much needed equipment such as creep feeder, waters, and better rams to increase weight gain. In addition, group marketing opportunities will become more feasible for small ruminant producers through this project.

Staff Comments and Recommendation: This project received an award of \$183,000 in January 2016 to serve five counties (Buchanan, Dickenson, Lee, Scott, and Wise). Due to lack of demand in those counties the scope of the project was expanded into include Smyth, Washington, and Tazewell Counties. Since that time all funds have been allocated for approved projects - though the majority are not yet completed - and there is a waiting list of applications that funds are not immediately available to approve. Over the past year 19 projects have received approximately \$34,000 of cost share payments (average cost share amount of \$1790) and there 34 projects approved and underway. There are 11 projects on the waiting list. While all projects are approved for the maximum \$3,000 cost share, the results of the actual spending for projects submitted for cost share reimbursement illustrate that it is likely that the currently approved projects may not submit documentation to receive the maximum cost share. These funds which are currently allocated but not likely to be used will be available to approve additional projects on the waiting list. The requested funding is estimated to serve 8 producers with a very modest net increase in annual sales revenue of \$226. When considering that to qualify for the maximum \$3,000 (33%) cost share a producer would need to spend nearly \$10,000 it seems unlikely that the extremely low ROI associated with the \$226 annual revenue increase would provide adequate justification that these improvements, with a 44 year breakeven point, are critical to the small ruminant operations. By comparison the FY17 application estimated an annual increase of \$1,967 per producer. Due to the small number of completed projects and the large number of projects currently underway it is not yet

possible to determine what the real demand for additional funds might be. This application appears to be premature until such time as a sufficient number of projects have been completed and the true unmet need is known. A future application should also address the ROI concerns (perhaps using the actual ROI earned from Phase 1 participants).

Staff recommends no additional award at this time.

Olde Dominion Agricultural Foundation, Inc.

Olde Dominion Agricultural Complex Phase II Livestock Expansion (#3366) **\$438,178 Requested**

Executive Summary Provided by Applicant: The Olde Dominion Agricultural Foundation has identified an opportunity and need in the region of Southside Virginia that it serves, to offer value added marketing opportunities for cattle producers that will increase their income. Through the Phase II Livestock Expansion plan, the Olde Dominion Agricultural Foundation seeks to provide a first class facility in which Cooperative Extension agents and Cattle Associations can collaborate to increase the participation of regional cattle producers in the Virginia Quality Assured programs and hold co-mingled sales, seed stock and female auctions, and expand the educational and livestock sale opportunities provided by state and national livestock shows.

How will this project directly assist tobacco region producers access the identified market opportunity? With the Central Virginia Cattlemen and Virginia Cooperative Extension, a VQA co-mingling program will be established at the Olde Dominion Agricultural Complex. Participants will have access to multiple group sales in the 3 year project period. Other producers will have access to cattle sales to purchase superior genetics to increase the value of their current herd.

Staff Comments and Recommendation: Outcomes of this project are represented as providing a value-added facility through the construction of a 12,500 square foot cattle barn and a covering for an existing 11,250 ring, to provide for cattle sales and livestock events that would increase profits primarily for cattle producers. However, staff notes that the Commission has previously invested \$2.38 million in the Olde Dominion Agricultural Complex facilities in Chatham. This was provided from three past Agribusiness grants for which the primary outcome measure for this program has always been targeted to increasing net farm income (\$84K land acquisition, \$1.8 million for education center and covered arena, and a \$500K matching grant for construction of the barn and equipment). In addition the Commission provided a \$900K grant from the Southside Economic Development program for running water and sewer to this site bringing the total Commission investments at ODAC to over \$3.2 million. Prior to this application submission and in response to a pre-application, staff inquired about the size of existing facilities at ODAF currently available to support cattle sales, commingling and other livestock sales events (i.e. objectives that are proposed for this project); as well as the number of livestock events held over the last two years including the number of cattle sold. Existing facilities include a 34,075 square foot indoor arena, a 9,000 square foot concrete pad on the north end of the arena, and an 11,500 square foot livestock barn. ODAF reported only two livestock sales events held over the last two years-- the annual Pittsylvania Caswell Youth Livestock Show and Sale where approximately 150 livestock are sold each year (an event that was held in the region annually prior to the construction of ODAC). With this information staff advised ODAF that it was unclear why construction of new facilities was essential for accomplishing the stated objectives; and it seemed that they could move forward now, on expanding these type of events and bringing value to the producers utilizing the existing facilities. Staff also relayed that if the primary need for the new facilities was for attracting larger events, such as horse shows, then the outcomes were likely more aligned with a Tourism project, and therefore, more appropriate to be considered as an Economic Development proposal (not Agribusiness). Where the application indicates that "no facility exists" for providing commingling of cattle for group sales as part of the

Virginia Quality Assured program, this is not due to inadequate facilities (refer to the above notes on current facilities at ODAC); and it is also noted that numerous VQA sales have been held at the Halifax Agricultural Marketing Center in recent years providing an option for cattle producers from Pittsylvania County. By comparison the 16,000 sq. ft. Buckingham Agricultural Resource Network (BARN) facility in Buckingham County, a facility with almost one-third the covered space as ODAF's livestock facilities, was able to handle 1,724 head of cattle sold at their recent annual feeder calf sale. All of this suggests that existing facilities and handling equipment at ODAC are more than sufficient to support the current project objectives. Total project costs are estimated at \$977,930, with \$539,752 of Match proposed to come from VDACS (\$121K) and the Danville Regional Foundation (\$418K), with none of the Match having yet been secured. In addition to the \$418K requested from the Commission for new facilities, the application also requests \$20,000 in personnel to support startup costs for the calf commingling program. This use of funds appears reasonable in order to build capacity for livestock events not previously held at this ODAC. However, staff notes that as proposed this would be a contract with a Central Virginia Cattleman's Association employee who lives in Orange, VA, and staff questions the long-term value that this would provide in addition to the concern that funding of staff positions outside of the tobacco region is contrary to the Commission funding policies. If funding were considered for this project, this function for a contract employee to coordinate development of the calf commingling program may be an appropriate place to focus, though it is recommended that this be with an individual or organization in the tobacco region in order to develop this capability here for the long-term. Staff also points out that we have heard for years, from agricultural agency staff and producers in the region, that the fees ODAC charges were too high for hosting of livestock sales events to be practical. That being the case, it is suggested that ODAC reevaluate its priorities for serving agricultural producers and the related barriers within the current business model and fee structure for these type events, in order to facilitate accomplishing a greater benefit to the agricultural producers in the region consistent with the agribusiness outcomes originally anticipated from this facility.

Staff recommends no award.

Russell County Board of Supervisors

Russell County Canneries Revitalization Project (#3371)

\$250,840 Requested

Executive Summary Provided by Applicant: The Castlewood and Honaker canneries are currently supported and operated by the Russell County Board of Supervisors (RCBS). The canneries continue to be underutilized by the farming and educational communities within Russell County. The underuse is due to a lack of facility and equipment upgrades and repairs, along with the loss of necessary educational programming over the years. It is the desire of the RCBS to upgrade the equipment in both canneries, to provide the ability to safely and efficiently process and preserve locally grown agricultural products. The canneries will be available to individuals and area businesses for processing locally grown agricultural products for distribution at an affordable rate. The canneries will provide educational programs in conjunction with the Russell County school system in proper and safe food preparation and assist with distribution programs specific to the canneries.

How will this project directly assist tobacco region producers access the identified market opportunity? The Russell County farm operations lack a sufficient location in which they can safely process their agricultural products for consumer consumption. This significantly inhibits their ability to participate in the local market. The agricultural products that are produced must be exported out of the county in order to be processed for commercial consumption. The Russell County Cannery Revitalization project will address the issues of out of date equipment and lack of educational training in each of the county canneries. Each cannery will be upgraded with state of the art processing equipment that will allow for the processing of locally grown fruits and vegetables. It will be a focus of this project to educate Russell County's farm

operations on the benefits of utilizing the canneries to provide access to locally grown and produced agricultural products to members of these low income/low food access communities for which the canneries are located.

Staff Comments and Recommendation: The funds requested in this application will provide equipment upgrades at two cannery facilities in Russell County to allow for commercial canning opportunities. Commission funds would be used to purchase equipment (\$250,000) for both canneries. These canneries which are located in Honaker and Castlewood were established in the 1940s in conjunction with local schools, and have been supported by the County since that time. Only thirteen rural canneries exist in Virginia with five of those located in TRRC's Southwest region (Bland, Wythe, and Carroll Counties also have facilities). Only three of the thirteen facilities were able to produce commercial products as of 2011. Two of these are located in the tobacco region (Carroll County and Prince Edward County). A baseline of 217 annual users was provided in the application. It is not known how this total breaks down between the two locations. Net new users of 147 annually with a \$27,898 increase in revenue is estimated to result from the commercial expansion of the canneries. The application provided a figure of \$29,951 in annual sales per producer, which this seems high, although one anecdotal example was provided of a gentleman who anticipated a \$20,000 profit from apple butter produced at the cannery. During staff's review of this proposal the applicant was asked to provide documentation of current usage and demand for commercial processing facilities, however the applicant was not able to provide this information due to the tracking system that is being used. An improved system is planned that will allow for better tracking of usage. TRRC staff asked about the possibility of prioritizing the development of only one facility for commercial processing, but the applicant responded that they believed that adequate demand did exist to support both canneries. While the County's long standing commitment and support for these facilities is to be commended, no information was provided to show that sufficient demand to justify two commercial canneries within such close proximity exists at this time. The applicant believes both will be needed to accommodate usage from the school system's agricultural programs, regional commercial use, and continued local personal use. Six individuals/ groups have shown interest in utilizing the canneries for commercial opportunities. Matching funds of \$216,000 (cash) and \$165,523 (in-kind) are committed from Russell County for the canneries continued and expanded operating needs as well as for project administration. Since 2016 Russell County has made modest improvements (< \$5,000) to correct issues identified in a VDACS site visit to the Castlewood location. These improvements were required in order for VDACS to consider the facility for commercial certification. Future applications to USDA and TRRC are planned to support the purchase of meat processing equipment. This equipment is expected to cost around \$250,000. Staff is of the opinion that tabling this proposal with a clear signal to prioritize just one cannery for initial improvements (with the potential to return for funding in a future grant cycle when a single commercial cannery has demonstrated success) is the appropriate approach.

Staff recommends this request be tabled.

Russell County Fair Association

Renovation of the Russell County Fair Grounds (#3370)

\$275,000 Requested

Executive Summary Provided by Applicant: The RC Fair Association will renovate the primary structure on the fair grounds. The current structure has gone unchanged since 1985. The building is wood framed with concrete floors, corrugated metal walls and roof which leaks. The building lacks insulation, ventilation, heating/cooling, and natural light. This makes it next to impossible to provide programming in the middle of winter and summer. The building does not have enough restrooms, nor are ones that are there up to code which limits capacity. The office area and general store are also in need of repair so that programming can be expanded. Other outside organizations would like to utilize the facility outside of the Fair like Russell County

Schools. They have a desire to expand their agricultural curriculum to include utilization of the fair grounds for educational presentations and bi-annual farmer's markets to sale items produced by the program to the general public.

How will this project directly assist tobacco region producers access the identified market opportunity? The facility upgrades will provide a location for the agriculture producers to come together and have a centralized location to participate in educational programs that will enhance farm production, introduce new crop opportunities to the area, find assistance in growing their farm production, and a location to help with marketing and distribution of their local product. Having a renovated building that lends itself to educational presentations and a large location that will allow for multiple venues will also provide for a unique opportunity for the farming community to interact and assist the students of Russell County Schools and their agriculture program.

Staff Comments and Recommendation: The improved facility will expand the capability of the Fair Association to provide space for programs outside of the annual Fair held in September. TRRC funds will be used for interior and exterior improvements to the Fair Ground's Commercial Building, including cosmetic and mechanical improvements and weatherization to allow expanded use in very warm and cold months. The application lists the potential to offer additional youth agricultural programming and agricultural producer programming in the renovated building. It is unclear how many of the associated events are currently being held in other locations in the area or what the outcomes associated with each may be. Supplemental information submitted by the applicant lists several youth focused events such as a "farmers market" to be held twice a year for Russell County high school agricultural programs. The application shows outcomes associated with annual visitation at the facility and the associated revenue. A baseline of 1,023 visitors resulting in \$252,316.00 revenue was provided. The net new visitation is estimated at 1,736 in the first year with \$226,248 additional revenue. Matching funds of \$206,250 to contribute to the renovation cost have been requested from the Russell County Fair Association. The Russell County Board of Supervisors will provide \$68,750 of in-kind support for manpower to assist with the upgrades. A quote from a local contractor was provided during review of the proposal showing an estimated cost of \$275,000 which corresponds to the TRRC request amount and appears to verify that Commission funds would pay 100% of the contracted construction cost. The County will provide labor to assist with additional renovation to the exterior of the building (parking) and will also assist with demolition, however no justification for the valuation of this work was provided. A detailed construction budget was requested but has not yet been received, and no additional details were provided for the use of the proposed matching funds. The proposed improvements could potentially result in significant expansion of agricultural events at the Fairgrounds building, however, additional detailed construction costs and commitments of adequate cash matching funds to complete physical renovations are needed before recommending support.

Staff recommends this request be tabled.

Virginia Polytechnic Institute and State University Adding Value to Virginia Wheat and Barley (#3363) \$267,425 Requested

Executive Summary Provided by Applicant: Our project focuses on the demonstration and development of promising malting barley and bread wheat cultivars that will improve the profitability of this industry in the TRRC focus counties. There are currently over 220 craft breweries and 45 distilleries in the state and the number of breweries is expected to increase by 40% over the next five years (www.craftbeer.com). Grain for malting and distilling is typically worth ~\$9.00 per bushel, compared to commodity wheat and barley prices of \$4.50 and \$2.50 per bushel, respectively. Bread wheat likewise provides a 10-15% premium over current soft wheat prices in the region. To produce as much of this raw material in Virginia as possible, an investment is

needed in the development and evaluation of adapted varieties, appropriate management practice, extension and marketing.

How will this project directly assist tobacco region producers access the identified market opportunity? The strategy we propose is one of Applied Research and Education. In order to maximize the opportunity for value-added small grain production, an investment is needed in: 1) current and future cultivar development and breeding; 2) research and demonstration of best management practices for grain production; 3) market development and expansion; 4) and grain storage, handling and logistics. Project activities will include small-and large-scale research and demonstrations conducted throughout the region. These trials will be the cornerstone of our extension programs, providing hands-on experience and demonstrating best practices to farmers and agribusiness through field days and other trainings. We will supplement these educational efforts with other meetings, publications, videos and media. In addition to agronomic production information we will facilitate market opportunities for growers by involving end-users in meetings and trainings. Our extension programming will focus on practices that improve end-use quality and acceptability of grain products.

Staff Comments and Recommendation: Outcomes for this high-value, low-acreage crop demonstration and development project are targeted to over 5,000 acres of future bread wheat production generating \$250,000+ in new income for tobacco region producers, and 3,000 acres of specialty barley production generating over \$1,000,000 in new income for producers by the end of 2020. Milestones show an incremental increase in acreages each year with increased income estimates for the bread wheat based on 15% price premiums over soft wheat; and for the barley is based on 300% price premiums over feed barley. A focus of the project and a critical element for the success is on accelerating the development of the new varieties under a contract with Virginia Tech's Small Grains Program. Substantial current market opportunities for bread wheat and malt barley were identified in the application. A demand for an additional 2,900,000 tons of wheat by flour mills in the Commonwealth including Mennel Milling Company in Roanoke, which has been closely involved with Virginia Tech and is contributing toward the varietal development, and the booming craft brewery industry with Virginia alone having 220 craft breweries and 45 distilleries and projections for an increase of 40% in these numbers within the next five years. Virginia Tech staff has worked closely with Commission staff since this project was first introduced earlier this year, and has developed the project and budget with consideration for guidance received. The project involves ~ 20 producers and ~ 600 acres in the demonstration phase rotating around to locations in several southern Virginia counties in order to facilitate access to a greater number of farmers and stakeholder though the region. The proposals addresses all required elements for a high-value, low acreage crop demonstration project per the Commission's Agribusiness RFP, and provides exceptional outcomes for agricultural producers with clearly identified market opportunities, resulting in it receiving the highest score during the application review process.

Staff recommends a \$267,425 grant award.

Virginia State University

On-farm Research to Establish Chickpea in Virginia - II (#3367)

\$22,800 Requested

Executive Summary Provided by Applicant: The project execution during 2017 indicated that the selected variety is suitable. The crop did quite well during the season. However, late-season weeds and insect-pest infestations caused extensive damage to the crop. The effort during 2018 will focus on developing strategies to manage late-season weeds and insect-pests. A knowledge base for potential strategies for management of weeds and insects is currently available Objectives: To fine-tune the production system by focusing on late-season weed control and insect-pest management. Procedures: Seeds of a chickpea variety will be planted at four farmer field locations in Western Dinwiddie County. Duration of this research will be only one year

(January 2018 through January 2019). These on-farm trials will be extensively managed for weed, disease, and insect management.

How will this project directly assist tobacco region producers access the identified market opportunity? This effort will establish chickpea as a new, profitable crop to the tobacco region of Virginia. It is estimated that about 100,000 acres of chickpea production is needed by SABRA Corporation located in Colonial Heights, Virginia.

Staff Comments and Recommendation: This project falls under high-value, low-acreage crop demonstration and proposes to work with four tobacco region producers in western Dinwiddie County for production of four acres of chickpeas. Ultimately the application presents that 500 producers would implement chickpea production on 100,000 acres with projected sales revenue of \$1,500 per acre. The identified market opportunity is with Sabra Dipping Company for equivalent of 100,000 acres at 1,500 pounds per acre of chickpeas for production of hummus at their food manufacturing facility in Colonial Heights. Content in the application is minimal and similar to that which was presented in a FY16 Agribusiness proposal that was approved for funding; with this request providing no details on proposed matching funds and including letters of support from 2012. The request identifies that “the effort during 2018 will focus on developing strategies to manage late-season weeds and insect-pests” and suggests that VSU has identified potential strategies for addressing these concerns. The budget narrative allocates \$3,000 per acre to support costs for farmers to spray fields, and otherwise to manage the crop, with an additional \$5,000 budgeted to supplies and materials for the four acres of demonstration plots. Meanwhile, estimated annual sales revenue for chickpeas is \$1,500 per acre, raising questions about the financial viability of this crop for tobacco region producers. The Commission has previously awarded three Agribusiness grants to support VSU research on chickpeas, starting in January 2010 and with the most recent award of \$31,127 in January 2017 (#3223). Where this request presents a plan to work with four farmers in Dinwiddie County, the current Agribusiness grant appears to be targeted to this same scope and audience and the budget in the current grant provides allocations of funding to support farmer demonstration costs through 2019. Recognizing that \$26,734 (85%) of the FY16 Agribusiness award remains available to support chickpea demonstration costs through 2019, and the outcomes and objectives for the current request and the previous award are similar, there does not appear to be critical need for additional funding at this time.

Staff recommends no award.



EDUCATION COMMITTEE AGENDA

Monday
January 8, 2018 @ 4:00pm
Homewood Suites
Richmond, VA

Welcome and Call to Order	<i>The Honorable Frank M. Ruff, Chairman</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Approval of the <u>9/19/17</u> Minutes	<i>(published on website)</i>
Policy Review	<i>Evan Feinman, Executive Director</i>
Workforce Financial Aid	<i>Tim Pfohl, Grants Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	

TRRC Workforce Financial Aid Priorities - 2017-18 School Year	CVCC		DCC **		JTCC		MECC*	
	# of students	\$ committed	# of students	\$ committed	# of students	\$ committed	# of students	\$ committed
1) All certifications that can be completed in six (6) months or fewer	16	\$8,088	-	-	-	-	25	\$31,342
2) Identified target program applicants who can attain their degree/certificate within one (1) year	38	\$47,645	3		9	\$ 7,686	1	\$448
3) STEM-H and Advanced Manufacturing applicants who are working towards a degree or certificate	23	\$30,767			38	\$ 46,631	59	\$85,345
4) All other community college students who might obtain their degree/certificate within one (1) year	11	\$9,854			-	-	-	-
5) All other full-time, program-placed students	19	\$28,273	100		-	-	48	\$80,878
Students receiving New Economy Workforce Credential funding: the Commission supports one-sixth of the cost of the training program and certification		included in #1 above	20	\$17,515	-	-	-	-
TOTAL STUDENTS - Fall 2017	107		123		47		133	
TOTAL AMOUNT - Fall 2017		\$124,626		\$140,914		\$ 54,317		\$198,013

* MECC and SwVCC numbers cover Summer and Fall 2017. All others are Fall 2017 only, and their school year will conclude with Summer 2018

** DCC, PHCC and VHCC were unable to gather the info before closing for the holidays

TRRC Workforce Financial Aid Priorities - 2017-18 School Year	NRVCC		PHCC **		SsVCC		SVHEC	
	# of students	\$ committed	# of students	\$ committed	# of students	\$ committed	# of students	\$ committed
1) All certifications that can be completed in six (6) months or fewer	-	-	-	-	-	-	-	-
2) Identified target program applicants who can attain their degree/certificate within one (1) year	-	-	-	-	-	-	-	-
3) STEM-H and Advanced Manufacturing applicants who are working towards a degree or certificate	13	\$18,792.00	73	\$116,628	-	-	-	-
4) All other community college students who might obtain their degree/certificate within one (1) year	-	-	-	-	-	-	-	-
5) All other full-time, program-placed students	14	\$16,279.00	26	\$47,610	-	-	-	-
Students receiving New Economy Workforce Credential funding: the Commission supports one-sixth of the cost of the training program and certification	-	-	18	\$10,588	6	\$3,280	-	-
TOTAL STUDENTS - Fall 2017	27		117		6			
TOTAL AMOUNT - Fall 2017		\$35,071.00		\$174,826		\$3,280		

* MECC and SwVCC numbers cover Sumi

** DCC, PHCC and VHCC were unable to

TRRC Workforce Financial Aid Priorities - 2017-18 School Year	SwVCC*		VHCC **		VWCC		WCC	
	# of students	\$ committed	# of students	\$ committed	# of students	\$ committed	# of students	\$ committed
1) All certifications that can be completed in six (6) months or fewer	48	\$56,377	27		1	\$500	33	\$16,626
2) Identified target program applicants who can attain their degree/certificate within one (1) year	38	\$35,564	73		20	\$17,357	67	\$83,559
3) STEM-H and Advanced Manufacturing applicants who are working towards a degree or certificate	48	\$40,073	25		54	\$57,375	18	\$16,126
4) All other community college students who might obtain their degree/certificate within one (1) year	-	-	-		-	-	-	-
5) All other full-time, program-placed students	50	\$53,342	53		35	\$46,835	18	\$16,203
Students receiving New Economy Workforce Credential funding: the Commission supports one-sixth of the cost of the training program and certification	-	-	-		-	-	-	included in #1 above
TOTAL STUDENTS - Fall 2017	184		125		110		136	
TOTAL AMOUNT - Fall 2017		\$185,356				\$122,067		\$177,653

* MECC and SwVCC numbers cover Sumi

** DCC, PHCC and VHCC were unable to



R&D COMMITTEE AGENDA

Wednesday
January 9, 2018 @ 8:30am
Homewood Suites
Richmond, VA

Welcome and Call to Order

The Honorable Kathy J. Byron, Chairman

Call of the Roll

Evan, Feinman, Executive Director

1/3/18 Minutes

(not yet published)

Staff Recommendations

Tim Pfohl, Grants Manager

Public Comments

Adjournment

FY18 Research and Development – Last Mile Broadband Staff Summaries - December 2017

At its May 2017 meeting the R&D Committee directed staff to announce a call for Last Mile Broadband projects, and set-aside \$10 million of the Committee’s current balance (\$20M) for consideration of funding. The Commission received 14 new requests by the November 15th due date for Last Mile Broadband projects that will be heard by the Research and Development Program Committee at its January 3rd meeting in Richmond. You can see the Program Guidelines that were published for this cycle on our website’s [R&D program page](#). The Executive Summaries and Staff Comments describing the scope of projects follows below. Due to the fact that all proposals generally comply with the Program Guidelines, but are requesting far beyond the amount set aside, staff is not making recommendations at this time, and suggests a more thorough vetting process – with the assistance of independent experts – prior to making recommendations.

Req #	Organization	Project Title	Requested Amount
3387	Appomattox County	Shentel Broadband Expansion to Vera	\$45,000
3389	Appomattox County	Central Virginia Electric Cooperative Members' Fiber Broadband Project	\$979,850
3386	County of Bedford	Chapel Woods Drive	\$50,000
3392	County of Bedford	Comcast Broadband Project in Southern Bedford County (“Bedford County Project”)	\$4,000,000
3377	Carroll, Grayson, Galax Regional Industrial Facility	The Wired Road Connector Project	\$300,000
3382	Citizens Telephone Cooperative	Copper Hill Project	\$467,160
3384	Dinwiddie County	Regional Broadband Initiative: Dinwiddie and Amelia Counties	\$1,708,090
3385	Halifax County	Halifax County Broadband Initiative	\$206,202
3388	Lunenburg County	Lunenburg County - Last Mile Broadband	\$323,300
3378	Mecklenburg County	EMPower Project	\$2,611,391
3391	Pittsylvania County	Pittsylvania County Broadband Initiative	\$491,000
3390	The Industrial Development Authority of Russell County	South Buchanan/North Central Russell Counties Broadband Expansion Project	\$3,000,000
3383	Scott County Telephone Cooperative	Big Ridge and the Surrounding Areas Broadband Initiative	\$3,000,000
3379	Sussex County	Sussex County High Speed Broadband Initiative	\$1,250,000
Total (14 requests)			\$18,431,993

Appomattox County
Shentel Broadband Expansion to Vera (#3387)
\$45,000 Requested

Executive Summary Provided by Applicant: Shentel is requesting funding to provide last mile connectivity to approximately 110 residences in the Vera community of Appomattox County. This project will entail over 16,000 feet of new last mile connections from an existing Shentel fiber line to each of the residences in the project area. Currently, this project is being submitted as a residential build, but it will also be able to connect any businesses, or other structures (backhaul for cell towers) that may be constructed in the area.

Staff Comments: Appomattox County's co-applicant on this project to serve the Vera community is Shenandoah Cable Television LLC (dba Shentel), a Virginia-based company that provides telecom services in parts of six central Appalachian states. Vera is located on Route 24 northeast of Appomattox Court House. The project will provide access to fiber by extending two miles of Shentel fiber and overlashing one mile to reach Vera. The applicants estimate a 30% take rate for the community's 100+ households, resulting in 30 anticipated subscribers at a per-subscriber cost to TRRC of \$1,500. Shentel proposes to approximately equally share with TRRC the costs for fiber materials and installation, while covering all costs for engineering, permitting, customer premise equipment and installation from its own funds (\$50k for CP labor, plus additional unspecified costs). Shentel's standard monthly pricing for Internet service begins at \$50 for 5 Mbps, \$60 for 10 Mbps and ranges up to \$200/month for 100+ Mbps.

Appomattox County
Central Virginia Electric Cooperative Members' Fiber Broadband Project
(#3389)
\$979,850 Requested

Executive Summary Provided by Applicant: The project will extend fiber optic cable past 1,656 business and residential accounts of rural Appomattox County residents. The future-proof infrastructure will provide world class, true high speed broadband internet access at very competitive rates. The project is one phase of a much larger project which will leverage a high speed fiber optic communication system that will be installed across the entire Central Virginia Electric Cooperative regional grid. The fiber optic system will provide communications literally traveling at the speed of light to improve reliability and reduce costs on the electric system for CVEC and its members. The Cooperative is then using this network to help its members overcome the digital divide by providing service at gigabit speeds and without data caps. The project will improve access for education, healthcare, and business needs. It will improve the quality of life in rural central Virginia.

Staff Comments: Appomattox County's co-applicant is Nelson County-based Central Virginia Electric Cooperative, a non-profit electric cooperative which has a long-term plan to provide broadband in 14 counties, including parts of five tobacco region counties. The proposal does not state how CVEC was selected as the co-applicant. CVEC proposes service of 100mbps upload and download speeds at costs starting at \$50 per month (\$80/month for gigabit service). This project, which would be matched with debt incurred by CVEC from federal and private sources to connect its substations with fiber that will serve as backhaul for the last mile as well as for monitoring and security of electrical operations. The Appomattox project intends to pass 200+ business (10% take rate) and 1,450 residences (35% take rate) primarily in central Appomattox. An estimated 529

businesses and residences are projected to subscribe, at a cost per connection to the Commission of just over \$1,850 per subscriber. Future requests could include Buckingham, Cumberland, Prince Edward and parts of Campbell Counties, ultimately passing 9,200 tobacco region premises in the next 5-6 years.

County of Bedford
Chapel Woods Drive (#3386)
\$50,000 Requested

Executive Summary Provided by Applicant: Shentel will extend broadband to 40 homes. In addition, Shentel will offer video, and voice service. Shentel will be able to offer broadband speeds that exceed 100 Mbps to residential customers. Shentel will be able to provide Gigabit speeds to businesses.

Staff Comments: Bedford County's co-applicant on this project to serve 40 residences within and along the proposed route to the Chapel Woods Drive project area is Shenandoah Cable Television LLC (dba Shentel), a Virginia-based company that provides telecom services in parts of six central Appalachian states. The project will provide access to fiber by extending 1.5 miles of Shentel fiber, overlashing one mile and trenching a half-mile to reach Chapel Woods, which is five miles southwest of the National D-Day Memorial and the US Route 460 Bedford bypass. The applicants did not estimate a take rate for the project area's 40 households. Based on information in the application, it appears a 50% take rate is estimated, which would result in per-subscriber cost to TRRC of \$2,500 to serve 19-20 households. Shentel proposes to approximately equally share with TRRC the costs for fiber materials and installation, while covering all costs for engineering, permitting, customer premise equipment and installation from its own funds (\$25k for CP labor, plus additional unspecified costs). Shentel's standard monthly pricing for Internet service begins at \$50 for 5 Mbps, \$60 for 10 Mbps and ranges up to \$200/month for 100+ Mbps.

Bedford, County of
Comcast Broadband Project in Southern Bedford County (#3392)
\$4,000,000 Requested

Executive Summary Provided by Applicant: Bedford County and Comcast, as co-applicants to the "Last Mile Broadband Program" through the Commission ("TRRC"), propose to upgrade and extend Comcast's network to provide access to broadband to Bedford County residents and businesses. The Project Area will traverse southern Bedford County from the county's western border with Roanoke County to the eastern end of Smith Mountain Lake. The Project Area was selected as a result of discussions between Bedford County and Comcast concerning the significant need for high speed broadband in this area of the County as evidenced by the survey the County conducted of residents and businesses in the area. While Comcast expressed to the County a willingness to provide broadband service to the area if economically feasible, a review of the costs to provide service exceeded the amount Comcast could invest in the area. Given the opportunity to obtain funding from the TRRC, the County and Comcast agreed to partner and submit an application for funding. Its hybrid fiber coaxial ("HFC") network will deliver speeds up to 1 Gbps to residential customers. The broadband infrastructure Comcast would put in place through a Last Mile Broadband grant would offer all customers seven residential and nine business broadband options that exceed the minimum speed requirements set by TRRC.

Staff Comments: The co-applicant, Comcast, has requested that all aspects of the scope and budget for the project, including subscriber outcomes, be kept confidential. The Committee may wish to go into Executive session to receive legal advice from its Counsel on this request, and to discuss specifics of this proposal.

**Carroll, Grayson, Galax Regional Industrial Facility
The Wired Road Connector Project (#3377)
\$300,000 Requested**

Executive Summary Provided by Applicant: This phase of the regional project will consist of 4.25 miles of new fiber connecting the existing Galax fiber infrastructure with the existing Carroll county fiber infrastructure. This gap in the fiber backbone is the primary piece of the regional network. A key component of the regional economic revitalization plan is the development of a regional telecommunications network, The Wired Road. With most of the phases of The Wired Road in place, this connector project will extend the network to areas that are currently unserved, including exit 14 of I-77 South and the Carroll County Industrial Park, making this project a strategic priority for the region and specifically Carroll county. This project, specifically, is a priority for the Twin County region because it is needed to complete the fiber backbone for the entire regional network, filling the gap between Galax and Carroll county

Staff Comments: This project would build a 4 mile connector between existing fiber in Galax and Carroll County, primarily serving businesses in and near the I-77 Exit 14 commercial area and the neighboring Carroll County Industrial Park. The Wired Road, a project of the RIFA, previously received one TRRC broadband grant for \$919k in 2009 to build a portion of The Wired Road network. This build is expected to pass 153 businesses (40% take rate) and 103 residences (30% take rate), resulting in 60+ businesses and 30+ residences taking service of at least 10/1 Mbps upload/download that starts at \$19 per month for 10/1, \$92/month for 25/25, with higher monthly costs for larger bandwidth. Matching funds will be provided from an approved ARC grant of \$300k that will approximately equally cost-share all costs of construction labor and materials and customer premise equipment and installation. This results in an estimated construction and connection cost to TRRC of \$3,600 per subscriber.

**Citizens Telephone Cooperative
Copper Hill Project (#3382)
\$467,160 Requested**

Executive Summary Provided by Applicant: The proposed project is to expand Citizens' FTTH (fiber to the home) service area into the Copper Hill area of Floyd County near the county line with both Franklin and Roanoke counties. This expansion will make broadband services available to residents that are currently unserved & underserved with speeds up to 1 Gigabit (1Gbps or 1,000Mbps). We estimate 391 homes will be passed with this 19.9 mile build. A secondary project that would be built the first year, is building fiber to a business, Riverbend Nursery in the Alum Ridge area of Floyd County. Their broadband needs continue to grow and we cannot continue to fulfill that need using existing copper facilities. The business is one of the largest employers in the county with 100+ employees during peak season. Our current timeline to build fiber in that area under the A-CAM model is 2020/21.

Staff Comments: Floyd-based Citizens Telephone is a non-profit telephone cooperative that serves as the lead applicant on this project to expand its gigabit fiber to the home (FTTH) service nearly 20 miles to a project area in northern Floyd County. Citizens has received three previous TRRC grants totaling just under \$6 million since 2005 to expand broadband service in its multi-county service area. Monthly service starts at \$60 for 100 Mbps upload and 50 Mbps download, while 1 Gbps service begins at \$80/month, with higher tiered monthly pricing for large data users. The project would pass 390+ homes, at an expected take rate of 40%, resulting in an estimated 157 subscribers at a cost to the Commission of \$2,975 per subscriber. This project would also extend fiber at a cost of approximately \$42k to a wholesale nursery operation that employs over 100 workers during peak growing seasons. Citizens proposes to equally cost-share all engineering and construction expenses with TRRC, thereby assuring the matching fund requirement would be met.

Dinwiddie County

Regional Broadband Initiative: Dinwiddie and Amelia Counties (#3384)
\$1,708,090 Requested

Executive Summary Provided by Applicant: Dinwiddie and Amelia Counties are historically agrarian communities with limited broadband access. Through this project, the two counties will work with StraightUpNet to establish a wireless broadband solution that will provide reliable and affordable internet access to more than 90% of their geographic area. This will be accomplished by leveraging existing vertical assets and constructing additional towers where needed in order to broadcast service to the masses, including unserved areas of neighboring localities in close proximity to our borders. Citizens in both counties will have an opportunity to subscribe to affordable service in areas that are currently unserved or underserved. Customers of StraightUpNet will enjoy minimum download speeds of 10 Mbps. Access to reliable and affordable internet will significantly benefit students, the local workforce, and business and industry – regardless of size. This project will successfully meet the need for this critical service in our communities and the region.

Staff Comments: The Counties' co-applicant is Amelia-based StraightUpNet LLC, which was selected in an RFP process and has already begun offering LTE wireless broadband in a limited portion of Amelia. The project would reportedly serve 90% of the two counties with LTE service from 14 existing and proposed vertical assets (towers etc), in addition to serving portions of neighboring counties. The application estimates an 83% take rate from the more than 15,000 potential subscribers, resulting in 12,570 subscribers (10,900 residences and 1,677 businesses, 97% of which would have service from 10/1 to 25/3 Mbps). Subscribers are roughly divided between 65% in Dinwiddie and 35% in Amelia. Matching funds would be provided entirely by the two counties (Dinwiddie \$1M+ and Amelia \$683k) from a combination of County General Funds and debt financing. TRRC funds are requested for an equal cost-share with the Counties for materials for new towers and micro-POPs, labor and electronics. The co-applicant is not listed as providing project funds, although the project budget does not clearly account for engineering, permits and customer premise equipment and installation. Monthly subscriber charges begin at \$50 for 4/3 Mbps, \$70 for 8-10/6 Mbps and \$100 for 10-15/8 Mbps. StraightUpNet's business connections start at \$139 per month, and all residential and business users are required to enter into a two-year contract. If the 83% take rate is accepted as a realistic subscription percentage, the one-time construction cost to TRRC is \$135 per subscriber.

Halifax County
Halifax County Broadband Initiative (#3385)
\$206,202 Requested

Executive Summary Provided by Applicant: The Halifax County Broadband Initiative is a multi-jurisdictional effort with Pittsylvania County and the Town of Brookneal, with our private partner SCS Broadband, providing adequate and affordable internet to rural residents of our region. In general, service will be provided to unserved or underserved residents in rural areas of Halifax, southern Campbell and eastern Pittsylvania Counties. However, with our partner Pittsylvania County all of Halifax and Pittsylvania Counties will be served, as well as adjacent areas of surrounding counties. In the course of just over a year, rural residents of Halifax County will be able to move fully into the cyber economy of the 21st century. Through the installation of wireless internet, areas that previously could not be served cost effectively will have affordable service. Unlike high-cost fiber or corporate IT companies focused on short-term profit only, regional wireless internet run by a Virginia company will bridge the digital divide.

Staff Comments: Halifax County's co-applicant on this project is SCS Broadband (dba AcelaNet), a Nelson-County based company that currently offers wireless LTE and WIFI broadband service from vertical assets such as towers in several Central Virginia counties including Pittsylvania and the Montvale area of Bedford. SCS was selected by Halifax during an RFP process that was conducted in early-2017. This request would provide service in the first two phases of a four-phase plan to serve northern and central Halifax County residents and businesses. The total cost of phases 1 and 2 is \$663k, with the County providing \$50k and SCS providing \$407k for costs to purchase, lease or build towers and community data poles, as well as all costs for customer premise equipment and installation. The application estimates that in the first two phases 2,805 residences and 172 businesses will have access to wireless broadband, with estimated take rates of 25% that will result in an anticipated 744 subscribers. TRRC funds are requested for 50% of the costs of towers and poles, resulting in a cost per subscriber to the Commission of \$277. Monthly residential subscriber fees begin at \$35-40 for 10-15 Mbps download (uploads vary), and range up to \$115-120/month for 50 Mbps. Business subscribers will pay \$150/month for 10-15 Mbps service, ranging up to \$300/month for 20-25 Mbps.

Lunenburg County
Lunenburg County - Last Mile Broadband (#3388)
\$323,300 Requested

Executive Summary Provided by Applicant: This project would provide 10/1 speeds to about 185 locations that either do not have broadband or have service at speeds below 10/1. About 62% of the total will actually have speeds of about 25/2 and some number of the customer will have much faster speeds. The broadband service would be DSL based using primarily VDSL2 technology. The project involves installing fiber lines and new electronics to enable the faster speeds. As required, the funding would be used as a one-time financial assistance to supplement construction costs. CenturyLink estimates, under the "Infrastructure Subscribers Worksheet", the number of subscribers is based on their very conservative "take rate" of 40%. We anticipate a higher take rate due to the limited speeds currently available and the many consumers with zero access. Please consider this in your analysis of the application. The rates offered are affordable and will attract customers.

Staff Comments: Lunenburg County's co-applicant on this project is Central Telephone Company of Virginia, Inc (dba CenturyLink), which states that it serves 5.9 million customers in 37 states. The application states that CenturyLink approached the County with a plan to serve areas of eastern Lunenburg where its service has been requested by prospective customers. The project area contains 650+ households, and a 40% take rate is estimated, resulting in 260 households subscribing for DSL service that is \$45 per month for speeds up to 25 Mbps. The co-applicant cautions that an estimated 75 of the 260 subscribers will not be able to reach 10/1 Mbps speeds due to the DSL system design and customer's distances from the provider's facilities. Business rates begin at \$70 per month. The resulting cost to the Commission per subscriber is \$1,243. The budget appears to equally cost-share with TRRC the installation of four VDSL2 devices in Kenbridge (3) and South Hill (1) and installation of 98,000 feet (18+ miles) of fiber.

Mecklenburg County

EMPower Project (#3378)

\$2,611,391 Requested

Executive Summary Provided by Applicant: The proposed project will provide ultrahigh-speed broadband services to currently unserved Southside Virginia households and businesses. These broadband services will create the potential for increased educational opportunities, business growth, public services, public safety, and quality of life improvement for the residents in the proposed service area. The project includes the construction of a Fiber-to-the-Home (FTTH) outside plant and electronics network infrastructure. The FTTH network architecture would provide those served by the project access to broadband data services, voice, and multimedia over a unified access network. The scope of this application includes the fiber build of 135 miles of mainline fiber cable, new substation FTTH electronics, optical network terminals at the customer locations and fiber mainframe equipment for fiber management. The project area will provide access to 2,909 accounts spanning six counties. The total cost for these items, along with the associated labor, installation costs, and engineering, is estimated at \$5,222,781.

Staff Comments: Mecklenburg County's co-applicant on this project is the non-profit Mecklenburg Electric Cooperative, which like two other current requests involving electric cooperatives, is proposing to build a gigabit fiber network to connect its electrical substations for smart grid monitoring and security. That new backbone build, which will serve as the required matching funds financed through federal sources, will also utilize some sections of existing Mid-Atlantic Broadband fiber, crossing portions of six tobacco region counties. The first section of the project would begin with the new construction and deployment of 47 miles of optical fiber backbone, primarily connecting MEC's office in Gretna, to its office in Chase City and connecting seven of its electric substations along the way. That initial build will pass MEC members in portions of Pittsylvania, Halifax, Charlotte and Mecklenburg counties. Subsequently, the cooperative would connect Chase City to Ebony, in Brunswick County, and then connect Ebony to the Emporia office, crossing portions of Brunswick and Greensville Counties. Collectively, the EMPower Project will pass within 1,000 feet of 2,909 homes and businesses with a total of 135 miles of fiber backbone. TRRC funds are requested to deploy 172 miles of last mile fiber to those premises for equipment, materials and labor, as well as customer premise equipment and installation. MEC estimates a 45% take rate for the 4,584 residential customers, resulting in 1,173 residential subscribers. It also estimates a 39% take rate for the 325 business premises passed, resulting in 128 subscribers. All 1,300+ subscribers are expected to take service of at least 25/3 Mbps. Based on those projections, the cost to the Commission on a per subscriber basis is \$2,007. MEC, while not yet a provider of broadband, attached a business plan that indicated proposed monthly service costs starting at \$56-66 for

residential subscribers and \$75 for small businesses. The business plan also cites an array of additional services MEC could offer, including VOIP phone, television, etc.

Pittsylvania County
Pittsylvania County Broadband Initiative (#3391)
\$491,000 Requested

Executive Summary Provided by Applicant: The Pittsylvania County RFP #2016-0715-01, Wireless Internet Service Providers, was awarded to SCS Broadband in 2017. This provided a partnership where as SCS broadband would have low cost leases to seven County towers, along with assistance on other vertical assets such as water towers. This public/private Broadband Initiative is a multi-jurisdictional effort with Pittsylvania County and adjoining Counties SCS Broadband is, or will be, deploying wireless broadband. In general, service will be provided to unserved or underserved residents in rural areas of Pittsylvania, Western Halifax and southern Campbell Counties. However, with our partner Halifax County all of Pittsylvania and Halifax Counties will be served, as well as adjacent areas of surrounding counties. SCS Broadband has already started deploying rural residents of Pittsylvania County with remarkable success, allowing citizens to move fully into the cyber economy of the 21st century.

Staff Comments: Pittsylvania County's co-applicant on this project is SCS Broadband (dba AcelaNet), a Nelson-County based company that currently offers wireless LTE and WIFI broadband service from vertical assets such as towers in several Central Virginia counties including service currently offered in Pittsylvania and the Montvale area of Bedford. SCS was selected by Pittsylvania during an RFP process that was conducted in late-2016. This request would provide service in a four-phase plan to provide wireless broadband from ten towers to serve County residents and businesses. It is unclear if the budgets and outcomes of these phases include or expand beyond the current service being offered in Pittsylvania from seven towers, although it appears those seven in northern Pittsylvania are separate from the 9-10 towers shown on maps covering the central and southern portions of the County. The total cost of phases 1 through 4 is \$982k, with SCS providing 50% for costs to purchase, lease or build towers and community data poles, as well as all costs for customer premise equipment and installation. The application estimates that in the four phases 6,067 residences and 295 businesses will have access to wireless broadband, with estimated take rates of 25% that will result in an anticipated 1,591 subscribers (1,517 residential and 74 businesses). TRRC funds are requested for 50% of the costs of towers and poles, resulting in a cost per subscriber to the Commission of \$309. Monthly residential subscriber fees begin at \$35-40 for 10-15 Mbps download (uploads vary), and range up to \$115-120/month for 50 Mbps. Business subscribers will pay \$150/month for 10-15 Mbps service, ranging up to \$300/month for 20-25 Mbps.

The Industrial Development Authority of Russell County VA
South Buchanan/North Central Russell Counties Broadband Expansion
Project (#3390)
\$3,000,000 Requested

Executive Summary Provided by Applicant: The South Buchanan/North Central Russell Counties Broadband Expansion Project proposes to bring broadband services to homes and

businesses, which will in turn increase opportunities for employment, education, and services along these rural communities located in Buchanan and Russell Counties, Virginia. The project calls for a fiber-optic buildout of 82.56 total miles from end-to-end. This project would bring fiber close to 1426 structures which are comprised of households, businesses and community facilities. This project area is one of the most unserved areas in Southwest Virginia. An area as remote as proposed would not be possible for any local companies to finance a buildout of this magnitude - it could only be done with grant opportunities. There are no existing terrestrial broadband services offered within the project area; however, if you consult the FCC Broadband Maps it does indicate satellite services and ADSL up to 5 Mbps which is inaccurate.

Staff Comments: The Russell IDA's co-applicant on this project is Grundy-based iGo Technology Inc. The applicants propose a project to expand its existing gigabit Ethernet network in Russell and Buchanan Counties that will be matched by a recently-announced \$3 million federal RUS grant that is reported to serve 600+ premises. Maps provided in the application show two distinct project areas: one in Russell between Buchanan County and the Russell communities of Finney and Cleveland serving 750 premises, to be funded by the Commission; and one in Buchanan serving 676 premises, to be funded by RUS. Construction includes 82+ new backbone and middle miles (45 in Russell and 37+ in Buchanan). Commission funds would be used on the Russell project area across all budget lines including engineering, permitting, construction materials and labor, pole attachment make-ready, customer premise equipment and installations, etc. The iGo project would then connect to SCTC fiber in its proposed project area near Cleveland to provide additional redundancy. The additional proposed funds requested from the Commission will pass a total of 1,426 residences (presumably a total for the two project areas), with a projected take rate of 50%, resulting in an anticipated 713 new subscribers across both project areas. Ninety percent of the new subscribers are expected to take service of 10/1 to 25/3 Mbps, with the remainder taking service of 25/3 or more. Monthly user charges for iGo broadband begin at \$50 for 10/1 Mbps, \$80 for 20/2 Mbps and \$100 for 30/5 Mbps. The cost to the Commission per anticipated subscriber is \$4,200, although if all TRRC funds are used in just the Russell project area the outcomes for the TRRC-funded project area appear to be 750 premises passed, with 375 anticipated subscribers at a per subscriber cost of \$8,000.

Scott County Telephone Cooperative

Big Ridge and the Surrounding Areas Broadband Initiative (#3383)

\$3,000,000 Requested

Executive Summary Provided by Applicant: Scott County Telephone Cooperative (SCTC) is proposing to build a Fiber-to-the-Premise Network in the Big Ridge Community in Dickenson County, Virginia and surrounding areas which includes a portion of Russell County, Virginia, which will pass 1,353 unserved locations. This network will connect to SCTC's existing fiber optic network in Dickenson and Russell Counties. This project will allow SCTC to extend its existing network farther into the mountainous unserved region. This network will be an IP (Internet Protocol) network using gigabit active Ethernet equipment. Once this network is complete, all customers will have the opportunity to receive Broadband services with the capacities up to one (1) Gigabit in bandwidth to each location and any futuristic application available from an Internet connection to the world.

Staff Comments: SCTC has received five TRRC grants totaling \$7 million since 2005 to provide broadband service to premises across multiple counties in SWVA, including backhaul for the Coalfield Coalition's 4G LTE wireless regional project that offers Verizon Wireless service. SCTC

proposes a project to expand its existing gigabit Ethernet network in Russell and Dickenson Counties that will be matched by a recently-announced \$3 million federal RUS grant that is reported to serve 600+ premises. Maps provided in the application show two distinct project areas: one in Russell serving 750 premises bounded roughly by Lebanon, Cleveland, Castlewood and Hansonville to be funded by the Commission, and one in Dickenson serving 600+ premises between Haysi and Clintwood to be funded by RUS. Construction includes 65 new backbone miles and 41 last miles. Commission funds would be used on the Russell project area across all budget lines including engineering, permitting, construction materials and labor, customer premise equipment and installations, etc. The additional proposed funds requested from the Commission will pass a total of 1,353 residences (in the two non-contiguous project areas), with a projected take rate of 55%, resulting in an anticipated 744 new subscribers across both project areas. Monthly user charges for SCTC broadband begin at \$40 for 3 Mbps, \$50 for 5 Mbps and \$60 for 25 Mbps. SCTC also offers a broad array of additional services including phone, television, security and other services offered in bundles or a la carte. SCTC estimates that all new subscribers will take service in the 10/1 to 25/3 speed ranges. The cost to the Commission per anticipated subscriber is \$4,032, although if all TRRC funds are used in just the Russell project area the outcomes in that area appear to be 750 premises passed, with 412 subscribers at a per subscriber cost of \$7,280.

Sussex County

Sussex County High Speed Broadband Initiative (#3379)

\$1,250,000 Requested

Executive Summary Provided by Applicant: Sussex County, Prince George Electric Cooperative and its subsidiary, PGEC Enterprises, LLC are collaborating on a fiber to the home (FTTH) high-speed broadband project that will eliminate the current void of broadband connectivity within the most rural portions of Sussex County via a cost effective, efficient model targeting population clusters between I-95 and Highway 460, encompassing more than 2,304 residents that currently lack high-speed Internet access. This same project area includes key existing industries as well as the Sussex megasite and Route 602 Industrial Park. Through use of existing personnel, equipment, and electrical infrastructure, the above partners intend to provide approximately 500 home hookups to high-speed broadband by midyear 2020. Sussex County, Prince George Electric Cooperative and PGEC Enterprises, LLC are contributing a total of \$1.25M to the project and are requesting total project match of \$1.25M from the Tobacco Commission - 50% of the \$2.5M total project cost.

Staff Comments: Sussex County's co-applicant on this project is PGEC Enterprises LLC, a recently-created company that was created by the nonprofit Prince George Electric Cooperative to initiate broadband service in neighboring Prince George in 2016. The Sussex project is expected to pass more than 2,300 residences, with an anticipated take rate of 40%, resulting in 922 residences taking 30 Mbps upload and download service at a monthly cost of \$82. The project involves 50 miles of backbone and 75 miles of last mile fiber stretching across Sussex from the US 460 corridor at Waverly to the I-95 corridor at Stony Creek. Based on the applicant's projections, the cost to TRRC per subscriber served is \$1,355 for engineering/construction. TRRC funds would be used for \$662k of backbone and distribution fiber construction, \$248k of fiber to the home, and the entire cost (\$340k) of customer premise equipment and installation. Sussex County and PGEC Enterprises each propose to provide \$250k in matching funds for engineering and construction, while PGEC will provide \$750k for the costs of backbone fiber that will serve as backhaul for the last mile, while also provide monitoring and security for its electrical substations.

Request #	Organization	Project Title	Requested Amount	Matching Funds	Proposed Project Budget	Co-Applicant	Premises passed	TRRC cost per premise passed (\$)	Estim take rate (%)	estim subscribers	TRRC cost per subscriber (\$)	speeds upload/download (Mbps)	monthly subscriber cost (\$)
3389	Appomattox County	Central Virginia Electric Cooperative Members' Fiber Broadband Project	\$979,850	\$2,939,550	\$3,919,400	CVEC	1,650	\$594	10-35	529	\$1,850	100/100	\$50
3387	Appomattox County	Shentel Broadband Expansion to Vera	\$45,000	\$48,000	\$93,000	Shentel	100	\$450	30	30	\$1,500	10/1	\$60
3386	Bedford, County of	Chapel Woods Drive	\$50,000	\$57,000	\$107,000	Shentel	40	\$1,250	50	20	\$2,500	10/1	\$60
3392	Bedford, County of	Comcast Broadband Project in Southern Bedford County ("Bedford County Project")	\$4,000,000	\$5,372,634	\$9,372,634	Comcast							
3377	Carroll, Grayson, Galax Regional Industrial Facility	The Wired Road Connector Project	\$300,000	\$300,000	\$600,000		256	\$1,172	30-40	90	\$3,600	10/1	\$19
3382	Citizens Telephone Cooperative	Copper Hill Project	\$467,160	\$467,160	\$934,320		390	\$1,198	40	157	\$2,975	100/50	\$60
3384	Dinwiddie County	Regional Broadband Initiative: Dinwiddie and Amelia Counties	\$1,708,090	\$1,708,090	\$3,416,180	StraightUpNet LLC	15,000	\$114	83 (50*)	12,570 (7,500*)	\$135 (\$228*)	8-10/6	\$70
3385	Halifax County	Halifax County Broadband Initiative	\$206,202	\$866,823	\$1,073,025	SCS AcelaNet	2,977	\$69	25	744	\$277	10-15/2-8	\$85
3388	Lunenburg County	Lunenburg County - Last Mile Broadband	\$323,300	\$323,300	\$646,600	CenturyLink	650	\$497	40	260	\$1,243	1-25/?	\$45
3378	Mecklenburg County	EMPower Project	\$2,611,391	\$2,611,391	\$5,222,782	Meck Elec Co-op	2,909	\$898	39-45	1,301	\$2,007	25/3	\$56
3391	Pittsylvania County	Pittsylvania County Broadband Initiative	\$491,000	\$491,000	\$982,000	SCS AcelaNet	6362	\$77	25	1,591	\$309	10-15/2-8	\$35
3390	The Industrial Development Authority of Russell County VA	South Buchanan/North Central Russell Counties Broadband Expansion Project	\$3,000,000	\$3,000,000	\$6,000,000	iGo Technology	1,426	\$2,103	50	713	\$4,200	10/1	\$50
3383	Scott County Telephone Cooperative	Big Ridge and the Surrounding Areas Broadband Initiative	\$3,000,000	\$3,000,000	\$6,000,000		1353	\$2,217	55	744	\$4,932	3-25/?	\$40-60
3379	Sussex County	Sussex County High Speed Broadband Initiative	\$1,250,000	\$1,250,000	\$2,500,000	Prince George Elec Co-op	2,300	\$543	40	922	\$1,355	30/30	\$82
		TOTALS	\$18,431,993	\$22,434,948	\$40,866,941								

Comcast has requested that this data be confidential



Broadband Glossary

Table of Contents

Numbers	4
3G	4
4G	4
5G	4
A	4
ADSL	4
Asymmetrical Bandwidth	4
ATM	4
B	4
Backbone	4
Backhaul	4
Bandwidth	4
Bond	4
Broadband	4
Broadband Adoption	4
Burstable	4
Burst Speed	5
C	5
Central Office	5
Community Anchor Institutions	5
Community Needs Assessment	5
D	5
Dark Fiber	5
Digital Divide	5
Digital Equity	5
Digital Inclusion	5
Digital Literacy	5
Digital Skills	5





BROADBANDUSA

CONNECTING AMERICA'S COMMUNITIES

DOCSIS	5
DSL.....	5
E.....	5
eGovernment Services	5
F.....	5
Fiber	6
FTTH or FTTP	6
Fixed Wireless Broadband Access	6
G.....	6
Grant.....	6
I.....	6
Interconnection	6
L.....	6
Last Mile	6
Lit Fiber.....	6
LMDS.....	6
Loan.....	6
Local Area Network	6
LTE.....	6
M.....	6
Middle Mile	6
N.....	7
Network Infrastructure	7
O.....	7
Open Access Network	7
P.....	7
Point of Presence	7
Public Computer Center	7
R.....	7
Rights-of-Way	7





BROADBANDUSA

CONNECTING AMERICA'S COMMUNITIES

S.....	7
Service Area.....	7
SDSL.....	7
SONET.....	7
Spectrum.....	7
T.....	7
Tax Increment Financing.....	7
Tier 1 Internet Network.....	7
Tier 2 Internet Network.....	8
Telemedicine.....	8
V.....	8
VoIP.....	8
W.....	8
WiFi.....	8
WIMAX.....	8
WISP.....	8
Figure 1: Table of Units.....	8





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CONNECTING AMERICA'S COMMUNITIES

Numbers

3G: The term for the 3rd generation wireless telecommunications standards usually with network speeds of less than 1 Mbps.

4G: The term for 4th generation wireless telecommunications standards usually with network speeds greater than 1 Mbps.

5G: The term for emerging 5th generation wireless telecommunications standards usually associated with network speeds of up to 1 Gbps or more.

A

ADSL (Asymmetrical Digital Subscriber Line): A form of Internet service communications technology that delivers constantly accessible data transmissions over copper telephone lines. ADSL is a common brand of DSL and has download speeds between 2 and 6 Mbps and upload speeds reaching 512 Kbps.¹

Asymmetrical Bandwidth: A connection in which the maximum transfer rate is different for download and upload speeds.¹

ATM (Asynchronous Transfer Mode): A transmission method where information is re-structured into cells. It is asynchronous due to the fact that the recurrence of cells from an individual user is not necessarily periodic.²

B

Backbone: A major high-speed transmission line that strategically links smaller high-speed Internet networks across the globe.³

Backhaul: The portion of a broadband network in which the local access or end user point is linked to the main Internet network.

Bandwidth: The capability of telecommunications and Internet networks to transmit data and signals.¹

Bond: A fixed-income security in which a borrower borrows money from an investor for a specified period of time at fixed or variable interest rate.

Broadband: The term broadband commonly refers to high-speed Internet access that is always on and faster than traditional dial-up access. Broadband includes several high-speed transmission technologies, such as fiber, wireless, satellite, digital subscriber line and cable. For the Federal Communications Commission (FCC), broadband capability requires consumers to have access to actual download speeds of at least 25 Mbps and actual upload speeds of at least 3 Mbps.¹

Broadband Adoption: The use of broadband in places where it is available, measured as the percentage of households that use broadband in such areas. [Link to Digital Inclusion definition](#)¹

Burstable: Authorizes a connection to exceed its specified speed, normally up to a set maximum capacity for a period of time.⁴





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CONNECTING AMERICA'S COMMUNITIES

Burst Speed: A method which momentarily allots additional bandwidth to consumer's services for short periods of time.¹

C

Central Office: A telecommunication company's building where consumers' phone lines are attached to equipment that connects a consumer to other consumers in that central office or other central offices across the globe.⁵

Community Anchor Institutions: Schools, libraries, medical and healthcare providers, public safety entities, institutes of higher education and other community support organizations that provide outreach, access, equipment and support services to facilitate greater use of broadband service by the entire population and local governments.³

Community Needs Assessment: An assessment of the deficiencies that exist in a community that are preventing it from reaching goals or desired results relating to broadband.⁶

D

Dark Fiber: Fiber that is in place but not being used for broadband services. ("non-lit" fiber, also see "Lit Fiber").⁷

Digital Divide: The gap between those of a populace that have access to the Internet and other communications technologies and those that have limited or no access.

Digital Equity: Recognizes that digital access and skills are now required for full participation in many aspects of society and the economy. Digital Equity links Digital Inclusion to social justice and highlights that a lack of access and/or skills can further isolate individuals and communities from a broad range of opportunities.

Digital Inclusion: Implies that individuals and communities have access to robust broadband connections; Internet-enabled devices that meet their needs; and the skills to explore, create and collaborate in the digital world.

Digital Literacy: The ability to leverage current technologies, such as smartphones and laptops, and Internet access to perform research, create content and interact with the world.⁸

Digital Skills: Any skills related to operating digital devices or taking advantage of digital resources.

DOCSIS (Data Over Cable System Interface Specification): The international telecommunications standard for cable signaling data and spectrum sharing.²

DSL (Digital Subscriber Line): A form of technology that utilizes a two-wire copper telephone line to allow users to simultaneously connect to and operate the Internet and the telephone network without disrupting either connection.¹

E

eGovernment Services: The government's use of web-based and information technology resources to connect with citizens and provide online services and resources.⁸

F





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CONNECTING AMERICA'S COMMUNITIES

Fiber (Also referred to as Fiber Strand): A flexible hair-thin glass or plastic strand that is capable of transmitting large amounts of data at high transfer rates as pulses or waves of light.

FTTH or FTTP (Fiber to the Home or Fiber to the Premise): The delivery and connection of fiber optics directly to a home or building.⁷

Fixed Wireless Broadband Access: The use of wireless devices/systems in connecting two fixed locations, such as offices or homes. The connections occur through the air, rather than through fiber, resulting in a less expensive alternative to a fiber connection.¹

G

Grant: A legal instrument reflecting a relationship between a government agency and a recipient. The main purpose of the relationship is to dispense money or resources in order to accomplish a public purpose. No substantial involvement is anticipated by the government agency during the recipient's completion of the activity.⁹

I

Internet Service Provider (ISP): A company that provides users (individuals or businesses) with access (a connection) to the Internet and related services.³

Interconnection: The linking of numerous telecommunications networks to exchange user traffic.³

L

Last Mile: The technology and process of connecting the end customer's home or business to the local network provider.³

Lit Fiber: An active fiber optic cable capable of transmitting data.

LMDS (Local Multipoint Distribution Service): A wireless broadband service that uses microwave signals to render communications service – voice, data, Internet – to customers within the last mile.¹

Loan: The giving of money or property in exchange for payment of the principal amount plus interest.

Local Area Network (LAN): A group of network devices that are on a high-speed connection and typically within the same building or location. (cite: Indiana University, <https://kb.iu.edu/d/agki>)

LTE (Long Term Evolution): A 4G wireless broadband technology that provides speeds up to 100 Mbps download and 30 Mbps upload.

M

Middle Mile: The connection between a local network, also called a "last mile" connection, and the backbone Internet network.³





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CONNECTING AMERICA'S COMMUNITIES

N

Network Infrastructure: The hardware and software components of a network that provide network connectivity and allow the network to function.

O

Open Access Network: Networks that offer wholesale access to network infrastructure or services provided on fair and reasonable terms with some degree of transparency and nondiscrimination.

P

Point of Presence: The particular place or facility where local Internet service providers connect to other networks. Distance from the Point of Presence can affect service availability and pricing.³

Public Computer Center (PCC): A facility that is open to the public and provides broadband access, education, support and training relevant to community needs. PCC locations include, but are not limited to, community colleges, libraries, schools, youth centers, employment service centers, Native American chapter houses, community centers, senior centers, assistive technology centers for people with disabilities, community health centers and centers in public housing developments that provide broadband access to the general public or specific vulnerable populations, such as low-income, unemployed, older adults, children, minorities and people with disabilities.⁶

R

Rights-of-Way (ROW): ROW are legal rights to pass through property owned by another. ROW are frequently used to secure access to land for digging trenches, deploying fiber, constructing towers and deploying equipment on existing towers and utility poles.⁶

S

Service Area: The entire area within which a service provider either offers or intends to offer broadband service.⁶

SDSL (Symmetrical DSL): A technology that permits the transfer of data over copper telephone lines. The transmission bandwidth for uploads and downloads is equal.¹

SONET (Synchronous Optical Network): An American National Standards Institute standard for the simultaneous transmission of data over optical fiber.¹⁰

Spectrum: A conceptual tool used to organize and map the physical phenomena of electromagnetic waves. These waves propagate through space at different radio frequencies, and the set of all possible frequencies is called the electromagnetic spectrum.⁶

T

Tax Increment Financing: A public financing method through which future property tax increases can be diverted to subsidize community development and improvement projects.

Tier 1 Internet Network: A network of Internet providers that form a superhighway that allows users access to every other network on the Internet.³





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CONNECTING AMERICA'S COMMUNITIES

Tier 2 Internet Network: A network of smaller Internet providers that allow users to reach some portion of the Internet but that still purchase IP transit.³

Telemedicine: The use of high-speed, high-capacity Internet to support long-distance healthcare services, patient and provider education and enhanced healthcare administration.¹¹

V

VoIP (Voice over Internet Protocol): A technology that allows users to send and receive voice calls using an Internet connection instead of a phone line.¹

W

WiFi (Wireless Fidelity): A technology that uses radio transmissions to enable electronic devices to connect to a wireless local area network (LAN).

WiMAX: A wireless technology through which wireless Internet access is provided with a significantly larger range than regular WiFi. WiMAX can provide broadband service up to 30 miles.³

WISP: An ISP that provides service through a wireless network.

Figure 1: Table of Units

The following units are associated with broadband:	
Bit	Smallest unit of digital information
Byte	Equal to 8 bits
Bps	Bits per second
Kbps	Kilobits per second (1000 bits per second)
Mbps	Megabits per second (1 million bits per second)
Gbps	Gigabits per second (1 billion bits per second)
Tbps	Terabits per second (1 trillion bits per second)





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CONNECTING AMERICA'S COMMUNITIES

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BROADBANDUSA

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- ⁸ American Library Association Connect. Retrieved from <http://connect.ala.org/node/181197>
- ⁹ Office of the Secretary USDA Glossary of Terms and Acronyms. Retrieved from <http://www.osec.doc.gov/oam/archive/docs/Chapter%203%20012011.pdf>
- ¹⁰ American National Standards Institute. Retrieved from <https://www.ansi.org/>
- ¹¹ Field, M.J. (1996). Telemedicine: A Guide to Assessing Telecommunications in Health Care. Retrieved from <http://www.ncbi.nlm.nih.gov/books/NBK45440/>



Broadband Definitions

Broadband refers to a high-speed, always-on connection to the Internet, providing two-way data transmission.

Types of Transmission Technology

Wireline Services

Cable Modem service enables high-speed Internet access using the same cable television infrastructure, including coaxial cables, that delivers cable TV programming. Users can access the Internet without disrupting cable TV service.

- **Cable Modem – DOCSIS 3.0** refers to Data over Cable Service Interface Specifications (DOCSIS). It is the current technological standard for cable modems and offers faster broadband service than older standards.
- **Cable Modem – Other** refers to cable modems that use versions of Data over Cable Service Interface Specifications (DOCSIS) other than the current standard, DOCSIS 3.0.

Digital Subscriber Line (DSL) is a technology that provides Internet access by transmitting data over traditional copper telephone lines to homes and businesses. Users are able to connect to the high-speed Internet via a modem without disrupting their telephone service.

- **Asymmetric xDSL** used primarily by residential consumers, typically provides faster download speed for receiving data than upstream speed for sending data. This means that it may be faster to download webpages, data, or media than it would be to upload this information.
- **Symmetric xDSL** used primarily by businesses, provides equal speed for sending and receiving data. This technology allows moving large data files among various users and between multiple sources.

Electric Power Line, referred to as "Broadband over Power Lines," provides broadband by using the power lines connected to a consumer's residence. Consumers must use special modems provided by the power company in order to access broadband Internet services.

Optical Carrier – Fiber to the End User refers to a fiber-optic-based broadband network. Fiber has the capacity to transmit data at speeds surpassing any other broadband technology.

Other Copper Wireline is a technology other than DSL that uses phone lines to transmit data. Examples include T-1 and ISDN lines.

Wireless Services

Satellite is another form of wireless broadband technology provided through the satellites. This technology is useful for serving remote or sparsely populated areas. Obtaining satellite broadband may be more costly and involved than obtaining DSL or cable modem.

Terrestrial Fixed Wireless technology enables wireless broadband service to a specific geographic location using a spectrum that is shared among Internet service providers. This wireless service includes

WiFi (WLAN – Wireless Local Area Network) and other, similar technologies, e.g., WiMAX and other proprietary wireless systems.

Terrestrial Mobile Wireless technology enables wireless broadband services in a specific geographic location using a spectrum that is dedicated to an Internet service provider and targeted for mobile use by consumers within the area. This wireless service is generally offered by cellular phone providers, and includes technologies such as LTE, mobile WiMAX, CDMA2000 (EVDO), and UMTS (HSPA).

Download and Upload Speeds

Broadband speed refers to the amount of data that a user can download or upload per second. The only difference between downloading and uploading data is the direction of data transfer between the user and the server. Speeds are generally measured in kilobits per second (Kbps), megabits per second (Mbps), or gigabits per second (Gbps).

- **Download Speed** is the speed at which your Internet connection downloads data to your computer from the server.
- **Upload Speed** is the speed at which your Internet connection uploads data from your computer to the server.

The speeds advertised by Internet Service Providers (ISPs) provide information about the configuration settings of network equipment such as cable, DSL, or Routers. These speeds give an indication of the maximum or peak data rates that a customer may experience. Advertised speeds might differ from the actual speeds received by the user, depending on a number of factors that may include your computer, network congestion due to other users, the location of your home or business, etc. Better speeds can be obtained when network congestion is low, in the non-peak hours of Internet traffic.

Underserved and Unserved Areas

Underserved area means a Last Mile or Middle Mile service area that meets at least one of the following factors.

(i) No more than 50 percent of the households in the Last Mile or Middle Mile service area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband transmission speed (set forth in the definition of broadband above).

(ii) No fixed or mobile terrestrial broadband service provider advertises to residential end users broadband transmission speeds of at least three megabits per second (Mbps) downstream in the Last Mile or Middle Mile service area.

(iii) The rate of terrestrial broadband subscribership for the Last Mile or Middle Mile service area is 40 percent of households or less.

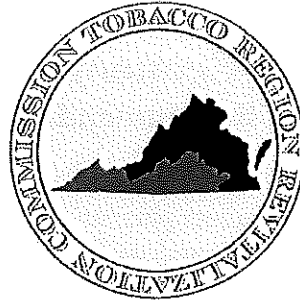
Unserved area means a Last Mile or Middle Mile service area where at least 90 percent of the households lack access to facilities-based, terrestrial broadband service, either fixed or mobile, at the minimum broadband transmission speed (set forth in the definition of broadband, above). A household has access to broadband service if the household readily can subscribe to that service upon request.

Satellite broadband service availability and subscribership rates are not considered for the purpose of determining whether an area is underserved or unserved.

Middle Mile and Last Mile

Last Mile refers to the final leg of the telecommunications networks delivering communications connectivity to retail customers—the part that actually reaches the customer; the infrastructure at the neighborhood level.

Middle Mile is the segment of a telecommunications network that links a network operator's core network to the local network plant that provides access to the local loop, or in the case of cable television operators, the local cable modem termination system. Middle mile facilities provide connections between the network backbone and last-mile connection.



SOUTHSIDE ECONOMIC DEVELOPMENT
COMMITTEE AGENDA

Monday
January 8, 2018 @ 1:30pm
Homewood Suites
Richmond, VA

Welcome and Call to Order

The Honorable Tommy Wright, Chairman

Call of the Roll

Evan Feinman, Executive Director

Approval of the 9/19/17 Minutes

(published on website)

Application Reviews

Sarah Capps, SS Grants Program Administrator

Public Comments

Adjournment

FY18 Southside Economic Development Summaries and Staff Recommendations – January 2018

The Commission received eight new funding requests in October for the available Southside Economic Development balances (FY18 budget plus funds carried forward from previous years). Project summaries provided by the applicants, and staff comments and recommendations, are included below for these new requests.

Contingent on receiving VDOT funds

Req #	Locality	Organization	Project Title	Allocation Available	Requested Amount
3360	Danville	City of Danville	Industrial Shell Building	\$2,335,589	\$1,000,000 ✓
3357	Lunenburg	Town of Kenbridge	Tobacco Heritage Trail - Lunenburg County	\$1,424,986	\$222,500 ✓
3359	Mecklenburg	Mecklenburg County	Stage Stores Distribution Center Acquisition Project	\$1,585,155	3 \$1,000,000 ✓
3351	Patrick	Economic Development Authority of Patrick County	Martin Farm Road Lot Development	\$1,786,480	\$115,250
3352	Pittsylvania	Pittsylvania County	Cane Creek Centre Shell Building	\$9,502,791	\$1,500,000 ✓
3396		Pittsylvania County	Shell Building for Project Apple		\$2,300,000
3358	Danville & Pittsylvania	Danville-Pittsylvania Regional Industrial Facility Authority	Berry Hill Industrial Park - Site Improvements for Project Lignum	\$1,312,400 requested from each of the Danville and Pittsylvania allocations	\$2,624,800 ✓
3356	Halifax & Pittsylvania	Southern Virginia Higher Education Center	Southern Virginia Regional Transportation Project	\$273,849 in Halifax allocation. \$158,745 requested from each of the County allocations	\$317,490 ✓

Total (8 requests)

if not successful all papers revert back to TRCC (buses)

\$8,762,550 ← established contingency

DANVILLE

City of Danville

Industrial Shell Building (#3360)

\$1,000,000 Requested

Executive Summary Provided by Applicant: The City of Danville in partnership with the Danville Industrial Development Authority (IDA) plan to construct an approximately 30,000 SF speculative industrial shell building on lot 12 B in Cyber Park in Danville Virginia. This industrial Shell building is designed to be marketed to advanced manufacturing industries; specifically those in the aerospace and automotive supply chain with heavy dependencies on metal working. This proposed shell building will follow a process of publicly submitted requests for proposals (RFP) for architectural design and engineered building design and construction including but not limited to permitting, site work, building design and construction (including paving, landscaping, storm water sprinkler, and no interior finishes). Water, sewer, fire water, and electric will be roughed into the building to avoid having to disturb the site once a tenant up fit comes to fruition.

Staff Comments and Recommendation: Grant funds will be used to support ~ 35% of the \$2.85 million estimated costs for construction of a new shell building on Lot 12B at the Cyber Park. The application identifies plans for construction of a 30,000 sq. ft. building expandable to 100,000 sq. ft. Economic development outcomes are estimated at 60 new jobs with average salary of \$50K, with the potential to accommodate as many as 200 jobs in an expanded 100,000 sq. ft. building space, in the aerospace and automotive supply chain sectors of advanced manufacturing. The building would be marketed based on its proximity to the Gene Haas Center for Integrated Machining and Technology in the Cyberpark. Match is identified as "Local" though the source is described as being the Danville Area Development Foundation in addition to the City of Danville. Staff has received the following clarification from the City on this. The DADA is a nonprofit 501(c)(3) created to support economic development in the Danville region. Both DADF and a for-profit stock corporation, Danville Industrial Development (DID), created for a similar purpose, have been involved in industrial park and shell building construction. The City's share of the cost of the shell building in this request would be financed in a similar manner as four previous shell buildings developed by the City. That is, the City of Danville IDA intends to borrow necessary funds from a local bank structured with interest-only payments in the first 24 months. During this time either DID or DADF will pay the interest-only payments, which would be reimbursed at the time that the building is sold. If the building is not sold within 24 months, the IDA would plan to refinance the principal with traditional bank debt or bond financing. The City of Danville IDA would own the building until the building is sold to an economic development prospect. As noted in the application, the Danville area has seen a significant level of interest from advanced manufacturing companies over the last fourteen months with three companies committing to locate to the region during this time. As noted in the similar Pittsylvania proposal for a new Cane Creek shell building, the region's success in attracting recent foreign direct investment projects such as Kyocera is largely a result of the Commission's FDI initiative, which has resulted in depletion of the inventory of available buildings to meet the needs of new prospects. This and the similar request from Pittsylvania County intended to address this shortage. Staff notes that where the applicant and grantee, if an award is approved, is the City of Danville, the owner of the property would be the City of Danville's Industrial Development Authority, until which time as the property is transferred to a

private owner(s). With the approval of a grant award it is expected that the terms of the grant agreement would also apply to the IDA.

Staff recommends award of \$1,000,000.

LUNENBURG

Town of Kenbridge

Tobacco Heritage Trail - Lunenburg County (#3357)

\$222,500 Requested

Executive Summary Provided by Applicant: Lunenburg County is home to 12,000 +/- residents and has two towns within its limits; Towns of Kenbridge and Victoria. The towns are similar in size and in population, with Town of Victoria being a bit larger in both aspects. They are small, quiet communities that want to provide their residents with things to do and reasons to live and work there. Tourists are encouraged to come visit and a trail, like the Tobacco Heritage Trail (THT), would be a draw for them. The THT is a walking, biking and horseback trail that routes along abandoned railway tracks throughout Southside Virginia. The Towns want to use Commission funds for engineering and design to have a trail built, connecting them in a 7+/- miles section. The funds will serve as a match for a VDOT grant for construction of the trail which, in turn, will help promote community and economic development.

Staff Comments and Recommendation: Outcomes of this project support the Commission's key funding priority for connecting communities to outdoor recreational opportunities and related businesses to support adventure tourism. The original application requesting \$130,000 was revised by the applicants to an increased amount of \$222,500 in order to pursue additional matching funds from VDOT and VDCR for trail construction. Where the Town of Kenbridge is the lead applicant, this request is a joint submittal also by the Town of Victoria, representing the two incorporated towns in Lunenburg County that will be connected by this trail. Funds are requested to support engineering and design for a four (4) mile trail segment with \$1.6 million of Match for trail construction and related costs. The project would expand on an existing three (3) mile segment of the Tobacco Heritage Trail starting in the Town of Victoria and traveling in the direction of, and connecting with the Town of Kenbridge. This segment is part of the Region 8 – Meherrin to Alberta within the THT Master Plan. The two towns have a MOU on the partnership for the trail development which includes commitments to maintain the trail. Ownership of the right-of-way includes the Town of Kenbridge IDA, Roanoke River Rails to Trails and some private owners. The overall project budget includes funding for ROW acquisition where needed. Having a longer section of trail is necessary for accomplishing objectives for attracting visitors to the region. Both towns have Bed & Breakfast accommodations and restaurants in close proximity to the trail; with larger group accommodations available in South Hill. An expressed priority of the Roanoke River Rails to Trails, Inc. as noted in the letter of support from Sandra Tanner with Virginia Tourism Corporation is for development of trail segments in the towns so that they can see the economic impacts. While to date the Commission has not provided funding for THT development in Lunenburg, other THT projects have been supported in Mecklenburg, Brunswick, and Halifax Counties as well as other linear trail tourism assets in Patrick, Prince Edward and Henry Counties. The risk with funding this

work at this time is that substantial engineering costs could be incurred but construction funding not committed. Whereas the VDOT award announcement would be in June 2018, and those funds would be used to meet the minimum 1:1 Match requirement on a TRRC grant, Staff suggests this project be tabled until such time as the likelihood for securing VDOT construction funding can be determined.

Staff recommends this project be tabled.

MECKLENBURG

Mecklenburg County

Stage Stores Distribution Center Acquisition Project (#3359)

\$1,300,000 Requested

Executive Summary Provided by Applicant: The County of Mecklenburg is seeking \$1.3 million from the Southside Economic Development Fund to assist with the acquisition of the Stage Stores, Inc. Distribution Center located on Peebles Street in South Hill, Virginia. In September 2017, Stage Stores, Inc. announced it would close its distribution center in South Hill by the end of January 2018, adversely affecting 100 employees. The property encompasses approximately 31.42 total acres just 500 feet north of U.S. Highway 58 and 0.10 miles east of U.S. Interstate 85. The total building area is 101,000 square feet; however, there is ample space for expansion if needed. The total acquisition cost is anticipated to be approximately \$3.25 million, and it is anticipated that 100 jobs will be recovered and 25 new, full-time jobs will be created as a result of this project.

Staff Comments and Recommendation: The original request for a \$1 million grant was revised by the county to \$1.3 million. Grant funds will be used to support a portion of the proposed \$3.25 million acquisition cost for the property previously serving as the Peebles distribution center. The 31.42 acre property with immediate access to US Route 58 and Interstate 85 consists of two parcels. Parcel #1 is 8.56 acres with an 110,000 square foot distribution warehouse with 14 permanent loading docks and ~ 45,000 square foot of paved parking lot. Parcel #2 is 22.86 acres with a newer 12,000 square foot warehouse building. The county contracted for an appraisal that included an assessment of the highest and best use of the properties. This report shows both buildings to be “in average to good condition” and identifies the highest and best use of parcel #1 to be for a Distribution Warehouse Facility, and for parcel #2 to be for “continued use as a warehouse facility with excess land for future expansion”. The value estimate as a result of the appraisal for both parcels is \$2.65 million. While this is significantly lower than the \$3.25 million price negotiated by the county for the acquisition, the county had indicated that there were multiple buyers interested in the property, driving up the price, and where known the other buyers having commercial development interests; whereas the county’s intention is to keep the property as industrial for another distribution center having a greater economic impact. It is noted that the proposed purchase price is significantly lower than new construction costs for a similar sized facility. The county has also expressed that they continue to be diligent in their negotiations with the owner on the final terms of a purchase agreement. The economic impact of this project is estimated at 125 jobs with average salary of \$26,000 for a regional distribution center (although there are no known active prospect(s) at this time). Staff notes that where the applicant and grantee, if an award is approved, is

the County, the owner of the property would be the Mecklenburg County Industrial Development Authority until such time as the property is transferred to a private owner(s). With approval of a grant award it is expected that the terms of the grant agreement would also apply to the IDA. Acquisition by the County/IDA, if successful, would immediately provide a highly marketable and well-maintained distribution center property, well-situated at the junction of I-85 and US Route 58, to show to prospects needing rapid occupancy.

Staff recommends award of \$1,300,000.

PATRICK

Economic Development Authority of Patrick County *Martin Farm Road Lot Development (#3351)* \$115,250 Requested

Executive Summary Provided by Applicant: This grant will provide for site development, with activities including, but not limited to; grading, grubbing, de-stumping, installing erosion and sediment measures, installing storm water measures, construct hook up for domestic/fire water, install or prepare lot for possible sewer hook up, and relocate utilities, as needed; for future commercial business opportunities. This development will make this site more marketable and attractive to a potential developer or business, as it is seriously over-grown creating a challenge in the marketability and maintenance of this site.

Staff Comments and Recommendation: Economic outcomes are estimated at 10 jobs and \$2-5 million in capital investment for retail development. Funds are requested to support a portion (23%) of site development costs for a 4.74 acre site owned by the Patrick County Economic Development Authority. The site is located at the intersection of U.S. 58 and Martin Farm Road in the Patrick Springs area in the south eastern area of the county. Plans for the site are identified as "future commercial and/or industrial use" and it is in an Enterprise Zone. The proposed \$323,390 Match is from a pending application submitted to DHCD for Appalachian Regional Commission funding. The primary site development work will include grading; on-site water, sewer, and stormwater infrastructure; and costs related to traffic control and VDOT permitting. Staff notes that this is a relatively small site and other businesses near this property are commercial retail (i.e. Friendly Foods, Family Dollar, NAPA Auto Parts). There are concerns that this site would be marketed for another similar business which would create jobs and tax revenues but does not align with the Commission's funding priorities for growing the County's economic base by producing goods or services that are exported out of the locality. Staff has confirmed with the county their interest in marketing the site, as well as the interest in recent years by prospective companies, has been in retail development, hospitality sector and food services. While retail development can contribute to increases in local sales tax revenue, it does not significantly increase the economic base of a community (no exporting of goods or services); and therefore is identified as a low priority in the Commission's funding policies due to the more indirect effect on economic revitalization.

Staff recommends no award.

PITTSYLVANIA

Pittsylvania County Cane Creek Centre Shell Building (#3352) \$1,500,000 Requested

Executive Summary Provided by Applicant: Pittsylvania County proposes to facilitate the construction of a 40,000 sq. ft. shell building that is designed for advanced manufacturers in the aerospace and automotive industries (likely Project Daniel) on an existing graded pad on Lot 3 in Cane Creek Centre. The building will have high-ceilings (30 feet) and a 6" reinforced concrete floor, and will meet the aesthetics requirements of Cane Creek Centre in southern Pittsylvania County. Pittsylvania County will solicit bids and proposals from private firms to construct the building and finance the remaining cost for up to 5 years with the County paying an agreed upon yearly lease payment. If the building is not acquired by a company in the initial 5 year period, Pittsylvania County will be obligated to purchase the building at the remaining agreed upon cost. Pittsylvania County will follow standard procurement policies in accordance with the Code of Virginia.

Staff Comments and Recommendation: Three year outcome projections for this project are 50-80 new jobs with average salary/wages of \$50,000 or higher and capital investment of \$8 to \$10 million, for aerospace and automotive supply chain sectors of advanced manufacturing. These estimates are based on recent and upcoming announcements for new companies in the Danville/Pittsylvania area. Grant funds are requested to support 50% of the \$3 million cost for construction of a 40,000 square foot shell building on Lot 3 in the Cane Creek Centre Industrial Park. This building is targeted to advanced manufacturing companies with design specifications for 30' ceilings and a 6" reinforced concrete floor. Staff inquired about the availability of other existing buildings in the county of similar size and requirements to satisfy the needs of this request, to which the County has indicated that none are currently available. (the Cane Creek Shell Building was recently announced as the new home of Unison Tube, LLC; and where there are two privately owned building on the market, one is confidentially under contract with an announcement in early 2018, and the second is being considered by several prospects and with additional confidential prospect interest in the proposed shell building.) The applicant identifies a plan to contract with a "private firm to construct the building and finance the remaining cost". The cost estimate and preliminary design were provided by Samet Corporation, a large general contractor based in Greensboro, NC. The financing approach discussed in the application is for the County to make annual lease payments to the private investor for an initial 5 year period, at which point, if a company has not acquired the building, the County would purchase the building for the remaining costs. Staff questioned the County on whether the building would be in public or private ownership during construction and prior to it being sold to a targeted company for job creation and investment. The County indicated that the building would be publicly owned at all times; and the private developer would front the funds for half of the development costs and the County would be responsible for paying the private developer's costs over a certain time period. As such, the County indicates that the private developer would have a first lien on the property. Staff clarified that the County has not initiated the procurement process to select the private development partner for construction and financing. Given that the developer and the details of a hypothecation agreements are not known at this time, and per the Sale and Encumbrance; Security Interest clause of the Commission's grant agreement, the county would need to make a written request for subordination to Commission staff for approval by the executive director when this information is available. The

City's plans for this building appear to address a need for ready-to-go spaces to accommodate companies that are successfully being recruited to the region through the Commission's foreign direct investment initiative, which has already resulted in announcements by Kyocera and other global manufacturers. Similar to other projects being considered in this grant cycle, if the building where Commission funds will be invested will be owned by the County IDA, instead of the County, then the IDA will be required to agree to the terms of the Commission's grant agreement.

Staff recommends award of \$1,500,000 with acknowledgement that the private partner will hold a lien for up to five years.

Pittsylvania County

Pittsylvania County shell building for Project Apple (#3396)

\$2,300,000 Requested

Executive Summary Provided by Applicant: Pittsylvania County and the Town of Gretna have been informed by Project Apple that they have been selected for its new 135,000 sq. ft. manufacturing facility, which will also serve as the Company's corporate headquarters. The project will create in excess of 90 manufacturing jobs while also retaining over 110 jobs in Virginia.

Staff Comments and Recommendation: This request is a late-filed application which the County identifies as their highest economic development priority. Outcomes are for the creation of 90 new manufacturing jobs and retention of 110 jobs, for an existing company's expansion and for their headquarters to remain in Pittsylvania County. Additional information from the applicant identifies capital investment as \$7 million; however, staff notes that at least 40% or \$2.8 million of this capital figure would be the Tobacco Commission's share of investments in assets based on this funding request for a \$2.3 million grant and the previous investments by the Commission in the Gretna Industrial Park where the 20-acre parcel has an estimated value of \$500,000. Additionally the Commission has approved a \$225,000 TROF incentive. Based on information reviewed, it appears that the proposed \$2.3 million - in the form of a grant from the Commission - is a key element of the incentive package offered to the company, toward costs for construction of a 135,000 square foot manufacturing facility estimated at \$5 million with an additional \$550K budgeted for two storage buildings plus a \$500K contingency. County staff notes that structures would be owned by the County's IDA under a long-term lease to purchase agreement with the company, or any other subsequent occupant. Matching funds are proposed as a \$2.8 million loan from the Virginia Small Business Financing Authority to the county, with the company proving the 20% match required by VSBFA and being responsible for payback of the loan. Additional Match of \$1.96 million is proposed as the private investment contribution by the company. The manufacturing company benefiting from this project has been operating in the region for a couple decades and has celebrated significant growth and several expansions in recent years at its current location in the county, which when vacated to occupy the proposed building, would provide an additional marketable site. However, a neighboring state has also provided a reportedly attractive incentive package to induce the company to relocate out of Virginia. An announcement by Secretary of Commerce and Trade has been scheduled for January 10, 2018, the day following the Full Commission meeting where this project would be considered. Per legislation passed in 2015 creating the Commission's revolving loan program, which established a statutory requirement that projects with identified revenue stream be considered for a loan, this project appears to be a candidate for a TRRC/VRA loan. However,

that could materially change the incentive package and threaten the announcement that involves 110 retained jobs and 90 new ones.

Staff recommends the Committee go into Executive Session to discuss loan versus grant options as part of the incentive package for this confidential economic development prospect.

DANVILLE & PITTSYLVANIA

Danville-Pittsylvania Regional Industrial Facility Authority Berry Hill Industrial Park - Site Improvements for Project Lignum (#3358) \$2,624,800 Requested

Executive Summary Provided by Applicant: This project involves Site Improvements to create a buildable construction pad to accommodate Project Lignum in the Berry Hill Industrial Park. The graded area is expected to be 80 - 90 acres in size and will include preparation for a rail spur. The total cost estimate for the site improvement project is \$5,249,600. Project Lignum is expected to create 80 new direct jobs and a capital investment of \$120 million.

Staff Comments and Recommendation: Economic development outcomes for Project Lignum are estimated at 80 new jobs with average salary/wages of \$41,513, and \$120 million capital investment in wood product manufacturing sector. Funds are requested to support site development costs on Lot 8 at the Berry Hill Mega-Site. Lot 8 includes ~ 168 acres and the proposed project provides for an 81 acre graded pad as identified in schematics included with the application showing the layout of the prospect's operation. A \$5,759,600 cost estimate was provided including \$4.1 million for earthwork and clearing and grubbing, \$458K for E&S control and storm water management, and other costs for environmental mitigation. It is noted that the mitigation costs and impacts appear relatively minimal to the overall site development. A \$510,000 TROF incentive estimate is represented as being applied toward the \$5.7 million total costs. Where \$2,624,800 is requested from the Commission, the application identified this is requested to be split equally between the Danville and Pittsylvania County allocations (\$1,312,400 each). Match includes over \$2 million from the City & County and \$500,000 of approved state funding. Having an active prospect will allow the RIFA to proceed with the environmental permitting processes moving the Berry Hill Mega-Site further towards accomplishing its ultimate objectives for economic transformation of the region.

Staff recommends approval of a \$2,624,800 grant award, to be split equally between the Danville and Pittsylvania County allocations (\$1,312,400 each).

HALIFAX & PITTSYLVANIA

Southern Virginia Higher Education Center Southern Virginia Regional Transportation Project (#3356) \$317,490 Requested

Executive Summary Provided by Applicant: Understanding that lack of transportation is a critical barrier to employment and education, SVHEC partnered with DRPT to conduct a feasibility study for a regional transportation system. The study identified several high-demand routes to link existing transportation systems, but suggested starting on a smaller scale to demonstrate sustainability. SVHEC will engage Danville Transit Authority (DTA) to serve two new bus routes, Danville-South Boston and Danville-Gretna, which were among those identified as having greatest demand (projections of 14,500 passenger trips annually between them). DTA will pursue federal 5311 funds and a DRPT Demonstration Grant for part of the capital and operating funds to start and operate the new routes. The balance would normally come from the localities. SVHEC requests \$317,490 to provide Halifax and Pittsylvania's share during the project period, allowing time to build the expense into their budgets. This project is a model for future transportation linkages across the region.

Staff Comments and Recommendation: The request would provide three years of required local matching funds for two planned grant applications to be submitted in February 2018 to add the two new bus routes in this project: one is a request for \$536k of USDOT 5311 transit funds for rural areas to fund 90% of new vehicles and 50% of operating costs in years two and three; the second is a \$183k request to VDRPT for 80% of first year operating costs. The requested TRRC funds would support three years of Danville Transit Authority (DTA) operating costs for drivers and related expenses including supplies/materials and marketing the new routes (\$284,490), as well as 10% of the cost to acquire three new shuttle buses for DTA (\$33k of a \$330k expense, with 90% to be funded by the proposed USDOT grant). The applicant requests three years of operating support in order to allow time for the local governments to build this operating support into their local budgets. The intended benefit of the project would be to transport students to educational training centers such as SVHEC and DCC, provide transportation to incumbent workers commuting between the localities to their workplaces, as well as accommodate the needs of the general public. A thorough feasibility study was completed, including extensive market research with residents, which estimates 14,500 riders annually, and demonstrates the demand for a service of this nature. However, the study indicates the routes would generate just \$24k in farebox revenues annually, so the prospects for long-term funding commitments by the localities, DRPT and USDOT are of significant concern, as is the clear precedent this would provide for numerous other local transit systems within the tobacco region that have similar needs and could make similar arguments for expansion of service. Staff notes that a further challenge will be to integrate "feeder service" for riders to get from their homes and workplaces scattered across these two large counties to the pickup points in the three communities. The difficulties that lack of automotive or public transportation pose for students, employees and citizens is unquestionably a pervasive rural issue, and the collaboration of the localities to address that in this project is to be commended. Nonetheless, transportation has been a stated Low Funding Priority of the Commission since 2004, and the precedent of funding local transit systems would potentially open floodgates of requests that can not be satisfied with a declining TRRC endowment, and with ongoing, pressing needs for

additional industrial sites, training programs, technology infrastructure and other project types that are clearly prioritized with the Commission's Strategic Plan.

Staff recommends no award.



SOUTHWEST ECONOMIC DEVELOPMENT
COMMITTEE AGENDA

Monday
January 8, 2018 @ 5:00pm
Homewood Suites
Richmond, VA

Welcome and Call to Order

The Honorable Bill Carrico, Vice-Chairman

Call of the Roll

Evan Feinman, Executive Director

Approval of the 9/8/17 Minutes

(published on website)

Other Business (extensions, etc.)

Sara Williams, SW Grants Administrator

Public Comments

Adjournment

**Southwest Economic Development
January 8, 2018**

The Southwest Committee will meet on January 8th at 5:00 pm to consider two items of Other Business regarding existing grants, as described below:

**Grayson County
Project Timberwolf (#3308)
\$150,000 Requested**

Executive Summary Provided by Applicant: The proposed project will provide site improvements of a 12 acre site in the local industrial site, completing a construction ready pad. Grayson County industrial park has no available built out pads. Grayson County industrial park has no available built out pads. There is however plenty of land available in the park for improvements. The proposed project will, with the use of TIC and Local funds, prepare the 12 acre site by completing the following activities: Clearing / Grading, Stormwater collection and retention, excavation for access road off the existing industrial park road into the pad site, concrete construction pad, parking lot with curb and guttering, and taps to existing water, sewer and telecommunications. The construction of the new facility will be carried out by the relocating company.

Staff Comments and Recommendation (September 2017): This project would assist with site development needed to prepare County-owned property for the relocation of a business (Project Timberwolf) from North Carolina. TRRC funds of \$150,000 would be matched by local funds of equal amount. An estimate was provided showing a total construction cost of \$341,000 for the site. No source was listed for the remaining \$41,000 to complete the construction estimate. During negotiations with the Timberwolf the County offered to gift the property to the company, which will invest \$864,570 for equipment and to construct a building. Outcomes show 12 jobs will be relocated from NC and 6 new jobs will be created. The details of this agreement were not provided in the grant application however were discussed in conversations with staff leading up to the application. USDA provided the original funding to develop the site and it is possible that the County will need to make repayment to that agency should the property be sold or gifted. The appraised value associated with the USDA obligation is \$7,425.89 per acre and the applicant plans to use General Funds should remittance to USDA be requested. A \$50,000 TROF offer has been made for the project. At the suggestion of TRRC, and in order to ensure land improved with public funds is not subsequently sold by the company, Timberwolf has agreed to provide a 15 year Right of First Refusal to Grayson County to protect the County's investment in the site. Staff is of the opinion that 15 years of the company investing in the site, paying property and equipment taxes and maintaining operations there is a reasonable commitment in exchange for the grant-funded site improvements. **Staff recommends an award of \$150,000 contingent upon the Company providing a 15 year Right of First Refusal to the applicant.**

Staff Comments and Recommendation (January 2018): This project was approved in September with the above contingency due to the planned development of the site to accommodate the relocation of Project Timberwolf from North Carolina. Since that time the Timberwolf has become entangled in a legal dispute between the Company's owners and it is unknown if the move to Grayson County will occur. County officials have requested permission to proceed with developing

the site despite no longer having a committed prospect. There are not currently any shovel ready pads available in the County.

Staff recommends approval of this request to remove the contingency originally placed on this grant.

Virginia Coalfield Coalition:

Virginia Coalfield 4g Wireless Project (Grant # 2841)

Approved for \$1,500,000 in January, 2014 (\$181,739.77 balance)

Staff Comments and Recommendation: Approval of a fifth year extension has been requested by the grantee to allow for the purchase of additional equipment needed for the network.

Staff recommends an extension until January 7, 2019.



SPECIAL PROJECTS COMMITTEE AGENDA

Tuesday
January 9, 2018 @ 9:30am
Homewood Suites
Richmond, VA

Welcome and Call to Order	<i>Delegate Danny Marshall, Chairman</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Approval of the <u>9/8/17</u> Minutes	<i>(published on website)</i>
Megasite Grant Extensions	<i>Tim Pfohl, Grants Director</i>
New Megasite Grant Request	<i>Tim Pfohl, Grants Director</i>
Public Comments	
Adjournment	

Special Projects

January 9, 2018

The Special Projects Committee is scheduled to meet at 9:30 am on Tuesday, January 9th to consider the following requests for Megasite grant extensions and request for a new Megasite in Russell County, as described in the following:

Extensions for currently active Megasite Grants

Please see the attached chart which provides updates on balances for open and active Megasite grants. The chart lists four previously-extended grants which have exceeded four years since approval, and thereby require Committee action to allow further time extensions. All grant-funded work is underway for the previously approved site development activities.

Staff recommends one year grant extensions through January 2019 for Blue Ridge Crossroads EDA grants #2266, #2487 and #2818, and a three-month extension for Martinsville-Henry EDC grant #2821.

The Industrial Development Authority of Russell County VA Project Reclaim (Grant # 3397) \$2,900,000 Requested

Executive Summary Provided by Applicant: The Russell County IDA and Russell County Reclamation, LCC are partnering to repurpose a large coal industry site to create about 232 contiguous acres of industrial property making it one of the largest sites in Southwest Virginia. It will feature rail access and significant infrastructure. DMME has recommended approval of \$3.2 million in AML Pilot funding for site development for this project, and the RCIDA is requesting \$2.9 million for site acquisition and site backlifting.

Staff Comments and Recommendation: This request (a copy is included in the Commission meeting packet), was received in late-December, and will result in the development of a 232 acre industrial site near Carbo, VA. The rail served location will be one of the largest industrial sites available in the Southwest TRRC region, and the only TRRC-supported Megasite in the Coalfield region. The property, which was formerly used for several decades as a coal preparation plant, is already partially developed with substantial utility and rail infrastructure that dramatically reduces the pad ready development cost compared to similar sites in the region. Commission funds will be used for Phase 2 development to add 165 acres to the property. The property is currently under the ownership of a private coal company, and a portion of the request (\$1,650,000) will be used for acquisition by a development group, Russell Reclaim, LLC, which will then reportedly donate the property to the Russell County IDA. Additional details about this public/private partnership, including a formalized agreement between the parties, were not provided with the application. Phase 1 of the project is intended to develop 67 adjoining acres. Funding for Phase 1 has been secured through \$3.2M of federal funds awarded from the 2017 AML Pilot Funding Program for Economic Development. These funds represent the total proposed match for the TRRC request which is

intended to fund 100% of Phase 2 acquisition and development costs. The remaining \$1,250,000 of the \$2,900,000 total request amount will be used for site work. The application does not indicate an intent to approach other potential funders such as VCEDA, EDA, etc. to share in these costs. While the Committee has previously stated a policy that no new Megasite projects will be considered beyond that eight that have received previous support, that position was partially based on the lengthy and costly multi-year development timeline for most greenfield Megasites. Staff notes that this project – once reclaimed using the AML grant - will result in the development of a utility- and rail-served, graded site(s) that appear to be immediately marketable and fully-developed at the conclusion of this requested project. However, additional time is needed to fully understand the scope of the public/private ownership arrangement, and the potential availability of funding from other sources. It is TRRC policy for Staff to not make funding recommendations for out-of-cycle requests, however given this unique opportunity **Staff suggests that this project be tabled to allow for further discussion of these project details with the applicant.**

Grant #	Approved Project Start Date	Current Project End Date	Grantee Organization	Project Title	Net Award	Current Available Balance	Extension Request	Staff Notes
2266	01/12/2011	01/10/2018	Blue Ridge Crossroads Economic Development Authority	Wildwood Commerce Park-site Development and Build-out	\$3,800,000	\$751,682	1 year	Remaining funds were repurposed in May 2017 to complete ongoing wastewater system improvements. \$331,708 used since January 2017 extension.
2487	01/10/2012	01/10/2018	Blue Ridge Crossroads Economic Development Authority	Wildwood Commerce Park- Site #1 Grading & Development	\$598,652	\$241,801	1 year	Remaining funds will be used for ongoing wastewater system improvements. \$250,000 used since January 2017 extension.
2818	01/07/2014	01/07/2018	Blue Ridge Crossroads Economic Development Authority	Wildwood Commerce Park- Increasing Wastewater Capacity	\$952,500	\$897,055	1 year	Remaining funds will be used for ongoing wastewater system improvements. No funds used since January 2017 extension.
3009	05/21/2015	05/21/2018	Blue Ridge Crossroads Economic Development Authority	Wildwood Commerce Park- Wastewater Capacity II	\$1,746,200	\$717,922	not needed	eligible for administrative 4th year extension in 2018
2264	01/11/2011	01/11/2019	Danville-Pittsylvania Regional Industrial Facility Authority	Berry Hill Mega Park	\$2,700,000	\$2,700,000	not needed	currently extended through 2019
2491	01/10/2012	01/10/2019	Danville-Pittsylvania Regional Industrial Facility Authority	Berry Hill Mega Park - Site Development - Lot 4	\$6,208,153	\$2,337,532	not needed	currently extended through 2019
2641	05/23/2013	05/23/2019	Danville-Pittsylvania Regional Industrial Facility Authority	Berry Hill Mega Park - Phase I Sanitary Sewer	\$4,908,240	\$4,908,240	not needed	currently extended through 2019
3011	05/21/2015	05/21/2019	Danville-Pittsylvania Regional Industrial Facility Authority	Water System Improvements Phase II (Virginia System) - Revised 7/27/15 (Berry Hill)	\$2,241,567	\$2,241,567	not needed	currently extended through 2019
2820	01/07/2014	07/07/2018	Greensville County	Mid-Atlantic Advanced Manufacturing Center (road etc phase 1)	\$4,489,211	\$1,071,907	not needed	Project is currently on schedule.
3010	05/21/2015	5/21/2019	Greensville County	Mid Atlantic Advanced Manufacturing Center (road etc phase 2)	\$1,480,320	\$1,222,664	not needed	currently extended through 2019
2486	01/10/2012	01/10/2019	Henry County	Commonwealth Crossing Business Center Water Tank and Water Lines	\$2,400,000	\$0	not needed	currently extended through 2019, funds advanced December 2017 for NMTC financing of 2018 construction.
2821	01/07/2014	01/07/2018	Martinsville-Henry County Economic Development Corporation	Commonwealth Crossing Business Centre Prospects Grant Request	\$6,500,000	\$341,303	3-month extension	Extension requested through March 31, 2018, for final punch list on construction contract for grading to be completed.
3008	05/21/2015	05/21/2018	Sussex County	Sussex County Mega Site Project (engineering)	\$629,350	\$213,926	not needed	Project is currently on schedule.

Project Information

Project Title: Project Reclaim		Request #: 3397
Organization: The Industrial Development Authority of Russell County VA PO Box 2378 Lebanon, VA 24260 276-971-0690		
Requested Amount: \$2,900,000.00	Matching Funds: \$3,200,000.00	Proposed Project Budget: \$6,100,000.00
Project Start Date: 2/1/2018	Project End Date: 8/1/2019	Project Term (Months): 18
Organization Signatory: Ernest McFaddin ernie@mcfaddinassoc.com	Programmatic Contact: Ernest McFaddin ernie@mcfaddinassoc.com	Fiscal Contact: Ernest McFaddin

Project Location

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

Russell

Resolution of the Governing Body Responsible for this Grant

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

[20171218151654240.pdf](#)

Additional Supporting Documents

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

Project Description

Project Description

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

Executive Summary

Tobacco Region Revitalization Commission Grant Application - Megasite

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

The Russell County IDA and Russell County Reclamation, LCC are partnering to repurpose a large coal industry site to create about 232 contiguous acres of industrial property making it one of the largest sites in Southwest Virginia. It will feature rail access and significant infrastructure. DMME has recommended approval of \$3.2 million in AML Pilot funding for site development for this project, and the RCIDA is requesting \$2.9 million for site acquisition and site backlifting.

What is the current status of ownership and development of your megasite?

The site is currently owned by a private coal company. Development will begin as soon as acquisition is finalized by Russell Reclaim, LLC and the 232 acres is donated to the Russell County IDA.

How have Commission and matching funds been used to date?

N/A

What industries does your megasite targeting?

Describe the megasite's targeted industries, and any interest exhibited to date by industries considering your site.

The following prospective industries could be targeted in the site selection process for recruitment:

- *Steel Manufacturing
- *Heavy Machine Manufacturing and/or Repair
- *Automotive-Aerospace downstream supply chain
- *Large scale Commercial Recycling facility
- *Large scale Commercial Agriculture
- *Greenhouses
- *Bulk commodity
- *Fertilizer processing
- *Others requiring access to rail and large pads for building and laydown yards
- *Alternative Energy (solar, wind, etc.)

The developers, Russell Reclaim, are in preliminary conversation with an industry interested in location of the site.

In ranked priority, what are the next steps, and costs involved in each step, to get your megasite development ready?

Note the activities and associated costs that are being requested in this proposal.

- 1) Acquisition - \$1,650,000
- 2) Backfilling of site - \$1,250,000
- 3) Reclaim and repurpose Coal Prep Plant and develop 232-acre developable site pad - \$3,200,000 (AML)

Will revenue at the megasite be shared by two or more localities?

No

Additional Attachments

Additional Project Description

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

Tobacco Region Revitalization Commission Grant Application - Megasite

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Biographical Sketches

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

- 1. Biographical_Sketches.pdf55 KB - 12/19/2017 1:19pm

Business Plan

If applicable, attach your business plan here.

Business Plan.pdf

Letters of Support

Please combine all letters of support into one .PDF file before uploading.

- 1. Letters_of_Support.pdf421 KB - 12/19/2017 11:19am

Project Location Map and Other Relevant Graphics

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

- 1. 20171219142554315.pdf2162 KB - 12/19/2017 2:09pm
- 2. Project_Reclaim.pdf389 KB - 12/19/2017 2:10pm
- 3. Project_Reclaim_Aerial.pdf14678 KB - 12/19/2017 2:10pm
- 4. Project_Reclaim_Location.pdf1628 KB - 12/19/2017 2:10pm
- 5. Project_Reclaim_Location_2.pdf363 KB - 12/19/2017 2:10pm

Regional Partnership Documentation

Supporting Studies

If applicable, attach relevant studies (e.g. engineering, etc.)

20171219142248618.pdf

Other Supporting Documents

Results & Accountability Matrix

Milestones & Deliverables

Milestones and Deliverables

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

Milestones and Deliverables		
Milestones	Deliverables	Anticipated Completion Date
Acquire Property	Site Control/Construction Start-Up	2018-02-01
Reclaim and Repurpose Coal Prep-Plant	Developable 165 Acre Regional Industrial Site Pad, Phase 2	2018-08-01
Prepare developable Industrial Site Pad for up to 1 m SF Bldg.	Marketing of new regional industrial site	2018-09-01
Combine 32 and 35 acre Site Pads (Phase 1)	Developable 67 Acre Site	2021-02-01
Combine 67 acre Industrial Site Pad with 165 acre pad	Create 232 acre regional industrial site	2021-02-01

Results

Data Management and Projection Methodology

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

The projected results entered below are based on an industry standard of 10 jobs created per acre of industrial land and VEC data on average salaries for manufacturing jobs in the region. The RCIDA, in partnership with the CPPDC, will be responsible for data management.

Potential Employment Impact

At full development, what is the potential employment impact at your megasite?

of Businesses at the Megasite

4

of New Jobs at the Megasite

2,320

Average Salary of New Jobs

\$34,360.00

Tobacco Region Revitalization Commission Grant Application - Megasite
 \$ of Capital Investment at the Megasite (made by businesses at the megasite)

\$7,000,000.00

Engineering: TRRC \$ Requested

\$0.00

Engineering: Describe the proposed engineering activities

Utility Infrastructure Development

Use the worksheet below to describe access road, rail spur, broadband, electric lines, natural gas, and water/sewer infrastructure construction.

Access Roads		
	TRRC \$ Requested	Feet of Road
Access Road (On-Site)	\$0.00	0
Access Road (Off-Site)	\$0.00	0

Broadband		
	TRRC \$ Requested	Feet of Broadband
Broadband (On-Site)	\$0.00	0
Broadband (Off-Site)	\$0.00	0

Electric Lines			
	TRRC \$ Requested	Feet of Electric Line	Increased Capacity (kv per day)
Electric Line (On-Site)	\$0.00	0	0
Electric Line (Off-Site)	\$0.00	0	0

Natural Gas			
	TRRC \$ Requested	Feet of Natural Gas Line	Increased Capacity (kv per day)
Natural Gas (On-Site)	\$0.00	0	0
Natural Gas (Off-Site)	\$0.00	0	0

Tobacco Region Revitalization Commission Grant Application - Megasite

Rail Spur		
	TRRC \$ Requested	Feet of Rail Spur
Rail Spur (On-Site)	\$0.00	0
Rail Spur (Off-Site)	\$0.00	0

Water/Sewer Lines and Water/Sewer Treatment Plants, Pump Stations, Etc.			
	TRRC \$ Requested	Feet of Water/Sewer Line	Increased Capacity (cubic feet per day)
Water Line (On-Site)	\$0.00	0	0
Water Line (Off-Site)	\$0.00	0	0
Sewer Line (On-Site)	\$0.00	0	0
Sewer Line (Off-Site)	\$0.00	0	0
Water Treatment (On-Site)	\$0.00	0	0
Water Treatment (Off-Site)	\$0.00	0	0
Sewer Treatment (On-Site)	\$0.00	0	0
Sewer Treatment (Off-Site)	\$0.00	0	0

Wetlands and Stream Mitigation

Please answer the following questions about wetlands and stream mitigation

TRRC \$ Requested

\$0.00

On-Site Acres of Wetlands to be Mitigated

0.00

On-Site Linear Feet of Streams to be Mitigated

0.00

Financial Information

Required Budget Documents

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

Budget Worksheet

You are required to submit a budget worksheet summarizing your funding source information.

Please click [here](#) to download the Budget Worksheet and instructions.

Tobacco Region Revitalization Commission Grant Application - Megasite

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

Budget Worksheet.pdf

Construction Budget and Timeline

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

Indicate items supported by the Commission versus matching funds.

20171219160642452.pdf

Commitment of Matching Funds from Each Funding Source

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

20171219151248836.pdf

Other Budget Documents

Other: TRRC \$ Requested

Other: Describe other proposed activities and uses of funds.

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

Yes

Next Steps & Certification

Next Steps

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

Certifications

I have read the Program Guidelines and Current Funding Policies for Grant Awards. This application complies with said

Tobacco Region Revitalization Commission Grant Application - Megasite

guidelines and policies and if funding is awarded, this organization agrees to comply with said policies and guidelines.

Yes

Certification Name

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

Ernie McFaddin

Certification Statement

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

DOC043.pdf

Committee Recommendation

TICRC Grant Application Budget Worksheet

Rev 3/10/14

I. Financial Information: Sources of Funds

a. Requested TICRC Funds: Enter a Description and Budget Line Item Amounts in the blue highlighted boxes below. *Please include specific, detailed budget narrative as an additional attachment in your application.*

Requested TICRC Fund Details								
1. Description (Enter a brief description of how the TICRC funds will be used)	TICRC funds will be used for site acquisition (\$1,650,000) and site backfilling (\$1,250,000), for a total TICRC request							
2. Budget Line Item	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
3. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)					\$2,900,000.00			
4. Total Amount (Self Totalling)								\$2,900,000.00

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

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)	Federal							
2. Agency/Locality Name (Enter the name the source of the matching funds)	AML Pilot Project Funding							
3. Status (Select the status of the matching funds from the dropdown list)	Application Approved							
4. Description (Enter a brief description of how the matching funds will be used)	Development of a 132 acres of developable industrial land.							
5. Budget Line Item Description	Personal Services	Contractual Services	Supplies & Materials	Continuous Charges	Property & Improvements	Equipment	Plant & Improvements	Transfer Payments
6. Budget Line Item Amount (Enter the amount of funds allocated to each budget line)					\$3,200,000.00			
7. Total Amount (Self Totalling)								\$3,200,000.00

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

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

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

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

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

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

Financial Information - Budgeted Expenditures

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

Proposed Project Budget								
	TICRC Funds	State	Local	Federal	Private	In-Kind	Total Matching Funds	Grand Total
Personal Services (Salaries, Wages, Benefits, etc.)								
Contractual Services (A&E, Legal, Printing, Media, Travel, Training, etc.)								
Supplies & Materials (Engineering Supplies, Building & Mechanical Repair, Supplies, Educational Supplies, etc.)								
Continuous Charges (Insurance, Lease Payments, Utilities, etc.)								
Property & Improvements (Land Acquisition, Site Development, etc.)	\$2,900,000.00			\$3,200,000.00			\$3,200,000.00	\$6,100,000.00
Equipment (Computers, Phones, Furniture, Fixtures, Manufacturing Equipment, etc.)								
Plant & Improvements (Building Acquisition, Construction/Renovation, etc.)								
Transfer Payments (Scholarships, Incentives, etc.)								
Total Costs:	\$2,900,000.00			\$3,200,000.00			\$3,200,000.00	\$6,100,000.00

Tobacco Region Revitalization Commission

Financial Summary
As of October 31, 2017

TICR Fund Balance	\$	212,045,570
Restricted Endowment Balance	\$	75,976,441
Unrestricted Endowment Balance	\$	168,665,766
Restricted Endowment Accum Interest	\$	3,180,679
Unrestricted Endowment Accum Interest	\$	2,950,964
Total Cash & Investments	\$	462,819,419

Cash Disbursements - this month	\$	4,485,856
Cash Disbursements - FYTD	\$	11,015,720

Fund	Unobligated Balances
Special Projects	\$ 4,169,919
Education	\$ 11,114,064
TROF (Deal Closing)	\$ 12,975,146
Southside Economic Development	\$ 26,045,531
Southwest Economic Development	\$ 612,692
Agribusiness	\$ 2,485,312
R&D	\$ 19,994,123
Megapark	\$ 5,629,558
Megasite Prospect Incentive Fund	\$ 6,040,000
VRA Loan Program set-aside	\$ 4,942,188
Administration	\$ 1,629,032
TICRC General Account	\$ 1,001,653
FY2018 Budget Balance	\$ 96,639,218

Tobacco Region Revitalization Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance (Cash Basis)
As of October 31, 2017

	<u>FY18 Budget</u>	<u>YTD Actual</u>	<u>YTD Actual as % of Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Other Revenue (all cost codes)	\$ -	\$ 1,660,141.63		1,660,141.63
Total Revenues	\$ -	\$ 1,660,141.63		\$ 1,660,141.63
<u>EXPENDITURES</u>				
Administration				
Salaries, Fringe Benefits, Per Diems	\$ 1,403,700	\$ 548,504.97	39.1%	\$ 855,195.03
Contractual Services	372,200	140,323.88	37.7%	231,876.12
Supplies and Materials	6,500	1,952.06	30.0%	4,547.94
Transfer Payments	313,000	-	0.0%	313,000.00
Rent, Insurance, Agency Svc Charges	151,100	33,585.57	22.2%	117,514.43
Furniture and Equipment	5,700	7,784.21	136.6%	(2,084.21)
Subtotal - Administration	\$ 2,252,200	\$ 732,150.69	32.5%	\$ 1,520,049.31
Community Revitalization	21,100,000	10,283,569.44		
Total Expenditures	\$ 23,352,200	\$ 11,015,720.13		
Revenues Over (Under) Expenditures	\$ (23,352,200)	\$ (9,355,578.50)		
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (endowment and earnings)	\$ 21,677,415	\$ -		
CASH BALANCE, June 30, 2017	\$ 221,401,149	\$ 221,401,148.61		
CASH BALANCE, October 31, 2017	<u>\$ 219,726,364</u>	<u>\$ 212,045,570.11</u>		

VIRGINIA TOBACCO COMMISSION COMMITTEES

(as of 1/3/18)

AGRIBUSINESS COMMITTEE

Gayle Barts
James Edmunds
Basil Gooden
Frank Harris
Robert Mills
Cecil Shell
Robert Spiers, *Chair*
William Stanley
Richard Sutherland
Tommy Wright

BUSINESS SUPPORT COMMITTEE

Danny Marshall

EDUCATION COMMITTEE

Gayle Barts
Ben Chafin
Becky Coleman
Frank Harris
Frank Ruff, *Chair*
Cecil Shell
William Stanley
Tommy Wright

EXECUTIVE COMMITTEE

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

PERFORMANCE MEASURE COMMITTEE

Danny Marshall
Ed Owens

RESEARCH AND DEVELOPMENT COMMITTEE

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

R&D SUBCOMMITTEE (VETTING)

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

SOUTHSIDE ECONOMIC DEVELOPMENT COMMITTEE

Gayle Barts
Kathy Byron
James Edmunds
Todd Haymore
Danny Marshall
Robert Mills
Ed Owens, *Vice-Chair*
Frank Ruff
William Stanley
Tommy Wright, *Chair*

SOUTHWEST ECONOMIC DEVELOPMENT COMMITTEE

Bill Carrico, *Chair*
Ben Chafin
Becky Coleman
Todd Haymore
Will Morefield
Richard Sutherland

STRATEGIC PLANNING COMMITTEE

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

SPECIAL PROJECTS COMMITTEE

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

TROF COMMITTEE

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