

TABLE OF CONTENTS

MEETING LOGISTICS

Itinerary	1
Flight Itinerary	2
Directions & Accommodations	3
Commission Agenda	4

EDUCATION COMMITTEE

Agenda	5
Summaries & Staff Recommendations	6

EXECUTIVE COMMITTEE

Agenda	37
2015 Tobacco Legislation Excerpt.....	38
TROF Policy Resolution & Policy.....	39

R&D COMMITTEE

Summaries & Committee Recommendations	43
---	----

SOUTHSIDE ECONOMIC DEVELOPMENT COMMITTEE

Summaries & Committee Recommendations	52
---	----

SOUTHWEST ECONOMIC DEVELOPMENT COMMITTEE

Agenda	63
Heartwood Application	64

SPECIAL PROJECTS COMMITTEE

Megasite Summaries & Committee Recommendations.....	97
Other Business (Extensions & Healthcare Proposal).....	103

TROF COMMITTEE

Agenda	106
Halifax County Incentive Estimate	107
Tazewell County Incentive Estimate.....	108
Wise County Incentive Estimates (Original Approval & New Ask)	109

ADMINISTRATIVE

FY 2016 Proposed Budget	111
TROF Awards (as of 1/7/15).....	112
TICR Committee Member Breakdown	114



ITINERARY

Wednesday, May 20, 2015

12:25 pm Shuttle pickup @ Airport to Hotel
FLIGHT PASSENGERS ARRIVE

1:00 pm - 3:00 pm COMMISSIONERS w/ OVERNIGHT ACCOMMODATIONS
Hotel Check-In at Hampton Inn, 50 Hampton Drive, Martinsville

1:30 pm Shuttle pickup @ Hampton Inn Hotel to NCI

2:00 pm **EDUCATION** Committee Meeting
New College Institute (NCI)

3:30 pm Shuttle pickup @ Hampton Inn Hotel to NCI

4:00 pm **TROF** Committee Meeting
New College Institute (NCI)

4:30 pm **EXECUTIVE** Committee Meeting
New College Institute (NCI)

6:00 pm Shuttle pickup @ Hampton Inn Hotel to Natural History Museum (reception)
6:15 pm Shuttle pickup @ NCI to Museum

6:30 – 8:30 pm RECEPTION
VA Museum of Natural History, 210 Starling Avenue, Martinsville

7:30 pm Shuttle pickup @ Museum to Hampton Inn Hotel
8:15 pm Shuttle pickup @ Museum to Hampton Inn Hotel
9:00 pm Shuttle pickup @ Museum to Hampton Inn Hotel

Thursday, May 21, 2015

* HOTEL CHECK-OUT BEFORE YOUR MEETINGS*

6:00 am – 10:00 am continental breakfast @ Hotel

8:00 am Shuttle pickup @ Hampton Inn Hotel to NCI
light breakfast items/break service
New College Institute (NCI)

8:30 am **SOUTHWEST ECODEV** Committee Meeting
New College Institute (NCI)

8:45 am Shuttle pickup @ Hampton Inn Hotel to NCI

9:00 am **TOUR** of New College Institute (NCI)

10:00 am **COMMISSION** Meeting
New College Institute (NCI)

11:15 am buffet lunch @ NCI

11:45 am Shuttle pickup @ NCI to Airport
FLIGHT PASSENGERS DEPART



FLIGHT ITINERARY

Richmond Passengers:

Barnard
Kim
Rasnick
Spiers
Stephenson

Abingdon Passengers:

Montgomery
Redwine
Reynolds

WEDNESDAY, 5/20/15

Leave RIC at **10:30 am** (please arrive at least 15 minutes prior to departure)

Arrive in AB 11:25 am

Leave AB **12:00 noon** (please arrive at least 15 minutes prior to departure)

Arrive in MTV 12:25 pm

(box lunches will be provided on the plane)

THURSDAY, 5/21/15

Leave MTV 12:00 noon

Arrive in AB 12:25 pm

Leave AB 1:00 pm

Arrive in RIC 1:50 pm

RIC: Va Dept of Aviation
5702 Gulfstream Road
Richmond, VA 23250
804-236-3639

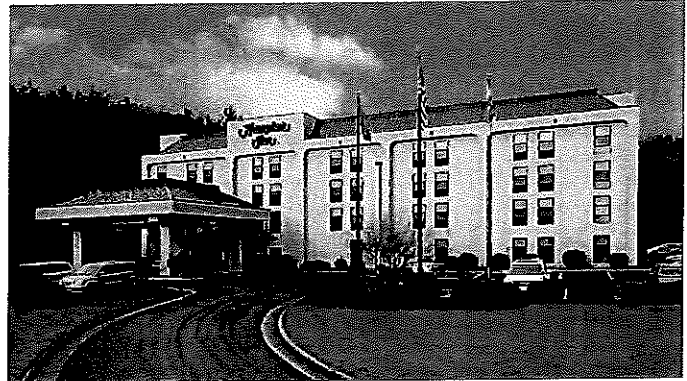
VJI: Virginia Highlands
1821 Lee Highway
Abingdon, VA 24210
276-628-6030

GROUND TRANSPORTATION to and from Hampton Inn/airport provided by the Charis Transportaion 276-638-0499. A van will be waiting to transport all of you at once.



DIRECTIONS & ACCOMMODATIONS

Barnard	Rasnick
Bringman	Redwine
Cannon	Reynolds
Carrico	Richardson
Coleman	Ruff
Harris	Shell
Kilgore	Spiers
Kim	Stamper
Montgomery	Stephenson
Morefield	Sutherland
Moss	Walker
Patterson	Williams
Pfohl	Wright



Hampton Inn

Once you've arrived at our Martinsville, Virginia hotel, you'll find great amenities waiting for you in your room. We offer free WiFi in each guest room, along with a business center, fitness center and pool. When you're ready turn in, enjoy our comfiest amenity yet, our clean and fresh Hampton bed®. Also available: Audio/Visual Equipment Rental, Fax, Cribs, Beverage Area, Complimentary Breakfast Area, Coin Laundry, Electric Service, Elevators, Laundry/Valet Service, Safety Deposit Box

TO HOTEL:

50 Hampton Drive, Martinsville, VA 276-647-4700

Located on US 220 Business, 3 miles south of US 220 Bypass from Roanoke OR 6 miles north of US 220 Bypass from Greensboro. From East or West US 58 to US 220 Business then north 4 miles.



FROM HOTEL TO NCI (meeting location):

191 Fayette Street, Martinsville, VA

Turn right out of Hotel onto Virginia Ave/US 220, slight left on West Church St, left on Moss St, destination on the left.

FROM HOTEL TO MUSEUM (reception):

210 Starling Avenue, Martinsville, VA

Turn right out of NCI onto Moss Street, left on W. Church St, then right on Starling Dr. Destination will be on left.





COMMISSION AGENDA

Thursday
May 21, 2015 @ 10:00am
New College Institute
Martinsville, VA

Welcome and Call to Order	<i>The Honorable Terry G. Kilgore, Chairman</i>
Call of the Roll	<i>Tim Pfohl, Interim Executive Director</i>
Approval of <u>1/13/15</u> minutes	<i>(published on website)</i>
Education	<i>The Honorable Frank Ruff, Chairman</i>
R & D Committee	<i>The Honorable Bill Carrico, Member</i>
Southside Economic Development Committee	<i>The Honorable Tommy Wright, Chairman</i>
Southwest Economic Development Committee	<i>The Honorable David Redwine, Chairman</i>
Special Projects Committee	<i>The Honorable Danny Marshall, Chairman</i>
TROF Committee	<i>The Honorable Danny Marshall, Member</i>
Executive Committee	<i>The Honorable Frank Ruff, Vice-Chairman</i>
Public Comments	
Adjourn	



EDUCATION COMMITTEE AGENDA

Wednesday
May 20, 2015 @ 2:00pm
New College Institute
Martinsville, VA

Welcome and Call to Order

The Honorable Frank M. Ruff, Chairman

Call of the Roll

Tim Pfohl, Interim Executive Director

Approval of the 9/4/14 Minutes

(published on website)

**Grant Applications and
Staff Recommendations**

Tim Pfohl, Interim Executive Director

Public Comments

Adjournment

FY15 Competitive Education

Summaries and Staff Recommendations –May 2015

The Commission received twenty proposals for FY15 Competitive Education grants by the announced due date of March 25th. The requests seek \$6.97 million dollars. The Education Committee will meet on May 20th in Martinsville to consider these proposals and make funding recommendations to be acted on by the Commission on May 21.

Req #	Organization Name	Project Title	Request Amount	Staff Rec
3026	Bluefield College	Science Center Addition Architectural Design Phase	\$37,500	\$37,500
3030	CAWS, Inc.	CAWSTECH: A construction skills training project	\$140,000	\$0
3023	Central Virginia Community College Educational Foundation Inc	Modernization of STEM-H Labs	\$115,408	\$115,408
3028	County of Franklin	Southside Race to GED/NEDP Grant	\$80,000	\$80,000
3019	Danville Community College	Dimensional Metrology Career Pathways	\$585,155	\$390,155
3017	Integrative Centers for Science and Medicine	Martinsville Medical School Construction	\$1,945,000	\$0
3014	John Tyler Community College	2015/2016 Tobacco Region Scholarship Program	\$65,282	\$65,282
3018	Lynchburg College	Physician Assistant Medicine Program	\$296,968	\$0
3027	Mountain Empire Community College Foundation	MECC Healthcare Simulation Access	\$428,141	\$370,000
3020	Patrick Henry Community College	STEM and Advanced Manufacturing Training Facility	\$600,000	\$600,000
3024	Southside Virginia Community College Foundation, Inc.	Implement a Physical Therapist Assistant Program	\$275,000	\$275,000
3015	Southwest Virginia Community College	Advanced Manufacturing AAS Degree Program	\$87,890	\$87,890
3016	The Southwest Virginia Alliance for Manufacturing, Inc.	Employer Training Collaborative (ETC)	\$879,899	\$200,000
3021	The University of Virginia's College at Wise Foundation	Nursing Lab Simulation Mannequins	\$123,732	\$123,732

3012	Virginia Early Childhood Foundation	Southside School and Workforce Readiness Project	\$497,800	\$110,000
2849	Virginia Foundation for Community College Education	High School Career Coach Program - Advanced Manufacturing Specialization	\$490,000	\$490,000
3029	Virginia Highlands Community College Educational Foundation	Green-Energy Water Pumping System: Student Project	\$28,559	\$0
3025	Virginia Western Community College	BioLink: Biology Labs in Franklin County	\$99,966	\$99,966
3022	VirginiaFIRST	Growing the STEM Pipeline in Southside Schools	\$60,000	\$0
3013	Wytheville Community College Educational Foundation	VHCC & WCC at Summit Center for Higher EDU Project	\$130,120	\$130,120

Total (20 Requests/15 Recommendations)	\$6,966,420	\$3,175,053
Balance available before/after recommendations	\$3,196,467	\$21,414

Bluefield College

Science Center Addition Architectural Design Phase (#3026)

\$37,500 Requested

Project Description Provided by Applicant:

Executive Summary: Bluefield College is working to answer the workforce demands of more STEM-H degrees. The Science Center, the largest academic building at the College is home to all of its STEM-H programs. To expand and receive accreditation for new STEM-H programs a third floor addition must be designed and constructed for the Science Center. Commission funding will be utilized to engage William Huber to complete architectural design and construction documents for the third floor addition. The third floor addition is necessary for the national accreditation for the College's new Masters of Nursing Program.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? No program is within an hour's drive of the Bluefield College's proposed Master of Nursing with a concentration in Family Nurse Practitioner (FNP). The closest program similar to the Bluefield College (BC) FNP is King University located in Bristol, Tennessee. The BC FNP is a hybrid of on-line and on-site learning that will allow for flexibility in the student's schedule. The King University program meets each week on campus. The BC FNP program is focused on recruiting Virginia students who can qualify for Virginia Tuition Assistance Grant and BC's tuition is \$120 less credit/hour than King.

What are the pre-requisite requirements for entry into your program? Pre-requisites are currently being established for the Bluefield College Proposed Masters of Nursing with Family Nurse Practitioners.

What resources are required to make the proposed program successful? The third floor addition of the Science Center is essential for the national accreditation by the Commission on Collegiate Nursing Education of the Masters of Family Nurse Practitioners program. This facility must be completed by 2017 when the Commission on Collegiate Nursing Education makes its site visit to Bluefield College. To ensure that the addition is completed by this date the detailed architectural and engineering documents by be completed by Fall 2015 to be used to finalize the bidding funding for the third floor addition.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

Graduates of the BC program will possess a Masters in Nursing (MSN) with Family Nurse Practitioner concentration to educate baccalaureate registered nurses to fulfill the role of a dedicated d completed health care provider responsible for managing the care of families in primary care. The program will be based on the American Association of Colleges of Nursing (AACN) Essentials of Masters Education and the Commission on Collegiate Nursing Education. BC is conservatively projecting 15 graduates annually. This number of annual graduates has the potential to be much higher.

What is the need in your regional area for graduates of the proposed program? There were 681 job openings advertised online in Virginia for Nurse Practitioners on March 23, 2015. The desired salary range in the workforce system for Nurse Practitioners in Virginia on March 23, 2015 is \$80,000 - \$94,999. The employers with the highest openings advertised: CVS Health(37), Bon Secours Health System, Inc.(29), Job2Web CPC Feed HJN(24), UnitedHealth Group, Inc.(23), Sentara Healthcare(19), University of Virginia Health System(16), Inova Health System(16), VCU Health System(14), Mountain States Health Alliance(14), and UVA Physicians Group(12).

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? Bluefield College anticipates eventually submitting a second grant request to the Commission for financial assist with the construction and equipping of the third floor addition of the College's Science Center. This request will not exceed \$1.1 million dollars.

Staff Comments and Recommendation: This request to complete architectural design and construction documents for a third floor addition to the College's Science Center will allow the applicant to finalize the bidding funding necessary to complete the renovation by its goal of 2017. The created space will house the future Masters of Family Nurse Practitioners program and is critical to receiving national accreditation. The Commission has previously supported the creation of a BSN program for Bluefield and the application indicates that 75% of students enrolled in that program are from Southwest Virginia. It is assumed that many of those graduates would be interested in continuing their education in the FNP program which will enroll 15 students annually. Matching funds are committed from the College and the Thompson Charitable Foundation. The application indicates that a future request "not to exceed \$1.1 million dollars will likely be submitted to the Commission to fund approximately 50% of the anticipated cost to construct and equip the third floor. A request this size is likely to be quite challenging for the Committee to accommodate. The applicant should note that an award for this phase of the project does not indicate a commitment of future funding for the project. The operating budget provided with the application shows that by year 4 the MNP program will net income \$344,000 to \$373,000 annually indicating that financing may be a possibility for construction. **Staff recommends award of \$37,500.**

CAWS, Inc.

CAWSTECH: A construction skills training project (#3030)

\$140,000 Requested

Project Description Provided by Applicant:

Executive Summary: CAWSTECH is a construction craft training project that utilizes the National Center for Construction Education and Research Training model. The mandatory course is Construction Craft laborer 1 and 2. Students completing this course and passing the performance and written assessments will receive two nationally accredited portable and stackable certificates. Upon completion of this two-level course trainees will qualify for entry level positions in construction and/or maintenance as a laborer or helper with a median salary of \$13-\$15.00 dollars/hour. Training includes case management.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? The closest programs are in Alta Vista and Richmond, both are more than an hours drive. Technical training is provided but not with NCCER certification. We will succeed by providing NCCER, classroom and hands-on training that is needed in this area.

What are the pre-requisite requirements for entry into your program? No pre-requisite training is needed. They student must be at least 15 years old and have a desire to gain construction skills training.

What resources are required to make the proposed program successful? A building, lab equipment, certified NCCER employees, construction training supplies and operating funds.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

We will collaborate with the local community college for any student who does not have a GED. Attainment of a CRC is a training requirement. Craft/laborer certification will be offered. Ninety students will be enrolled annually with a 70% success rate.

What is the need in your regional area for graduates of the proposed program? The private employer review and feasibility study and the needs assessment are included in the business plan that will be aimed at being submitted by April 1, 2015. The delay is because this is being developed by the Longwood Small Business Development Center in Halifax County.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? Yes. Future funding requests will be used training cost. We anticipate requesting 55K.

Staff Comments and Recommendation: CAWS (acronym for Caring Arms Will Support) was formed by founder Cheryl Ann Wilson-Sprinkle in 2008 and obtained IRS 501 C3 tax-exempt status in 2011. It currently operates programs to assist seniors in preparing for re-entry to the job market (according to its Facebook page, it has served 276 seniors with assistance writing resumes, interviewing etc.). Its IRS filings show a \$180k annual budget and a service area of 13 counties in Southern VA. Funds are primarily requested for personnel (project administration and instructor(s)), plus supplies, contractual and continuous charges. CAWS representatives met with TICR staff a year ago in the hope of obtaining the former St. Paul's College campus to conduct this training. The proposed site is now a church property in Lawrenceville, although no information is provided on the lease terms of the property. The application indicates 30 unduplicated students receiving 170 credentials in the first year of operation. While the applicant indicates the national NCCER curriculum will be used, there is no evidence provided of an employment demand study, no letters from employers who would hire graduates, no information on costs to construct an adequate training space, and the business plan lacks an operating budget. All matching funds are in-kind or not yet committed. The application indicates

future funding requests will be submitted. Staff questions why this need cannot be met by the community college serving the region, and the long-term ability of this relatively small non-profit to deliver and sustain this type of program without reliance on continuous grant funding. **Staff recommends no further action on this proposal.**

Central Virginia Community College Educational Foundation Inc
Modernization of STEM-H Labs (#3023)
\$115,408 Requested

Project Description Provided by Applicant:

Executive Summary: Increased enrollment of students expected to pursue a new Associate of Science (AS) degree coupled with the influx of new students pursuing STEM-H career programs, notably in Pre-Nursing, is creating a critical need for more and improved science laboratory space at CVCC. Equipment, including microscopes, objective lenses, and other specialized equipment is needed for biology labs, an anatomy & physiology lab, a chemistry lab, physics lab and a new genetics lab. These upgraded labs are key to producing more 2-year STEM-H degrees and 1-year certificates.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? Similar programs exist at Virginia Western Community College (52.8 miles), Piedmont Virginia Community College (72.8 miles) and Patrick Henry Community College (75.4 miles).

What are the pre-requisite requirements for entry into your program? In addition to the admission requirements established for the College, entry into the STEM-H programs requires proficiency in language and mathematics skills. These requirements are met by taking the Virginia Placement Test prior to admission.

What resources are required to make the proposed program successful? CVCC has all the resources in place to make the proposed program successful. The room alterations proposed are in existing facilities. The Facilities Department is available to make the physical modifications. Once the labs are completed and ready for classes, CVCC has the needed science professors on staff to teach the courses and run the labs. The proposal is in line with the CVCC operations plan.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

The credentials students will work for in the program include an Associate in Science (AS) degree (which will replace the existing Associate in Arts & Sciences degree), and STEM-H career programs including an Associate of Applied Science (AAS) degree in Medical Laboratory Technology, and Career Studies Certificates in Pre-Nursing I/II. Enrollment in the AS program will soon exceed 500 and graduate 100 annually and Pre-Nursing I/II will see enrollment grow to over 100 with 50 or more graduates annually.

What is the need in your regional area for graduates of the proposed program? Most graduates proposed program who receive a Career Studies Certificate in pre-nursing become employees of Centra Health (through their College of Nursing). Centra projects a need for 1500 new employees over the next decade to accommodate their growth and replace retirees. In addition to Lynchburg, they have added hospital operations in Farmville and Bedford, a new ambulatory center and emergency room in Gretna, and will soon break ground on an ambulatory center in Danville. In addition, they have acquired a number of primary care practices in our area.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: CVCC has provided a detailed equipment list and construction budget to support cost estimates for TICR and the required 1:1 match. The majority of grant funds are requested for replacement and purchasing of new equipment for the science labs at the CVCC main campus (\$73,229) for their Associates in Science degree program. Grant funds are also allocated to renovation costs for converting a prep area into a 4th biology laboratory for the main CVCC campus (\$30,000) and for equipment and materials for a new chemistry lab at the Bedford Center (\$12,179). As noted in the application CVCC is replacing/renaming the existing Associates in Arts & Science degree, to an Associate in Science degree. CVCC explained that changes to the program primarily relating to transferability of credits to 4-year universities, are expected to result in increased enrollment and + 12 new net associate degrees annually (an increase from 43 to 54). The project also supports CVCC's pre-nursing program which is offered in partnership with, and is a pre-requisite for the Associate Degree in Nursing offered through Centra Health's College of Nursing. Outcomes for this area are projected to result in a net increase of + 36 career studies certificates in pre-nursing (an increase from 9 to 45). The status of Matching funds from state and private funding sources are identified as "application intended" and CVCC recognizes the need to provide for the required match in order for TICR funding to be released. **Staff recommends award of \$115,408, contingent on disbursement of grant funds for no more than 50% of eligible project expenses.**

County of Franklin

Southside Race to GED/NEDP Grant (#3028)

\$80,000 Requested

Project Description Provided by Applicant:

Executive Summary: The Franklin Center for Advanced Learning and Enterprise/VA Workforce Center and Southside Virginia Community College jointly request \$30,000 to market GED testing in twenty-three Southside Virginia localities to help families move (a) out of poverty, (b) into jobs, and (c) toward self-sufficiency. Scholarships totaling \$50,000 will be provided to adults 18 years or older who pass an Official Practice Test with a score of 150 or better (\$30.00 per test or \$120 per complete battery) or (\$10.00 per retest). The total request is \$80,000 for a project of \$160,000.

Have you received prior commission funding for this project? If so, please list the grant(s)

Yes: 2400, 2679

Does a similar program exist within an hour's drive? Programs exist in the Southside Region and most are accessible within an hour's drive. The NEDP is located only in Henry County and will soon locate in Franklin County. There are only six NED programs in the state. This will succeed as this program assists with students who may have earning challenges that prevent them from mastering the GED program. Funding to support scholarships will overcome the barrier of test fee expenses (\$120) from students who are either unemployed or underemployed.

What are the pre-requisite requirements for entry into your program? Students must be 18 years of age with a desire to earn a high school credential (NEDP) or a GED. They must pass an Official GED Assessment with a score of 150 or higher before a scholarship can be earned.

Recipients are expected to attend class to receive instruction in subjects that are not at a test-ready level. Providers are located in the 23 Southside counties/cities. The initial plan for marketing dollars includes \$30,000 for billboards, yard signs, media ads, and social media boosts over the duration of the grant with targeted seasonal and special event promotions.

What resources are required to make the proposed program successful? To ensure success, sites need to be located within 30 minutes of driving time for students due to limited personal funds/methods involving transportation. Access to GED Prep software and teacher instruction is an

integral part of the new GED/NEDP tests as they are now online. \$80,000 of TIC funding will provide scholarships for GED/NEDP testing while supplies, software, and instruction will be provided by partners in the amount of \$160,000.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

Students will work toward a GED or National External Diploma, and possibly a Career Readiness Certificate, depending upon which program they are enrolled in and funding availability. We hope to see a 25% increase in credentialing above the past year's average of the 23 counties/cities.

What is the need in your regional area for graduates of the proposed program? PlyGem in Franklin County announced plans to hire 100 within the next few months. TelVista in Danville has plans to employ 300 people, all of which will need high school diplomas or GED's. Starting wages for both employers is in the range of \$10 per hour. Advance Auto in the Emporia/Greenville area (Colonial Heights location) will be hiring multiple positions at various levels of leadership and a range of wages from minimum wage to \$50,000, based on experience.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? Yes, the test fees continue to be a challenge for most students due to unemployment/underemployment situations. Based on response to this opportunity, future requests should remain within the \$80,000 range with either slightly more or less.

Staff Comments and Recommendation: Grant funds are requested to directly support priority outcome measures and strategies for the Commission's Education program for regional programs to increase educational achievement as reflected by degree completion in GED attainment. The Commission previously awarded two grants at \$75,000 each for a total of \$150,000 to support the *Southside Virginia Race to GED Pilot Project* which was targeted to 13-localities. Prior to the Education program deadline, staff received an inquiry from the Adult Continuing Education of Central Virginia inquiring about how individuals from their service area including Appomattox, Bedford, and Campbell Counties could benefit from the Commission's grants supporting GED completion. This group was put in touch with the Franklin Center, who has sponsored the pilot program since September 2011, and from that and other conversations the Franklin Center expressed an interest in expanding this program to include all Southside localities. The current request expands the scope of the previously supported program from the 13-locality pilot to include all 23-localities in the Southside area of the tobacco region. Grant funds will be used to support costs for marketing materials and for participant test fees for the GED or National External Diplomas Program (NEDP) both of which are accepted adult secondary programs in the Commonwealth. Participants are required to pass an official practice test in order to be eligible for grant funds to support test fees. The project is expected to support test fees for as many as 400 individuals; and with an estimated 80% pass rate is expected to result in 320 new credentials for GED/NEDP. The applicant has agreed that if this proposal is awarded funding, that the balance remaining in the currently active GED grant (TICR #2679) following submission of eligible expenses for reimbursement, would be de-obligated and returned to the Commission so that there would be only one open grant to support this initiative. **Staff recommends award of \$80,000.**

Danville Community College
Dimensional Metrology Career Pathways (#3019)
\$585,155 Requested

Project Description Provided by Applicant:

Executive Summary: Danville Community College (DCC) plans to develop and implement a Dimensional Metrology Career Pathway certification and degree program to provide workers the technical skills needed to work as Quality Control (QC) Technicians in advanced manufacturing jobs. The metrology skills addressed in this project will serve as the QC counterpart to precision machining technology work and its attendant job functions; however, the fundamental skill sets taught in this program will have application to a wide range of advanced manufacturing sectors beyond machining.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? There are no similar programs within an hour's drive. The program does not exist nearby because it includes a specialized set of job skills that traditionally have been taught by advanced manufacturing companies through on-the-job training. DCC's program will succeed because there is a documented industry demand for such training, as employers are dissatisfied with the work slowdowns and training costs that the current OJT system results in. Attached supporting letters from industry and trade organizations confirm the shortage of these skills and the assurance of program success.

What are the pre-requisite requirements for entry into your program? Dimensional Metrology Career Pathways targets entry of students directly out of high school, as well as incumbent workers. The program has an open door policy, with coursework starting at the rudimentary skill level. Dual enrollment options in local high schools enable students to enter the program at DCC (upon high school graduation) with up to one year of credits toward the Dimensional Metrology AAS degree.

What resources are required to make the proposed program successful? This \$1,958,452 project includes \$1,373,297 in matching funds, and requests \$585,155 from the TIC. Resource needs start with state-funded capital improvements to DCC's Business & Engineering Technologies building (\$800K of which will go toward development/upfitting of Dimensional Metrology lab space). Equipment costs of \$679,452 include a \$315,155 request to the TIC. Personnel include the Program Director (DCC assumes funding) and program instructor (2 years of start-up salary requested). Finally, another \$120,000 is requested to develop a national certification.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually? DCC students will work toward Associate of Applied Science degrees (40 students per year in program – 20 in first year of study + 20 in second year of study) and/or standard certificates or accelerated certificates (20 students per year). Local high school students will work toward dual enrollment certificates (40 students per year in program – 20 as high school juniors + 20 as high school seniors). High school graduates can apply their dual enrollment coursework toward an AAS degree, thus accelerating the time it takes them to earn a college degree.

What is the need in your regional area for graduates of the proposed program? Nearly all advanced manufacturing and machining companies have a need for employees with metrology skills. In our region, Babcock & Wilcox (starting salary of approx. \$50,000) has 41 current openings, plus annual hiring needs of 8 to 12. Piedmont Precision Machining identifies the need for 5 metrologists per year. Master Gage & Tool, another 3 per year. Goodyear and Brown Machining also have identified a need for skilled metrology specialists.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: This request is to support a new *Associate of Applied Science Technical Studies—Dimensional Metrology* degree offering. DCC is also partnering with the National Institute for Metalworking Skills (NIMS), a nationally recognized credentialing organization in advanced manufacturing, to develop an entry-level industry certification for a metrology/quality technician training program. DCC formed a Dimensional Metrology Career Pathway Industry Working Group in 2014, to initiate the process for development of the national certification, which is currently proposed as a NIMS Level 1 Nondestructive Testing and Dimensional Metrology skills certification. In follow-up meetings from a 2013 study of Danville area industries needing advanced manufacturing workers, DCC identified critical skills shortages in specialized jobs with the most often sited need being in the field of metrology. DCC is working closely with industry on developing the coursework and equipment needs for the new Associates Degree program. Employer letters indicating specific hiring needs were provided by Babcock & Wilcox, Piedmont Precision Machine Co, Master Gage and Tools, and North American Mold Technology. TICR funding is requested for equipping the dimensional metrology lab area and workstations (\$315,155), personnel for one instructor over two-years during the program start-up period (\$150,000) and contractual services for costs to develop the NIMS certification (\$120,000). Matching funds include \$424K for new equipment funded by the Danville Regional Foundation and donated equipment from Master Gage & Tool and Babcock & Wilcock; as well as \$800K match from state funding already under contract for renovations to the Business Engineering & Industry Technology building on the DCC's main campus which is where the new Dimensional Metrology lab and all equipment included in this proposal will be located; and \$96K match for personnel time contributions to support curriculum development and program implementation. DCC is projecting 20 students to enroll in each of the two years of the program (40 students annually); and estimates awarding 18 new associate degrees annually. As noted, the TICR funding request includes \$120,000 for the NIMS certification. DCC has clarified that they plan to contract with a consult through NIMS to facilitate efforts for regional and national working groups to develop the proposed NIMS certification including validation meetings across the U.S. and conducting national industry validation surveys. While staff recognizes the leadership role DCC is providing and the value for having the NIMS national certification available, given the benefit of this certification extending nationally beyond the tobacco region and the related expected future revenues that would accrue to DCC for its role in the development, this appears to be more appropriate to be financed by DCC, its Foundation, or from other funding sources. **Staff recommends award of \$390,155, to support the \$315,155 of equipment costs and \$75,000 for one-year of the personnel costs for the new instructor.**

Integrative Centers for Science and Medicine Martinsville Medical School Construction (#3017) \$1,945,000 Requested

Project Description Provided by Applicant:

Executive Summary: 47% of this request is for renovation of the Shackelford Medical Education Building which will house Basic Sciences for the first and second year classes of Henricopolis School of Medicine. 53% of the request is for purchase and renovation of two buildings on a nine-acre site near Memorial Hospital to serve as the medical school's clinical campus for third and fourth year classes.

Have you received prior commission funding for this project? If so, please list the grant(s)

Yes: #2994 (in part)

Does a similar program exist within an hour's drive? Yes. Virginia Tech Carilion School of

Medicine is located in Roanoke, 55 miles to the northwest of Martinsville. VTC serves southwest Virginia whereas CHSM will be the only M.D. school serving Southside Virginia.

What are the pre-requisite requirements for entry into your program? Applicants to the M.D. program are required to have completed all premedical courses at the undergraduate level, and usually a Bachelors degree as well. CHSM will also consider for admission graduates who have completed all premedical courses from Patrick Henry Community College with an Associates Degree of Arts & Sciences, Medical Sciences Specialization.

What resources are required to make the proposed program successful? \$3.0 million will be invested by the CHSM benefit corporation for capital equipment to complete classrooms and laboratories to be renovated in this project. \$10 million is the investment from CHSM benefit corporation that will fund all faculty and staff for the medical school, which will lease the renovated buildings from ICSM.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually? Graduates from CHSM after four years of study will receive the M.D. degree. They will then enter residency to complete clinical training for eventual licensure to practice medicine. Class size is projected to be 320 students per year.

What is the need in your regional area for graduates of the proposed program? Nationally there is an estimated need for 90,000 physicians, particularly primary care physicians, to serve small urban and rural communities. Southern Virginia is below the national norm in physicians per population and has the lowest healthcare measures in the state. A medical school attracts more physicians to locate to an area, increases quality of care, and provides economic benefits as well.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: This 501 C3 non-profit applicant submitted a Special Projects request in 2014 for this project, to assist the creation of the for-profit College of Henricopolis medical school, and was passed by. Subsequently, a TROF grant of \$800k was approved to the City of Martinsville to assist the project, with commitments to create 111 jobs and \$3M of taxable private capital investment (ICSM will lease the educational sites to the College). The College is provisionally certified by SCHEV to provide instruction in Virginia, and is diligently pursuing the accreditation process from the national Liaison Committee for Medical Education (LCME). Both ICSM and the College appear to have experienced board membership, however: this request seeks nearly two-thirds of the available funds in this grant cycle; 99% of the \$5.9M in matching funds are not yet committed (including new Market Tax Credits, Harvest Foundation and a General Assembly appropriation), and: several steps must still be accomplished to achieve LCME accreditation. TCR staff readily acknowledges the need for additional doctors in this medically-underserved region, as well as the vision and commitment of the qualified ICSM leadership. However, the Commission already has a significant investment in the project, and until such time as additional progress toward LCME accreditation is demonstrated, it appears the other funding sources needed to open the College are waiting to commit to the project. The likelihood of LCME accreditation is extremely difficult to predict, and given that full or even partial funding of this request would come at the cost of other competing proposals that have committed matching funds and are closer to implementation **Staff recommends no further action on this proposal.**

John Tyler Community College
2015/2016 Tobacco Region Scholarship Program (#3014)
\$65,282 Requested

Project Description Provided by Applicant:

Executive Summary: John Tyler Community College is requesting scholarship support for students from the Amelia, Dinwiddie and Sussex counties who participate in the college's precision machining program, welding program and other STEM-H programs. The goals of the 2015/2016 John Tyler Community College Tobacco Region Scholarship Program are to improve educational opportunities for students, increase the number of students who graduate with associate degrees in STEM-H disciplines, increase the number who transfer to four-year institutions, and increase the number of employees with technical skills in Virginia.

Have you received prior commission funding for this project? If so, please list the grant(s)
Yes: 2397, 2876

Does a similar program exist within an hour's drive? STEM-H: VCU, ODU, VSU, VUU, Longwood, William & Mary, Richard Bland, Southside Virginia C.C., Rappahannock C.C., Reynolds C.C. This is program dependent. JTCC offers a wide variety of programs at reasonable tuition. Many programs offer industry credentials.

Precision Machining: JTCC program is NIMS certified and takes a student from manual machining to computer numerical control machining. The program at Southside CC is new and is not NIMS certified and only offers manual machining.

Welding: JTCC's program is AWS certified and the instructor is a certified welding inspector and educator

What are the pre-requisite requirements for entry into your program? For most programs: Students must meet JTCC admission requirements, complete placement tests (or equivalent) in English and math. Scores are used for placement. Developmental and prerequisite courses are available. Specific admission requirements for CTE courses include threshold scores in VPT, Compass, Asset, SAT, and PSAT.

What resources are required to make the proposed program successful? Equipment, instructors, student engagement and support, operating expenses, relationships with school systems, industry support expressed through the Technical Advisory Committees.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

Transfer A.S. degrees
Associate of Applied Science Degrees
Certificates

Career Studies Certificates
Precision Machining Concurrent Program
Welding Concurrent Program

What is the need in your regional area for graduates of the proposed program?

Precision Machining: Currently 10 posted job openings in Richmond area. Starting wages for graduates for no experience is \$12 - \$15 per hour. Currently hiring or projected to hire in next six months: Jewett Machine, Showbest Fixture Corp., Mahle-Behr, Coesia, Enclos.

Welding Concurrent Program: Currently 18 posted job openings in area. Starting wages for graduates with no experience is \$12 - \$15 per hour. Currently Hiring: ALSTOM, Capital Boiler Works, Chicago Bridge @ Iron Co., Westminster Canterbury, Master Halco.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? Future scholarship requests will continue to assist students from Dinwiddie, Amelia and Sussex counties expand their employment opportunities through JTCC

programs.

Staff Comments and Recommendation: Due to turnover in staffing at the JTCC Foundation, it did not apply during the community college financial aid round in Fall 2014. This request would comply with the guidelines and objectives of that latter funding cycle, by serving students from tobacco region counties during the 2015-16 school year. It would continue the focus of previous TCR funding to JTCCF which has assisted students in STEM-H and precision machining, and adds welding to the uses of funds. Outcomes are shown as 141 STEM-H students, 16 in machining and 12 in welding. Matching funds are shown as \$297k. JTCC's approach to serving these "concurrent" students is an exemplary partnership of the local school districts covering costs to transport students to the JTCC campus, and the College providing training in state of the art science, welding and machining labs with certified instructors (as opposed to having separate labs and instructors in each of the participating school districts). This proposal satisfies all requirements of the community college financial aid cycle, and will result in credentials for a significant number of students in the three tobacco counties. **Staff recommends award of \$65,282.**

Lynchburg College

Lynchburg College Physician Assistant Medicine Pro (#3018)

\$296,968 Requested

Project Description Provided by Applicant:

Executive Summary: Lynchburg College has established a new Physician Assistant Medicine Program in order to meet critical workforce needs for healthcare professionals in the region, state and nation. This new educational program will begin in May 2015 with an inaugural class of 25 students and will increase in size to 40 new students annually by 2020. Students will complete 27 months of intensive coursework and clinical experiences leading to the Master of Physician Assistant Medicine degree. Lynchburg's innovative program will be the second in the nation to also offer the doctoral level.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? Jefferson College of Health Sciences in Roanoke offers a physician assistant program and is 53 miles or 1 hour and 15 minutes from Lynchburg College. Lynchburg's program will be successful as it emphasizes critical thinking, problem-based learning approaches within courses and ample simulation clinical experiences. Additionally, Lynchburg's program offers the doctorate level degree to students who successfully complete the Master's level program and want to progress to an area of specialty.

What are the pre-requisite requirements for entry into your program? Applicants to Lynchburg College's Physician Assistant Medicine Program must have completed a bachelor's degree with a minimum GPA of 3.0, 31 semester credit hours in the sciences, additional coursework in psychology, mathematics, and the social sciences, 500 hours of direct patient care, and 8 hours of shadowing a licensed physician assistant. Patient care may consist of work or volunteer experience including but not limited to: athletic trainer, paramedic or EMT, military medic, nurse, nurse aide, laboratory technician, radiology technician, respiratory therapist, and surgical technician.

What resources are required to make the proposed program successful? The success of Lynchburg College's Physician Assistant Medicine Program during the start-up phase requires personnel costs for ten credentialed faculty members; extensive facility renovations for laboratories, classrooms, offices and library space, medical training equipment; contractual services for recruiting students and clinical arrangements; and other necessary resources in order to meet accreditation

standards and ensure a state-of-the-art program.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

Graduates of the Lynchburg College's Physician Assistant Medicine Program will receive a Master of Physician Assistant Medicine degree and may then opt to continue for additional nine months of advanced study to earn the Doctor of Physician Assistant Medicine degree. Graduates are eligible to become licensed through the Physician Assistant National Certifying Exam. The first graduating class in 2017 will consist of 25 students, and subsequent graduating classes will grow to 30 students and eventually 40 graduates annually by 2022.

What is the need in your regional area for graduates of the proposed program? Healthcare providers such as Centra Health have indicated a need for additional physician assistants to serve in their network facilities in the Tobacco Region. The national average salary is \$90,930, or \$43.72 per hour. Approximately 17 percent of physician assistants practice in rural areas compared to 10 percent of physicians. The Bureau of Labor Statistics projects a 38 percent increased need nationally for physician assistants through 2022.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: The application provides very solid evidence of need for physician assistants, the College's commitment to begin the program within the next month, and commitment of \$7.2M of matching funds (of which \$3.5M is capital costs and equipment, while \$3.5M is operating capital). The program received provisional accreditation in April and will begin classes June 1. The College makes a valid and reasonable argument that 15% of the now-enrolled first cohort are tobacco region residents, and eight of the 15 clinical sites are in tobacco localities (generally within an area stretching from Bedford to Farmville to Danville). It appears reasonable to estimate that 4-6 tobacco region residents could graduate from the program annually and return to the clinical sites to practice. That annual number can be multiplied by the number of years of useful life for the requested equipment (presumably ten or more) to extrapolate perhaps 50 or more new highly-paid PAs in the tobacco region within a decade. However, the LU campus is located outside the tobacco region, albeit by a mere three or four miles, and Staff is aware that other colleges/universities located further outside the tobacco region can make arguments similar to Lynchburg's regarding tobacco region student enrollment numbers. The Committee recognized that fact when it voted to provide \$200k of support for the College's nursing simulation lab in the City of Lynchburg five years ago. In this case, however, this program will be implemented with or without Commission support, and in light of that, and despite a very well-scoring proposal, Staff feels a precedent-setting decision to again award funds outside the region is not warranted. **Staff recommends no further action on this proposal.**

Mountain Empire Community College Foundation
MECC Healthcare Simulation Access (#3027)
\$428,141 Requested

Project Description Provided by Applicant:

Executive Summary: Mountain Empire Community College (MECC) requests grant funds to support the creation of a healthcare simulation laboratory to benefit students in its Registered Nursing, Licensed Practical Nursing, Respiratory Therapy, and other allied health programs.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? Virginia Highlands (VHCC) and

Southwest Virginia (SWCC) are partners with MECC in the Virginia Appalachian TriCollege Nursing Program (VATNP). Although both institutions are more than an hour drive from MECC, we should note that both operate simulation labs. The original plan for the three colleges to share VHCC's simulation lab has proven not to be practicable due to scheduling demands and traveling distances for students. Simulation facilities at each campus will broaden access to simulation training, not just for nursing students, but for students in MECC's other healthcare programs.

What are the pre-requisite requirements for entry into your program? The proposed simulation lab will primarily serve three of MECC's healthcare programs: Registered Nursing (RN); Licensed Practical Nursing (LPN); and Respiratory Therapy (RT). Each of these programs accepts students for limited slots via a competitive application process. Pre-requisites for admission include MECC's basic admission requirements (at least a high school diploma or GED), as well as program-specific requirements, which may include specific high school coursework; minimum GPA in high school or other higher education institutions; college placement tests; and/or other requirements.

What resources are required to make the proposed program successful? The simulation lab requires physical space, equipment, supplies, and personnel. Space has been identified, and plans are being developed to make necessary modifications. Renovations will include demolition of interior walls, construction of new interior walls; relocation of utilities, and replacement/repair of flooring and ceiling materials. IT support is needed to assist with set-up, networking, and maintenance of system components. Adjunct faculty support is needed to free-up full time faculty to oversee the design of simulation scenarios; scheduling; and maintenance of equipment.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually? MECC's simulation lab will primarily serve three programs, each of which allows students to work toward both academic and industry-based credentials. LPN students may earn a Certificate from MECC, and may sit for the NCLEX-PN certification. RN students may earn an Associate Degree from MECC, and may sit for the NCLEX-RN certification. Respiratory Therapy Students may work toward an Associate Degree, and may sit for three different professional certifications (NBRC, CRT, RRT). Together, these three programs enroll a total of 165 new students and graduate approximately 80 students each year.

What is the need in your regional area for graduates of the proposed program? Healthcare is one of the largest private industry sectors in the region. Employers include hospitals, nursing homes, home health care agencies, and physicians' practices. In February 2015, there were 31 advertised openings for LPNs, 62 for RNs, and 2 for RTs. A major regional health system plans to hire 1,000 RNs, 150 LPNs, and 50 RTs in the next 5 years alone. Typical entry-level wages are competitive at \$12/hour for LPNs; \$17/hour for RTs; and \$19/hour for RNs. Clearly articulated pathways also provide graduates with opportunities for advancement and increased earning potential.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: Funds are requested for the creation of a healthcare simulation laboratory on the campus of Mountain Empire Community College. This lab, which will serve students in the RN, LPN, and Respiratory Therapy, and other allied health programs is consistent with similar projects funded at other schools across the Tobacco Region although the request amount seems somewhat higher compared to those awards. Because this lab will serve existing programs there does not appear to be any net increase in enrollment numbers or in the number of credentials awarded annually. However, it will eliminate the need for MECC students having to drive more than an hour each way to use the Tri-College nursing simulation lab at VA Highlands in Abingdon. Despite the lack of increase there is a strong argument that simulation laboratories such as

the one proposed at MECC are a critical resource for nursing programs. MECC provides evidence of 94 job openings during February 2015 in its service area for program graduates. Commission funds are requested for renovation of the space in Robb Hall (\$83k), purchase of simulation mannequins and related software (\$168k), contractual (\$126k) and various supplies and materials for the lab (\$50k). \$111,559 of matching funds is committed from a U.S. Department of Education/ Title III grant to be used to support technology and software components of the lab. Additional funds are committed from MECC for salary support and supplies and materials, and from Carl Perkins federal funding for professional development costs. The MECC Foundation will continue efforts to raise the remaining \$170,571 of matching funds needed for the remaining mannequin purchases. Because the simulation laboratory is not due to open until the fall semester of 2016, a reduced award would enable substantial completion of the lab, while allowing MECC the opportunity to apply to next year's Competitive Education round once the additional match has been raised. **Staff recommends award of \$370,000.**

Patrick Henry Community College
STEM and Advanced Manufacturing Training Facility (#3020)
\$600,000 Requested

Project Description Provided by Applicant:

Executive Summary: In order to expand capacity and introduce new programs in high-demand industrial sectors, PHCC requests funds to complete renovation to the recently purchased advanced manufacturing and workforce training facility that will equip the facility for educational use. Tobacco Commission funds are requested to create lab space within the facility. The facility will house STEM, Advanced Manufacturing, and Workforce Development programs.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? Although Danville Community College also offers some of the similar advanced manufacturing programs, for many of our students, transportation to this far more distant training is limiting. New College Institute also offers advanced manufacturing training programs, however, PHCC is a partner and our portion of Center of Excellence training with NCI will occur in the proposed facility. Many of our programs are unique to our service area, because of the rural nature of our region, including Motorsports, which is the only program like it in the state.

What are the pre-requisite requirements for entry into your program? All incoming PHCC students must successfully pass the Virginia Placement Tests in order to enroll in any program in the new facility. Should students not receive the required score on the VPT, they must first successfully complete developmental classes before enrolling in on-level college classes.

What resources are required to make the proposed program successful? While the majority of this renovation project will be funded through state funds allocated for this purpose, the estimated cost of the project to make the facility usable for educational purposes and ADA compliant currently exceeds funding. Therefore, PHCC requests funding from the Tobacco Commission to cover the costs of creating lab space within the training facility and that will allow the renovation project to proceed as planned.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually? Multiple programs, degrees, and certifications will be housed in the new facility: General Engineering Technology, Industrial Electronics Technology, Computer Aided Drafting & Design, Industrial Controls, Industrial Maintenance Electronics, Residential/Commercial/Industrial Electrician, Siemens Mechatronics Level 1 and Level 11, Cisco Network Certification, Siemens Variable

Frequency Drive Certification, Siemens Programmable Logic Controller System Certification, Motorsports, and Autosports. We anticipate a total of 348 students and 189 degrees/certificates in the first year of operation.

What is the need in your regional area for graduates of the proposed program? Regional estimates project a large growth in STEM and advanced manufacturing in the area in the coming years. The Boston Consulting Group projects demand for additional manufacturing workers will reach 6,840 by 2017. Current supply indicates that there will be a gap of 1,045 jobs left unfilled by 2017. Eastman Chemical Company has announced an additional 25 new jobs at a competitive starting wage.

Additionally, multiple local employers anticipate ongoing success and growth in the coming years, with more openings anticipated by the time the new facility is ready to welcome students in 2017.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: Grant funds will be used toward construction costs for development of five laboratories for the areas of Engineering, Motor Control, Instrumentation, Automation, and Mechatronics at PHCC's new STEM and Workforce Development training facility. The new facility will be housed at the facility previously known as the Virginia Motorsports Technology Center located in the Patriot Centre Industrial Park within 2 miles of the main college campus. The complex of two buildings was purchased with ~ \$5.44 million of state funding. There remains a \$2.85 million balance in an \$8.7 million General Assembly appropriation to support development of this facility, which is being provided as match for this proposal and will be used toward the total construction costs. This project directly supports the Commission's expressed priority consideration for proposals that provide for advanced manufacturing workforce training. Detailed schematics on proposed plans for the facility were submitted to BCOM in March 2015; and the college is currently on schedule to advertise for construction bids by the end of this year, with a schedule for substantial completion of renovations by November 2016. The project supports net new annual outcomes of + 36 Associates Degrees in General Engineering Technology, Industrial Electronics Technology, and Motorsports Technology; + 97 Career Studies Certificates in Industrial Controls, Industrial Maintenance Electronics, Residential/Commercial/Industrial Electronics, Autosports, and Advanced File Technology; and + 22 postsecondary and industry certifications primarily in areas of mechatronics through Siemens. **Staff recommends award of \$600,000.**

Southside Virginia Community College Foundation, Inc.

Implement a Physical Therapist Assistant Program (#3024)

\$275,000 Requested

Project Description Provided by Applicant:

Executive Summary: Southside Virginia Community College (SVCC) requests funding to implement a Five-Semester (2-Year) Physical Therapist Assistant program. Graduates will receive an Associate of Applied Science Degree. Examples of work environments for Physical Therapist Assistants (PTA) include: hospitals, long-term care and skilled care facilities, rehabilitation centers, and home health care agencies.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? The closest program is located in Richmond and 70 miles from the Estes Community Center. It is a private provider. Southside Virginia Community College (SVCC) covers a service area of 4,200 square miles and serves 4 hospitals and many nursing homes. SVCC's program will succeed because of the job opportunities and wages paid.

What are the pre-requisite requirements for entry into your program? All general education co-requisites for the PTA program and any developmental coursework will be taken through the community college.

What resources are required to make the proposed program successful?

*Physical space to include a open lab, classroom and faculty office

*Lab equipment and supplies

*Full-time 12-month faculty member

*Designated support time (Dean of Nursing and Health Technology and Administrative Support

*Accreditation Support

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

This program is a 5 semester (Two-Year) Program that leads to an Associate of Applied Science in Physical Therapist Assistant with a major in Physical Therapist Assistant. Enrollment will be open to 15 students annually. We expect for 12 to receive the degree.

What is the need in your regional area for graduates of the proposed program? VEC Online Advertised Jobs data 2013 shows 850 job openings for physical and occupational therapy assistants in Workforce Investment Regions 8 (South Central) and 15 (Crater). With this data in mind, SVCC did a telephone survey with 18 facilities in our service area to inquire regarding employment of PTA's, interest in providing clinical opportunities for students, open positions and salary ranges. One agency did not hire PTA's and the other 17 employed PTA's, and all agencies have or had recent openings. Hourly salaries ranged from \$20 to \$40.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: Commission funds will be used toward start-up equipping, faculty salaries, and costs associated with accreditation and marketing of a new Physical Therapist Assistant Program to be offered at the Estes Community Center in Chase City. County Health Rankings from the Robert Wood Johnson Foundation identified all ten Southside counties in the SsVCC service area as medically underserved areas and eight of the ten counties as high priority target areas. This data combined with U.S. Bureau of Labor Statistics data identifying Physical Therapy Assistant as a high manpower need area in Virginia with 41 percent faster than average growth rate forecast were used in the college's assessment of the need for this program. Letters from Sentara, The Woodland, and Heritage Hall expressed levels of staffing for physical therapy assistant positions at their facilities and the challenges they have faced in filling these positions. SsVCC will limit the number enrolled in the program to 15 students, in order to meet the clinical requirements and for placement of students; with a new cohort of 15 students expected to start annually. The operating budget for this program at \$179K exceeds projected tuition revenues, however, the college has committed to sustaining the program once established and expressed that some staffing can be shared with the nursing program; and also emphasized that the program will be taking advantage of existing science lab facilities already in place at the Estes Center. Of the 15 students enrolled annually the college estimates that 12 students will complete the program to receive their Associate of Applied Science Degree. **Staff recommends award of \$275,000.**

Southwest Virginia Community College
SWCC Advanced Manufacturing AAS Degree Program (#3015)
\$87,890 Requested

Project Description Provided by Applicant:

Executive Summary: Major goal of project is to fill training need expressed by local employers. Development of an AAS Technical Studies degree in Advanced Manufacturing will fill this gap in training that employers have identified. The second goal is establishment of a clearly defined, articulated career pathway to allow student progression with multiple entry/exit points to meet local employer needs. The third goal includes integration of Manufacturing Technician Level I (MT1) into developed curriculum. Program will prepare students for both entry-level technical positions and career growth.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? A similar program does not exist within an hour's drive or anywhere in region to our knowledge. The training will create a uniquely qualified, extremely employable graduate who is trained and certified in multiple job areas, including welding, industrial mechanics, programming robotics, etc.

What are the pre-requisite requirements for entry into your program? General college admissions criteria. No special pre-requisites.

What resources are required to make the proposed program successful? Class consumable supplies/matls.; equipment needed for classroom instruction in CNC operations: HAAS Minimill (CNC Vertical Mill), HAAS Toolroom Lathe (CNC Lathe); coordinate measuring machine (CMM); and HAAS CNC Control Simulator Module Dual Machine. Examples of other resources: wax for CNC machines, metal for welding and machine shop, etc. In addition, staff time to coordinate, instructor time to develop and teach courses, and funds to cover MT1 authorization and certification process and tests for students pursuing NIMS, AWS, SIEMENS, and/or MT1 certifications.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually? Students will earn 65-69 cr/hr AAS degree in Adv. Manufacturing. New certification will also be offered for Manufacturing Technician 1 (MT1). Students will have opportunity to earn other nationally recognized credentials in precision machining (NIMS), welding (AWS), mechatronics (SIEMENS) or have completed previously in one or more area by completing respective career studies certifications. Additional certifications include Career Readiness Cert., First Aid, CPR & AED, OSHA10, OSHA30, and Microsoft Digital Literacy. Project 28 students enroll; 16 receive credentials.

What is the need in your regional area for graduates of the proposed program? Local adv. manuf. employers have indicated current & future needs for trained technical workers as existing workforce approaches retirement age. Needs involve wide range of skill-sets & includes welders, fabricators, machinists, CNC programmers/operators, engineers, & electricians. The consensus was if a student completed a basic technical skills program providing introductory knowledge to multiple skills & processes, they would be employable upon completion of the program. Employers expressed the need for graduates who have demonstrated the ability to learn & perform technical skills.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: This request for one time equipment needs will help with the development of the AAS technical Studies degree in Advanced Manufacturing. No similar program currently exists in the area and the applicant provided compelling employer reviews and letters from employers to document the demand for employees with the skill sets developed through this degree. In addition to the AAS degree focusing on a combination of precision machining, welding,

and mechatronics, participants will have the opportunity to earn nationally recognized certifications from NIMS, MT1, AWS, and Siemens Mechatronics Level 1 certification. The AAS degree and related career studies certificates can be completed in half the time typically needed to complete a program because of a unique and flexible combination of course formats. Cohorts will begin annually with approximately 28 participants but could start more frequently if needed. The 28 participants can earn 164 cumulative credentials. Matching funds are committed from the Department of Labor, SWCC, and the SWCC Foundation. **Staff recommends award of \$87,890.**

**The Southwest Virginia Alliance for Manufacturing, Inc.
Employer Training Collaborative (ETC) (#3016)
\$879,899 Requested**

Project Description Provided by Applicant:

Executive Summary: The Southwest Virginia Alliance for Manufacturing, Inc (SVAM) is developing an Employer Training Collaborative (ETC) designed to accomplish its goal "to close the skill gap for regional manufacturers by aligning educational and workforce training resources with the most pressing demands of area manufacturing." The ETC, made up of manufacturers, training partners, etc., will identify and coordinate 3 types of training: New employer, ongoing training, training sharing. TIC dollars will provide reimbursements to employers. ETC and SVAM will work to create a sustainable training program.

Have you received prior commission funding for this project? If so, please list the grant(s)
Yes: 2111

Does a similar program exist within an hour's drive? NO. SVAM is the only incorporated nonprofit organization of manufacturers in southwest Virginia. SVAM offers inclusive programming and services to members and nonmembers alike. The program will succeed because, when manufacturers have ownership of a program, they will participate and contribute to ensure its success - as evidenced by the Center of Excellence. Their on-demand training is absolutely essential for their continuing success.

What are the pre-requisite requirements for entry into your program? Employers will identify the participants for all training and will screen them for the appropriate skill levels based on the needs of their companies. If pre-requisite or remedial training is required, it will fall to the employer to facilitate that as best suits need.

What resources are required to make the proposed program successful? Training sites will include the SVAM office site, CoE campuses, and employer shops. If manufacturing equipment is required, training will occur at a manufacturing site or at CoEs. A laptop computer and projector are required for on-the-road marketing purposes. Staffing for program operations will be provided by a SVAM Program Coordinator, SVAM-CoE, and volunteers. There will be a combination of in-house, vendor and contract training.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?
For new employee and ongoing training, industry-specific credentials will be earned. For instance, OSHA certification, NCRC Platinum, AWS, ASME, NIMS. For training sharing, certification will also be training specific, i.e., MT1, Lean certification. Employer surveys indicate 257 new jobs plus 380 ongoing training slots. The training sharing will be limited to about 20 each event for a total of 80. Total number of training units = 717.

What is the need in your regional area for graduates of the proposed program? New employee training:

Unnamed Company - 157 @ \$30,000+ with new training cost @ \$5798+ per employee; OSHA, Hazardous Comm, Braze...

Utility Trailer - 30 @ \$16-\$21 - OSHA, new machinery, LEAN;

Steel Fab - 30 @ \$14 - ASME welding certification, OSHA, Six Sigma.

Universal Fibers - 20 @ \$35,000

General Engineering - 22

Examples of employers needing ongoing training include: General Dynamics, Scholle, TRW, Paramont, Tadano Mantis, Tempur, PBE Group, Ball Corporation

Some Potential Training Sharing participants include: Central Machine Shop, Coalfield Services, American Wood Fibers

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? Yes. This Collaborative will establish an organized approach to on-demand training in the Region and the Training Sharing component will reduce overall costs. However, sustainability may take a three-year period to reach. It is anticipated that the second year request might be \$300,000 and perhaps a third year request of \$150,000 to facilitate a phased-in sustainable Collaborative.

Staff Comments and Recommendation: Commission funds are requested for a one-year period to provide up to 50% reimbursement to area industries for costs associated with new employee training, and ongoing technical and topical training for existing employees. The request seeks 27% of the Competitive Education Program's total budget for this fiscal year, and the application indicates that future requests in the amounts of \$300,000 for the second year and \$150,000 for the third year are anticipated. These trainings will be provided from numerous public and private sources (e.g. VA Manufacturers Association, community colleges etc.) and will cover a variety of topics ranging from occupational skills such as welding, machining, and lean manufacturing to soft skills such as communication, technical writing, teamwork, and professionalism. Specific training programs and credentials include VMA's MT1 certification, National Career Readiness Certificates, OSHA-10 and -30, ISO and Human Resources Manager certification. Of these specific areas, the largest numbers of credentials will be obtained in welding and machining, which develops the foundational skills pipeline that will feed into SVAM's efforts as the designated advanced manufacturing Center of Excellence approved by the Commission in September 2014. Conversely, Staff suggests that certain training sought in this request, such as soft skills, OSHA, ISO and HR certification – while they have merit and value - are arguably more so the responsibility of the individuals and the companies, do not align as well with Education program objectives, and should be not be a funding priority within this proposal. Previous grants totaling \$390,000 since 2007 have been awarded to the Smyth-Washington Industrial Facilities Authority and to SVAM for similar training reimbursement programs. It remains somewhat unclear how effectively this would be coordinated with the community colleges' role as the customized workforce training provider for employers in the Commonwealth, and no information was provided for the usage of the Virginia Jobs Investment Program resources committed to assist with the Bristol Compressors expansion, or other workforce training sources such as WIBs (no state training funds are shown in the budget). Although SVAM has strong industry connections to its member companies, and has done a commendable job expanding its membership to include all areas of the Southwest region (from its initial roots in Smyth-Washington), it should be noted that many of the industries that will benefit from the proposed project have received large amounts of support from the previous grants. Supplemental information provided by the applicant shows that 157 of the estimated 257 new employees served under the grant will be at one industry (Bristol Compressors). The cost of training these new Bristol Compressor employees totals \$901,348, with half the amount presumably reimbursed from this grant. The remaining \$400,000 requested in the application is to be spread across the 17 jurisdictions for training needs. Previous Commission grants have disallowed the

reimbursement of training focused on soft skills and required that training be limited to a previously agreed upon list of technical skill subjects. While the proposal requests 50% reimbursement from Commission funds, Staff suggests a more equitable approach is to provide 25% reimbursement to companies that have been supported under previous grants, and up to 33% reimbursement for new companies that have not been reimbursed previously. This would allow Commission funds to serve more companies and workers, and generate more nationally-recognized credentials. **Staff recommends award of \$200,000 for 25-33% reimbursement of training in MT1, NCRC, welding and machining.**

The University of Virginia's College at Wise Foundation
Nursing Lab Simulation Mannequins (#3021)
\$123,732 Requested

Project Description Provided by Applicant:

Executive Summary: Nursing students need the most current, up-to-date equipment on which to practice high acuity scenarios. The University of Virginia's College at Wise's Department of Nursing's current SimMan mannequins (2) are over ten years old. We are unable to update the software in them due to their age, and can only do repairs and updates on the skins and non-software mechanics of them. The new SimMan 3G would allow us to increase the complexity of our scenarios, and give us more leeway in terms of maintenance. They should last 10-12 years.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? Programs do exist within an hour of UVa-Wise at Mountain Empire Community College, Southwest Virginia Community College, and Virginia Highlands Community College. The difference in the nursing program at UVa-Wise is that we offer a 4 year degree in (Bachelor of Science in Nursing).

What are the pre-requisite requirements for entry into your program? As an entering freshman a nursing major must meet the entry requirements for UVa-Wise. Entering their sophomore year they must have a 2.75 GPA and have completed all of their science and general education courses. As a junior and senior they must maintain a 2.5 GPA and not fail any courses.

What resources are required to make the proposed program successful? The sustainability of the nursing program depends on the following:

1. Our ability to recruit the best students from SW Virginia.
2. Our ability to raise the necessary funds that will supplement state funding.
3. Our ability to recruit and retain top nursing faculty.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

The nursing students at UVa-Wise will work towards receiving their Bachelor of Science in Nursing degrees. The College annually graduates between 15-25 nursing students.

What is the need in your regional area for graduates of the proposed program? The need for BSN nursing graduates in SW Virginia is great, especially with the evidence that patients who are cared for by a BSN prepared nurse have a reduced mortality rate. Currently only 9% of the nurses in SW Virginia are BSN prepared compared to 38% statewide. The Commonwealth would like to see this figure be at 80% by 2020. Local employers include Norton Community Hospital, Lonesome Pine, Mountain View, Health Wagon, Dickenson Home Health, Winchester Medical Center, and Bristol Regional.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: This project to replace outdated simulation mannequins at UVA-Wise is consistent with similar requests from other nursing programs in the region. The College's program is unique in that it is the only public 4-year (BSN) program in the Southwest area of the Commission's footprint. While this project does not result in an increase to the 26 degrees awarded annually it is commonly acknowledged that the experience gained by students performing simulations of real life scenarios is critical to the skill level of the graduates and has become a state of the art educational tool. Matching funds are not yet committed but will be used to fund 50% of each of two mannequins. Additional information provided by the College showed that for the current fiscal year \$223,000 was budgeted for equipment replacement. These funds are distributed among 10 academic departments. Due to the significant cost of equipment such as what is requested in this application, the College must rely on external support to accomplish the upgrades. **Staff recommends award of \$123,732 to fund 50% of each of two mannequins.**

Virginia Early Childhood Foundation

Southside School and Workforce Readiness Project (#3012)

\$497,800 Requested

Project Description Provided by Applicant:

Executive Summary: This project will drive long term workforce success by increasing the quality of early learning programs, the credentials of early learning teachers, and the number of children accessing high quality services in all 23 Southside jurisdictions. Strengthened regional Smart Beginnings coordination and leadership will drive a 50% increase in the number of high quality child care programs and a 51% increase in the number of children served in these programs. In addition, 40 early childhood teachers will enroll in college level coursework leading to an early childhood certification.

If you have selected Other as the strategy, please explain how your program supports the Commission's mission and strategic plan. This project focuses on revitalizing 23 localities in Southside, Virginia by providing children and families with the opportunity for quality early childhood education and other supports that will prepare them for future employment and enhanced prosperity over the long term. The outcomes will include increasing the number of child care centers participating in VSQI program and increasing the competencies of child care staff by providing more professional development, in order to improve the quality of care and put children on a path toward life-long workforce contributions to the region.

Have you received prior commission funding for this project? If so, please list the grant(s)

Yes: Grant Number 1697; Grant Number 2404

Does a similar program exist within an hour's drive? This project is unique in the region. However, it will build upon and leverage (not supplant) existing resources, including community colleges offering early childhood coursework, the existing Smart Beginnings partnerships, the federally-funded Virginia Star Quality Initiative, and the new Kellogg Foundation initiative. VECF's goal is to utilize the Tobacco Commission grant to promote more efficient use of existing resources and attract other investments. VECF has secured a \$1.1 million grant from the Kellogg Foundation to support the school and workforce readiness of families in this region.

What are the pre-requisite requirements for entry into your program? While participation in the Virginia Star Quality Initiative is voluntary and free of charge, early learning programs of various types (center, home, church, and school-based) must be in good standing with the regulating body (such as licensing through the Virginia Department of Social Services) and be willing to engage in

quality improvement activities for a sustained period. In order for an early childhood teacher to access the coursework and supports offered through this project, he/she must be employed in an early childhood program that is participating in the Star Quality Initiative.

What resources are required to make the proposed program successful? Project outcomes can result only through the skilled coordination of the regional effort. Grant funds will be used to ensure expertise in the Regional Director, who will be responsible for connecting the necessary partners and resources. While some state and federal funding exists for quality improvement in child care programs and coursework for early learning teachers, grant funds will be used to enhance the accessibility and scope of those services for this region. Funding for information management expertise will enable us to monitor progress, track outcomes and course-correct as needed.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually? Students will likely work toward a Child Development Associate (CDA) or an early childhood development career studies certificate, which are both designed to provide teachers with competencies specific to early childhood. We expect the number of students enrolled in coursework through this project to be 20 in year 1; 30 in year 2; and up to 40 by year 3. Because of the duration of time needed to complete the required coursework, and the particular challenges child care providers' work schedules pose, we project that up to 20 students will have earned their credential by the end of year three.

What is the need in your regional area for graduates of the proposed program? Studies show that teacher competency drives improved outcomes for children. Children from low-income families, like many in this region, often start school without the same preparation as those from higher-income families, placing them at-risk for falling behind. In this region, the majority of early learning providers do not have a significant level of education past high school. With training through the VA Star Quality Initiative and increased professional development, teacher competency and education quality will improve, ensuring greater school readiness for the children in their care.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? If we are showing success in our benchmarks and in our goal of using the TCIRC funding to leverage other investment in the region, we would like to have the option of requesting additional funds to continue the project. Our capacity to provide for the effort, including regional coordination, could then be sustained for Southside, and targeted quality improvement efforts over an additional three years would continue to expand the impact and allow participating teachers to complete coursework to achieve their professional certification.

Staff Comments and Recommendation: The majority of this proposal is to support staffing and operating costs for a non-profit organization whose mission is focused on advancing school readiness; the majority of which does not align well with what the Commission's stated priorities for this program, which are focused on adult education and outcome measures for increasing the number of workforce credentials. The Commission has supported VECF and the early childhood coalitions over six years with \$1.7 million in funding to develop regional partnerships for early childhood development. This request includes \$304,000 in personnel costs primarily for hiring a new position of Southside Regional Director. Staff points out the Commission previously provided funding for Project Officers positions for both the Southside and Southwest areas of the tobacco region under the first grant to VECF, and a Director of Community Investments whose responsibilities were primarily targeted to the tobacco region was supported under the second grant. Grant funds totaling \$14,800 are allocated for support costs for this position including travel, supplies, and equipment; \$69,000 is allocated to Contractual Services for a data and evaluation contractor; and \$110,000 is allocated to Transfer Payments to cover 50% of costs for day care centers participation in the VSQI program and 100% of scholarships for tuition at community colleges. The proposal does not provide clear details

on the existing coalitions and the localities served and the gaps in serving these areas that would be targeted through this proposal. While the VECF identifies \$1.077 million of grant funds from the W.K. Kellogg Foundation as match for this request, the Kellogg grant does not require matching funds, and minimal details are provided for how the Kellogg funds are budgeted (these funds are identified to “be utilized to focus on families in the Southside region by leveraging the Smart Beginnings infrastructure and enhancing current programming”). Staff notes that the VECF has been in existence for ten years and receives funding annually from the General Assembly, for which appropriations appears to be \$1.5 million for FY15 and FY16, suggesting that state resources may be available for VECF to continue to serve the Southside area of the Commonwealth, and to serve as a sustainable long-term source of funding for the requested Southside Regional Director position. Recognizing the value of the Virginia Star Quality Initiative (VSQI) in certifying the quality of child care programs, and the quantifiable measures that would result, supporting this aspect of the request may be a reasonable consideration. Supporting the community college tuition costs for child care workers to receive formal educational training is the one aspect of the request that most closely aligns with the Commission’s outcome measures for this program. Based on information available from VCCS, existing Early Childhood Development/Education programs serving residents in the tobacco region include Associate of Applied Science degrees through DCC, PHCC, VWCC, and JTCC; and Career Studies Certificate programs through SsVCC, DCC, PHCC, VWCC, and JTCC. **Staff recommends award of \$110,000 to support the Transfer Payment project costs for VSQI program participation fees, and to support tuition reimbursement for child care workers who commit to completing a community college associates degree or career studies certificate program, contingent on at least 1:1 match from/for all beneficiaries.**

Virginia Foundation for Community College Education
VCCS High School Career Coaches for Advanced Manufacturing (#2849)
\$490,000 Requested

Project Description Provided by Applicant:

Executive Summary: The VFCCE will partner with 5 colleges to hire and support High School Career Coaches who will receive specialized training on advanced manufacturing and its workforce needs. The coaches will identify, or receive referrals from other coaches who have identified, students with an aptitude for the sophisticated technology skills required by the industry and will promote related careers and assist students to develop an educational path leading to the new Centers of Excellence and beyond. This demonstration project, when proven, could open the door for future specializations in other industries.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? A similar program (career coaches who have specialized knowledge of advanced manufacturing careers) does not exist within an hour’s drive of any of the partner colleges. However, the VCCS’s High School Career Coach Program does operate in each partner college service region and has been proven successful, as described in the attachment. We believe this pilot project will prove the value that coaches with more in-depth knowledge of high demand careers will bring to the high school students they serve.

What are the pre-requisite requirements for entry into your program? There are no pre-requisite skill requirements for participating in this program. However, the placement of career coaches in high schools will result in services provided to students who are attending those high schools in the service region of each of the partner colleges. The coaches will rely on referrals from school personnel, such as guidance counselors and instructors, to identify candidates to receive the

specialized services. The mechanisms of interaction between high school and college personnel have already been proven successful.

What resources are required to make the proposed program successful? The primary resources are High School Career Coaches who will be funded by this grant. Additional resources include industry expertise from subject matter experts to provide content for the training curriculum for the coaches, which will be facilitated by the Virginia Manufacturing Association; instructional design expertise provided by contractors secured by the VCCS; and project management and implementation expertise to drive programmatic outcomes, develop and coordinate coach training, document outcomes at partner colleges, and complete required progress reports, all provided by the VCCS.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually? Each career coach will provide specialized services to 300 high school students annually. The coaches will serve both 11th and 12th grade students. During the grant period, it is unlikely that any of these students will achieve one of the credentials listed under "Credential Information." However, the VCCS will track students served by the coaches and report how many graduate from high school; participate in manufacturing related camps, competitions, or workplace activities; achieve another certification such as a Career Readiness Certificate; and enroll in post-secondary education.

What is the need in your regional area for graduates of the proposed program? VCCS will collaborate with our college partners to provide this information by April 24 for the occupations related to advanced manufacturing.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? If the pilot project proves effective, the VFCCE will most likely request additional funding from the Tobacco Commission to expand the advanced manufacturing specialization concept to the remaining Tobacco Region colleges, continue to develop and implement consistent coach training for advanced manufacturing that potentially results in an official certification for the coaches, and create additional specializations in other high-demand occupations in the region.

Staff Comments and Recommendation: This revised request replaces a much larger proposal that was submitted by VFCCE a year ago during the Centers of Excellence designation cycle. It is intended to put in place for a two-year pilot period the career marketing services – using VCCS's successful career coaching program - that supports development of the foundational level skills training that will ultimately provide students for the advanced manufacturing CoEs. The five colleges participating in this include a full-time employee at each of Danville, Patrick Henry, Southside and Southwest, as well as a part-time employee at Virginia Western (to serve Franklin County only). The majority of funds (\$448k) are requested for transfer payments to the five colleges to hire the advanced manufacturing career coaches, while the remaining funds are requested for travel/training, supplies, marketing materials etc. Matching funds are proposed from VCCS, VFCCE and the five colleges. VFCCE commits to developing and documenting outcome and effectiveness measures, beyond the 2,500+ students who are expected to receive coaching services in the two-year period. Future funding will be determined by effectiveness and state/regional support. This proposal falls under the umbrella of VCCS's Rural Horseshoe Initiative and aligns well with the Commission's advanced manufacturing initiatives, and should boost the pipeline and preparedness of students entering community college programs in welding, machining, industrial maintenance and other manufacturing skill areas. **Staff recommends award of \$490,000.**

Virginia Highlands Community College Educational Foundation
Green-Energy Water Pumping System: Student Project (#3029)
\$28,559 Requested

Project Description Provided by Applicant:

Executive Summary: VHCC and SVHEC are collaborating to offer a student-driven hands-on project for Electricity/Energy Technology, Engineering Science, and Wood Science Production and Design students to conceive, design, manufacture, install, and monitor/trouble-shoot a renewable-energy powered water pumping system on a former tobacco farm now raising livestock. Students will collaborate, develop critical thinking and problem-solving skills, enhance their employability "soft skills", and learn about "all aspects of industry" which will better prepare them for employment in these STEM fields.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? No similar project exists in this region. This highly unique hybrid project, blending engineering, energy, electricity, machining and drafting program areas, combining hydro and solar energy systems, incorporating theory with practical application, and being a service learning project for a local former tobacco farmer, will produce enthusiastic students. The project will be integrated into 4 college courses for sustainability, and the system will serve as a "field laboratory" site for future students.

What are the pre-requisite requirements for entry into your program? Students participating in this project will all be program students at either VHCC or SVHEC, so all will be gaining the needed technical expertise through those courses. This project will be integrated into the standard curriculum in 2 Energy courses and 2 Engineering courses at VHCC.

What resources are required to make the proposed program successful? Faculty overload time for curriculum development (2 faculty, 3 credits each); faculty time for producing the water wheel at SVHEC, CAD time for producing blueprints for waterwheel, CAM machining time and production materials for manufacturing waterwheel, solar system components (panels, racks, inverters, generators, batteries), plumbing components (pipes, couplings, hardware), general supplies (wire, switches), Travel for students to the other site (VHCC to SVHEC and v.v.)

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

VHCC students will be in an AAS degree or Certificate program in Electricity, Energy Technology, or Engineering Science. SVHEC students will be in an AAS degree in Wood Science - Production and Design specialization or a Career Studies Certificate in Product Design and Development. VHCC Energy students can also write for an industrial credential in Solar technician.

What is the need in your regional area for graduates of the proposed program? VHCC faculty have inquired of the regional employers: Appalachian Castings would hire 12-15 program graduates over the next 8-10 years, Eastman Chemical currently has 15 openings for Engineers and Technicians; the SVAM indicated that their members would be hiring 20+ advanced manufacturing technicians, including electricity, over the next several years. All of these positions would pay \$11 - \$16/hour for technicians; \$55,000+ annually for engineers. SVHEC states a demand for adv. manufacturing machinists at \$35,000+ salary, a career representing 15% of all employment in the region.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: This project is a collaboration between the applicant, VHCC, and the Southern Virginia Higher Education Center to conduct a service learning project by installing and maintaining a renewable energy powered water pumping system on two farms located in VHCC service area. Students at the SVHEC in the Product Design and Development program (part

of the Danville Community College Associates in Applied Science Wood Technology program) will conduct the CAD design and CAM fabrication processes for the waterwheel which students in the Electricity, Energy Technology Associates or Certificate program and the Engineering Science Program will conduct the installation and operation of the system. Students from each location will travel to observe the work being done at the other. It is estimated that enrollment in the three programs will increase from a baseline of 107 to 137 and the number of students completing credentials will increase from 48 to 75, however it is difficult to determine that these increases are a direct result of this project. Commission funds will be used to support faculty time at each location, materials to construct the water system, and student travel between locations. While all Commission funds will be spent during the first year of the project, a large portion of the matching funds will not be spent until the second year. Of the total match committed nearly half is in-kind from the SVHEC. Although the application did contain letters of support from industries in the region who stated a need for employees with these certifications there is no evidence that this project experience is relevant for their hiring needs beyond critical thinking/soft skills factors. Ultimately, while this is certainly a modest request, it involves improvements to private properties with public funds, and is an enhancement to existing programs which does not result in a new credential for participants. **Staff recommends no further action on this proposal.**

Virginia Western Community College
BioLink: Biology Labs in Franklin County (#3025)
\$99,966 Requested

Project Description Provided by Applicant:

Executive Summary: Virginia Western Community College will provide Biology 101 and 102 at the Franklin Center to support post-secondary STEM-H education previously unavailable in Franklin County. According to the Bureau of Labor Statistics, STEM jobs have the best opportunities for growth in the future and have wages twice the U.S. average (2014). The highest ranked job openings in Franklin County, as of March 22, 2015, included: #1 Physical Therapists, #3 Speech-Language Pathologists and #5 Nurses (Virginia LMI). Biology classes in Franklin will help to expand the STEM H pipeline in Southside VA.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? VWCC is 24 miles from the Franklin Center and Patrick Henry Community College is 23 miles away; both college's offer Biology 101 and 102. Providing Biology at the Franklin Center will allow Franklin County students to earn critical science credentials early in their STEM-H program. Currently, there are no science courses available at the Franklin Center. Research tells us the more credits a student earns early in their program, the more likely they are to complete and graduate. Early access to Biology will help to extend the STEM-H pipeline from Franklin to local two and four year colleges.

What are the pre-requisite requirements for entry into your program? For all Virginia Western curricular students, a completed official application for admission with social security number and documentation of a diploma from an accredited high school or equivalent is required. Graduates who complete secondary school in a home school setting must provide a graduation date and may be required to provide documentation of coursework. Additionally, placement testing is required of new students who are seeking a degree or entering a program of study.

What resources are required to make the proposed program successful?

Site: Franklin Center classroom. Equipment & Supplies: Biology Lab equipment and supplies for sustaining 101 and 102. See VWCC BioLink itemized budget list.

Man-Power: Biology Faculty to teach 101 and 102.

Operating Funds: Overhead costs to maintain the classroom (heating, electrical etc.) are supported by the Franklin Center. Classroom costs for maintaining the lab including: microscope and hood maintenance, and annual consumables will be covered by Virginia Western Community College.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

Many degree seeking students choose to take Biology 101 and/or 102 as an elective course for transfer to a four-year university. Students who have Biology 101 and/or 102 as a requirement include the following degree programs in the Health Professions: Dental Hygiene, Nursing (RN), Medical Laboratory Technology, Radiation Oncology and Radiography. Degrees in the School of(STEM) which require Biology include: Science, Science/Health Science or Science/Environmental Studies. We anticipate 32 students will take Biology 101 & 102 annually. Approximately 12 will graduate or transfer annually.

What is the need in your regional area for graduates of the proposed program? Within the Western Virginia Workforce Region (III) (no data was available for Franklin County: VA LMI) there is a significant demand for STEM-H professionals as indicated by the following growth occupations:

Occupation/Starting Wage/# of positions open as of March 22, 2015

*Registered Nurses: \$43,485 - 663

*Speech Language Pathologists: \$50,800 - 91

*Physical Therapists: \$54,878 - 75

*Medical & Clinical Laboratory Technicians: \$25,337 - 8

*Physical Therapy Assistants: \$42,677 - 20

Carilion Hospital in Franklin expressed a need for more STEM H professionals in their letter of support.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: In July 2014 Patrick Henry Community College, which previously shared responsibility of serving Franklin County residents with Virginia Western Community College and which had offered daytime college classes at the Franklin Center, announced it would no longer be serving Franklin County. This was announced under a joint agreement with VWCC which would be taking over full responsibility for serving Franklin County residents. An opportunity for VWCC to expand its offering at the Franklin Center and specifically adding the Biology Labs included in this proposal was created when classroom space previously dedicated to PHCC was vacated. VWCC provided Commission staff with a revised project budget that provides in excess of the 1:1 match requirement on the \$99,966 funding request. Primary match contributions include \$44,277 for 37 microscopes and centrifuges, \$44,000 salaries over the three year project period for personnel to deliver biology classes, and a \$24,000 annual increase to the lease agreement with the Franklin Center for the additional classrooms (\$72,000 over the three year project period). VWCC estimates that this proposal will result in an annual increase of 32 students from Franklin County participating in STEM-H programs. Over \$2.3 million of Commission funds was awarded to Franklin County beginning in 2004 to support construction of the Franklin Center to be a central location for adult education. Under a grant to PHCC in 2009 approximately \$20K was provided to support costs for equipping a nursing program at the Franklin Center, with ownership of this equipment having recently been transferred to VWCC. While VWCC is an eligible recipient of the Commission two-year scholarship grants, this request would be the first grant award for equipping of classrooms, which staff supports given their expanded responsibilities and commitment to serving Franklin County. **Staff recommends award of \$99,966.**

VirginiaFIRST

Growing the STEM Pipeline in Southside Schools (#3022)

\$60,000 Requested

Project Description Provided by Applicant:

Executive Summary: The US ranks 52nd in the quality of math and science education. By 2024, the number of STEM jobs in Virginia will have grown by 18% - or nearly double the growth projected for non-STEM employment. It is imperative that strong STEM-based programming be instituted in middle and high schools to help provide today's youth with the competitive skills to supply tomorrow's workforce. VirginiaFIRST will collaborate Southside communities to build sustainable after school programs for children ages 12-18 to build their STEM skills through experiential learning while developing valuable life skills.

If you have selected Other as the strategy, please explain how your program supports the Commission's mission and strategic plan. The initiative supports building human infrastructure through education and training as prerequisites for citizen participation in the global economy. By integrating technology and STEM into structured and sustainable after school programs, VirginiaFIRST will facilitate the process of transforming the Southern and Southwestern regions.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? No. VirginiaFIRST offers more than an episodic STEM experience for youth in Southern VA. No other initiative in the area compares to the length & structure of FIRST STEM-based programs. Long-term project-based learning is the best method for teaching STEM skills. This comprehensive program integrates different technical concepts into an inquiry-based experience that spans the majority of the academic year & educational content areas. This program will succeed because of the staff support to help teams develop a business plan. This plan will help guarantee the program's sustainability.

What are the pre-requisite requirements for entry into your program? There is no pre-requisite requirement for entry into the program. All middle and high school students who are enrolled in schools with participating teams are encouraged to participate.

What resources are required to make the proposed program successful?

Site to build and test team robots, usually no charge at school after hours.

Coaches (2 per team) school faculty to receive a stipend of \$500 each for the season.

Start up funds - FTC teams are \$2,000 per team & include the standard program KOP.

Support - staff & contracted employee \$2083/month who will support teams & provide resources/coaching to develop a business/sustainability plan for each team within the program.

Materials & venue costs for FTC workshops & scrimmages in the Danville area.

Materials & venue costs to launch FRC Off Season event & introduce District Model concept

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

Students will be encouraged to take the necessary courses for admittance to the Academy of Engineering & Technology to receive an Advanced Manufacturing Certificate. The credentials for this program are very STEM-centric & it is anticipated that the first year of this program will produce approximately 5 additional applicants. As youth build their STEM skills, it is anticipated this number will double by 2017. Students will be encouraged to apply to STEM-based 2 & 4 year college programs. Anecdotal evidence points very strongly to FIRST programs influencing youth to pursue these programs.

What is the need in your regional area for graduates of the proposed program? Rolls Royce currently employs @140 individuals & anticipates additional need for local STEM-based workers as the company grows. CIT anticipates the program feeding into existing adult workforce development programs such as Launch Place, IALR, SPTC & GENEDGE. Mid Atlantic Broadband current

average starting salary is \$87K and pulls from the local workforce. They often encounter businesses who are considering relocating who are interested in the number of STEM-based programs in the schools. Donnachaidh anticipates hiring an additional 30 STEM-based professionals over the next 3 years

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? Yes, future funding may be requested in FY17 to help support continued program growth in Southern Virginia. Funding requests would not exceed \$30,000 and would only be applied for if program growth outstrips the organization's capacity in FY16.

Staff Comments and Recommendation: The Commission previously provided a \$76,000 grant to VirginiaFIRST in October 2007 to address the problem of lack of participation by tobacco region schools in the statewide competitions. The Committee declined to fund additional requests from VirginiaFIRST in each of the three following years. The LEGO League and FIRST robotics competitions are well-known and highly successful across Virginia and the country, and TICR staff acknowledges the challenges of maintaining participation among tobacco region school districts. However, no letters of interest from local school districts are provided to demonstrate that the number of participating schools (currently five) can be tripled in one year, as the proposal indicates. While this is certainly a modest one-year request to contract with a regional director and provide stipends and supplies to promote participation by more schools, the applicant has indicated a future request will be submitted, but provides little in the way of a path to sustainability. Matching funds are mostly in-kind and appear to be spent almost entirely outside the tobacco region. Ultimately, as well-regarded as FIRST is in attracting STEM-focused students, the program's experiential learning does not align well with the Commission's Education outcomes of granting academic and workforce credentials that will lead to employment in the way an engineering or science higher education degree would. **Staff recommends no further action on this proposal.**

Wytheville Community College Educational Foundation VHCC & WCC at Summit Center for Higher EDU Project (#3013) \$130,120 Requested

Project Description Provided by Applicant:

Executive Summary: The Summit Center for Higher Education project is a partnership between Wytheville Community College (WCC) and Virginia Highlands Community College (VHCC) to provide affordable higher educational resources to Smyth County citizens by equipping classroom space in a new facility. It will be housed on the second floor of the Wayne C. Henderson School of Appalachian Arts in the renovated 1908 schoolhouse in downtown Marion. WCC and VHCC are entering into a long-term lease agreement for the entire second floor to provide educational opportunities to students in Marion and Smyth County.

Have you received prior commission funding for this project? No

Does a similar program exist within an hour's drive? WCC and VHCC are both about 30 minutes from The Summit Center, and WCC currently has a center in nearby Atkins. This program is different because it provides short commutes for all students in Smyth County. It also brings the pre-engineering program to a central location instead of students commuting to both WCC and VHCC. Having The Summit in Marion provides more classroom space than the Atkins center. Including both colleges at The Summit provides access to public transportation and increases the types/numbers of courses available to students in Marion.

What are the pre-requisite requirements for entry into your program? The Summit Center will

offer general education courses and house the science with a specialization in pre-engineering program, a WCC/VHCC shared program. Anyone who is 18 or older or who has obtained a high school diploma or the equivalent may be admitted to WCC or VHCC. Special consideration is given to others on a case-by-case basis. The colleges' admissions offices are available to assist students in completing applications and submitting necessary information to determine student eligibility. Some of VHCC's and WCC's health programs are selective admission programs.

What resources are required to make the proposed program successful? The recently renovated facility is currently available for use. Through a signed memorandum of understanding, WCC and VHCC plan to provide all necessary staffing for The Summit Center, and both colleges have budgeted operating funds for The Summit Center for the upcoming year and will plan for all subsequent years. Equipment for the facility is being requested partially through both colleges' Equipment Trust Fund and through granting agencies.

What academic or workforce credentials will students work towards achieving in the program? How many students do you expect to enroll and receive credentials annually?

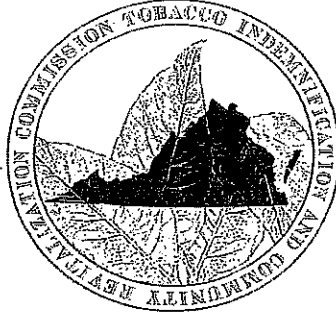
The Summit Center will provide associate degree general education courses, which are a basic foundation for any of the associate degree programs offered at WCC or VHCC. Workforce credentials will be offered as needed and/or requested by local business and industries in the community. WCC and VHCC expect to enroll at least 300 students annually and produce at least 45 credentials (diplomas, certificates, and associate's degree) the first year.

What is the need in your regional area for graduates of the proposed program?

Because students will be able to take basic coursework at the Summit, this project will produce graduates in various degree programs including several degrees in healthcare and machine technology curricula, two regionally sought after credentials. Students may also prepare for transfer programs that can feed into programs at most of the local four-year colleges and universities.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments and Recommendation: The application requests one time funding for equipping the The Summit Center for Higher Education located in the Wayne C. Henderson School of Appalachian Arts in Marion. The location is centrally located between the VHCC and WCC and is also located along a public transportation route making it an excellent location to serve Smyth County and the surrounding area. The applicant provided a solid list of employer letters and a very detailed budget showing the commitment of funds for additional equipment and operating support from the two colleges. Students will take general education coursework at the Summit then complete associate degree programs offered by WCC or VHCC. Workforce credentials will be offered on an as needed/ requested basis by businesses and industries in the area. The colleges estimate an annual enrollment of 300 the first year with 45 credentials awarded. This is a substantial increase from the baseline enrollment of 120 with 18 credentials. **Staff recommends award of \$130,120.**



EXECUTIVE COMMITTEE AGENDA

Wednesday
May 20, 2015 @ 4:30pm
New College Institute
Martinsville, VA

Welcome and Call to Order	<i>Delegate Terry Kilgore, Chairman</i>
Call of the Roll	<i>Tim Pfohl, Interim Executive Director</i>
Approval of the <u>4/13/15</u> Minutes	<i>(published on website)</i>
Budget FY'16	<i>Stephanie Kim, Finance Director</i>
Corpus Invasion	<i>Stephanie Kim, Finance Director</i>
Strategic Planning Committee Appointments	<i>Tim Pfohl, Interim Executive Director</i>
R&D ad hoc Committee Appointments	<i>Tim Pfohl, Interim Executive Director</i>
2015 Tobacco Legislation	<i>Ned Stephenson, Deputy Director</i>
TROF Policy	<i>Ned Stephenson, Deputy Director</i>
Public Comments	
Adjournment	

Excerpt from 2015 Tobacco Legislation (HB2330 and SB1440)

§3.2-3103 Powers and Duties of the Tobacco Region Revitalization Commission

7. For each economic development grant or award, including a grant from the Tobacco Region Opportunity Fund, require a dollar-for-dollar match from non-Commission sources. Performance bonds shall be considered acceptable matching payment. No more than 25 percent of the match shall be in-kind. However, a match of less than 50 percent may be considered by a two-thirds majority vote of the Commission;

**Virginia Tobacco Indemnification and
Community Revitalization Commission**

**Policy Resolution
May 21, 2015**

Whereas, Title 3.2, Chapter 31 of the Virginia Code created the Tobacco Indemnification and Community Revitalization Commission, subsequently named the Tobacco Region Revitalization Commission (the “Commission”) to, *inter alia*, revitalize tobacco dependent communities;

Whereas, in furtherance of such purpose, the Commission has established the Tobacco Region Opportunity Fund grant program (the “TROF Program”) to provide performance-based monetary grants to tobacco region localities to assist in the creation of new jobs and investments through new business development and existing business expansion;

Whereas, by prior action the Commission has established the Tobacco Region Opportunity Fund Committee (the “TROF Committee”) to assist in the administration of the TROF Program, and the TROF Committee has administered the TROF Program and the making of grants thereunder; and

Whereas, the Commission desires to restate in further detail certain aspects of the TROF Program, as set forth in the Tobacco Region Opportunity Fund Policy (the “TROF Policy”), attached hereto as *Attachment A*, which is by this reference incorporated herein and made a part hereof, to set forth certain policies for the receipt, consideration, approval, processing and making of grants under the TROF Program;

NOW, THEREFORE, BE IT RESOLVED by the Virginia Tobacco Indemnification and Community Revitalization Commission, that

1. The TROF Policy is hereby approved and shall supplant existing TROF Program guidelines, procedures and practices currently in place, and, shall to the extent of any inconsistency or conflict with existing TROF Program guidelines, procedures and practices, supersede and prevail over same. The Commission specifically approves and affirms the delegations of authority to the TROF Committee and the Executive Director set forth in the TROF Policy.

2. All TROF Program grants heretofore approved by the TROF Committee under authority delegated to it by the Commission are hereby approved and ratified in all respects.

**Virginia Tobacco Indemnification and
Community Revitalization Commission**

Tobacco Region Opportunity Fund

**POLICY
Effective July 1, 2015**

Purpose of the Tobacco Region Opportunity Fund

The Tobacco Region Opportunity Fund (TROF) provides performance-based monetary grants to localities in Virginia's tobacco producing regions to assist in the creation of new jobs and investments, whether through new business attraction or existing business expansion.

The Commission has implemented the TROF grant program to support the goal of the Commission to "revitalize the economies of tobacco dependent regions and communities." Under the TROF Program, the Commission will in large part evaluate the effectiveness of its undertaking by reference to job creation, workforce participation rate, wealth, diversity of economy, and taxable assets.

Applications for TROF Grants

The Commission will only accept TROF Grant applications from governing bodies, political subdivisions, or their control affiliates within the tobacco producing localities of Southside and Southwest Virginia.

Applications to the Commission for TROF Grants are to be submitted in writing in the form set forth from time to time by the Commission, and contain such information as the Commission may request, including but not limited to:

- name and contact information of the applicant;
- name and contact information of private entity beneficiary (if applicable);
- specific dollar amount being requested;
- name of the locality in which the private entity beneficiary is (or is to be) located (if applicable);
- number of new and/or saved jobs;
- average annual wage of new and/or saved jobs;
- amount of private capital investment into taxable assets; and
- North American Industry Classification System code of the private entity beneficiary (if applicable).

TROF Committee

Except as may be provided by the Commission from time to time, the TROF Committee previously established by the Commission shall continue, with such membership, responsibilities and duties as are set forth by the Commission within this Policy.

Approval of TROF Grants

(a) *Requirements.* Unless otherwise approved by the Commission, TROF Grants may only be approved when:

- A minimum private capital investment of \$1 million within 36 months is promised by the private entity beneficiary; and
- The grant amount calculated in accordance with the Commission's incentive formula guidance attached hereto as Exhibit A, as the same may be revised from time to time, is at least \$50,000 and the grant amount awarded is not more than the amount so calculated; and
- matching funds from non-Commission sources are committed to the project and evidence thereof is satisfactory to the Executive Director.
- the total number of TROF grants awarded to the applicant, including its control affiliates, do not exceed three per fiscal year.

(b) The Executive Director is authorized to approve or deny, on behalf of the Commission, TROF Grants under this Policy that meet the purposes of the TROF Program and the requirements in subsection (a) above in an amount not to exceed the lesser of the amount requested by the applicant(s) or the amount calculated in accordance with the Commission's incentive formula guidance attached hereto as Exhibit A, as the same may be revised from time to time; provided, however, that a TROF Grant in excess of \$2,000,000 must be approved by the TROF Committee. The TROF Committee is authorized to approve or deny, on behalf of the Commission, TROF Grants under this Policy that meet the purposes of the TROF Program and the requirements in subsection (a) above in an amount not to exceed \$3,000,000. The Commission must approve a TROF Grant in an amount greater than \$3,000,000. The Commission's incentive formula guidance shall be an index that calculates recommended grant amounts based on such factors as the annual payroll promised, the annual local prevailing wage, the number of jobs (direct, indirect and saved), and capital investment, with a greater premium applied to high unemployment areas, higher capital-to-payroll ratio and higher new-wage-to-prevailing-wage ratio).

(c) The aggregate amount of TROF Grants made during any fiscal year shall not exceed the sum of (i) amount set forth in the Commission's approved budget for such fiscal year, and (ii) refunds of prior TROF awards credited to the TROF account without prior approval of the Commission.

Performance Agreement.

Unless otherwise approved by the Commission or the TROF Committee, all TROF Grants are to be disbursed pursuant to a Performance Agreement among the applicant, the Commission, and a private entity beneficiary, which the Executive Director is authorized to negotiate and enter into in substantially the same form as *Exhibit B* attached hereto, provided that such Performance Agreement shall contain the appropriate grant and performance information for the TROF Grant as provided in the Commission's incentive formula guidance.

Acknowledgements

An acknowledgement of the Commission must appear in any publication, announcement, or significant event related to the project.

Audit and Reports

The terms of the Performance Agreement are subject to audit and verification by the Commission.

Repayment/Claw-back of TROF Grant;

Unless otherwise approved by the Commission, the Performance Agreement shall require repayment of full or *pro-rata* grant amounts if the specific performance targets set forth therein are not achieved. The Executive Director is authorized to negotiate and enter into repayment agreements with entities seeking to make such repayments in installments over a period not to exceed three years from the date of such repayment agreement.

The following remedies shall be employed as deemed appropriate by the Executive Director for all grants under which contractual obligations are owed to the Commission and have not been fulfilled within 60 days after delivery of a written demand notice to all parties to the Performance Agreement and its control affiliates:

- A Freeze all disbursements to the grantee and its control affiliates.
- B Decline to accept any application for new grants from the grantee or its control affiliates.
- C Enter the name of the grantee and its control affiliates into the State debt set-off system.
- D Refer the file to counsel for appropriate steps up to and including collection proceedings.

FY15 Research & Development

Committee Recommendations – May 2015

The Commission received thirteen new proposals for R&D funding by the October 2014 deadline. The Committee met in January and sent six proposals to vetting. On May 12 the Committee reconvened to review vetting results and recommends funding for the following five projects, to be acted on by the Commission on May 21. One item of Other Business is also included.

Req #	Organization Name	Project Title	Request Amount	Committee recommends
2987	Dan River Business Development Center	Mid-IR Fiber Optic Research, Development and Commercialization Facility	\$1,500,000	\$1,500,000
2981	Halifax County IDA	Development and Commercialization of an Autonomous Water Vehicle in Southern VA	\$1,695,314	\$1,695,314
2984	Institute for Advanced Learning and Research	Package Innovation and Development Center	\$1,997,033	\$1,997,033
2980	Region 2000 Research Institute	5th Generation Nanoseptic Surfaces	\$2,000,000	\$2,000,000
2982	Southwest Virginia Higher Education Center Foundation	Low cost, high pressure, hydrogen storage vessel using steel wire overwrap (WireTough Phase 2)	\$2,000,000	\$2,000,000
Total (13 requests/5 recommendations)			\$18,082,527	\$9,192,347
Balance available before/after recommendations			\$20,824,924	\$11,632,577

Dan River Business Development Center

Mid-IR Fiber Optic Research, Development and Commercialization Facility (#2987) \$1,500,000 requested

Executive summary provided by applicant: IRflex Corporation has installed state-of-the-art manufacturing facility in Danville, VA, to produce and market exciting fiber-optic devices targeted to the protection of aircraft against shoulder-fired missile. Fiber-optic devices have been developed for the Department of Defense (DoD) for infrared countermeasure (IRCM). But as the government reduced its spending budget, DoD has postponed the integration of our fiber-optic devices in their IRCM programs. Now IRflex has unique fiber technology and production facility to offer emerging fiber-optic devices specifically designed for the fast growing mid-infrared sensors markets. IRflex requests an award from the Tobacco Commission to develop and commercialize new mid-infrared fibers.

Research and Development Opportunity

IRflex Corporation has the only proven fiber technology to enable the transmission of mid-infrared lasers. Mid-infrared sensor technology in the spectral range of 2-10 micron is gaining importance in process monitoring, environmental analysis, oil and gas, security/surveillance applications, and the biomedical field. The company's infrared fiber provides the only feasible technology to enable transmission of mid-infrared laser to a remote location with improved flexibility, lower cost, compactness, and enhanced ruggedness. Mid-infrared fiber technology is the preferred solution to more expensive conventional technologies that

use complex and fragile packaging with free-space beam propagation through bulk optics and mirrors. The mid-infrared fiber technology is highly reliable and efficient since it has no moving parts and no precision alignment systems that are subject to vibration, shock and thermal instabilities. IRflex has the technical expertise and the production facility to develop the novel fiber-optic devices for transmission up to 10 micron.

Proof of Concept

IRflex has already developed the technology to produce high-quality mid-wavelength infrared (MWIR) fiber for transmission range 1.5-6 micron. IRflex currently offers a range of multimode and single-mode fibers with cables and connectors. There is an important need for long-wavelength infrared (LWIR) fibers in biochemical sensor market. IRflex must develop new LWIR fiber with transmission up to 10 micron. IRflex has already initiated the development of LWIR fiber. Preliminary results show long-wavelength transmission but the fiber loss needs to be reduced significantly. High baseline loss and absorption peaks are signs of impurities and inclusions. Improved distillation and purification techniques can be developed. Production equipment and processes will be customized and modified to improve the LWIR fiber optical properties. IRflex also develops custom fiber-optic devices: antireflective surface, fiber combiner, fiber switch, fiber imager, hollow-core fiber. IRflex will use specialized know-how and resources to transition from R&D prototypes to full scale commercial products.

Proposed Research and Development

1-IRflex will use the same glass fabrication equipment and the state-of-the-art-fiber draw tower to develop and perfect the LWIR fiber. The LWIR fiber has different properties and must be purified and fabricated with different processes but the same equipment. Experiments will be done to optimize the chemical compositions and process conditions for the LWIR fiber. 2-IRflex will develop a unique antireflective microstructure to reduce the high reflection loss at the fiber ends. Special silicon shims are etched with precise microstructure features, heated, and pressed against the fiber tips to stamp the microstructure pattern on the fiber. 3-Fiber-optic devices with added value will be developed and commercialized: fiber switch, fiber combiner, fiber imager. 4-Hollow-core fiber will be designed and developed to transmit extremely high-power mid-infrared laser in the hollow core. Special equipment and tools will be required to pressurize the hollow core during the fiber draw and control the fiber dimensions.

Commercial Potential

The development and commercialization of new mid-infrared fibers and added-value products for the biochemical sensor markets and military will drive the income increase. Income projection will grow from \$742 thousand in Year 1 to \$3.825 million in Year 5. This will generate 25 well-paid jobs (average annual wage of \$50.2 thousand) within five years from the award date and secure gainful employment opportunities to the region workforce. Steady hiring will follow with the income growth rate (1 additional employee per \$150,000 income increase). IRflex uses local suppliers for day-to day operations: machine shops with CNC milling centers and turning centers for high-precision mechanical parts, electrician, plumber, hardware store, general supplies. Danville Community College has been approached for tailored technical and manufacturing training. We also look for research collaborations with the Institute of Advanced Learning Research. The grantee, DRBDC, will have state-of-the-art clean room and the acquired equipment in its facility.

Intellectual Foundation

IRflex relies on chalcogenide glass fiber technology to develop and produce mid-infrared fiber-optic devices. This is the only proven fiber technology to enable transmission of mid-infrared lasers in the 2-10 micron wavelength range. The entire manufacturing process is highly dependent upon both patented processes and specialized intellectual know-how, which are central to IRflex's ability to sustain its leadership position in the infrared industry. IRflex has negotiated a license agreement with Naval Research Laboratory for its mid-infrared fiber patents. (17 patents). The license includes 17 patents on the mid-infrared fiber fabrication technology and specialized fiber-optic devices. IRflex also has one patent and two patent applications. The intellectual property on novel fiber devices covers packaging and special use of the mid-infrared fiber for our target applications. Together, this intellectual property and unique knowhow put IRflex in a strong position to become the leading manufacturer of mid-infrared fiber products in its target markets.

Staff comments: This is a second request from IRFlex, which received a \$2 million R&D grant in 2010. Funds requested in this phase are for personnel (\$894k), equipment (\$345k), supplies (\$216k) and contractual. This request presents a clear proof of concept from the work leading up to and through the previous phase one grant. IRFlex's work has also been strongly supported by federal military grants. The request clearly describes the additional products and markets that will be pursued in this phase. Outcomes are listed as 12 new jobs in the research phase (\$60k avg) and 13 additional production jobs during commercialization (\$44k avg). Outcomes in the first grant were listed as 30 new hires by 2013, but commercialization of that technology to serve military customers has been hampered by budget cuts, and current employment is less than ten. Outcomes in phase two therefore appear to overlap with the initial R&D grant as the two research phases collectively lead to commercialization, albeit now focused more on private sector customers than military. However, there is no new taxable private capital investment listed in either phase, which is the primary shortcoming of this request and resulted in this ranking fifth in scoring. The budget is very clearly-detailed and focused on tobacco region activities. Half of the \$2 million in matching funds is already approved and the other half appears likely, given the company's history of federal support. Matching funds are spread across the categories that are also requested on the Commission. A thorough business plan is provided. The company appears to be solidly rooted in the tobacco region, and while employment from phase one has not met expectations, the company shows a clear focus on new product development and new markets that could ultimately lead to the anticipated employment levels. *Note: this proposal received the third highest vetting scores in this cycle.*

Committee recommends award of \$1,500,000.

Halifax County IDA

Development and Commercialization of an Autonomous Water Vehicle in Southern Virginia (#2981)

\$1,695,314 requested

Executive summary provided by applicant: The goal of this project is to prototype and commercialize Autonomous Marine Systems' next-generation autonomous water vehicle, entitled a "Datamaran." The mission of this project is to create a robotic fleet of water vehicles that can provide customers with real-time intelligence of oceanographic data. This project will use many of the Tobacco Commission's R&D centers to design, prototype, and test the Datamarans, and will require the use of modeling and simulation, additive manufacturing, advanced manufacturing, composites, and software/network engineering. When fully commercialized, this project will bring approximately 47 high-paying, advanced-manufacturing and technical jobs to Southern Virginia.

Research and Development Opportunity

AMS' products address a need that is unfulfilled in the marine industry: inexpensive and reliable oceanographic data from remote locations that are useful for a broad spectrum of applications. The founders recognized this need from their involvement in the satellite industry where they realized that a tremendous wealth of knowledge existed in the world's oceans that could not be captured due to technology and cost limitations. A manned boat is prohibitively expensive to keep on station on the ocean for extended periods of time, so data sets are limited and locations are limited to near the coast. Drifting buoys, while cheap, are not controllable and have very low power generation. Research is needed in this sector to develop an autonomous, low-cost, low-energy, highly reliable system that can freely navigate the seas in a networking or swarming configuration and collect data for 6 months or more without maintenance or intervention.

Proof of Concept

Along with investor support, the funds from this grant will enable AMS to develop the Mark VII Datamaran. Over the last 7 years, AMS has successfully demonstrated the viability of the technology by testing prototypes of the Mark I through Mark VI. Over 100 km have been sailed autonomously and more than 50 hours on the water have been logged. The Datamaran can sail in all wind directions and many different wind conditions. Propulsion is provided by a proprietary auto-trimming rigid wingsail augmented by an electrically-driven propeller. If capsized, the boat can automatically upright itself through a patent-pending mechanism. A low-power computer autonomously sails the boat to waypoints. The hulls, sail and keel are made of fiber-reinforced composite materials that laminate a Styrofoam core. Global communication is provided by satellite and GSM transceivers. Photovoltaic panels supply power to a lithium-ion battery pack which continuously operates all instruments and actuators.

Proposed Research and Development

To fully capture the remote data-capturing market for oceanographic data, this research aims to solve two challenges in the development of the Datamaran Mark VII: 1) Increasing the reliability of each subsystem, and 2) Developing swarming capabilities of a fleet. The first objective is to optimize the reliability of the entire system by improving each subsystem such that the Datamaran Mark VII can autonomously and reliably navigate waters for 6 months. The second goal of the research is to develop navigating capabilities and peer-to-peer communication of a self-organizing fleet. A self-organizing network enables applications such as faster data collection over larger areas, re-configurable perimeters, and tracking of fast moving objects. Datamarans capable of network functions and behaviors would allow a single operator to control a fleet of thousands of boats with a single command, greatly reducing cost of operation. Meeting these R&D aims will accelerate AMS' path to commercialization.

Commercial Potential

The oceanographic observation industry is rapidly growing and is driven by energy, food, security and environmental concerns. Over \$80B is spent every year on ocean data acquisition. The low-cost nature of AMS' system means that observation and data collection can be performed where it was previously prohibitively expensive. By capturing a portion of this market, this project is projected to create approximately 47 high-skilled jobs in advanced manufacturing, software programming, and networking communication. This project will use many Tobacco-Commission-funded R&D centers for commercialization, and will strongly rely on the high-bandwidth capabilities of the MBC fiberoptic network for transport of large data sets generated by the Datamarans and communicated back to the AMS control center. AMS is already in discussion with large customers in the Energy and Defense industries who are committed to beta testing the technology for their specific data collection applications.

Intellectual Foundation

The IP of AMS is based around the utility of a lightweight, self-righting stable platform for ocean observation. AMS has one systems-level patent application in process, filed in March of 2013, which describes a self-righting sailing boat. The key of a self-righting boat is the ability to use the catamaran (1.4x as fast as a monohull) in addition to eliminating the need for ballast weight. This allows the craft to be fast, lightweight, easy to manufacture, assemble, and deploy. The patent also protects the system for automatically orienting the sail to consistently provide thrust in all wind directions without the need for tracking motors. In addition, AMS filed a provisional patent in May of 2014 regarding autonomous networks of ocean drones. The terms "Datamaran" and "Satellite for the Seas" have been trademarked. AMS's navigational code and tacking algorithms are maintained as trade secrets.

Staff comments: The proposal seeks funds to develop a seventh-generation prototype of the unmanned, remote-controlled "Datamaran", and commercialize a robotic fleet of water vehicles, providing real-time intelligence of oceanographic data. The company is targeting the oceanographic observation industry. Proof of concept includes testing of the first six generations of prototype, patent filings and detailed design drawings were provided with application. The applicant is proposing to build out a 5,500 sq. ft. prototyping space at SVAMC, purchase equipment and tooling, hire 13 design, engineers, and assembly positions during

research phases with private capital investment of \$250k. Commercialization is stated at 47 jobs (\$52k avg) and \$1 million of private capital investment. Although the company states it hopes to raise \$4 million of equity via a Series A offering in Spring 2015. A thorough business plan provides strong evidence of the technical aspects, but lacks some detail regarding manufacturing, marketing and distribution. The plan estimates 45-50 high-skilled technical manufacturing, management, engineering, and IT related jobs during commercialization. The project budget is well-detailed and milestones/deliverables are clear. The majority of budgeted costs are split equally between TICR and matching funds, although it appears that perhaps 20% of TICR funds would be used outside the region (presumably for testing on navigable bodies of water). Given the clear technical detail in the proof of concept, apparent market share potential and the prospect for significant manufacturing employment, this proposal was tied for the third-best score during staff review. *Note: this proposal received the fourth highest vetting scores in this cycle.*

Committee recommends award of \$1,695,314.

Institute for Advanced Learning and Research
Package Innovation and Development Center (#2984)
\$1,997,033 requested

Executive summary provided by applicant: Synergy Packaging Systems, LLC (SPS) is seeking funding for a Packaging Innovation and Development Center to promote a new plastic packaging technology. This technology utilizes advanced manufacturing methods to produce lower cost replacements for metal cans, glass jars, high-barrier extrusion blow molded and thermoformed containers, and rigid paper/foil laminated canisters.

Research and Development Opportunity

Synergy, with its proprietary technology, research focus will be aimed at utilizing less material, less energy and less manpower, therefore producing containers at a significantly lower manufacturing cost as well as making them more sustainable while, at the same time, making a smaller carbon footprint. In particular research will be conducted around Crystallized Polyester (CPET) which provides an outstanding barrier against both desorption of product ingredients and absorption of package materials or outside elements in the environment. Additional research will be conducted around migrating continuous vacuum forming manufacturing processes into multi-layer, high-barrier container bodies. CPET cans once developed to a commercial capability will provide a more sustainable, lower cost package to the thermally processed food packager than steel or aluminum cans. The replacement market for CPET cans exceeds 40 Billion cans annually in the US and a larger number in the European Union.

Proof of Concept

Patents issued included: (US 7,568,590; US 8,137,493; US 8,097,197, US 8,313,596 & PCT WO 2004/017375) these patents explain Synergy's bi-injection Fusion Ring Technology which is the cornerstone of the Synergy's Packaging System. System. It enables top and bottom ends to be welded to container (plastic and fiberwall) bodies via a non-contacting high energy/magnetic field. Synergy Packaging has demonstrated that all plastic cans can be produced using polypropylene based barrier composite can bodies with bi-injected polypropylene based closures and ends welded on using Synergy's patented Fusion Ring technology. CPET research and development is the next step.

Proposed Research and Development

Acquire the co-extrusion capability that allows us to research how to make the basic high-barrier tube that we are going to run into the continuous vacuum former which creates the necessary shape (can or jar). Using our proprietary technology we will produce CPET bi-injection molded closures researching how to make them "easy-opening" and "more user friendly". Additional efforts will be to ensure the 'drop-in' replacement with market will be well-received. Evaluate and manipulate tri-layer CPET based structure that

minimizes modular stiffness while improving impact properties on the outer layers while maintains strength and rigidity of the center layer. Oxygen permeability and moisture vapor transmission levels will be thoroughly researched and defined.

Commercial Potential

CPET cans once developed to a commercial capability will provide a more sustainable, lower cost package to the thermally processed food packager than steel or aluminum cans. The replacement market for CPET cans exceeds 40 Billion cans annually in the US and a larger number in the European Union. Completing the development of CPET can bodies and ends is one of the goals of the development activity of this project. The goal would be for the Packaging Innovation and Development Center to employ 38 people by the end of Year 3. The long-term goal would be to establish a manufacturing facility in the footprint that would employ over 75 people by the end of Year 5.

Intellectual Foundation

Patents issued included: (US 7,568,590; US 8,137,493; US 8,097,197, US 8,313,596 & PCT WO 2004/017375). Additional intellectual property is expected to be developed.

Staff comments: This proposal seeks funds for equipment to accomplish further development of new plastic packaging technology as replacements for metal cans, glass jars, high-barrier extrusion blow molded and thermoformed containers, and rigid/foil laminated products. Research will focus on crystallized polyethylene (CPET) which can be lower cost to steel and aluminum. Job creation during research phase is listed as 38 (\$55K avg) with capital investment of \$2 million. Commercialization is estimated to entail 75 manufacturing jobs (\$55K avg) with \$3 million investment. Matching funds will support \$1.55 million of additional equipment, \$450K property and improvements, and ~ \$1 million for operating costs including all personnel. A thorough business plan provides strong evidence of the technical aspects, but lacks detail regarding manufacturing, marketing and distribution. The company volunteers equity in the form of stock in Synergy Packaging Systems in exchange for the Commission's financial support (p. 3 of business plan). The project budget is well-detailed (TICR funds are entirely for equipment) and milestones/deliverables are clear. Given the clear technical detail in the proof of concept, the strong industry experience of the company leaders, established patents, apparent market share potential and the potential prospects for significant manufacturing employment, this was the highest scoring proposal in the staff review. *Note: this proposal received the second highest vetting scores in this cycle.*

Committee recommends award of \$1,997,033.

Region 2000 Research Institute 5th Generation Nanoseptic Surfaces (#2980) \$2,000,000 requested

Executive summary provided by applicant: NanoTouch Materials invented and has successfully manufactured the first and only products in the world with surfaces that are NanoSeptic. The NanoSeptic surface continuously kills bacteria, viruses and fungi using material science and nanotechnology instead of chemicals, diluted poisons or heavy metals, and does not contribute to antimicrobial resistance (superbugs). The initial product line consists of peel & stick NanoSeptic skins for door handles and NanoSeptic mats for home, business, education and travel. With infectious disease outbreaks in the news almost daily, timing is perfect for products which provide cleaner places to touch or rest items.

Research and Development Opportunity

The first four generations of the NanoSeptic surface resulted in solid proof of concept, a fully developed initial product line, and efficacy sufficient to develop pilot sales. Research and development of our 5th generation of NanoSeptic surfaces will provide tremendous market opportunity and growth. First, if the

effectiveness of the surface can consistently provide a 3-5 log reduction in microbes, additional interest will be developed in the market, and especially in healthcare, senior care and child care industries. Also, R&D focused on advanced manufacturing equipment and processes will provide a fabrication line that delivers consistent, scalable results. And finally, pursuit of EPA registration by working with our independent lab, EPA/FDA consultants and EPA staff will result in the creation of custom test protocols which could allow the NanoSeptic surface to be the first technology of its kind to be approved for health claims.

Proof of Concept

NanoTouch Materials has spent more than 3 years of research, product development, and fabrication process development, creating the first four generations of the NanoSeptic surface. These initial generations provided advancement in the following areas:

1. Generation 1 - early proof of concept utilizing basic photocatalytic technology, a woven-fabric substrate, and a residue-free adhesive.
2. Generation 2 - new advances in substrate providing a waterproof surface that can be cleaned without affecting the print or efficacy
3. Generation 3 - addition of compatible non-adhesive backed substrates to serve as mats and portable applications
4. Generation 4 - advances in primers, protective coatings, and fabrication techniques to improve durability and functional life

Proposed Research and Development

1. Research the effect of doping the current nanotechnology with new elements. Research new primers that enhance the efficacy of the nanotechnology and durability in various environments.
2. Develop and implement advanced manufacturing processes, equipment and automation for fabrication of the new and improved material science and technology (see #1 above). Add employees with an increasing demand on higher-skilled labor to execute necessary tasks due to process automation and proprietary processes.
3. Conduct iterative testing throughout the research and development process to provide constant guidance and improvement. And conduct verification tests which can be published, influencing purchasing decisions in each of our target markets.
4. Advance the state of photocatalytic technology to provide increased efficacy, improved low-light performance, and the development of a "healthcare grade" surface by doping the nanotechnology with various additives. This would be the first surface of its kind to seek EPA approval to make health claims.

Commercial Potential

While there is obvious potential for sales in the US, NanoSeptic products have great potential to improve public health worldwide. In 2014, four press releases resulted in web traffic and distributor inquiries from more than 60 countries. To date, NanoTouch Materials has signed distribution agreements in 22 countries outside the US. Just three of these agreements have resulted in the receipt of \$140,000 in deposits and almost \$3.5M in projected purchases over the next 2 ½ years. Because NanoSeptic products have a low retail price of \$1 to \$25, they cross most demographic barriers. Because they are simple to use and their function is easy to understand, they cross cultural barriers. People universally want to live in a healthier environment and avoid infectious diseases, and NanoTouch can help provide that benefit, concurrently delivering tax, employment and capital investment growth within the region.

Intellectual Foundation

NanoTouch filed a provisional patent application in December of 2011 and followed up with a final utility patent application a year later. Representative Goodlatte's office did reach out to the PTO on our behalf to get a status update, and the first office action is expected sometime around mid-2015. The patent application was written with additional innovation in mind. With approval of the current patent application, NanoTouch will be free to adjust ingredients and antimicrobial technology, along with primers, coatings, substrates and adhesives. NanoTouch also successfully registered the trademarks NanoTouch and NanoSeptic. The term NanoSeptic will be marketed to become the "Xerox" or industry standard in self-cleaning surfaces.

Staff comments: Funds are requested to assist the private beneficiary, which currently is housed at CAER, in developing its fifth generation product. Products are targeted to the health care, senior care, and child care industries to include travel mats for hospitality industry and business traveler, snack mats for education, counter mats for reception desks, place mats for food service, etc. Patent documents were filed in December 2011, with action expected in mid-2015. Research involves adjusting ingredients and antimicrobial technology, and further researching primers, coatings, substrates, and adhesives. Funds will be used to develop a fabrication unit for consistent and scalable product production. Funds are specifically requested for personnel (\$995k), contractual (\$265k), continuous (\$242k), equipment (\$165k), property/plant (\$222k), materials (\$110k) etc. It appears that an undetermined amount of requested personnel funds may be for company operations that are not R&D funding priorities, such as customer service, order fulfillment, sales/marketing (R&D policies restrict grantees to using no more than 10% of TICR funds for general and administrative purposes). A strong business plan is provided, with the notable lack of detail on production/manufacturing expenses. The applicant provides evidence of the commitment of matching funds from a bank and corporate investor. Outcomes are listed as 12 jobs (\$50k avg) and \$850k private investment in the research phase. Commercialization outcomes are listed as 37 jobs (\$36k avg). No commercialization phase private investment is listed, beyond amounts shown as required matching funds. While this proposal ranked 2nd in Staff scoring due to clear proof of concept and prototypes, committed matching funds, and creation of new jobs, Staff believes the budget can be reduced to focus on the necessary research steps. *Note: this proposal received the fifth highest vetting scores in this cycle.*

Committee recommends award of \$2,000,000 contingent on manufacturing of the Nanoseptic products within the tobacco region.

Southwest Virginia Higher Education Center Foundation

Low cost, high pressure, hydrogen storage vessel using steel wire overwrap

(WireTough Phase 2) (#2982)

\$2,000,000 requested

Executive summary provided by applicant: WireTough successfully completed a Phase 1 TIC award. It has grown sales from zero to cash flow positive. Recently the DOE awarded \$2MM to WireTough to develop the hydrogen storage cylinders. WireTough wishes to conduct applied R&D to expand on its existing technology platform. WireTough intends to make cylinders that (1) hold gases at much higher pressures -- up to 13,000 PSI and (2) are substantially larger in volume than cylinders in WireTough's current product line. These cylinders will be sold for storage of natural gas and hydrogen at fueling stations, and for transporting large volumes of gas.

Research and Development Opportunity

There is an opportunity to use WireTough's Virginia-made products as the platform for storing hydrogen and natural gas at high pressure and high volumes. This work will require nearly quadrupling the pressure at which WireTough's cylinders can store gas, and increasing their size. Necessary to achieve this is a source of larger cylinders (Russell County supplier), certification of the larger cylinders, adaption of higher strength steel wire previously invented in part by WireTough's CEO, and study of the effects of hydrogen on liners and steel wire wrapping steel compositions. The DOE is contributing a \$2MM grant to WireTough to partially fund this effort.

Proof of Concept

The proof of concept of wrapping high strength wires on low alloy steel liner has mostly been proved by WireTough's Phase 1 project, and the company's successful entry into the Compressed Natural Gas (CNG)

cylinder market at 3600 PSI. We have successfully made cylinders for up to 5000 PSI. 13000 PSI is achievable with our current capabilities and adequate funding.

Proposed Research and Development

Modify existing production machine to work with larger cylinders. Obtain ASME certification for 5000 PSI (pounds per square inch) stationary storage cylinders. Produce and manufacture high pressure (13000 PSI) and high volume storage cylinders. Optimize manufacturing process, including steel wire creel set up for larger cylinders, wrapping process, application of epoxy, and curing.

Commercial Potential

By being able to produce the highest pressure cylinders at the lowest cost, WireTough will garner the lion's share of the multi-billion dollar market for high pressure storage of natural gas, hydrogen and other gases. See business plan for more details.

Intellectual Foundation

The process is proprietary and two US patents are pending. WireTough has been manufacturing these tanks for the storage of CNG on-board a vehicle for last 3 years. Certain processes, for example curing and finishing are proprietary and has given the company advantage on quality and performance.

Staff comments: The SVHEC Foundation and WireTough received a phase one grant of \$521k in 2010 that was critical in securing in mid-2014 a USDOE grant of \$2 million that is underway and will serve as the majority of the required matching funds. WireTough also states it will invest \$750k of its own funds in operations and facility. Funds are requested in this second phase for personnel (\$700k), materials (\$495k), equipment (\$375k), site improvements (\$280k) and contractual (\$150k). Outcomes are listed as five jobs (\$60k avg) and \$3 million private investment in this second research phase, and 30 jobs (\$60k avg) with \$5 million private investment during commercialization. Outcomes appear to overlap with the initial R&D grant as the two research phases collectively lead to commercialization. A 20,000 square foot expansion is budgeted at \$240K. If funding is approved, the question of whether this would be done at the company's current leased space or at an alternate site must be addressed cautiously. The proposal clearly states defined products and markets that are complementary to the DOE-funded research, and the company's success in securing DOE supports validates the technology that is under development. The company has demonstrated progress in developing its technology, securing substantial federal matching funds, and the potential for significant commercialization employment and investment. *Note: this proposal received the highest vetting scores in this cycle.*

Committee recommends award of \$2,000,000.

OTHER BUSINESS

Wise County Industrial Development Authority Appalachia America Energy Research Center (#1840) Approved for \$750,000 in July 2009

This R&D grant to provide operating funds for AAERC has a remaining balance of more than \$500,000. AAERC originally housed NanoQuantics, a FY2011 R&D grantee who subsequently ceased operations in Wise County. AAERC now houses Micronics Technologies, which was funded by an R&D grant in 2014 to UVA-Wise. A previous grant extension was provided by the R&D Committee, and the Wise IDA now requests further extension to continue supporting operating costs, maintenance, and electrical upgrades required by the current occupant.

Committee recommends a one year extension to July 31, 2016 for eligible operating costs and building upgrades.

FY15 Southside Economic Development Committee Recommendations – May 2015

The Commission received eight new funding requests in April for the available Southside Economic Development balances (FY15 budget plus funds carried forward from previous years). Project summaries provided by the applicants and staff comments are included below for these new requests. The Committee met on May 12 in Rocky Mount to consider these proposals and made the following funding recommendations to be acted on by the Commission on May 21.

Request #	Locality	Organization	Project Title	Allocation Available	Requested Amount	Committee Recommendations
3038	<i>Brunswick</i>	Roanoke River Rails to Trails	Lawrenceville Corridor Acquisition Project	<i>3,160,616</i>	285,960	285,960
3037	<i>Danville</i>	City of Danville	Project Transport	<i>1,840,693</i>	960,000	960,000
3043	<i>Dinwiddie</i>	Industrial Development Auth. of Dinwiddie County	Dinwiddie Airport Industrial Park Site Readiness	<i>\$1,951,073</i>	1,000,000	1,000,000
3032	<i>Halifax</i>	Halifax IDA	Project Roy: New Industrial Prospect	<i>1,182,219</i>	1,000,000	1,000,000
3033	<i>Henry</i>	Henry County	Project Mercury	<i>216,573</i>	216,573	216,573
3035	<i>Lunenburg</i>	County of Lunenburg	Acquisition and Development New Industrial Park	<i>1,017,027</i>	555,000	555,000
3036		County of Lunenburg	Lunenburg Site Readiness II - Site Development		441,000	441,000

Total (8 requests/7 recommendations)

5,251,220

4,458,533

BRUNSWICK

Roanoke River Rails to Trails

Lawrenceville Corridor Acquisition Project (#3038)

\$285,960 Requested

Project Description Provided by Applicant:

Executive Summary: This project will result in the purchase of 44 acres of land that will be protected by a conservation easement and be used as a public trail and trail head park. The trail will be added to the recently constructed 17 mile portion of trail located between Lawrenceville and Brodnax and will connect to Lawrenceville's Sonny Wholey Memorial Park and Ball Field. The easement will limit use of the property to multi-use non-motorized trail along the former rail corridor and to a trail head facility on the former railroad yard for parking, picnicking, and historical display.

Have you received prior commission funding for this project? No

In addition, to the locality(ies) in which project funds will be spent, are there any other tobacco region localities that will directly benefit from the proposed project via partnership/revenue sharing, local residents served, etc.? Yes

Project Service Area: Brunswick; Mecklenburg

How will the localities in your project service area directly benefit from the proposed project?

This property will be used for a public trail and trail head which will be open year round from dawn to dusk. This area will provide a place for horse enthusiasts to park trailers and care for their animals. It will also provide a location for new businesses.

Economic Development Strategic Priority - This purchase will enable the extension of the Tobacco Heritage Trail to 19.6 miles from the current 17 miles in Brunswick County. The purchase will provide better access from downtown businesses and residences located along the trail.

Furthermore, the purchase of the former rail yard that is currently under a lease agreement, will enable the future development of a trail head park and picnic areas in addition to parking. The Turntable Park area is very visible and will provide trail users (tourists, residences on lunch breaks, and equestrian enthusiasts)

Problem, Opportunity or Need - The section of the Tobacco Heritage Trail (THT) currently in Lawrenceville is leased from the Railroad. If the lease were to end, a connection would not exist at the end of the Tobacco Heritage Trail near the Lawrenceville Water Plant to the downtown area of Lawrenceville. Turntable Park, an existing investment of the Tobacco Commission, and the area besides E.E. Vaughan's store, another park, would be disconnected from the THT. This acquisition will also result in the creation of nearly a mile of trail through the Town of Lawrenceville offering residents a safe environment to walk.

Proposed Solution - These funds will be used to purchase the property from Norfolk-Southern Railroad. The Town of Lawrenceville currently leases the property from the Railroad. Were the town to lose the lease, the Tobacco Heritage Trail would become disconnected. These funds will also benefit the region with more than one mile of new trail and give local businesses more foot traffic.

Potential Economic Impact - The grant project will result in the purchase of 44 acres to construct and renovate current trail facilities. This site will create a stronger tourism base for Lawrenceville and the adjoining Tobacco Heritage Trail as well as construct nearly two miles of new trail.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments: Grant funds are requested to support acquisition of 2.8 miles of linear trail segment including 1.0 miles of trail with 27.53 acres that is within the Town and includes a former rail yard property, and a 1.8 mile trail corridor in the County that connects to 17 miles of the existing Tobacco Heritage Trail. The tax assessed value of the former rail yard property including several buildings and the 1.0 trail segment is \$277K; and the 1.8 miles of trail based on 13 acres per mile at \$1611 per acre has an estimated value of \$37K, bringing the total assessed value of the property to over \$314K. A previous TICR grant of \$205,920 for the *Turntable Park & Outdoor Center* project provided funding for renovations to the Southern States property that is adjacent to the proposed rail yard acquisition, providing a restroom facility and updates to a primary building on the property that is intended to house trail related businesses. The main parcel that the Town of Lawrenceville and the Roanoke River Rails to Trails, Inc. has planned to market as the "Turntable Park" is the site of the historic Atlantic & Danville trail terminal and the neighboring rail yard. This site and the mentioned 2.8 miles of linear trail segment would be purchased with \$228,510 of the requested grant funds; \$7,450 of grant funds are allocated for legal/contractual costs related to the acquisition, and an additional \$50,000 toward trail construction. The RRRT has committed \$71,490 of Match funds toward the estimated \$300,000 costs for the property acquisition. The larger Turntable Park facility is intended to be a staging area for all trail users providing parking for vehicles and horse trailers, food and water, rest facilities, feed for horses, and picnic areas. The applicant clarified to staff that six other segments of the Tobacco Heritage Trail were previously acquired; and identified two additional segments that are expected to be purchased as funds are available. The source of funding for these earlier acquisitions were from line items in the state budget, and RRRT has clarified that they have not been able to obtain funding from the VDOT Enhancement / Transportation Alternative program or the Virginia Land Conservation Fund program to support costs for acquisition of Tobacco Heritage Trail properties. Staff has concerns that supporting this project will set a precedent and send a message on the availability of Commission funding to be used for future trail acquisition that might otherwise be acquired through donation of easements along the greater 159 mile Tobacco Heritage Trail that is planned. However, staff also recognizes the previous and significant efforts undertaken by RRRT and their partners over more than five years that were unsuccessful in obtaining this property by donation from Norfolk Southern; and the essential need for this property for fulfilling their vision for a major trail hub and park in Lawrenceville to bring tourism spending to the community.

Committee recommends award of \$285,960.

DANVILLE

City of Danville

Project Transport (#3037)

\$960,000 Requested

Project Description Provided by Applicant:

Executive Summary: The proposed investment for project transport was competitive with other locations in Alabama and Kansas and includes a proposed total of \$251 million in investments in two different industrial manufacturing lines. (\$172 million for line one and \$79 million for line two) The current plan to complete the proposed investment is December 31, 2018. This capital investment

would include new modern equipment for manufacturing uses which would compete for future investment with facilities around the world.

If you have selected Other as the strategy, please explain how your program supports the Commission's mission and strategic plan. The proposed investment in Machinery, Equipment, and Technology upgrades supports the Commission's mission of revitalizing tobacco-dependent communities by supporting industry initiatives and business innovation. Specifically the Commission's strategic plan explicitly states "the Commission must remain vigilant to satisfy the interests of larger, developed businesses that complement and enhance innovative developments.

Have you received prior commission funding for this project? No

In addition, to the locality(ies) in which project funds will be spent, are there any other tobacco region localities that will directly benefit from the proposed project via partnership/revenue sharing, local residents served, etc.? No

Economic Development Strategic Priority - This request for funding supports the Economic Development goal of attracting new industries and expanding existing industries by identifying resources that support the establishment of advanced manufacturing opportunities for Danville residents while simultaneously improving the industrial and commercial tax base for the City of Danville.

Problem, Opportunity or Need - The City of Danville has an identified need of finding and securing advanced manufacturing opportunities for its residents. This need was largely magnified by the loss of legacy industries including textile and tobacco in the region thus leaving large quantities of unskilled laborers. Job losses over the past ten years exceeded 10,000 mostly middle income level jobs. This problem has not helped City's desire to attract substantial newer advanced manufacturing industries.

Proposed Solution - This proposed project helps the workforce develop skills on modern machinery, equipment, and technology improving their skillsets and the overall workforce talent pool in the Danville region. Further this proposed project will increase the likelihood of Danville receiving new product lines being manufactured more efficiently and cost effectively within this community, which should spur additional future capital investment and job opportunities.

Potential Economic Impact - The impact of the proposed project would be directly affected by an increase in Machinery and Tools Tax to the City of Danville. The proposed \$251 million dollar impact will be detailed in next section. Additionally the potential economic impact will create a multiplier effect locally by supporting many contractors, tradesmen, and other contracted professionals that make their living through manufacturing development opportunities.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments: Note: the applicant has identified that this is a confidential prospect, and confirmed that the company named in the Virginia Business Case document included in the application is to remain confidential. The VEDP and the Governor's Office are working with this prospect and a substantial grant from the Virginia Investment Partnership Grant program is anticipated. The company expects to reach its target investment of \$251 million over a five-year period by December 2019. The request amount to the Commission is based on the TROF formula calculation for private capital investment only, as there are no net new jobs to be created.

Committee recommends award of \$960,000 of Southside grant funds to be transferred to TROF to be managed under a TROF-like performance agreement for the private capital investment.

DINWIDDIE

Industrial Development Authority of Dinwiddie County

Dinwiddie Airport Industrial Park Site Readiness (#3043)

\$1,000,000 Requested

Project Description Provided by Applicant:

Executive Summary: The requested funds will be used to create a pad/shovel ready site in the Dinwiddie Airport Industrial Park. The county is in the process of completing the site due diligence study. Having this site pad/shovel ready will ensure the County meets the requirements of Project Reserves.

Have you received prior commission funding for this project? No

In addition, to the locality(ies) in which project funds will be spent, are there any other tobacco region localities that will directly benefit from the proposed project via partnership/revenue sharing, local residents served, etc.? No

Economic Development Strategic Priority – The Airport Industrial Park has been a priority over the last year to develop the park into a ready to go site. The County has initiated the engineering due diligence for the site. Having approximately 20 acres of this site pad/shovel ready will allow the County to be more competitive with Project Reserves. This project would yield a quality development that would provide quality jobs for the citizens of Dinwiddie and the region.

Problem, Opportunity or Need - Development of the proposed industrial site would continue to build on Dinwiddie's strategy to position the county for continued industrial growth by developing industrial sites that are ready to go for development. This project would help attract advance manufacturing jobs that provide better paying jobs for the citizens of the county and region as a whole.

Proposed Solution - The engineering due diligence is anticipated to be completed by May 15, 2015. Funding for the pad/shovel ready portion of this project would help provide a more attractive and competitive site for development. Attracting a quality project with hundreds of high wage rate jobs would help in diversifying the tax base in the county and improving the quality of life for citizens.

Potential Economic Impact - This specific project has the potential of creating 426 jobs with wage rates well about the current prevailing wage rate. The capital investment is project to be \$90,000,000. Having a pad/shovel ready site will help Dinwiddie County have a site that is shovel ready to better compete for economic development projects.

Staff Comments: This request was late-filed on May 1 to accommodate an active economic development prospect. Dinwiddie is the only Virginia site now competing for this project. The County IDA is requesting \$1 million of the \$1.95 million currently available in the Dinwiddie allocation to support site development costs on a 50+/- acre property at the Airport East Industrial Park. The requested funding is part of the incentive package for a major advanced manufacturing prospect, Project Reserves, that is expected to create 426 new jobs and \$90 million private capital investment. The County IDA has contracted with Timmons for due diligence on the property which is expected to be available by May 15, and proposes this \$52,500 of A&E costs plus the estimated \$400,000 for acquisition of the property from the Airport Industrial Authority as their matching contribution to the project. Preliminary cost estimates for providing a 20 acre graded pad/shovel ready site is estimated at \$1 to \$1.3 million based on \$50K to \$65K per acre. Total cost estimates for full site preparation including final grading, stormwater management basin and controls, parking lots, sidewalks and drainage structures, and on-site water/sewer utility extensions are estimated at \$3 to \$3.5 million. TIGR, the Governor's Office and VEDP are activity working on an incentive package that includes an estimated \$3 million from the GOF; and the project qualifies for a \$1,735,000 TROF incentive. While

the application identifies the \$1 million of Southside funding would be used for grading costs, the applicant has clarified the intension is for this funding to be combined with private capital investment under a single contract procured by the company for the full site preparation costs.

Committee recommends an award of \$1,000,000 to be transferred to TROF, and combined with the TROF incentive and performance agreement.

HALIFAX

Industrial Development Authority of Halifax County, Virginia

Project Roy: New Industrial Prospect (#3032)

\$1,000,000 Requested

Project Description Provided by Applicant:

Executive Summary: Project Roy is the codename for an existing overseas manufacturer seeking to establish its first US manufacturing location. Its product has a high demand in North America, requiring the hiring of 1,000 manufacturing workers and \$60M in net new capital investment.

Have you received prior commission funding for this project? No

In addition, to the locality(ies) in which project funds will be spent, are there any other tobacco region localities that will directly benefit from the proposed project via partnership/revenue sharing, local residents served, etc.? Yes

Project Service Area: Charlotte; Danville City; Halifax; Mecklenburg; Pittsylvania

How will the localities in your project service area directly benefit from the proposed project?

The 1,000 new manufacturing jobs required will be drawn from the surrounding region.

Economic Development Strategic Priority - This project goes beyond an economic strategy. It embodies the primary goal of all of the local, regional and state economic strategies - that being new employment and investment.

Problem, Opportunity or Need - Project Roy will significantly address the economic downturn suffered in Halifax and the surrounding region created by the National Tobacco Settlement and other outside forces. This downturn included the loss of thousands of manufacturing and agriculture jobs, and capital investment.

Proposed Solution - Project Roy will provide new employment for the skilled manufacturing workforce left unemployed or under-employed by the severe and negative economic changes suffered.

Potential Economic Impact - Specific facility improvements and expansion to the existing 34 acre site and 330,000sf main manufacturing building to meet the needs of Project Roy's operations.

To what extent has debt financing been considered for and committed to this project? Debt Financing would be made available for the \$3.5M (24% of Project costs) anticipated balance to complete all construction work

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A

Staff Comments: The IDA is proposing facility improvements and expansion to the existing 34 acre site and 330,000 square foot main manufacturing building at the Southern Virginia Advanced Manufacturing Center (formerly known as the Daystrom Building) on Green Folly Road in order to

meet the needs of a major economic development prospect. The applicant proposes that Southside grant funds would be combined with a \$4.2 million TROF request and \$3 million GOF request to support the \$9.25 million in Phase 1 construction costs to meet the needs of the prospect. The IDA has clarified the first priority use of the Southside funding will be to cover costs for meeting prospect needs for rail. Allowances for on-site and off-site rail are included in the construction estimate at \$984,000. The IDA expressed intentions to seek as much as \$450,000 in funding through the Rail Access Fund to support these costs with the balance coming from the Southside funding. Beyond the rail access, the next priority use of the grant funds will be to support costs for improvements to the loading docks estimated at \$305,250 and a portion of costs of building improvements estimated at \$1.2 million (these are items 5 and 6 in the construction scope of services). The Commission has previously awarded three Southside grants totaling \$5.23 million to support costs for acquisition and renovations to the SVAMC property. The applicant indicates plans to enter into a Lease to Purchase agreement with the prospect, which staff points out will need to final approval from the Commission leadership per the Claw Back provision of the older grant agreements and the Sale or Encumbrance; Security Interest section of the current standard grant agreement.

Committee recommends award of \$1 million contingent on the prospect selecting Halifax County.

HENRY

Henry County

Project Mercury (#3033)

\$216,573 Requested

Project Description Provided by Applicant:

Executive Summary: Commission funds are requested for water line and sewer extensions in the Patriot Centre at Beaver Creek to assist in the development of Project Mercury.

Have you received prior commission funding for this project? No

In addition, to the locality(ies) in which project funds will be spent, are there any other tobacco region localities that will directly benefit from the proposed project via partnership/revenue sharing, local residents served, etc.? Yes

Project Service Area: Martinsville city

How will the localities in your project service area directly benefit from the proposed project?

Direct benefits will be provided in the form of new jobs that will be brought into the communities.

Economic Development Strategic Priority - Expansion of the Patriot Centre has been a strategic priority for Henry County since initial development in 1999. Water and sewer extensions are imperative to accomplish future development within the Patriot Centre and critical for development of Project Mercury.

Problem, Opportunity or Need - The development of Project Mercury requires water sewer utility extensions within the undeveloped portion of the Patriot Centre.

Proposed Solution - The proposed project will extend water and sewer utilities to the Project Mercury site and allow for future extensions within the Patriot Centre.

Potential Economic Impact - Without water and sewer extensions to Project Mercury, Henry County risks the possibility of losing the project to another region. This would be a negative economic

impact to the County.

**To what extent has debt financing been considered for and committed to this project? None
Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? N/A**

Staff Comments: The full balance available in the Henry County allocation is requested to support 60% of the \$361,000 estimated costs for construction of water and sewer lines to meet the needs of an active prospect. Grant funds would be used to construct 2,345 linear feet of 12” water line and 2,714 linear feet of 8” sewer line to serve Lots 12A & 12B in the Patriot Centre Industrial Park identified for Project Mercury (current outcome projections are for the creation of 500 new jobs and \$60 million private capital investment). The water and sewer lines are also sized to serve two addition lots adjacent/near the lots identified for the current prospect. The Henry County PSA indicated that new revenues resulting from the prospect were “fairly minimal” and provided further details estimating 153,000 gallons/month usage would result in an approximately \$27,048 increased revenues annually. The total incentive package for Project Mercury is still being tabulated but based on initial capital investment and job creation results in approximately a \$2.75 million TROF and \$1.37 million GOF, which the County did not know the specifics on how these funds would be used but expected it would go toward site development, equipment purchases, etc. Based on the design of these water/sewer lines to serve future prospective tenants to the Patriot Centre Industrial Park, the essential need for this infrastructure to accommodate the active prospect, and only modest new revenue projections with 40% matching funds provided, Staff supported this request.

Committee recommends award of \$216,573.

LUNENBURG

County of Lunenburg

Acquisition and Development New Industrial Park (#3035)

\$555,000 Requested

Project Description Provided by Applicant:

Executive Summary: A parcel of land (20.95 acres) located on a Primary Development Corridor will be auctioned in the next few months. This property currently has a large building (portions built before 1950) that has been unoccupied since October 2008. Its continuing deterioration has made it an eyesore to the community. The County Board of Supervisors envisions the potential of this property as a commercial/small manufacturing or possibly mixed use business center. With this grant, the County will purchase the property, demolish most or all of the building and grade the site.

Have you received prior commission funding for this project? No

In addition, to the locality(ies) in which project funds will be spent, are there any other tobacco region localities that will directly benefit from the proposed project via partnership/revenue sharing, local residents served, etc.? Yes

Project Service Area: Charlotte; Mecklenburg; Nottoway; Prince Edward

How will the localities in your project service area directly benefit from the proposed project?

Potential jobs created

Economic Development Strategic Priority - The property is one of the few properties in the County that is served by public water and sewer and located on a major road corridor. The building was stripped of its electrical and mechanical systems by “copper” thieves and now stands as a liability that would require extensive investment to be brought up to any usable standard. The County wants to ensure that this property, with its visibility on a main corridor, eventually is owned and developed by a company capable of creating jobs and a business that would be an asset to the community.

Problem, Opportunity or Need - The problem with this property is that it is deteriorating rapidly and because of the investment required to demolish the building or bring it up to code, there is great concern on what financial backing a new owner may have. The County does not need a continuing eyesore to be created by lack of action. The opportunity is that with the auction, the County can acquire the property for a relatively low cost, prepare it for future use and market it for economic development. The County currently owns only industrial properties; we need ones that could be mixed-use or commercial in nature.

Proposed Solution - With the purchase of the building at auction, the County would market the property “as is” for a short time. During this period, assessments of demolition costs versus use of the building, road development, mixed-use possibilities and other research would take place. The results of that research would lead to salvage and/or demolition projects to be bid and how the property should be parceled. We would work with VDOT to resurface/ replace the road through the property and work with the two towns to identify possible business/manufacturing types to be considered for the business development

Potential Economic Impact - The first step of economic impact would be to make the property sellable; at this point, with no active owner, there is no marketing of the property. With the liabilities removed, although at a cost, the resulting parcels will be prime property due to location and visibility. Getting the property back on the tax rolls through private ownership is a primary goal for the County. Secondly and as important, any new businesses would hopefully create jobs and invest more dollars in real property improvements and equipment. Returning this property to the center of activity that it once was is vital

To what extent has debt financing been considered for and committed to this project?

Reserve funds from County for the match. Possible purchase of the property without additional funding, if this grant is not awarded.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? With all due respect, we do not know whether there will be additional requests. Generally, smaller businesses probably would not qualify for Tobacco Commission funding. If a larger business would qualify for TROF funding, the County might possibly return to the Commission for that type of funds.

Staff Comments: The \$555,000 funding request to the Commission plus \$65,000 in matching funds from the County is allocated to support \$100,000 for property acquisition, \$20,000 contractual services, and \$500,000 for property and improvements. Distribution of cost estimates for the improvements include \$300,000 for demolition of the existing ~ 43,000 square foot building, \$40,000 for backfill of an existing basement, \$50,000 grading, \$10,000 for erosion and sediment control and seeding, and \$100,000 towards resurfacing and repair of the existing road. While the 2012 tax assessed value of the property was listed at \$929,000, the application included a detailed professional appraisal from February 2013 with a fair market value of \$75,000 to \$95,000. As noted in the application the property is expected to be auctioned for collection of delinquent taxes and the county had verified its intentions to offer no more than \$100,000 toward the acquisition. At this point in time, the County has not yet determined its plan for the best use of the property (the application indicates initially trying to sell the property with the building versus immediate demolition; and the possible uses to include commercial, small manufacturing or mixed use business center). TCR Staff suggests initially assisting

the County with acquisition funds, with the balance of requested funds to be used only for an end use that aligns with Commission program objectives (e.g. manufacturing, workforce training, healthcare etc, but not retail/commercial, housing etc.). It is further suggested that the County consider marketing the existing structure for some period of time (perhaps 180 days) for a potential historic tax credit project (for example, the former Highland Park School in Richmond, which is in a similar state of decay, will be renovated for senior housing, using historic credits). Depending on the end use, TICR other If the final use does not align with Commission objectives, the balance of funds budgeted for site redevelopment should be deobligated and returned to the Lunenburg allocation.

Committee recommends award of \$555,000 for initial property acquisition and site assessment, with the balance of site redevelopment and contractual services awarded contingent on an end use that aligns with the Commission Strategic Plan and program objectives.

County of Lunenburg

Lunenburg Site Readiness II-Site Development (#3036)

\$441,000 Requested

Project Description Provided by Applicant:

Executive Summary: The Lunenburg-Victoria Industrial Park has no developed sites. Recently, two different companies have expressed interest in the site, but backed away because of the lack of a developed site. Both companies were interested in the same size of building and a similar number of employees. With the wetlands delineated, and the topography maps complete from a previous grant, we have the tools to proceed to the next step-site development. This preparation would be similar to the "Ready Site" program and would save months of time at the beginning of a project.

Have you received prior commission funding for this project? If so, please list the grant(s) below. Yes: 2693

In addition, to the locality(ies) in which project funds will be spent, are there any other tobacco region localities that will directly benefit from the proposed project via partnership/revenue sharing, local residents served, etc.? Yes

Project Service Area: Brunswick; Charlotte; Lunenburg; Mecklenburg; Nottoway; Prince Edward
How will the localities in your project service area directly benefit from the proposed project?
Possible jobs created

Economic Development Strategic Priority - Having a graded, "ready site" would save start-up time for any project. Additionally, it would give Lunenburg a marketing edge and show a commitment to put a business in this park. The Lunenburg Commercentre in Kenbridge has received over the years many more visits and considerations in part because some of the land is clear and prospects can envision their building on the site. With the interest in Victoria growing because of their Tourism efforts, preparing the property for a prospect is a strategic decision toward successful creation of jobs and growth of the tax base for the County.

Problem, Opportunity or Need - The overall problem is that Lunenburg County needs more good jobs for its citizens. This project will address this problem because there is currently not a prepared site for the location of a new building of the size 20,000 to 30,000 sf. As two businesses did not continue consideration of Lunenburg as a location because the lead time necessary to start building, we feel that this basic infrastructure would enable Lunenburg to compete in this desirable market. The Victoria

Town Council is dedicated to growing their economy in all ways and feels that this is a timely project to entice smaller

Proposed Solution - With a "ready site" for a market interested in a 20,000 to 30,000 sf facility, we would expect that more interested prospects would visit and ultimately locate in Lunenburg County. The Businesses needing this size facility tend to create from 25 to 30 jobs, an ideal number for citizens of Lunenburg County and surrounding areas to fill. If we are not ready, they will not come. This preparedness shows that the County and Town of Victoria are serious and willing to invest in potential businesses that are interested in our community.

Potential Economic Impact - This project will place this industrial park on a higher tier of readiness; therefore, site consultants will more readily consider this location. This calling card will aid in the attraction of the types of business that have already looked at our community for a location. With more exposure, usually comes more success and ultimately the jobs and capital investment that our County and Towns so genuinely need.

To what extent has debt financing been considered for and committed to this project? We have not considered debt financing for this project. We anticipate the need for debt financing for building a facility, should the business need some help at that time.

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility? When a business that is considering this site would be eligible for the TROF funding, or would have enough long-term job creation and investment, the County may come back to the Commission for additional funding. It would depend upon the Business and their needs at the time.

Staff Comments: Grant funds are requested to support \$150,000 toward the estimated \$179,000 costs for site-work including stormwater management and grading on a 7 acre parcel to provide for a 3.5 – 4 acre pad area; and \$291,000 toward construction of a 1,200 linear feet access road to the property. The pad area is intended to accommodate a 20,000 to 30,000 square foot building, related parking and landscaping. The County clarified that cost estimates for site-work were based on discussions with two engineering firms that indicated a reasonable range of between \$40,000 and \$60,000 per acre. Estimated costs for construction of the access road at \$406.00 per linear foot were provided by VDOT staff. The County has expressed intentions to seek VDOT Access Road funding to support the ~ \$582,000 total estimated cost for the access road, if they have a business whose investment would qualify them for the grant, in which case the estimated funding needed from the Southside grant would only be one-half of costs in excess of \$500,000. Not knowing if they would be eligible for the Access Road funds, the \$291,000 proposed allocation of grant funds toward the access road was based on 50% of the ~ \$582,000 access road costs to be supported through the VDOT Revenue Sharing program. A previous \$103,500 grant (TICR #2593) from the Southside program was used to support engineering work including topographic studies and wetlands delineation for this Industrial Park. Engineering estimates of \$20,000 and \$29,000 for site work are committed in the grant application for meeting the 10% minimum matching fund requirement. The County has also represented to staff that there would be at least 1:1 match towards costs associated with construction of the access road.

Committee recommends award of \$441,000, contingent on no more than 50% of grant funds being used for costs related to the access road.



SOUTHWEST ECONOMIC DEVELOPMENT
COMMITTEE AGENDA

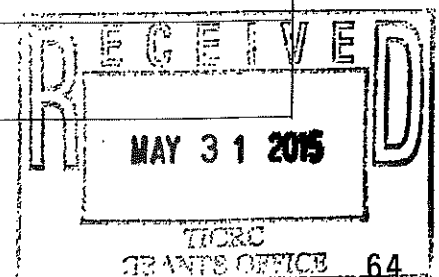
Thursday
May 21, 2015 @ 8:30am
New College Institute
Martinsville, VA

Welcome and Call to Order	<i>The Honorable David Redwine, Chairman</i>
Call of the Roll	<i>Tim Pfohl, Interim Executive Director</i>
Approval of the <u>1/12/15</u> Minutes	<i>(published on website)</i>
New Heartwood Grant Proposal	<i>Tim Pfohl, Interim Executive Director</i>
Public Comments	
Adjournment	

FY 2015 Southwest Economic Development - Application

Strategy (From strategic plan)	Tourism - Heritage Tourism Sites (Museums, Historic Sites, etc.)	TICRC PROPOSAL NUMBER 3045
Project Title	Heartwood Reengineering	
Name of Organization Southwest Virginia Cultural Heritage Foundation	Address of Organization One Heartwood Circle Abingdon, Virginia 24210	
Employer Identification Number 36-4686736		
Is Organization: Non-Profit Organization		
Requested Start Date: 7/1/2015	Anticipated Project End Date: 6/30/2016	Primary Project Location: Washington
Requested Amount: \$600,000.00	Total Project Cost: \$1,075,000.00	Total Matching Funds: \$475,000.00
	PROJECT LEADER	CHIEF EXECUTIVE
Full Name:	Mr. Todd Christensen	Mr. Todd Christensen
Title:	Executive Director	Executive Director
Organization:	Southwest Virginia Cultural Heritage Foundation	Southwest Virginia Cultural Heritage Foundation
Telephone Number:	267-492-2420	267-492-2420
E-Mail Address:	todd.christensen@dhcd.virginia.gov	todd.christensen@dhcd.virginia.gov
Mailing Address:	One Heartwood Circle Abingdon, Virginia 24210	One Heartwood Circle Abingdon, Virginia 24210
Web Site Address:		

Application Deadline 5/11/2015



2: Project Summary

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:

Heartwood Reengineering combines with a General Assembly's appropriation for a 19-county initiative promoting entrepreneurialism and employment. The program deploys around four key entities: The Crooked Road; Round the Mountain; Heartwood, a regional center opened in 2011; and Appalachian Spring, the emerging outdoor recreation job creation program. The project ensures that investments made to date continue delivering impact through new jobs, private investments, and increased tax revenue across all 14 Southwest Tobacco counties plus two Southside counties.

Have you received prior commission funding for this project? If so, please list the grant(s) below.

Yes: 1430 - \$6.15 million, 1657 - \$4 million, 1107 - \$150,000

In addition, to the locality(ies) in which project funds will be spent, are there any other tobacco region localities that will directly benefit from the proposed project via partnership/revenue sharing, local residents served, etc.?

Yes

Project Service Area

Bland; Bristol City; Buchanan; Carroll; Cumberland; Dickenson; Floyd; Franklin; Galax City; Grayson; Lee; Norton City; Patrick; Russell; Scott; Smyth; Tazewell; Washington; Wise

How will the localities in your project service area directly benefit from the proposed project?

77

Economic Development Strategic Priority

The "Creative Economy" approach blends pioneering, cluster-based methods, catalyzed by culture and natural assets, with traditional practices. Extensive investments by numerous local, state, and federal entities have tendered significant impact. Ongoing impact totals to date:

Employment from Travel, in SWVA, 2004-13 (Source VTC): + 457 (5%)

Creative Class Occupations 2000-11— arts, professional, technical, education (Source USDA ERS/US Census): +5,398 (12.5%)

Compared to overall job growth in SWVA, 2000-11: +1,725 (1%)

Other impact data in Additional Project Description.

Problem, Opportunity or Need

The original pro forma for Heartwood anticipated significantly greater numbers of visitors within the first four years with retail and food purchases offsetting operation costs. As a result, consistent budget deficits have drained reserve funds.

One-third of the space in Heartwood is dedicated towards exhibit and performance areas, which serve as marketing space for communities and vendors of SW VA and does not produce commercial revenue.

Shuttering Heartwood negatively impacts three nonprofits doing regional economic development work at 77 different localities across a region.

Proposed Solution

Heartwood opened through investments by the Tobacco Commission (\$10 million), the Commonwealth of Virginia, the Department of Housing and Community Development in association with the Appalachian Regional Commission (\$500,000), Virginia through DHCD (\$3 million), through Washington County and the Town of Abingdon (\$1 million) and Virginia Highlands Community College (8 acres of land).

This investment allows for continued operations and implementation of a budget re-work after intensive work by board members and staff to cut expenses and apply lessons learned over the past three years.

Potential Economic Impact

Support would

- continue event development by TCR and RTM (impacting hundreds of musicians and artisans)
- enable SWVCHF to continue and increase its successful community and economic development efforts, which includes work to elevate awareness of Southwest Virginia as a national tourist destination
- retain 30 jobs
- sustain past investments

Is a future request for additional funding from the Tobacco Commission anticipated for this program and/or facility?

Efforts will be focused on increasing General Assembly support and continued cost-cutting efforts to a sustainable level commensurate with the current level of operations and economic development activities. If a deficit is still projected, the potential to return for support does exist.

Additional Project Description
Heartwood Reengineering
Southwest Virginia Cultural Heritage Foundation

Background

The Southwest Virginia Cultural Heritage Foundation is a state created entity (§ 2.2-2734-2737). The purpose of the Foundation is to encourage the economic development of Southwest Virginia through the expansion of cultural and natural heritage ventures and initiatives related to tourism and other asset-based enterprises. These include Heartwood: Southwest Virginia's Artisan Center, The Crooked Road, 'Round the Mountain, and other related cultural and natural heritage organizations and venues that promote entrepreneurial and employment opportunities, including tourism and the entrepreneurial development through an attractive quality of life.

In 2008, The Foundation was established by the General Assembly as a tool for strengthening and expanding more sustainable regional economic development efforts in the highly distressed 19 county Southwest Virginia area. The Creative Economy efforts started with music, notably The Crooked Road: Virginia's Heritage Music Trail in 2003, which now promotes more than 70 major music venues and affiliated events. Craft and artisan agriculture was added in 2005 with the development of over 500 sites for the 'Round the Mountain: Southwest Virginia's Artisan Network and its 15 artisan trails, as well as the development of Heartwood as the gateway to the region's culture, music, arts and natural assets.

Most recently, the Foundation is partnering with the region's four Planning District Commissions, the Department of Conservation and Recreation, the Department of Game and Inland Fisheries, the Department of Housing and Community Development, Virginia Tourism Corporation, numerous non profits (The Nature Conservancy, Appalachian Trail Conservancy, Mountain Lake Conservancy), a host of communities, and federal agencies in developing an economic development initiative, Appalachian Spring, which capitalizes on the region's recreational and natural assets.

Currently the Foundation's Appalachian Spring Initiative is aggregating eight major recreation/natural areas from Blue Ridge Parkway, Appalachian Trail, New River, Mt Rogers Recreation area, Clinch River, Breaks Interstate Park, High Knob Recreation area, and the Daniel Boone Wilderness Trail/Cumberland Gap. These areas are being linked to each other, surrounding communities and burgeoning entrepreneurial opportunities. This aggregation is leading into a regional outdoor recreation brand which will establish Southwest Virginia's natural assets as a world class destination, such as The Crooked Road has done with the region's music.

The Foundation and the Department are also focusing efforts on the revitalization of more than 25 downtowns in the region as they are transforming themselves from declining goods and services centers into culture and hospitality centers and outdoor recreation gateways.

Communities throughout the 19-county region have banded together in an effort to create a regional brand that is "Southwest Virginia," a region of rich cultural and natural heritage. These

unique assets are being leveraged to revitalize the economy and to showcase the high quality of life in the region. A regional branding effort is underway and communities have already begun to reorient their economic development and marketing efforts.

These efforts have put Southwest Virginia on the map as a unique region. Southwest Virginia has been featured in a number of national and international publications, resulting in it becoming the destination of thousands of visitors from across the country and around the world. There has been more than a 45% increase in regional tourism since these efforts have begun. Communities are seeing dramatic increases in tourism related revenues.

Heartwood is a 29,000-square-foot centerpiece for Southwest Virginia's Regional Economic Development Expansion Project. The LEED-certified building not only displays and sells the work of more than 300 Southwest Virginia artisans, it showcases the arts and culture of the entire region, serving as both a visitor center to interpret and inform tourists to the region and a gateway to encourage a deeper experience, which translates to longer stays and more dollars expended across the region. Video monitors, interactive maps and story boards provide visitors with vignettes of artisans, musicians and local guides showing off their studios, favorite places and home towns. Visitors are also provided information about the history and culture of our region. A restaurant at Heartwood features local foods and currently supports 20 farmers from the region.

Further, Heartwood serves as headquarters for the affiliated organizations dedicated to advancing the regional economic development expansion: The Crooked Road, 'Round the Mountain, and Appalachian Spring. Staff offices for all three entities are located here.

Total number of jobs at Heartwood, including the staff from all three nonprofits, is 30.

In addition, Heartwood has developed into a meeting and conference place for numerous regional entities particularly related to economic development, tourism, and cultural and natural resources. Statewide entities (e.g. Commonwealth Transportation Board, VECDA) are using Heartwood as a meeting place which allows for comprehensive exposure to the assets of Southwest Virginia.

Impact

While gauging impact across a broad regional area can be challenging. The Southwest Virginia Cultural Heritage Foundation has developed a number of methods by which we can demonstrate value of the work. First, focusing on Heartwood's impact to users including small businesses and proximate localities, it is important to note: 85 percent of all Heartwood-based revenue goes directly to regional artisans, farmers, and small businesses.

A 2013 study by Chmura Economics and Analytics noted the following economic impact of Heartwood within its first year of operations:

- economic impact to Southwest Virginia - \$8 million
- supported 108 jobs
- contributed \$300,000 in state tax revenue

- contributed \$100,000 in local tax revenue
- direct impact to 300 artisans through sales
- average artisan revenue through sales - \$1,200
- business partners report a 5% increase in sales due to Heartwood

The collaborative nature of ALL elements of this regional economic development expansion is critical. Each benefits from and builds upon work conducted by the others. Examples of the highly integrated process follow:

The Story of Floyd – Country Store to Active Mountain Community

Floyd, Virginia, is located close to The Blue Ridge Parkway and home to a popular musical venue, The Floyd Country Store, drawing locals and tourists alike to its Friday Night Jamboree for over five decades. Designated as one of the original eight Major Venues for The Crooked Road, this privately owned old-time retail space has been heralded by *Country Living* magazine as one of two best places in the U.S. to hear bluegrass music. As an obvious cultural asset to be built upon, the Country Store served as a centerpiece for conversations among state and local economic development officials to build upon momentum generated by turning musical assets into business and job creation. Potential local investors were invited to consider pooling resources and community development finance specialists were mobilized to find innovative financial resources. After a deliberate planning process led by the Department of Housing and Community Development, public funding for street improvements were directed to improve safety and parking. Close to \$9 million in private and public funding resulted in 25 new businesses and 67 full-time employees.

The Mountains of Music Homecoming – Strength in Numbers

The Crooked Road will launch a regional music festival this summer. Planning for the project has been underway for two years. Preliminary support from The Tobacco Commission, the National Endowment for the Arts, and Virginia Tourism Corporation has supplied appropriate resources to launch and promote this significant economic development venture, which covers a 19-county area. The festival will feature 34 concerts in nine days and is expected to draw between 5,000 and 10,000 people. A portion of grants from the Tobacco Commission and NEA will assess the economic impact of the event. The Crooked Road has collaborated with localities across the region to encourage development of cultural experiences during the festival timeframe. Over 260 experiences ranging from artisan demonstrations to hikes to special cooking classes were returned from the localities and are being marketed as part of the festival. The extraordinary depth and number of experiences proposed from this broad network of collaborators illustrates the regional nature of this entire economic development initiative. Localities are utilizing the promotional vehicles created by The Crooked Road and its nonprofit partners to strengthen their efforts.

The Tobacco Commission has been a partner in finding ways to demonstrate impact for regional efforts of the Foundation with a particular emphasis since the launch of the Appalachian Spring initiative. The following summary offers insights collected so far on the mobilization of support including planning, funding assistance, and promotions for localities, especially in the coalfield counties of Southwest Virginia:

Employment from Travel, in SWVA, 2004-13 (Source VTC): + 457 (5%)

Creative Class Occupations 2000-11– arts, professional, technical, education (Source USDA ERS/US Census): +5,398 (12.5%)

Compared to overall job growth in SWVA, 2000-11:+1,725 (1%)

Accommodations/Food Services, 2005-12 (VEC LMI Data)

Establishments: + 42

Employment: + 1,324

Professional, Scientific, Technology Employment 2005-2012= + 698

New outdoor recreation outfitters/businesses (Appalachian Spring data): 18

Private investments leveraged (Appalachian Spring): \$1.3 million

Current Funding Environment

The Tobacco Commission played a key role in the initial funding for this regional effort. Along with the Department of Housing and Community Development, the Commission was a major funder in the construction and equipping of Heartwood. While the Heartwood facility serves as a gateway showcasing the communities of Southwest Virginia, it also serves as a location for convening regional meetings and houses the several regional organizations providing support to the broader initiative.

Although most of the operational costs for Heartwood are fixed (utilities, insurance, maintenance, technology etc), the Foundation continues to seek ways to control operational costs where possible. It has also sought to increase revenues through special events, including meetings, festivals, holidays, weddings, proms and corporate dinners. Studies are currently underway to reassess food service operations at Heartwood to minimize expenses while maintaining hospitality services for visitors to the region.

While we are working hard with some success at controlling and decreasing costs, it is unlikely that continuing the mission of Heartwood as the regional showplace of Southwest Virginia culture, music, crafts, food, natural assets and tourism destinations can be done without sustained support. State support has fluctuated over the last several years. The ultimate goal is to have sustainable funding from the Commonwealth to both sustain core assets such as Heartwood while continuing to grow and expand regional economic development initiatives of the Southwest Virginia Cultural Heritage Foundation.

This funding request will enable the Foundation's community economic development activities to sustain the future of these initiatives and expand its entrepreneurial development efforts. It will also provide for the sustained operations of Heartwood as a catalytic center and showplace and enable the Foundation to increase its marketing efforts to create a national awareness of Southwest Virginia as a distinct region with authentic, vibrant culture and an attractive quality of life.

Proposed funding will solidify the Southwest Virginia Cultural Heritage Foundation as a key economic development leader for the region. The region continues to lag in economic indicators such as income and employment, and warrants focused state support. The overall initiative has strong local and private support and generates income through operations.

To maintain a core level of operations and to continue existing regional economic development initiative, the Foundation needs annual support of \$1,075,000. The 2015 session of the Virginia General Assembly appropriated \$475,000 for FY16 support of Heartwood and the SWVA Cultural Heritage Foundation leaving an annual shortfall of \$600,000. This assumes cost controls already being initiated continue. Without sustainable funding, the existing program will be significantly curtailed and Heartwood will likely close as a regional facility and revert to the Virginia Highlands Community College per the original land lease agreement.

**Project Location Map and Other Relevant Graphics
Heartwood Reengineering
Southwest Virginia Cultural Heritage Foundation**

Heartwood has been complete since 2011 and all readers of this application will know what it looks like and where it is located.

So we take this opportunity to expand upon the discussion that this building has become a regional center, home to three nonprofits doing Creative Economy work through job creation and revenue generation for over 70 participating localities. In order to do this, we submit a select look at the diverse events held at Heartwood within the past two fiscal years. (This list is not comprehensive.) We also provide graphic support for some of the more high-profile events to demonstrate the marketing and branding professionalism.

Heartwood and Southwest Virginia Cultural Heritage Foundation-associated Events

Strategic planning events for Appalachian Spring

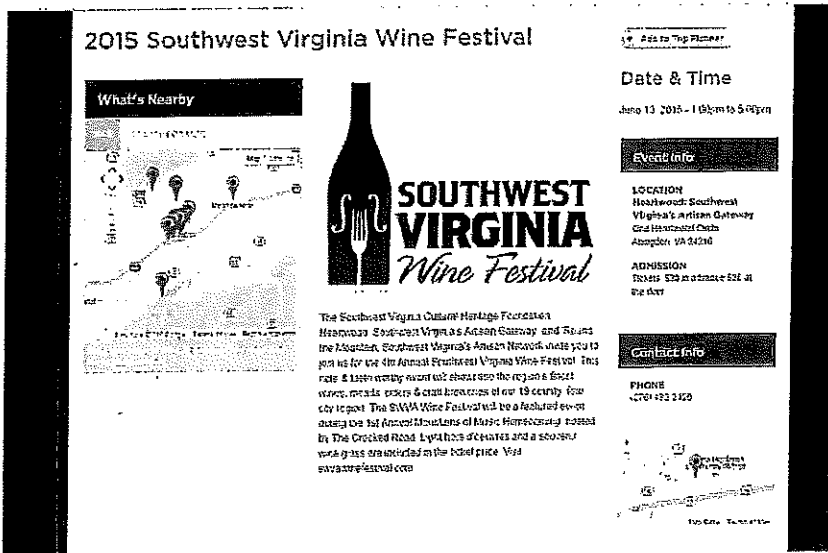
Over 85 people attending from across the entire region (representatives from a broad range of participating localities)

Southwest Virginia Wine Festival

Audience 65+ at past events

Various agribusinesses represented (wine, mead, cider)

Screen shot from promotion on myswwa.org website



Town of Abingdon Chamber Event, First Thursday

April 3, 2014

Special event for local businesses and entrepreneurs included music and artisans to highlight Heartwood

Audience 100+

Creative Economy Conference (Heartwood and SW VA Higher Education Center)

September 19-20, 2013

Featured speakers from across Appalachian region and Virginia with high focus on work of SWVCHF, RTM, and TCR.

Audience 125+

1st Annual Southwest Virginia Outdoor Expo

September 13, 2014

Audience 1,200+

Numerous civic and local organizations hold meetings at Heartwood.

Various corporate entities rent Heartwood for their annual Christmas party.

The Crooked Road-associated Events (at Heartwood exclusively)

Youth Music Festival, May 2014 and 2015

Audience 800+

Youth Artists 200

Adult Artists 30

Abingdon Crooked Road Music Fest, October 2013

Audience 500

Artists 30

Youth Artists 10

Venue Showcases

10 programs

Audience 750

Artists 150

Thursday Night Jams

12 programs

Audience 750

Artists 150

Traditional Song Swaps

6 times to date

Audience 150 attending

5-6 singers per event

Pending - Mountains of Music Homecoming Festival

June 12-20, 2015

Heartwood concert slated for Friday, June 19

'Round the Mountain Events

2015 Jury Sessions, March 10, 2015 and September 1, 2015

Opens opportunities for artisans to present works for consideration to be sold at Heartwood. In the 2014 sessions, 99 artisans participated. The process benefits artisans in two ways:

1. Goods available for sale at Heartwood for a six-month period (increases revenue on an average of \$1,200)
2. Artisans learn to present works in selective competition. RTM staff provides feedback after jury process to help artisans improve presenting skills.

Fine Arts Show at Heartwood

June 14, 2014

Featured works by 8 artisans. Over 100 people attended to view works.

RTM Educational Programs

Mobile Marketing Seminar, December 4, 2014

Audience 6 artisans

Business of Craft Institute, March and April 2014 (two sessions)

Audience 56 artisans

American Craft Week

October 3-12, 2014

RTM coordinated activities in participation with 12 different venues/localities. Heartwood-based event featured local artisans and 50+ people attending.

2. Financial Information: Budgeted Expenditures

You 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.)		\$300,000.00					\$300,000.00	\$300,000.00
Contractual Services (A&E, Legal, Printing, Media, Travel, Training, etc.)	\$600,000.00	\$100,000.00					\$100,000.00	\$700,000.00
Supplies & Materials (Engineering Supplies, Building & Mechanical Repair, Supplies, Educational Supplies, etc.)								
Continuous Charges (Insurance, Lease Payments, Utilities, etc.)		\$75,000.00					\$75,000.00	\$75,000.00
Property & Improvements (Land Acquisition, Site Development, etc.)								
Equipment (Computers, Phones, Furniture, Fixtures, Manufacturing Equipment, etc.)								
Plant & Improvements (Building Acquisition, Construction/Renovation, etc.)								
Transfer Payments (Scholarships, Incentives, etc.)								
Total Costs:	\$600,000.00	\$475,000.00					\$475,000.00	\$1,075,000.00

TICRC Grant Application Budget Worksheet

Rev 3/14/14

1. 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)	Commercial services contract - offset by food/retail/revenue income, related to commercial/retail operations							
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)		\$600,000.00						
4. Total Amount (Self Totalling)								\$600,000.00

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)	State							
2. Agency/Locality Name (Enter the name the source of the matching funds)	Virginia Department of Housing and Community Development							
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)	Majority of these funds covers key personnel costs for Southwest Virginia Cultural Heritage Foundation							
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)	\$300,000.00							
7. Total Amount (Self Totalling)								\$300,000.00

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)	State							
2. Agency/Locality Name (Enter the name the source of the matching funds)	Virginia Department of Housing and Community Development							
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)	Assists with anticipated maintenance contract costs							
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)		\$60,000.00						
7. Total Amount (Self Totalling)								\$60,000.00

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)	State							
2. Agency/Locality Name (Enter the name the source of the matching funds)	Virginia Department of Housing and Community Development							
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)	Covers utility costs for Heartwood facility							
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)				\$75,000.00				
7. Total Amount (Self Totalling)								\$75,000.00

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)	State							
2. Agency/Locality Name (Enter the name the source of the matching funds)	Virginia Department of Housing and Community Development							
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)	Technology needs at facility required to update touchscreens (critical connection to promote locality assets and encourage tourism across region)							
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)		\$30,000.00						
7. Total Amount (Self Totalling)								\$30,000.00

Matching Funds Detail								
1. Funding Type (Select the type of matching funds from the dropdown list)	State							
2. Agency/Locality Name (Enter the name the source of the matching funds)	Virginia Department of Housing and Community Development							
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)	Accounting expenses associated with operational accounts as well as extensive grant accounts							
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)		\$10,000.00						
7. Total Amount (Self Totalling)								\$10,000.00

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

Activity	Current Year		Proposed Budget		Year 1		Describe activity and milestone achieved
	7/14 - 4/15	7/15 - 7/16	TICRC \$	Matching Funds \$			
INCOME							
Friends of SW VA Marketing			\$50,000				
People Inc Loan	\$600,000		\$0				
Ticket Sales	\$525		\$0				
Donations	\$1,200		\$0				
Facility fees	\$30,525		\$45,000				
Food/beverage/retail revenue	\$486,722		\$648,000				
Rent income	\$14,172		\$19,500				
Contributions	\$500		\$0				
Catering reimbursement	\$1,065		\$0				
Facility fee discounts	-\$16,648		-\$20,000				
Interest income	\$799		\$1,000				
Website hosting income	\$953		\$1,000				
Miscellaneous income	\$905		\$1,000				
DHCD/State	\$0		\$475,000				
TIC Grant	\$0		\$600,000				
TOTAL INCOME	\$1,120,718		\$1,820,500				
EXPENSES							
Accounting	\$29,960		\$40,000			\$10,000	
Audit	\$0		\$14,000				
Bad Debt	\$500		\$0				
Bank Service Charges	\$391		\$650				
Commissions	\$1,560		\$20,000				
Contract labor	\$3,114		\$22,000				
Copies	\$3,631		\$6,000				
Dues and Subscriptions	\$2,357		\$500				
Equipment repair	\$285		\$500				
Equipment rental	\$5,818		\$4,100				
Regional marketing and branding	\$0		\$50,000				Brand development and deployment

Heartwood marketing	\$0	\$30,000	Robust special events calendar and marketing
Personnel SWVCHF	\$300,000	\$300,000	\$300,000 Brand deployment and regional marketing, business planning
Insurance	\$3,301	\$3,600	
Janitorial/Trash removal	\$6,544	\$11,000	
Kitchen cleaning	\$1,345	\$0	
Landscaping/snow removal	\$19,833	\$26,000	
Legal	\$0	\$1,000	
Licenses	\$0	\$3,000	
Meals, food and beverage	\$5,406	\$4,000	
Miscellaneous	\$838	\$1,000	
Office supplies	\$2,977	\$3,500	
People Inc (maintenance)	\$38,079	\$60,000	\$60,000
Performer fee	\$300	\$0	
Postage	\$1,197	\$1,050	
Recruiting	\$0	\$1,000	
Utilities	\$56,428	\$75,000	\$75,000
Technology	\$29,695	\$37,280	\$30,000 Updated Heartwood exhibits
Special events	\$0	\$29,000	
Travel	\$4,848	\$5,000	
Website	\$407	\$5,000	
Payroll	\$84,680	\$127,678	
Commercial operations contract (GSI/Contract Operator)	\$745,905	\$921,000	\$600,000 Reduced operating deficit
TOTAL EXPENSES	\$1,349,399	\$1,802,858	\$600,000 \$475,000

Commitment of Matching Funds

General Assembly Biennium Operating Budget showing appropriation for FY 2016
<http://dpb.virginia.gov/forms/forms.cfm>
 (accessed 5.8.15)

Agency Name	Agency Code	Agency Name	Budget Subprogram Name	Fund Group	Fund Group Name	Fund Detail	Fund Detail Name	Session	Chapter/Where	Change Type	Title	FY 2015	FY 2016
1		2014-2016 Biennium Operating											
2		Operating Dollar Changes From the 2014 and 2015 Sessions											
3	165	Commerce and Trade	Department of Housing and Community Development	01	General	0100	General Fund	2014	Chapter 3, 2014 Special Session I	B. Base Budget Adjustments	Distribute Central Appropriation amounts to agency budgets	\$50,000	\$50,000
4	165	Commerce and Trade	Department of Housing and Community Development	01	General	0100	General Fund	2014	Chapter 3, 2014 Special Session I	B. Base Budget Adjustments	Remove funding provided for the Fort Monroe Authority	(\$5,005,150)	(\$5,005,150)
5	165	Commerce and Trade	Department of Housing and Community Development	01	General	0100	General Fund	2014	Chapter 3, 2014 Special Session I	B. Base Budget Adjustments	Remove one-time funding provided to the Town of Abingdon	(\$270,000)	(\$270,000)
6	165	Commerce and Trade	Department of Housing and Community Development	01	General	0100	General Fund	2014	Chapter 3, 2014 Special Session I	C. Other	Adjust agency appropriation for the cost of Performance Budgeting system changes	\$255	\$255
7	165	Commerce and Trade	Department of Housing and Community Development	01	General	0100	General Fund	2014	Chapter 3, 2014 Special Session I	C. Other	Increase funding for the Southwest Virginia Cultural Heritage Foundation	\$300,000	\$0
8	165	Commerce and Trade	Department of Housing and Community Development	01	General	0100	General Fund	2014	Chapter 3, 2014 Special Session I	C. Other	Reallocate general fund appropriation within the community development services program	\$197,900	\$197,900
9	165	Commerce and Trade	Department of Housing and Community Development	01	General	0100	General Fund	2015	Chapter 655	Introduced Bill Amendments	Provide support for the Community Business Launch Program	\$0	\$1,000,000
10	165	Commerce and Trade	Department of Housing and Community Development	01	General	0100	General Fund	2015	Chapter 655	Assembly Amendments	Eliminate the proposed Community Business Launch Program	\$0	(\$1,000,000)
11	165	Commerce and Trade	Department of Housing and Community Development	01	General	0100	General Fund	2015	Chapter 655	D. General	Provide support for the Southwest Virginia Cultural Heritage Foundation	\$0	\$275,000
12	165	Commerce and Trade	Department of Housing and Community Development	02	Special	0200	Special	2014	Chapter 3, 2014 Special Session I	A. Base Budget	Base Budget	\$50,000	\$50,000
13	165	Commerce and Trade	Department of Housing and Community Development	02	Special	0280	Appropriated Indirect Cost Recoveries	2014	Chapter 3, 2014 Special Session I	A. Base Budget	Base Budget	\$552,012	\$552,012
14	165	Commerce and Trade	Department of Housing and Community Development	10	Federal Trust	1000	Federal Trust	2014	Chapter 3, 2014 Special Session I	A. Base Budget	Base Budget	\$1,736,730	\$1,736,730
15	165	Commerce and Trade	Department of Housing and Community Development	01	General	0100	General Fund	2014	Chapter 3, 2014 Special Session I	A. Base Budget	Base Budget	\$2,104,076	\$2,104,076
16	165	Commerce and Trade	Department of Housing and Community Development	01	General	0100	General Fund	2014	Chapter 3, 2014 Special Session I	C. Other	Provide funding to support the creation of an entrepreneurial	\$0	\$0

Milestones and Deliverables	Anticipated Completion Date
<p>Milestone 1: Finalize new business plan for Heartwood including establishment of a new operation partnership.</p> <p>Deliverable 1: - new business plan - new operating contract effective 1.1.16 (three options under consideration 1) renegotiate with current retail/food operator, 2) issue RFP for new partnership, 3) run operations with local manager/team</p>	10/1/2015
<p>Milestone 2: Establish robust calendar of events for 2016 highlighting key assets (music, craft, recreation, food and drink).</p> <p>Deliverable 2: - 36 TCR events - 2 TCR festivals - 2 RTM festivals - SW VA Wine Festival - Outdoor Expo - Creative Economy conference</p>	10/1/2015
<p>Milestone 3: Complete Festival Park.</p> <p>Deliverable 3: Expanded showcase for events and festivals Increased revenue for event rental</p>	9/15/2015
<p>Milestone 4: Complete regional branding initiative and begin broad deployment.</p> <ul style="list-style-type: none"> - natural asset identification - stakeholder meetings - promotion of branding <p>Deliverable 4: Brand to promote Southwest Virginia as a nationally recognized destination Brand to promote outdoor recreation of region Thematic and audience-based campaigns</p>	6/30/2016
<p>Milestone 5: Decrease operating deficit.</p> <p>Deliverable 5: A balanced budget that will allow Heartwood to continue serving as an important catalytic center for a 19-county area</p>	6/30/2016

3: Results

By which year do you anticipate your project will be fully operational?

Year ending 6/30/2017

Please answer the following questions about the unduplicated number of annual visitors and revenue from ticket sales.

	Baseline <i>(Yr ending 6/30/14)</i>	Anticipated <i>(Year ending 6/30/2017)</i>
Unduplicated # of Visitors to your site Annually <i>(Do not include school groups)</i>	40,000	70,000
Annual Revenue from Ticket Sales <i>(Do not include school groups)</i>	\$1,000.00	\$5,000.00

By the Year ending 6/30/2017, how many new, direct jobs will support your project?

# of New, Direct Jobs	30
Average Salary of New Jobs <i>(Only include wages. Do not include benefits)</i>	\$35,000.00

Please answer the following questions about physical construction and site development activities

	TICR \$ Requested	Square Feet of Buildings <i>(Acquired, Renovated, Expanded, or New Construction)</i>
Buildings Acquired	\$0	0
Buildings Renovated	\$0	0
Buildings Expanded	\$0	0
New Buildings Constructed	\$0	0

	TICR \$ Requested	Acres of Land <i>(Acquired or Graded)</i>
Land Acquired	\$0	0
Land Graded	\$0	0

Engineering

TICR \$ Requested: \$0.00

Describe the proposed engineering activities

Please answer the following questions about regional marketing activities:

TICR \$ Requested: \$0.00

Describe the proposed regional marketing activities

- Develop a regional brand and associated sub-brands embedded among key outdoor recreation anchors
- Promote the region as a collective entity, providing support for our 19-county and four-city regional partners
- Increase visitation to partner localities

Please answer the following questions about programming activities:

TICR \$ Requested: \$0.00

Describe the proposed programming activities

Heartwood has evolved into a regional events center where groups of all types convene. Originally conceived of as a location serving primarily the traveling public, Heartwood has been more effectively marketed as a desirable spot for large-scale events. T

Please answer the following questions about exhibit activities:

TICR \$ Requested: \$0.00

Describe the proposed exhibit activities

Covers maintenance of exhibits within Heartwood, such as content updates ensuring that our interactive maps contain current information. This also covers the myswwa.org website, a key promotional vehicle.

Please answer the following questions about other activities:

TICR \$ Requested: \$0.00

Describe other proposed activities and uses of funds

Data Management & Projection Methodology

Describe the methodology used and source of the projected results entered in the table(s) above. 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.

SOUTHWEST
VIRGINIA
Authentic, Distinctive, Alive

SOUTHWEST VIRGINIA CULTURAL HERITAGE FOUNDATION • ONE HEARTWOOD CIRCLE • ABINGDON, VIRGINIA 24210
276.492.2420 • INFO@MYSWVA.ORG

May 8, 2015

Mr. Tim Pfohl
The Virginia Tobacco Indemnification
and Community Revitalization Commission
701 E. Franklin St., Ste. 501
Richmond, VA 23219

Dear Tim:

As Executive Director for the Southwest Virginia Cultural Heritage Foundation and Friends of Southwest Virginia, I am writing to indicate the willingness of our Board of Directors to provide a resolution authorizing a proposal requesting support from the Virginia Tobacco Indemnification and Community Revitalization Commission. This project, **Heartwood Reengineering**, builds upon the work already done at Heartwood: Southwest Virginia's Artisan Gateway and fortifies job creation and economic development associated with the work of the Southwest Virginia Cultural Heritage Foundation.

We will be meeting to formalize this resolution during our next board meeting. Upon completion of that resolution, we will a copy to your office.

We appreciate your consideration of our request for funding.

Sincerely,



Todd Christensen
Executive Director

3rd Annual

THE CROOKED ROAD YOUTH MUSIC FESTIVAL

AT HEARTWOOD • I-81 EXIT 14 IN ABINGDON

Saturday, May 10, 2014
11:00am - 7:00pm

FEATURING

YOUTH PERFORMERS

FROM

*Throughout
Southwest Virginia*

AND AN

OLD TIME SQUARE DANCE

FROM 5-7 P.M.

25 BANDS ON TWO STAGES

\$5 ADULTS AND \$2 KIDS

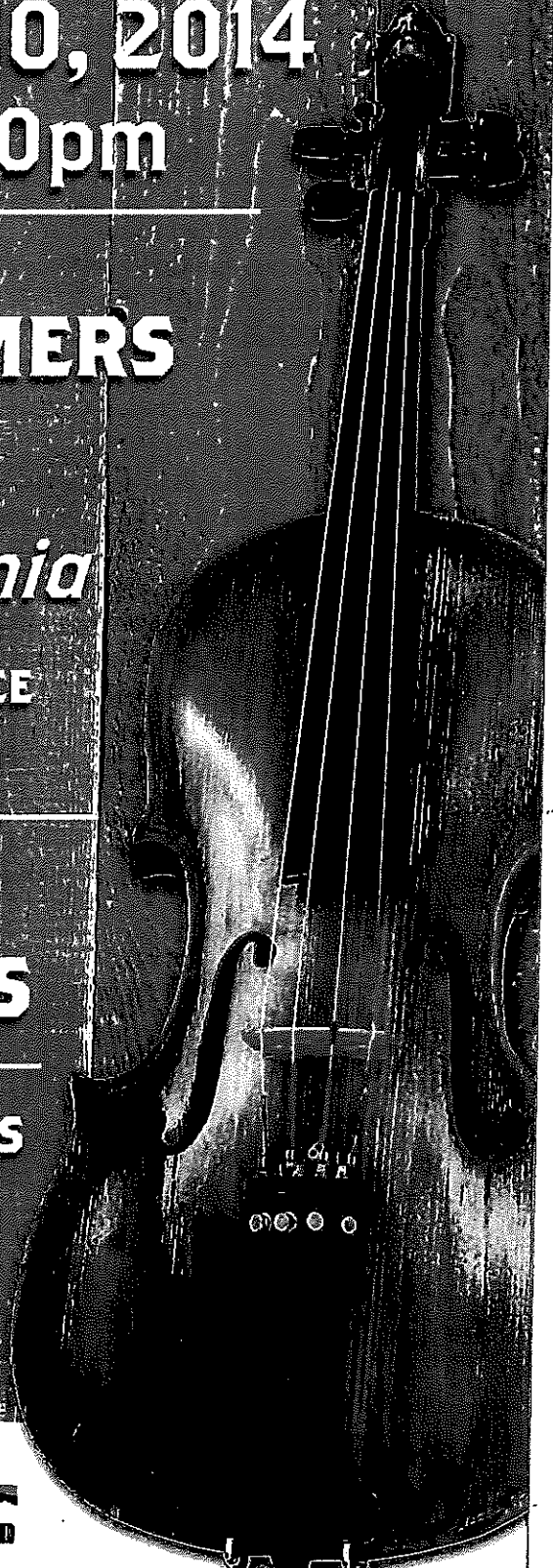
Kids 6-12 \$2 and kids 5 and under free

For more info, contact The Crooked Road:

at (276) 492-2409

info@thecrookedroad.org

SPONSORED BY



one night only
Celtic Fiddle Festival

February 3, 7 p.m. Heartwood, Abingdon
(snow date February 4)

Ever wish you could hear three of the greatest Celtic fiddlers in the world in concert together, and then hang out with them and your friends afterwards for a rousing transatlantic session? Well, now you can!



Only in the U.S. for two weeks! Come hear them on Tuesday, February 3 from 7-8:30 p.m. at Heartwood in Abingdon, when The Crooked Road, William King Museum of Art and The Barter Theatre present the Celtic Fiddle Festival – Kevin Burke (Ireland), Andre Bruton (Quebec), and Christian Lemaire (Brittany) accompanied by master Celtic guitarist Nicolas Quemener (Brittany). After the concert, the artists will meet the audience and sign CDs, followed by a transatlantic session and social from 9-11:30 p.m. The session (a relaxed and informal gathering of musicians to share tunes) will feature songs and tunes from the Celtic lands to the Appalachia's.

Celtic Fiddle Festival mark twenty years of joyful, compelling, and powerful music this year with their sixth recording, *Live in Brittany*. Along with acclaimed guitarist Nicolas Quemener from Brittany, the quartet combines their talents, musical traditions, and spontaneous humor for an evening of dazzling energy and subtle grace. In concert each artist plays a solo set, showcasing their individual musical styles and traditions, followed by a collaborative set featuring all four musicians. Together, they play with such relentless precision and fire that the tunes transcend all cultural and geographical barriers, leaving the audience with a memorable musical experience.

**Celtic Fiddle Festival is presented by The Crooked Road,
William King Museum of Art, and Barter Theatre.**

**Tickets are \$30 each for concert AND session and are available at the
Barter Theatre Box Office (276-628-3991 or www.bartertheatre.com)**



**barter
theatre**



A SPECIAL THANKS TO OUR
EVENT SPONSORS

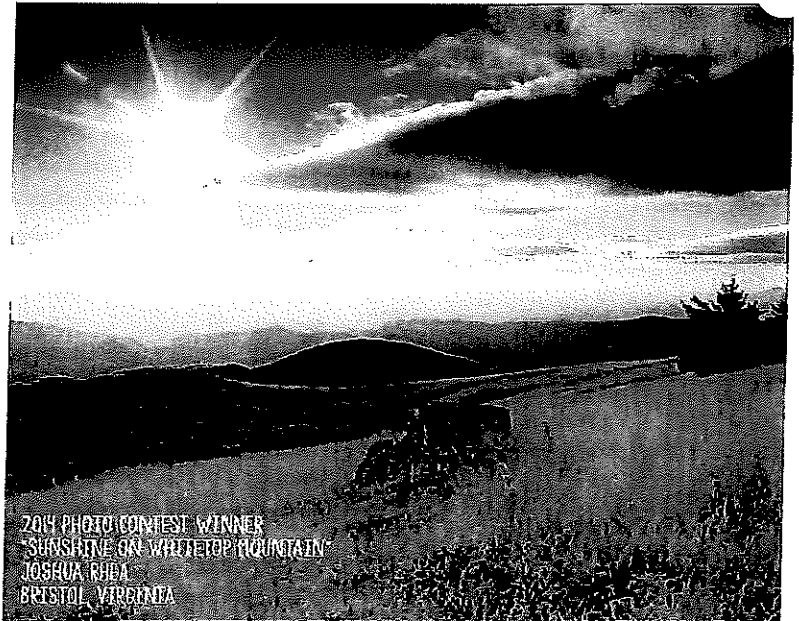


CLINCH VALLEY
-PRINTING-



SEPTEMBER 13, 2014 : 10AM - 4PM

HEARTWOOD: SOUTHWEST VIRGINIA'S ARTISAN GATEWAY
ABINGDON, VA



2014 PHOTO CONTEST WINNER
"SUNSHINE ON WHITETOP MOUNTAIN"
JOSHUA RHEA
BRISTOL, VIRGINIA

SEPTEMBER 13TH : FIRST ANNUAL EVENT SCHEDULE

TIME	ACTIVITY	MEETING LOCATION
ALL DAY	DEMO: VA MUSSEL FILTRATION	BOOTH: DGIF
ALL DAY	DEMO: COOKING, SMORES, & MORE	BOOTH: VA STATE PARKS
ALL DAY	DEMO: YOGA & SUP	BOOTH: WHITE TOP YOGA
10:20	EVENT WELCOME!	MAIN STAGE
10:30-11:15	MUSIC: BEARTOWN BLUEGRASS	MAIN STAGE
10:30-11:00	DEMO: BUTTERFLY MIGRATION	BOOTH: LICK MTN. EXCURSIONS
10:30-10:45	DEMO: LEAVE NO TRACE	BOOTH: APP. TRAIL CONSERVANCY
11:00-11:30	DEMO: CROSSFIT WORKOUT	BOOTH: IRON MTN. CROSSFIT
11:00-11:30	DEMO: SEARCH AND RESCUE	BOOTH: BLACK DIAMOND S&R
11:30-12:00	DEMO: FLYFISH CASTING	BOOTH: TROUT UNLIMITED
11:30-12:00	DEMO: THE OUTDOORS ONLINE	INSIDE: CROOKED ROAD GALLERY
11:45-12:30	DEMO: EDIBLE PLANTS WALK	VHCC GREENHOUSE
12:00	RAFFLE	MAIN STAGE
12:00-1:30	MUSIC: THE HONEYDEW DROPS	MAIN STAGE
12:15-12:45	DEMO: POWERED BY THE SUN!	BOOTH: ECOLOGICAL ENERGY SYSTEMS
12:15-12:45	DEMO: BOULDERING TECHNIQUES	CLIMBING WALL
12:30-1:00	DEMO: BUILDING BIKE TRAILS	INSIDE: CROOKED ROAD GALLERY
12:30-1:00	DEMO: OWL PELLET DISSECTION!	BOOTH: BLUE RIDGE DISCOVERY CENTER
1:00-1:30	DEMO: CROSSFIT WORKOUT	BOOTH: IRON MTN. CROSSFIT
1:00-1:30	DEMO: ROAD CAMPING	BOOTH: BLUE RIDGE OUTDOORS
1:30-2:00	DEMO: DISC GOLF INSTRUCTION	INFORMATION TENT
1:30-2:00	DEMO: ANIMAL TRACKS & ID-ING	BOOTH: LICK MTN. EXCURSIONS
2:00	RAFFLE	MAIN STAGE
2:00-3:30	MUSIC: TIME SAWYER	MAIN STAGE
2:15-2:45	DEMO: LEAVE NO TRACE	BOOTH: E&H OUTDOOR PROGRAM
2:15-2:45	DEMO: FLYFISH CASTING	BOOTH: TROUT UNLIMITED
2:30-2:45	DEMO: LT. WEIGHT BACKPACKING	BOOTH: APP. TRAIL CONSERVANCY
2:30-3:30	DEMO: CROSSFIT WORKOUT	BOOTH: IRON MTN. CROSSFIT
3:00-3:30	DEMO: ATTRACTING WILDLIFE	INSIDE: CROOKED ROAD GALLERY
3:00-3:30	DEMO: FLY TYING	BOOTH: SMYTH COUNTY CHAMBER
3:30	RAFFLE	MAIN STAGE



SEPTEMBER 13, 2014 : 10AM - 4PM

To learn more about Appalachian Spring, a community and economic development initiative focusing on the SWVA's outdoors, visit www.myswva.org or see us at Heartwood: Southwest Virginia's Artisan Gateway any time!

2ND DAY EXCURSIONS

See each vendor's booth to schedule your trip!

ACTIVITY		VENDOR TO VISIT
BIKE	CREEPER TRAIL RIDE	SUNDOG OUTFITTER
FLOAT	CLINCH RIVER FLOAT	CLINCH RIVER ADVENTURES
FLOAT	LITTLE RIVER FLOAT	ON THE WATER IN FLOYD
FLOAT	STAND UP PADDLEBOARDING	TRI. SUP COMPANY
HIKE	GREAT CHANNELS OF VA	VA MASTER NATURALISTS
HIKE	WHITETOP MOUNTAIN	MT. ROGERS ATC/ PATH
HIKE	MOUNT ROGERS	BLUE RIDGE DISCOVERY CENTER
HIKE	PINNACLE NAT. AREA PRES.	SOUTHWEST VIRGINIA CSI
HIKE	LITTLE STONEY FALLS	CLIFFHANGER RANCH
HIKE	GREEN COVE PLANT WALK	FRIENDS OF MT. ROGERS
TOUR	SOLAR TOUR OF SWVA	ECOLOGICAL ENERGY SYSTEMS
TOUR	GREEN COVE STATION TOUR	FRIENDS OF MT. ROGERS
RIDE	WILDLIFE VIEWING W/ UTV	LICK MTN. EXCURSIONS
YOGA	YOGA IN THE OUTDOORS	WHITETOP YOGA



Terence R. McAuliffe
Governor

Maurice A. Jones
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

William C. Shelton
Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

May 8, 2015

Mr. Tim Pfohl
The Virginia Tobacco Indemnification
and Community Revitalization Commission
701 E. Franklin St., Ste. 501
Richmond, VA 23219

Dear Tim:

I am writing to express our strong support for the attached proposal from the Southwest Virginia Cultural Heritage Foundation (fiscal agent Friends of Southwest Virginia). This grant will provide critical stopgap funding for Heartwood and assist in a complete overhaul of the operational budget to move this regional center from the red to solid financial footing.

As you know, Heartwood opened with significant local, state, and federal investments, building upon momentum created by a decade of work to restructure the economy of 19 counties. Long before concrete was poured at Heartwood, a pivot toward asset-based economic and community development had gained traction.

This ambitious transition began with The Crooked Road, a beloved and internationally recognized entity. Both the Department of Housing and Community Development (DHCD) as well as the Tobacco Commission provided grants to this upstart organization. Further, localities along this linear asset supported the work. As revenue began to flow from the many visitors along The Crooked Road, localities saw ways to expand opportunities to tap this new revenue stream. Through grant programs that our respective organizations manage, we have supported many projects that complement this trend—entrepreneurial centers, streetscapes, marketing campaigns—broadening the impact of the movement started through musical heritage.

'Round the Mountain and Heartwood grew out of the successes demonstrated by Virginia's Heritage Music Trail. Further, we are now deeply engaged in expanding our cluster development into outdoor recreation and natural assets with the Appalachian Spring initiative, another project benefiting from a DHCD and Tobacco investment. Impact is sometimes slow to gauge, but we've already seen four new businesses and over \$800,000 in supporting private investments emerge to build off this rapidly developing entrepreneurial ecosystem.

The process to turn a struggling community into one that is thriving and growing is a long one and requires extensive focus. We're working with over 70 different localities across our area. In addition to the initiatives mentioned in this letter, DHCD, the Southwest Virginia Cultural Heritage Foundation and Friends of Southwest

Partners for Better Communities



www.dhcd.virginia.gov

Virginia have been working with communities throughout the nineteen county region to develop focused economic development and revitalization strategies leveraging off of these broader regional initiatives. DHCD alone has made over \$35 million in coordinated community development and revitalization investments. I know that the Tobacco Commission has likewise made significant related investments and together we are making a difference. Now, more than ever, we need to sustain our commitment to community revitalization and economic restructuring within Southwest Virginia.

Heartwood is a catalytic center for this regional work. It serves as a gateway to all partner communities. Further, it houses the offices for The Crooked Road, 'Round the Mountain, and the Southwest Virginia Cultural Heritage Foundation.

It also serves as a Major Venue for The Crooked Road, housing over 36 traditional music events each year, including two festivals. 'Round the Mountain is building a new festival to be located here. Appalachian Spring launched an outdoor expo on our front lawn last year and over 1,200 people attended. Festival Park, the refurbished front lawn area, will continue this trend of bringing people to Heartwood where they can then learn more about other places to visit and spend their money across Southwest Virginia.

More than a showplace for our heritage and landscape, Heartwood is an exhibit for one of America's most ambitious creative placemaking initiatives. Today, community and economic development experts from across the country arrive at Heartwood to see what we are doing to generate a new style of rural economy building upon the rich assets and heritage that makes Southwest Virginia a unique and powerful place.

Your support is essential to continued operations at Heartwood, which is critical to continued regional economic development for all of the Southwest Tobacco counties, cities, and towns. We appreciate your serious consideration of this request.

If you have any questions or would like to discuss our commitment to this proposal further, please do not hesitate to contact me.

Sincerely,

Bill Shelton

Biographical Sketches

Regional Economic Development Expansion Continuation Southwest Virginia Cultural Heritage Foundation

Todd Christensen, Project Director

Todd Christensen is the executive director of the Southwest Virginia Cultural Heritage Foundation (SWVCHF), the coordinating organization for a 19-county economic restructuring based on asset development and a Creative Economy approach. Christensen has worked in the field of community development for more than 30 years. In his most recent position, he was the Deputy Director for the Department of Housing and Community Development (DHCD) and oversaw federal and state-funded community development construction programs, including the Virginia Community Development Block Grant (CDBG) program, the Appalachian Regional Commission Program, and other programs such as Virginia Main Street, the Virginia Enterprise Zone initiative, and the Virginia Rural Broadband Planning Initiative. Christensen has worked extensively in the communities of Southwest Virginia through his position with DHCD, he has brought big ideas to the table and has demonstrated a unique and innovative approach toward economic development. All of the downtown revitalization projects that have occurred in Virginia over the last 20 years have been initiated and completed because of Christensen's commitment to restructuring Virginia's manufacturing based economy to a new "Creative Economy." He also played a founding role in the development of The Crooked Road: Virginia's Heritage Music Trail, and was an integral part in the development of 'Round the Mountain: Southwest Virginia's Artisan Network. His past awards include the prestigious 2003 Governor's Star Award, presented to one state employee each year whose achievements exemplify the mission of the agency; the 2008 Excellence in Virginia Government Award for his work with The Crooked Road and community development efforts in Southwest Virginia; and the 2008 Innovation in Government Award from the Virginia Commonwealth University L.D. Wilder School of Government Affairs. He has been recognized as a creative placemaking leader, making presentations and providing onsite technical assistance in eight other states to assist in community development and economic restructuring initiatives. He has participated in policy development efforts with Virginia's DHCD, the Appalachian Regional Commission, the White House Rural Development Council, and the Clinton Global Initiative.

Diana Blackburn, Round the Mountain Executive Director

Diana Blackburn is 'Round the Mountain's founding executive director and has been with the organization since May 2005. 'Round the Mountain has created and sustains the crafts cluster for the proposed project.

Blackburn led the work to create the operating structure of the organization including establishing by-laws, employee, and financial management policies; obtaining non-profit status; obtaining a registered service mark for the organization's name and logo; electing its first board of directors, setting membership guidelines; developing initial informational materials; and organizing and launching the RTM website. Since that time Diana has been actively involved in the creation of the criteria for the regional artisan trail network, jury criteria for work for Heartwood: Southwest Virginia's Artisan Gateway, developing a marketing and public relations plan, nurturing partnership throughout the region, and is a member of the Management Team for

Heartwood. In 2008, Diana was appointed by Governor Kaine to serve on the Southwest Virginia Cultural Heritage Commission. Diana also serves as the Deputy Director of Heartwood: Southwest Virginia's Artisan Gateway.

Other relevant activities developed by RTM completed under Blackburn's leadership:

- Mobilized and directed the creation of 15 artisan trails in 19-county region of Southwest Virginia;
- Developed and introduced the Business of Craft Institutes used to develop business skills for membership and regional artisans;
- Facilitated planning for arts incubator in Abingdon;
- Provided direct technical assistance to membership;
- Promoting sustainable farming efforts across the region including food and forests (ongoing);
- Mobilizing resources for new regional farmer's market venue to be located in Abingdon (ongoing, collaboration with USDA).

Results of Blackburn's work have been noteworthy.

- RTM membership at 573 artisan studios and venues and agricultural sites such as farmers' markets, working farms, and wineries;
- Over 250 juried artists presenting in Heartwood;
- From June 15 through December 31, 2011, total Heartwood craft sales recorded at \$230,620;
- Total artisan outreach/mentoring/education contacts within the past year exceed 500.

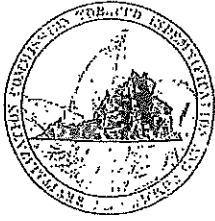
Prior to her position at 'Round the Mountain, Diana was Executive Director for United Way of Washington County and held the following positions at People Inc. of Southwest Virginia: Appalmade Project Manager, Individual Development Account Project Manager and Business Development Specialist.

Jack Hinshelwood, The Crooked Road Executive Director

Hinshelwood has taught, performed, produced, and recorded the heritage music of the Appalachian region for almost 40 years. As a musician, Jack manages the Appalachian and Celtic music group Celtibillies which is listed in the Virginia Commission for the Arts Tour Directory. Jack has produced eight recordings of traditional music, liner notes for additional recordings, and provided music for two movie sound tracks. His teaching experience includes six years as a traditional music instructor for individual students as well as group lessons through the YMCA Open University programs and instruction for the 4-H Bluegrass Camp. Jack has promoted and presented traditional music including Doc Watson in concert, a cross-genre concert of Celtibillies with German Opera tenor Robert Chafin, the Appalachian Music Masters Concert program, and coordinated "CDs to Seabees," which provided recordings of traditional music from Southwest Virginia to Seabees serving in Iraq. He is also a guitarist, fiddler, and singer, and has received awards from festivals and competitions including the Wayne Henderson Guitar Contest and the Knoxville World's Fair Guitar Championship. Jack graduated with a B.S. in Civil Engineering from Virginia Tech and worked for 22 years at the engineering consulting firm of Olver Incorporated where he was Vice President and Senior Project Manager. He was named Executive Director of The Crooked Road in August 2010.

Becky Nave, Public Relations and Marketing Director

Becky Nave is the Public Relations and Marketing Director at the Virginia Department of Housing and Community Development (DHCD) working directly for the Southwest Virginia Cultural Heritage Foundation (SWVCHF) where she is an advocate for the 19 counties, 54 towns, and 4 cities in the Southwest Virginia region. Through the SWVCHF she promotes cultural heritage organizations like The Crooked Road, 'Round the Mountain, and Southwest Virginia's great outdoors through the Appalachian Spring initiative. Becky is the lead in the regional brand deployment of Southwest Virginia that showcases the creative economy. Prior to her work with the Commonwealth, she was the Senior Business Trainer for People Incorporated of Virginia. She assisted entrepreneurs by providing business financial and development services through micro-loans, one-on-one technical assistance and training to clients throughout Southwest Virginia and the Shenandoah Valley. Becky has over 15 years of experience in community and economic development and has taught a variety of workshops at the state and national level. She is a graduate of King University with a B.A. in Business Administration.



Virginia Tobacco Commission Grant Application Certification Statement

On behalf of the organization identified in this application, I certify the following:

1. The data in this application is true and correct and that supporting documentation for the claims and assertions made within this application is available to the Virginia Tobacco Commission for its review.
2. The Applicant understands that submitting false or misleading information in connection with this application will result in the application being found ineligible for funding from the Virginia Tobacco Commission.

Project Title: Heartwood Reengineering

Applicant Organization Legal Name: Southwest Virginia Cultural Heritage Foundation

Organization Primary Contact: Todd Christensen

Signature of Organization Primary Contact: _____

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

Date: 5/8/15

Upload the completed Certification Statement

FY15 Special Projects - Megasite Committee Recommendations – May 2015

The Commission received five proposals for FY15 Megasite grants by the announced due date of March 20th. The requests seek \$14 million dollars. The Commission budgeted \$6.25 million for this program in FY15, and carried-forward funds increase that to an available balance of \$6,297,437. The Special Projects Committee met on May 12 in Rocky Mount to consider these proposals and made four funding recommendations to be acted on by the Commission on May 21. Other Business is also described in this report.

Req #	Organization Name	Project Title	Request Amount	Committee Recommendation
3008	County of Sussex	Sussex County Mega Site Project	\$3,127,950	\$829,350
3009	Carroll-Grayson-Galax RIFA	Wildwood Commerce Park- Wastewater Capacity II	\$2,499,500	\$1,746,200
3010	County of Greenville	Mid Atlantic Advanced Manufacturing Center	\$3,805,320	\$1,480,320
3011	Danville-Pittsylvania Regional Industrial Facility Authority	Berry Hill Lot 4 Electric Utility Relocation	\$3,550,000	\$2,241,567
Total (5 requests/4 recommendations)			\$14,062,770	\$6,297,437
Amount available before/after recommendations			\$6,297,437	\$0

County of Sussex

Sussex County Mega Site Project (#3008)

\$3,127,950 requested

Project Description Provided by Applicant:

Executive Summary: Sussex County is requesting funds to assist in the acquisition of an additional 378 acres of land (to be added to the approximately 1,130 acres already purchased by the County) to further expand the County's existing mega site. Sussex County is currently in negotiations to purchase the additional 378 acres of land at cost of \$9,194.44 per acre, for a total purchase price of \$3,475,500.00.

What is the current status of ownership and development of your Megasite? Sussex County currently owns approximately 1,130 acres of undeveloped land for its mega site. Due diligence activities (topographic and boundary surveys, wetland delineations and confirmations, Phase I environmental site assessment, cultural resource analysis, preliminary geo-technical analysis, master planning update and preliminary engineering report, etc.) have been completed for 948 acres of the 1,103 under the County's ownership. Due diligence activities for the remaining 182 acres are currently being completed by the engineering firm hired the County.

How have Commission and matching funds been used to date? Tobacco Commission and local match funds from Sussex County have been used for land acquisition and for the procurement of

professional engineering services to perform due diligence activities. Total grant funding received from the Tobacco Commission to assist with the Sussex mega site project (land acquisition and engineering) amounts to approximately \$9,418,575 (81.75% of total project costs). Sussex County has expended approximately \$2,103,430 of local dollars (18.25% of total project costs) on its mega site.

What industries is your Megasite targeting? Sussex County's mega site is targeting the following industries: automotive, advanced manufacturing, green-tech, alternative/renewable energy, aerospace and manufacturing/distribution. Recent prospects that have expressed interest in the County's mega site include several advanced manufacturers, VEDP's Project Hermes (which the County assumed to have been automotive), several alternative energy companies, a major food processor and a major manufacturing/distribution center.

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

- *1. Acquisition of Phase 3 property (378 acres @ \$9,194.44 per acre)- \$3,475,500 (90% of funds requested in application)
2. Complete survey work on Phase 3 property - \$15,000
3. Complete Wetlands Mitigation Study and Master Plan - \$31,500.00
4. Acquire conditional wetlands permit for site development - TBD (see item two above)
5. Complete design of waterline and elevated storage tank - \$346,500
6. Construct General Access Road through site - \$573,200
7. Construct Economic Development Access Road - \$800,500 (VDOT/Local Funds)
8. Complete design of WWTP expansion/upgrade - \$500,000

If revenues will be shared by two or more localities at your Megasite, describe the distribution of revenues to the respective partners. N/A

Staff Comments: Total Commission support to date is described above. This request seeks half of the available funds in this annual funding cycle. The parcel in question is crossed by an existing Dominion Power transmission line that divides the developable property nearly in half. Staff has suggested that acquiring less than half of the 378 acres lying west of the Dominion line and adjacent to the existing megasite property would accomplish the objective of enlarging the potential footprint for manufacturing structures (albeit requiring some apparent stream mitigation costs), and reduce wetland and stream disturbance on other current acreage. The County intends to re-open discussions with the property owner regarding the willingness to negotiate purchase of a subdivided portion of the 378-acre parcel. Southside allocation of \$719k is currently available to assist this project as well, but the County did not submit to the current Southside cycle. On May 1st the County provided a letter restating its ranked priority activities as (in descending order): design of the water tank/line (#5 above); design of wastewater plant expansion (#8 above); wetlands study and master plan (#3 above, revised to \$75,000); and gravel access road (#6 above). These revised priorities total \$1,494, 500. The water/sewer design work is estimated to cut 9-12 months off the timeline to have utilities built to serve a customer. TICR Staff recognizes the value of having a partially built access road to show the site to prospects, but also suggests that at the appropriate time, the VDOT Access Road program could be a funding source for a permanent entrance road.

Committee recommends award of \$829,350 for not more than 90% of the estimated costs (\$921,500) for water/sewer engineering and wetlands/master plans.

Carroll-Grayson-Galax RIFA
Wildwood Commerce Park- Wastewater Capacity II (#3009)
\$2,499,500 requested

Project Description Provided by Applicant:

Executive Summary: BRCEDA requests \$2,499,500 in Commission funds to complete Wildwood Commerce Park's planned sanitary sewer capacity expansion from 300,000 GPD to 550,000 GPD. Funds would be used for the engineering and construction of sanitary sewer collection system upgrades. BRCEDA has identified food product processing as a suitable industry for Wildwood, which typically requires a minimum 500,000 GPD of sanitary sewer capacity. The target capacity has been determined following discussions with site selection consultants who have visited and assessed Wildwood.

What is the current status of ownership and development of your Megasite? BRCEDA owns 273 acres at Wildwood Commerce Park and has a right-of-first-refusal on an adjacent 1,072 acres for a total 1,345-acre site. At present, the Park includes 100-acre and 25-acre graded sites. An access road has been built to serve these sites as well as water, sewer, fiber, and electric utilities. Construction of natural gas lines to the site are to be completed during CY 2015. All due diligence has been completed and is being updated for site certification also expected in CY 2015. Wildwood Commerce Park is a "ready" industrial park.

How have Commission and matching funds been used to date? BRCEDA has leveraged Commission funds to acquire and develop Wildwood. Specifically, the Commission has provided \$6.75 M for site acquisition and \$5.56 M for site development, including the development of the access road, water, sewer, storm water and fiber utilities. BRCEDA and the localities have financed \$5.3 M for site acquisition. VDOT and ARC (DHCD) have provided \$1.15 M for road, water and sewer construction. American Electric Power has invested approximately \$4 M to extend electric distribution service to the site. To date, total investments from all entities equal \$22.9 M.

What industries is your Megasite targeting? Target industries include: Advanced Wood and Fabrics, Components (auto, aero, electronic, medical), Food Products, and Distribution. In 2012, Wildwood was the Virginia finalist for a \$150 M/ 600 jobs project that ultimately located to North Carolina. Currently, Wildwood has been submitted for four (4) prospects through the Virginia Economic Development Partnership.

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

1. Initial Designs- 4 months- \$120,560 in contractual services
2. Permitting and Revised Designs- 2 months- \$40,000 in contractual services
3. Award of Construction Contract- 2 months- \$22,000 in contractual services
4. Construction & Close-out- 28 months- \$1,951,475 in property & improvements and 365,465 in contractual services

If revenues will be shared by two or more localities at your Megasite, describe the distribution of revenues to the respective partners. Revenues (property taxes) shall be collected by the host locality (Carroll) and shall be distributed first to pay any current installments of debt due on the Project, including financing payments of principal and interest, all outstanding or anticipated costs and expenses of the Project and then any remaining revenue shall be then distributed to the Participants in the Project based upon their percentage of shares owned in the Project. The localities of Carroll, Galax, and Grayson each own an equal number of shares.

Staff Comments: Total Commission support to date is described above. Last year's grant to BRCEDA is enabling wastewater capacity to be expanded to 300,000 gpd. BRCEDA leadership

acknowledges this request seeks 40% of the available funds in this grant cycle, and has therefore obtained revised cost estimates from its engineers to bring wastewater capacity to the 400,000 gpd level that is required for site certification by AEP/McCallum Sweeney. BRCEDA's engineering firm estimates this can be accomplished with an additional award of \$1.75 million and the repurposing of \$351k of remaining construction funds from a previous Megasite grant (#2266) which funded on-site construction of road and utilities. That earlier grant (awarded in January 2011) will require approval of a time extension and the repurposing of construction costs. Matching funds are proposed as debt payments over the next two years (a total of \$695k) from BRCEDA's acquisition of the property. Staff considers site certification an important step for the marketing of Wildwood and supports the revised request to reach 400k gpd capacity.

Committee recommends award of \$1,746,200, and the repurposing and fifth year extension of the balance in Megasite grant #2266 to allow use of those remaining funds to support wastewater capacity expansion to 400k gpd.

County of Greenville

Mid Atlantic Advanced Manufacturing Center (#3010)

\$3,805,320 requested

Project Description Provided by Applicant:

Executive Summary: Greenville County in partnership with Mecklenburg County and the City of Emporia as well as the Tobacco Commission have taken great strides in preparing MAMaC for an MEI client. The site was seriously considered by Project Hermes, a billion dollar investment and 2,000 jobs. In order to shorten the timeline for the next major client to be in operation there are three vital steps that need to be completed, cutting the operational timeline from 18-24 months down to 9-12 months. They are: construction of natural gas line extension, purchase of electrical ROW, and construction of Otterdam Road II.

What is the current status of ownership and development of your Megasite? The Greenville County IDA owns the entire 1600 acres in the MAMaC project site. An additional 400 acres is under option should a client need additional land. The Right of Way for construction of Phase I of Otterdam Road has been acquired. This ROW will also house the water and sewer extensions. Utilities to serve the site have been engineered to a point that will allow the site to be fully developed within 12 months. Army Corp permit can be obtained within 90 days of a site plan submittal. The ROW acquisition for natural gas and electric will add 6-9 months to the development of the site.

How have Commission and matching funds been used to date? Commission and matching funds (from the County, City of Emporia, and VDOT) have been used to acquire the 1600 acres that make up MAMaC, engineer sewer and water treatment plant upgrades, the engineering and construction of the expansion of Otterdam Road to industrial width, engineering of the natural gas extension, preliminary engineering and determination of row for electric and all reports/studies necessary for the environmental permit approval. With these steps complete the site can be fully developed within 18 months. With this request funded the development time can be cut to 9-12 months.

What industries is your Megasite targeting? The MAMaC team will target industry in Advanced Manufacturing. MAMaC's marketing goal is to be positioned in front of site location consultants, developers, corporate real estate brokers and mid-level executives of global leaders seeking sites in the eastern United States. The clients will bring large-scale manufacturing facilities representing investment of \$1 billion or more and 1,000 or more jobs in industries such as:

- Advanced Manufacturing

- Aerospace
- Information Technology
- Energy / Alternative Energy
- Wood Products

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

Priority #1: Natural Gas line extension - \$2,325,000

Priority #2: Purchase of Right of Way for Electric Service Extension - \$300,000

Priority #3: Otterdam Road Extension Phase II - \$1,180,320

If revenues will be shared by two or more localities at your Megasite, describe the distribution of revenues to the respective partners. A revenue sharing contract is in place between the Counties of Greenville and Mecklenburg and the City of Emporia. Each locality will receive a share of the revenues received from any development in the MAMaC site in proportion to the expenses the locality funded during development. A current local share chart is attached.

Staff Comments: This request seeks 60% of available funds in this grant cycle, calling attention to the numbered priorities listed above. MAMaC has received \$23.5 million of Commission support, coming almost entirely from the Megasite program. There is no allocation of Southside funds currently available to assist this project, and Greenville is a low-allocation locality (less than 1% of the annual Southside budget is allocated for projects in the County). The site was a finalist for Project Hermes in late-2014, demonstrating the need for natural gas service to the Park. In this particular case, the Commonwealth has provided a \$2 million appropriation to construct a 4-inch Columbia Gas line to serve the nearby Greenville Correctional Center in Jarratt. The proposed project would double the size of that line to provide capacity to also serve MAMaC. However, the service would terminate at the Correctional Center property line, and would need to be extended in the future to the MAMaC property, at an estimated additional cost of \$2.2M. TICR is being asked to contribute \$2.45M to the project to bring the gas pipeline to the Corrections property line (70% of the \$3.5M project cost), with Corrections contributing \$1.07M (the \$1M balance of the Corrections appropriation would be used to extend the line within the prison site to its service connection). The alternate method of serving MAMaC is a separate service extension ("Route 2") which would cost an estimated \$6-\$7 million. TICR staff has requested more detailed engineering costs and an understanding of the potential of Columbia for repaying the County and Commission for the construction costs once a major user is located at MAMaC. The logic of building a larger pipe in conjunction with Corrections to get gas service closer to MAMaC is obvious. However, it remains unclear why the doubling of the size of the line causes more than a threefold increase in costs, and why the Commission should pay 70% of the project cost to double the pipe size. Furthermore, the Commission would clearly be establishing a precedent to construct capital facilities owned by regulated utilities for speculative development purposes (note the multi-county gas pipeline funded through TROF in 2013 crosses a half dozen counties and came as part of a commitment to build a \$1 billion power plant and the \$330M pipeline). If the Commission chooses not to participate in the Columbia/Corrections construction, the County alternatively requests consideration of priorities 2 and 3 to purchase electric service ROW (\$300k at \$6k/acre, which will significantly reduce the timeframe to provide service to a MAMaC user) and to further extend Otterdam Road (\$1.18M, which has \$1.2M of committed matching funds from VDOT). Using public funds to acquire ROW that will be ultimately be owned by Mecklenburg Electric Cooperative also raises precedent concerns. However, the costs involved are minimal compared to construction of the actual utility infrastructure, and benefits of having negotiations completed with the eleven property owners are significant when a prospect needs a fast track site development scenario. Furthermore, it is more appropriate that the Electric Cooperative have ownership responsibility (including liability) for the property when its powerlines are installed.

Committee recommends award of \$1,480,320 for acquisition of electric utility ROW and Otterdam Road Extension Phase 2, with Commission's immediate approval of the County turning ownership of the electric ROW to Mecklenburg Cooperative at such time as a mega-prospect commits to the MAMaC site.

Danville-Pittsylvania Regional Industrial Facility Authority
Berry Hill Lot 4 Electric Utility Relocation (#3011)
\$3,550,000 requested

Project Description Provided by Applicant:

Executive Summary: The proposed project involves the relocation of an existing 69KV overhead electrical utility line. The current placement of line bisects multiple lots including Lot 4, the first pad site to be graded in the park. Lot four pad area measures approximately 175 acres. In order to maximize the development potential of Lot 4, Appalachian Power will relocate approximately 3.2 miles of power line to the southern portion of the site abutting Berry Hill Road. The attached site map provides an illustration of both the existing overhead line and proposed relocation.

What is the current status of ownership and development of your Megasite? The 3500 acre Berry Hill Industrial Park is publicly owned by the Danville-Pittsylvania County Regional Industrial Facility Authority. The Berry Hill Mega has complete engineering design, wetland delineation, and is awaiting permitting from the U.S. Army Corps of Engineering for Phase One development.

How have Commission and matching funds been used to date? To date Commission funds and matching funds have been used for environmental studies on the entire 3,500 acres of the park. Funds have also been used to make substantial progress toward the completion of infrastructure needs including Phase II water system engineering design, permitting, and right-of way acquisition for providing upgraded water and sewer system service.

What industries is your Megasite targeting? Target industries for the Berry Hill Industrial Park are Wood and Paper Product Manufacturing, Plastics and Rubber Manufacturing, and Fabricated Metal Product Manufacturing. These industries have been identified and confirmed by Jones Lang Lasalle market analysis.

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

1. Relocation of the 69KV electrical line (\$4.15 million) Request described in this application.
2. The acquisition of Right-of way for electrical (\$1,000,000) and electrical site study, engineering (\$400,000) will occur. (RIFA is requesting an budget amendment for a previously approved grant to cover these costs)
3. Engineering and acquisition of Right-of Way for natural gas (\$462,000) Funding Approved.
4. Grading of Lot 4 pending Phase I permit approval from the U.S. Army Corps of Engineers. (Funding Approved)
5. Water System Improvements Phase II(\$2.5 million) No funding Identified

If revenues will be shared by two or more localities at your Megasite, describe the distribution of revenues to the respective partners. The City of Danville and Pittsylvania County signed a revenue sharing agreement during the creation of the Regional Industrial Facility Authority that requires any and all income generated as a result of sales, leases, conveyances, and or interest remain with the Authority to further promote economic development within the two localities. Machinery and tools tax, Real Property Tax, Personal Property Tax, and any miscellaneous tax revenues will be shared with

each locality receiving one half.

Staff Comments: This request seeks 56% of available funds and is focused on 90% of the priority #1 activity. Berry Hill has received nearly \$28 million of Commission support to date, coming almost equally from the Megasite and Southside Economic Development programs. A total Southside allocation of \$5 million is currently available for the two localities (\$1.8M in Danville and \$3.1M in Pittsylvania). Staff acknowledges the limitations placed on development of Lot 4 with the current location of the powerline. However, aside from the Southern VA natural gas pipeline project (which was approved in order to secure \$1.3 billion of investments by Dominion Power and Williams/Transco), to date the Commission has not paid to construct the facilities of regulated utilities such as the Appalachian Power line in question. It should be noted that the application states that Appalachian has proffered to repay the RIFA and TICR if a “significant user” is located in the Park within ten years. Given that the grading of Lot 4 has not yet been approved by the Army Corps, it appears premature and precedent-setting to approve this request to relocate the powerline. If at such time as a major prospect commits to the Park, it is likely that Appalachian will pay the relocation costs and grant funding would not be needed. This was communicated by staff to the RIFA, and its representatives have indicated that TICR support for the Phase 2 waterline construction (a \$2.5 million project to bring the water from the North Carolina state line into the Park) is an equally important step to further prepare the site. The RIFA has requested that the Commission will alternatively consider this aspect of the request (item #5 in the list above), and TICR staff is supportive of that alternative.

Committee recommends award of \$2,241,567 for not more than 90% of the Phase two water line construction and related costs.

OTHER BUSINESS - MEGASITES

Three-year extensions are requested by the grantee for the following two projects, and a requested repurposing of funds under one of those grants is described below. Staff recommends approval of two-year extensions and repurposing in order to continue development of the Berry Hill megasite:

Grant	Organization	Project Title	Start Date	End Date	Extension
#2264	Danville-Pittsylvania Regional Industrial Facility Authority	<i>Berry Hill Mega Park</i>	1/11/2011	1/10/2015	1/10/2017
#2491	Danville-Pittsylvania Regional Industrial Facility Authority	<i>Berry Hill Mega Park – Site Development – Lot 4</i>	1/10/2012	1/10/2015	1/10/2017

Committee recommends approval of the two extensions listed above.

Danville-Pittsylvania Regional Industrial Facility Authority
Berry Hill Mega Park (#2264)
\$2,700,000 grant – Repurpose and ROW ownership request

The \$2.7 million grant and \$1 million match were originally approved to support new electrical transmission line and substation (\$1,279,800); engineering and acquisition of ROW for natural gas (\$462,000); and engineering and ROW acquisition for a new connector road from U.S. 58 (\$1,981,920). Completion of the project activities has been delayed due to the inability to obtain permits from the Corps of Engineers. During this period RIFA has identified the need to revise the use of grant funds due to changes for the provision of electrical service and transportation infrastructure to serve the park. The original project estimates for electrical power were based on this being provided by the City of Danville's Power and Light Utility Division. In order to provide competitive power pricing RIFA has negotiated with Appalachian Power to serve the mega-site from their Danville/Axton line. RIFA is proposing a revised project budget of \$1.525 million to support electrical utility costs with Appalachian Power including \$525,000 for siting study, SCC certification, and engineering costs; and \$1 million toward ROW acquisition to be owned by Appalachian Power. RIFA also proposes a revision to the use of funds originally approved for the connector road, based on discussions with VDOT, to instead be used toward costs for design, contractual and construction related expenses for an interchange at the Danville Expressway and Berry Hill Road. While the standard rule for the Commission is that ownership of assets acquired or improved with grant funds must be held by an eligible grantee, in this case, given the expected major investment in equipment and infrastructure anticipated by Appalachian Power to serve the Berry Hill Mega-Site and their responsibility for the maintenance, staff views this is sufficient justification to allow ownership by Appalachian Power of the electrical power right-of-way that would be purchased with grant funds. As stated earlier in this report, using public funds to acquire ROW that will be ultimately owned by AEP raises precedent concerns. However: 1) the costs involved are minimal compared to construction of the actual utility infrastructure; 2) and it is more appropriate that the power company have ownership responsibility, including liability, for the property when its powerlines are installed, and; 3) the acquisition of ROW in advance of a prospect commitment significantly reduces the timeline to deliver service to a prospect when it materializes.

Committee recommends approval of the revised use of grant funds and ownership transfer of the electrical power right-of-way to Appalachian Power at such time as a megasite prospect commits to the Park.

OTHER BUSINESS - ACCESS TO HEALTHCARE PROPOSALS

The following project was tabled in the September Committee meeting. The available balance in Special Projects following the September grant approvals is \$400,490.

Piedmont Access To Health Services Inc.
Boydton Facility Purchase (#2936)
\$450,000 requested (tabled in September 2014)

Executive summary provided by applicant: By partnering with the Virginia Tobacco Indemnification Commission, PATHS will be able to attain the following goals:

- Increase the number of providers, medical and dental;

- Decrease the number of uninsured residents by enrolling them in a plan under the Affordable Care Act;
- Broaden the scope of telemedicine to include more specialty care;
- Improve patient outcomes, especially those with chronic diseases such as diabetes and hypertension; and
- Contribute to economic growth of the area by an increase in workforce and the close proximity to businesses such as Microsoft.

Mecklenburg County, and the surrounding region had been served with access to primary medical, dental, and behavioral health services for over 25 years through an organization based in Boydton, Virginia. As a federally qualified community health center (FQHC), the organization provided care to everyone, regardless of their ability to pay or insurance status. The former organization secured a USDA loan to purchase, renovate and outfit a facility in, or around, 2008. This facility is located at 380 Washington Street, Boydton. In 2012, PATHS implemented operations in Mecklenburg County in a small medical office with 1 Full-time equivalent (FTE) doctor. Within 6 months, PATHS expanded the operation to include another FTE doctor. In 2013, the USDA presented PATHS with an opportunity to lease the larger facility at 380 Washington Street. Since then, the medical practice has been relocated, PATHS has re-opened the fitness center and has secured funding from the Virginia Health Care Foundation that has been used to hire 1 FTE dentist. Since beginning operation in Boydton in 2012, PATHS has found that there is a large number of residents from surrounding counties that travel to PATHS' Boydton facility for care. Specifically, there are 73 active, unique patients from Charlotte County; 1,087 active, unique patients from Halifax County; and 1,112 active, unique patients from Lunenburg County. PATHS contributes this to the fact that the area is very rural, and there are simply not a lot of options available whereby residents can access the services PATHS provides in Boydton.

Staff comments: PATHS was established as a 501c3 nonprofit in 2001 and now operates clinics in Danville, Martinsville and Chatham. In 2012 PATHS began leasing and operating the former "Healthcare on the Square" in Boydton from USDA Rural Development, which holds a \$4 million loan that was provided to the former owner/operator (Boydton Community Health Care, Inc.) to establish the facility. PATHS made a purchase offer of \$80,000 to USDA Rural Development in 2013 that was rejected by USDA. PATHS made a second purchase offer to USDA in March 2014 for \$100,000 which was also declined. Under this request PATHS is seeking \$450,000 as a final offer for the building acquisition. This request was tabled in the September 2014 Special Projects Committee as it was not yet known if USDA would consider that latest offer from PATHS. The match for the project (\$1,000,000) is the difference between an independent appraiser's value of the property and the grant amount requested from the Commission. While this may be seen as valid "in-kind" match, PATHS has provided its operating budget that shows annual expenses of \$1.2 million in Boydton, which in the opinion of TICR staff, provides significant matching fund commitment. In November 2014 USDA notified PATHS it would accept a \$450,000 cash offer for the property "as is." If successful with this acquisition the project would provide for stabilization and expansion of health care access in Mecklenburg County and the surrounding service area in Southside that is served by this facility. Supplemental data provided by PATHS shows the unduplicated count of patients served has risen from 1,043 in 2012 to 2,911 in 2014, and continues to grow significantly in early-2015. The facility currently employs 18 FTE medical professionals, is recruiting two additional positions, and is working toward re-opening the pharmacy operation at the site. Staff notes that PATHS has been leasing this facility from USDA since 2013, and is providing much-needed services for basic health care in the service area, and advances telemedicine capabilities for residents of a multi-county region (a stated funding priority for health care projects).

Committee recommends award of \$400,000 for the acquisition of the Boydton facility by PATHS from USDA.



TROF COMMITTEE AGENDA

Wednesday
May 20, 2015 @ 4:00pm
New College Institute
Martinsville, VA

Welcome and Call to Order	<i>Tim Pfohl, Interim Executive Director</i>
Call of the Roll	<i>Tim Pfohl, Interim Executive Director</i>
Approval of the <u>1/12/15</u> Minutes	<i>(published on website)</i>
Grant Applications Halifax County Tazewell County Wise County	<i>Ned Stephenson, Deputy Director</i>
Extension Requests	<i>Ned Stephenson, Deputy Director</i>
Public Comments	
Adjournment	

TROF Incentive Guidelines

Company/Project Name	Locality	Date
Project Roy	Halifax County	4.9.15
		Data Sources
Unemployment rate:	9.2	annual unemployment rate
Number of jobs promised:	1,000	company and applicant
Number of jobs saved:	0	company and applicant
Capital investment promised:	\$60,000,000	company and applicant
Average salary promised:	\$30,000	company and applicant
Annual payroll promised:	\$30,000,000	new jobs x salary
Annual local prevailing wage:	\$33,132	average annual wage
NAICS Code	32619	company and applicant
NAICS Description		periodic calculation
Other Plastics Product Manufacturing		
Job Multiplier Per Region	1.41	periodic calculation
Fiscal Stress Index Score	100.90	annual fiscal stress index
Number of Jobs - direct	1000 x	\$1,866 = \$1,866,000
Number of Jobs - indirect	407.69 x	\$467 = \$190,393
Number of Jobs - saved	0 x	\$467 = \$0
Capital Investment (in millions)	60.00 x	\$1,009 = \$60,539
Base Incentive		\$2,116,933
Unemployment Premium	base x	0.93 = \$1,971,164
more for high unemployment areas		
Capital Investment Premium	base x	0.07 = \$151,940
more for high capital-to-payroll ratio		
High Wage Premium	base x	(0.06) = (\$122,432)
more for high new-wage-to-prevailing-wage ratio		
Guideline Incentive Amount		\$4,120,000
Requested Incentive Amount		\$4,120,000

Ned Stephenson, Deputy Director

Date

Guideline Incentive Amount RECOMMENDED

Requested Incentive Amount RECOMMENDED

Tim Pfohl, Interim Executive Director

Date

Guideline Incentive Amount APPROVED

Requested Incentive Amount APPROVED

TROF Incentive Guidelines

Company/Project Name	Locality	Date
Ecosus VA <i>Project Jonah</i>	Tazewell County	3.13.14
Unemployment rate:	7.0	Data Sources
Number of jobs promised:	268	annual unemployment rate
Number of jobs saved:	0	company and applicant
Capital investment promised:	\$134,294,600	company and applicant
Average salary promised:	\$48,800	company and applicant
Annual payroll promised:	\$13,078,400	new jobs x salary
Annual local prevailing wage:	\$32,151	average annual wage
NAICS Code	112511	company and applicant
NAICS Description		periodic calculation
Finfish Farming and Fish Hatcheries		
Job Multiplier Per Region	1.06	periodic calculation
Fiscal Stress Index Score	104.67	annual fiscal stress index
Number of Jobs - direct	268 x	\$1,843 = \$493,924
Number of Jobs - indirect	16.65 x	\$461 = \$7,677
Number of Jobs - saved	0 x	\$461 = \$0
Capital Investment (in millions)	134.29 x	\$1,047 = \$140,566
Base Incentive		\$642,167
Unemployment Premium	base x	0.25 = \$159,821
more for high unemployment areas		
Capital Investment Premium	base x	0.26 = \$168,418
more for high capital-to-payroll ratio		
High Wage Premium	base x	0.28 = \$182,698
more for high new-wage-to-prevailing-wage ratio		
Calculated Incentive		\$1,155,000
Request Amount		\$1,000,000


within guidelines and recommended
NS
3-17-14

Approved: AK @ \$1m T-PfH 3.13.14
T-PfH

** Original approval **

TROF Incentive Guidelines

Company/Project Name	Locality	Date
Energy Enterprises <i>Norton</i>	Wise County	4.27.15
Unemployment rate:	8.8	Data Sources
Number of jobs promised:	25	annual unemployment rate
Number of jobs saved:	0	company and applicant
Capital investment promised:	\$1,725,000	company and applicant
Average salary promised:	\$21,600	company and applicant
Annual payroll promised:	\$540,000	new jobs x salary
Annual local prevailing wage:	\$34,392	average annual wage
NAICS Code	562998	company and applicant
NAICS Description		periodic calculation
All Other Miscellaneous Waste Management Services		
Job Multiplier Per Region	1.51	periodic calculation
Fiscal Stress Index Score	105.12	annual fiscal stress index
Number of Jobs - direct	25 x	\$1,866 = \$46,650
Number of Jobs - indirect	12.70 x	\$467 = \$5,931
Number of Jobs - saved	0 x	\$467 = \$0
Capital Investment (in millions)	1.73 x	\$1,051 = \$1,813
Base Incentive		\$54,395
Unemployment Premium	base x	0.82 = \$44,751
more for high unemployment areas		
Capital Investment Premium	base x	0.12 = \$6,699
more for high capital-to-payroll ratio		
High Wage Premium	base x	(0.24) = (\$13,246)
more for high new-wage-to-prevailing-wage ratio		
Guideline Incentive Amount		\$95,000
Requested Incentive Amount		\$90,000


 Ned Stephenson, Deputy Director

4-28-15
 Date

- Guideline Incentive Amount RECOMMENDED
- Requested Incentive Amount RECOMMENDED


 Tim Pfohl, Interim Executive Director

4/28/15
 Date

- Guideline Incentive Amount APPROVED
- Requested Incentive Amount APPROVED

** New Request **

TROF Incentive Guidelines

Company/Project Name	Locality	Date
Energy Enterprises of Norton	Wise County	4.28.15
Unemployment rate:	8.8	Data Sources
Number of jobs promised:	25	annual unemployment rate
Number of jobs saved:	0	company and applicant
Capital investment promised:	\$1,725,000	company and applicant
Average salary promised:	\$21,600	company and applicant
Annual payroll promised:	\$540,000	new jobs x salary
Annual local prevailing wage:	\$34,392	average annual wage
NAICS Code	562998	company and applicant
NAICS Description		periodic calculation
All Other Miscellaneous Waste Management Services		
Job Multiplier Per Region	1.51	periodic calculation
Fiscal Stress Index Score	105.12	annual fiscal stress index
Number of Jobs - direct	25 x	\$1,866 = \$46,650
Number of Jobs - indirect	12.70 x	\$467 = \$5,931
Number of Jobs - saved	0 x	\$467 = \$0
Capital Investment (in millions)	1.73 x	\$1,051 = \$1,813
Base Incentive		<u>\$54,395</u>
Unemployment Premium	base x	0.82 = \$44,751
more for high unemployment areas		
Capital Investment Premium	base x	0.12 = \$6,699
more for high capital-to-payroll ratio		
High Wage Premium	base x	(0.24) = (\$13,246)
more for high new-wage-to-prevailing-wage ratio		
Guideline Incentive Amount		<u>\$95,000</u>
Requested Incentive Amount		\$484,000

Ned Stephenson, Deputy Director

Date

Guideline Incentive Amount RECOMMENDED

Requested Incentive Amount RECOMMENDED

Tim Pfohl, Interim Executive Director

Date

Guideline Incentive Amount APPROVED

Requested Incentive Amount APPROVED

Tobacco Indemnification and Community Revitalization Commission
Proposed FY2016 Budget

	FY2015		
Endowment Balance July 1, 2014	\$313,605,256		
Minus June corpus invasion	(25,088,421)		
Ending Endowment Balance June 30, 2015		(9,408,158) *	(21,952,368) *
		\$ 279,108,678	\$ 266,564,468
Corpus Invasion-->	8.0%	3.0% *	7.0% *

Proposed FY2016 Budget

SOURCES of Funds	FY2015 (as amended)	Option A	Option B
Interest Earnings	\$ 18,179,221	\$ 17,442,209	\$ 17,442,209
TICR Endowment	25,088,421	9,408,158	21,952,368
Carryforward	10,640,000	21,518,762	21,518,762
Total Sources	\$ 53,907,642	\$ 48,369,129	\$ 60,913,339

USES of Funds

Administration

Salaries, Benefits, Per Diems	\$ 1,263,502	\$ 1,438,425	\$ 1,438,425
Contractual Services, Travel	506,300	384,500	384,500
Supplies and Materials	8,000	6,500	6,500
Transfer Payments	326,070	244,268	244,268
Rent, Insurance, Agency Svc Charges	163,170	150,950	150,950
Furniture and Equipment	40,600	37,900	37,900
Total Administration	\$ 2,307,642	\$ 2,262,543	\$ 2,262,543

Innovation/Job Creation

		Estimated Carryforward as of 5/13/2015		
Tobacco Region Opportunity Fund	\$ 16,850,000	\$ 8,455,210	\$ 3,000,000	\$ 3,000,000
Special Projects	3,000,000	44,463	3,000,000	3,000,000
Agribusiness	1,000,000	1,143,820	1,000,000	1,000,000
Total Innovation/Job Creation	\$ 20,850,000	\$ 9,643,493	\$ 7,000,000	\$ 7,000,000

Education

Scholarships and Competitive Education	\$ 12,000,000	\$ 3,196,467	\$ 12,000,000	\$ 12,000,000
Advanced Manufacturing	3,000,000	7,000,000	-	-
Total Education	\$ 15,000,000	\$ 10,196,467	\$ 12,000,000	\$ 12,000,000

Regional Economic Development

Southside Economic Development	\$ 5,000,000	\$ 12,359,490	\$ 5,000,000	\$ 5,000,000
Southwest Economic Development	4,500,000	896,475	2,500,000	2,500,000
Total Regional Economic Development	\$ 9,500,000	\$ 13,255,965	\$ 7,500,000	\$ 7,500,000

Megapark Development

	\$ 6,250,000	\$ -	\$ 6,250,000	\$ 6,250,000
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Research & Development

	\$ -	\$ 16,687,741	\$ -	\$ -
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General Account

	\$ -	\$ 21,428,762	\$ 1,356,586	\$ 900,796
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Megasite Prospect Incentive Fund

	\$ -	\$ -	\$ 12,000,000	\$ 25,000,000
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Total Uses	\$ 53,907,642	\$ 71,212,429	\$ 48,369,129	\$ 60,913,339
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* Additional FY15 corpus invasion to fund FY16 budget

TROF Awards FY08 - FY15 (Default Summary)

as of 1/7/15

Tobacco Region Locality	Summary of All Awards			Summary of Awards that have Reached Conclusion							
	Number of Awards	Amount of Award	Jobs Promised*	Capital Investment Promised**	Number of Awards	Amount of Award	Jobs Promised*	Jobs Delivered*	Capital Investment Promised**	Capital Investment Delivered**	Amount of Clawbacks***
Bedford	5	\$1,055,000	319	\$58,627,509	2	\$600,000	179	129	\$33,917,509	\$28,252,000	(\$100,000)
Bland	1	\$100,000	50	\$4,768,773							
Bristol City	7	\$4,552,000	347	\$55,364,298	1	\$3,400,000	69	69	\$22,500,000	\$22,500,000	\$0
Buchanan	1	\$1,100,000	400	\$10,000,000	1	\$1,100,000	400	46	\$10,000,000	\$6,500,000	(\$150,000)
Campbell	5	\$450,000	289	\$51,720,000	3	\$350,000	220	160	\$44,070,000	\$14,070,000	(\$200,000)
Carroll	4	\$700,000	296	\$14,210,000	1	\$100,000	125	12	\$4,635,000	\$4,635,000	(\$45,000)
Charlottesville	4	\$1,200,000	317	\$14,800,000							
Danville City	16	\$10,330,000	4,577	\$270,312,000	6	\$2,690,000	2,816	2,772	\$178,062,000	\$176,562,000	(\$94,000)
Dinwiddie	7	\$1,963,000	679	\$134,648,500	3	\$228,000	113	45	\$7,023,500	\$7,023,500	(\$68,313)
Emporia City	2	\$185,000	403	\$3,800,000	2	\$185,000	403	376	\$3,800,000	\$2,750,000	(\$58,920)
Floyd	1	\$65,000	17	\$6,110,000							
Franklin	5	\$770,000	350	\$21,775,000	1	\$100,000	25	19	\$5,750,000	\$5,750,000	(\$12,000)
Galax City	5	\$1,305,000	580	\$14,524,000	1	\$100,000	40	40	\$2,100,000	\$2,100,000	\$0
Grayson	7	\$1,875,000	627	\$17,700,000	4	\$575,000	327	161	\$8,200,000	\$5,500,000	(\$232,750)
Greensville	6	\$1,446,000	416	\$46,510,000	4	\$1,190,000	359	72	\$20,650,000	\$7,500,000	(\$950,000)
Halifax	8	\$4,527,349	606	\$155,372,365	7	\$3,927,349	569	207	\$150,372,365	\$149,255,365	(\$170,000)
Henry	14	\$7,955,274	1,460	\$236,325,750	6	\$1,735,000	496	402	\$27,400,000	\$26,000,000	\$0
Lee	1	\$450,000	150	\$25,000,000							
Lunenburg	6	\$620,000	154	\$22,909,000	2	\$170,000	47	47	\$6,670,000	\$6,670,000	\$0
Martinsville City	4	\$1,380,000	377	\$6,100,000	2	\$970,000	317	317	\$4,100,000	\$4,100,000	\$0

Tobacco Region Locality	Summary of All Awards				Summary of Awards that have Reached Conclusion						
	Number of Awards	Amount of Award	Jobs Promised*	Capital Investment Promised**	Number of Awards	Amount of Award	Jobs Promised*	Jobs Delivered*	Capital Investment Promised**	Capital Investment Delivered**	Amount of Clawbacks***
Mecklenburg	6	\$9,070,000	405	\$1,004,648,000	3	\$5,080,000	135	115	\$305,148,000	\$304,346,712	(\$37,050)
Nottoway	1	\$200,000	104	\$2,500,000	1	\$200,000	104	43	\$2,500,000	\$2,500,000	(\$88,050)
Patrick	9	\$2,193,000	610	\$53,384,000	6	\$950,000	490	343	\$9,584,000	\$7,076,112	(\$239,300)
Pittsylvania	3	\$280,000	86	\$13,060,000	2	\$180,000	50	25	\$8,100,000	\$1,100,000	(\$105,000)
Prince Edward	4	\$700,000	228	\$27,525,000	1	\$430,000	150	150	\$20,000,000	\$20,000,000	\$0
Russell	3	\$975,000	190	\$9,300,000	1	\$250,000	100	100	\$1,800,000	\$1,800,000	\$0
Scott	5	\$1,012,000	198	\$40,952,000	2	\$210,000	78	51	\$2,152,000	\$1,374,800	(\$66,325)
Smyth	3	\$670,000	194	\$9,474,500							
Sussex	1	\$110,000	28	\$8,085,170	1	\$110,000	28	28	\$8,085,170	\$8,085,170	\$0
Tazewell	3	\$1,437,984	461	\$143,504,434	1	\$100,000	113	59	\$3,209,834	\$1,304,443	(\$53,500)
Washington	7	\$3,903,000	623	\$51,433,000	4	\$3,633,000	538	506	\$45,933,000	\$41,889,940	(\$93,577)
Wise	2	\$265,000	270	\$2,700,000	1	\$200,000	242	0	\$1,500,000	\$1,500,000	(\$100,000)
Wythe	2	\$300,000	100	\$5,100,000							
Grand Total:	158	\$63,144,607	15,911	\$2,542,243,299	69	\$28,763,349	8,533	6,294	\$937,262,378	\$860,145,042	(\$2,863,784)

*In addition to those in existence at the time the award was approved

**In addition to that in existence at the time the award was approved

***Clawbacks are sought whenever jobs and/or investments delivered are less than those promised

This report does not include:

1. Seven awards totalling \$1 million for the 2005 enterprise zone shortfall
2. One award totalling \$151,480 to the Bland County Public Service Authority for the Bland County Wastewater and Distribution project
3. Three awards totalling \$30 million to the Brunswick County IDA for Virginia Electric Power Company (VEPCO)

VIRGINIA TOBACCO COMMISSION COMMITTEES
(as of 5/16/15)

**AGRIBUSINESS
COMMITTEE**

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

EDUCATION COMMITTEE

Becky Coleman
Frank Harris
Don Merricks, *Vice-Chair*
Dale Moore
Kenneth Reynolds
Frank Ruff, *Chair*
Cecil Shell
William Stanley
Gary D. Walker
Tommy Wright

EXECUTIVE COMMITTEE

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

**RESEARCH AND
DEVELOPMENT
COMMITTEE**

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Bill Carrico
Rebecca Coleman
Maurice Jones
Danny Marshall
Dale Moore
Will Morefield
Sandra F. Moss
Ed Owens
Kenneth Reynolds
Frank Ruff
Ralph Smith
(no *Vice-Chair* assigned)

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ECONOMIC
DEVELOPMENT
COMMITTEE**

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

**SOUTHWEST
ECONOMIC
DEVELOPMENT
COMMITTEE**

Bill Carrico, *Vice-Chair*
Becky Coleman
Maurice Jones
Ronnie Montgomery
Will Morefield
David Redwine, *Chair*
Ralph Smith
Richard Sutherland

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Maurice Jones
Danny Marshall, *Chair*
Sandra F. Moss
Ed Owens
David Redwine
Ralph Smith
Robert Spiers
Gary D. Walker

TROF COMMITTEE

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

