

Hotel: Sanjay Patel 1-276-733-9511
 Institute: Brenda 1-276-768-7072
 Shuttle (Lucas): 276-233-2322

Mike Swidom - Campbell
 Jeff Reed - MA Growth
 Alliance

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Slot
 County
 Data
 Center
 underground
 (Microsoft?)



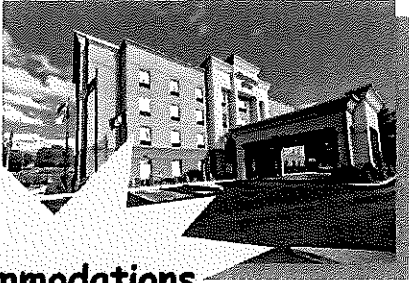
ITINERARY

Tuesday, September 19, 2017

- 2:30 pm **HOTEL CHECK-IN**
Hampton Inn, 205 Cranberry Road, Galax, VA 24333
- 2:45 pm *Shuttle pickup @ Hampton Inn to the Institute*
- 3:00 pm **AGRIBUSINESS** Committee Meeting
The Crossroads Institute, 1117 East Stuart Dr.
- 3:15 pm *Shuttle pickup @ Hampton Inn to the Institute*
- 3:30 pm **SOUTHSIDE ECODEV** Committee Meeting
The Crossroads Institute, 1117 East Stuart Dr.
- 3:45 pm *Shuttle pickup @ Hampton Inn to the Institute*
- 4:00 pm **R & D** Committee Meeting
The Crossroads Institute, 1117 East Stuart Dr.
- 4:45 pm *Shuttle pickup @ Hampton Inn to the Institute*
4:50 pm *Shuttle pickup @ the Institute to the Hampton Inn*
- 5:00 pm **EDUCATION** Committee Meeting
The Crossroads Institute, 1117 East Stuart Dr.
- 6:15 pm *Shuttle pickup @ the Institute to the Hampton Inn*
6:20pm *Shuttle pickup @ the Hampton Inn to Creek Bottom Brewery*
- 6:30 – 8:30 pm **RECEPTION**
Creek Bottom Brewery, 103 Country Club Lane, Galax, VA 24333
- 7:15 pm *Shuttle pickup @ Creek Bottom Brewery to Hampton Inn*
7:45 pm *Shuttle pickup @ Creek Bottom Brewery to Hampton Inn*
8:20 pm *Shuttle pickup @ Creek Bottom Brewery to Hampton Inn*

Wednesday, September 20, 2017

- 6:00 – 9:00 am continental breakfast @ Hotel
- 8:30 am **EXECUTIVE** Committee Meeting
The Crossroads Institute, 1117 East Stuart Dr.
- 9:00 am **COMMISSION** Meeting
The Crossroads Institute, 1117 East Stuart Dr.
- 11:00 am *deadline for Hotel check-out*



Hampton Inn
 205 Cranberry Road, Galax, VA 24333
 (276) 238-4605

Accommodations

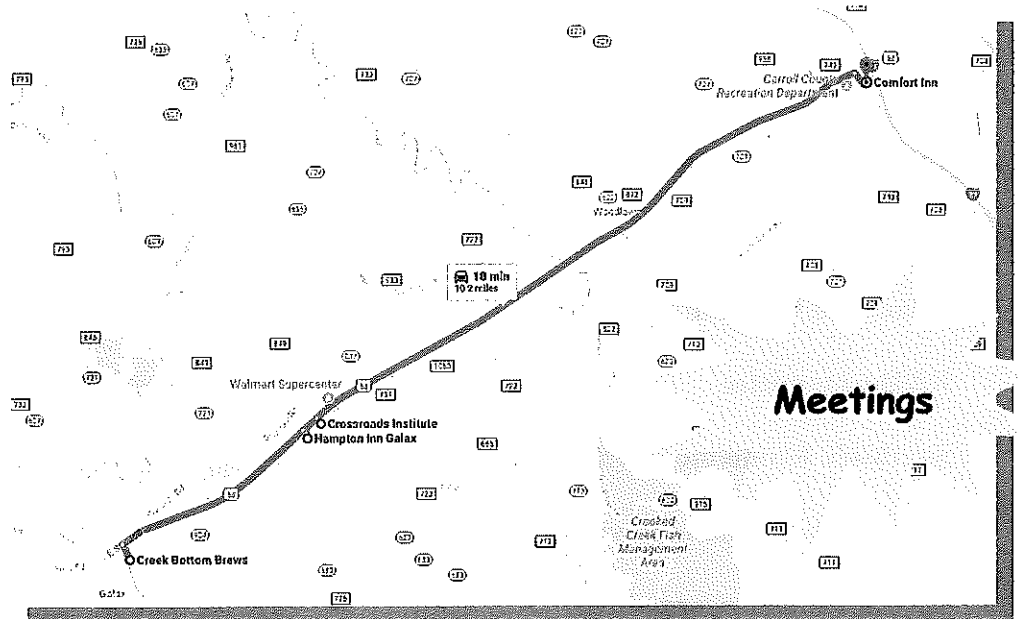
Barts
 Byron
 Cannon
 Capps
 Chafin
 Coleman
 Feinman

Harris
 Holland
 Howard
 Kilgore
 Kim
 Lowe
 Marshall

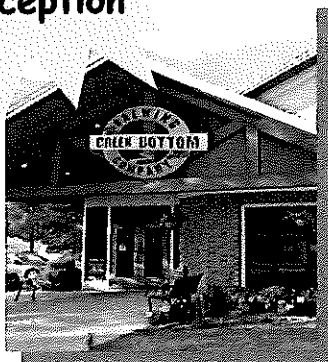
Moore
 Morefield
 Myers
 Owens
 Patterson
 Pfohl
 Piper

Richardson
 Ruff
 Shell
 Spiers
 Stamper
 Stanley
 Williams
 Wright

**The
 Crossroads
 Institute**
 1117 East Stuart Drive
 Galax, VA 24333
 (276) 236-0391



Reception



Creek Bottom Brewing Restaurant
 103 Country Club Lane, Galax, VA 24333
 (276) 236-2337



COMMISSION Agenda

Wednesday
September 20, 2017 @ 9:00am
The Crossroads Institute
Galax, VA

Welcome and Call to Order	<i>The Honorable Terry G. Kilgore, Chairman</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Approval of <u>5/18/17</u> minutes	<i>(published on website)</i>
Executive Committee	<i>The Honorable Frank Ruff, Vice-Chairman</i>
Agribusiness Committee	<i>Robert Spiers, Chairman</i>
Education Committee	<i>The Honorable Frank Ruff, Vice-Chairman</i>
R&D Committee	<i>The Honorable Kathy Byron, Chairman</i>
Southside Economic Development Committee	<i>The Honorable Tommy Wright, Chairman</i>
Southwest Economic Development Committee	<i>The Honorable Bill Carrico, Chairman</i>
Special Projects Committee	<i>The Honorable Danny Marshall, Chairman</i>
CoE Operational Plan Presentation	<i>Chris Piper, Deputy Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjourn	



AGRIBUSINESS COMMITTEE AGENDA

Tuesday
September 19, 2017 @ 3:00pm
The Crossroads Institute
Galax, VA

Welcome and Call to Order	<i>Robert Spiers, Chairman</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Approval of the <u>5/18/17</u> Minutes	<i>(published on website)</i>
Summary of Impacts of Cost Share Grants	<i>Sarah Capps, SS Grants Program Administrator and Sara Williams, SW Grants Program Administrator</i>
FY'18 Ag RFP's	<i>Evan Feinman, Executive Director</i>
Other Business	
Public Comments	
Adjournment	

*Oct/5th + 2wks? application
Jan. mtg to present apps/staff recs.*

**Tobacco Region Revitalization Commission
Agriculture BMP Cost-Share Data Analysis Project**

*BMP CATEGORY	BEST MANAGEMENT PRACTICE	TYPE OF ELIGIBLE COSTS INCLUDED
Energy Efficiency	Energy Audit	audit, feasibility study
	Energy Practice Installation	energy practice from audit installed
	Energy Practice Installation-REAP	energy practice funded by USDA Rural Energy for America Program
Crop Programs	Hay Storage	hay barns (new structures or 3 walled additions), hoop buildings
	Grain/Feed Storage	grain bin, bunk tank, commodity storage bin, bunker silos, grain dryers
	Hay Equipment	hay wrappers, hay unroller, rings, huggers, forage sampling equipment
Pasture Utilization	Spreaders & Sprayers	spreaders-- manure, lime, fertilizer; pesticide sprayers
	Fencing	temporary fencing (for rotational grazing), interior, perimeter
	Conversion of Grazing Land	conversion to warm-season grass and to novel endophyte tall fescue
	Watering Systems	water systems- pumps, tanks, waterers, piping; wells
Livestock Management	Genetic Improvements	bulls, insemination
	Handling Equipment	head gate, squeeze chute, holding chute, pens, portable corral, scales, etc.
	Livestock Identification	tags / tagging system, branding irons, livestock management software
	Dairy Equipment	dairy stanchions, palpation rails, water sterilization, milk pasteurizer, vacuum gauges, water heater, milk vacuum pump, pipeline system, tank, etc.
	Goat & Sheep Equipment	kidding/lambing pen, shears, hoof trimming table, fitting stand, starter pens, creep feeding pens, tilt/roll table, breeding harness, etc.
	Shade Structures	shade structures
	Feeders	bunk feeders, creep feeders/mix wagons, mineral feeders
Produce Practices	Cold Storage	cold storage
	Produce Production Structures	greenhouse, high tunnel

GRANT #	GRANTEE	START DATE	PRIMARY AREA
795	Halifax County	October 2004	Southwest (Southside not included)
1053	Abingdon Feeder Cattle Association	January 2006	Southwest
1261	Abingdon Feeder Cattle Association	January 2007	Southwest
1556	Wytheville Feeder Cattle Association	January 2008	Southwest
1746	Virginia State Dairyman's Association	January 2009	Southwest, Southside
1748	Wytheville Feeder Cattle Association	January 2009	Southwest
2244	Franklin County	January 2011	Southwest, Southside
2274	Abingdon Feeder Cattle Association	January 2011	Southwest
2476	Abingdon Feeder Cattle Association	January 2012	Southwest
2622	Abingdon Feeder Cattle Association	January 2013	Southwest
2795	Abingdon Feeder Cattle Association	January 2014	Southwest
1978	Virginia Tech	January 2010	Southside, Southwest
1980	Campbell County	January 2010	Southside
2256	Campbell County	January 2011	Southside
2453	Campbell County	January 2012	Southside
2798	Campbell County	January 2014	Southside
2802	Virginia Tech	January 2014	Southside, Southwest
3106	Campbell County	January 2016	Southside

TOTALS INCLUDED IN ANALYSIS 9/5/2017	
\$	5,623,291 TRRC Cost-Share Payments
	2461 Number of Producers Served

NOTES:

* BMPs selected for this analysis are ones targeted to traditional farmers. This does not include cost-share for beekeepers, aquaculture; or demonstration plots for specialty crops (i.e. berries, edamame, chickpeas)

* Current/active cost-share grants where there was an insignificant number of data records for analysis were not included.

**Tobacco Region Revitalization Commission
Agriculture BMP Cost-Share Data Analysis Project**

Southwest VA Area of Tobacco Region

Thirteen (13) Agribusiness grant awards from October 2004 to January 2014 are included in this analysis.

SW - Chart 1

By BMP Category - Number of Producers Served & Expenditures

Row Labels	Count of PRODUCER NAME	Sum of TRRC COST-SHARE	Sum of MATCH	Sum of TOTAL COST
Crop Programs	283	\$ 855,243	\$ 2,572,100	\$ 3,427,343
Energy Efficiency	8	\$ 12,250	\$ 50,505	\$ 62,755
Livestock Management	1073	\$ 2,387,698	\$ 3,324,911	\$ 5,712,609
Grand Total	1364	\$ 3,255,191	\$ 5,947,516	\$ 9,202,707
	<i>Percentage</i>	35%	65%	
	<i>Average Cost-Share</i>	\$ 2,387		

SW - Chart 2

By County - Number of Producers Served & Expenditures

Row Labels	Count of PRODUCER NAME	Sum of TRRC COST-SHARE	Sum of MATCH	Sum of TOTAL COST
Bland	73	\$ 161,877	\$ 244,217	\$ 406,094
Bristol	2	\$ 5,513	\$ 15,867	\$ 21,380
Buchanan	5	\$ 8,501	\$ 8,501	\$ 17,002
Carroll	50	\$ 117,946	\$ 252,289	\$ 370,235
Dickenson	28	\$ 61,489	\$ 70,890	\$ 132,378
Floyd	13	\$ 32,191	\$ 108,197	\$ 140,388
Grayson	104	\$ 254,351	\$ 421,119	\$ 675,471
Lee	149	\$ 371,199	\$ 635,904	\$ 1,007,103
Russell	273	\$ 653,753	\$ 1,298,761	\$ 1,952,514
Scott	155	\$ 317,740	\$ 555,037	\$ 872,777
Smyth	134	\$ 355,777	\$ 668,229	\$ 1,024,006
Tazewell	61	\$ 132,789	\$ 220,027	\$ 352,816
Washington	163	\$ 396,016	\$ 694,545	\$ 1,090,561
Wise	33	\$ 68,505	\$ 104,198	\$ 172,704
Wythe	121	\$ 317,543	\$ 649,735	\$ 967,278
Grand Total	1364	\$ 3,255,191	\$ 5,947,516	\$ 9,202,707

SW - Chart 3

By Best Management Practice - Average TRRC & Match; Dollars of Match to \$1 TRRC

	Count of PRODUCERS	Average of TRRC	Average of MATCH	
<input checked="" type="checkbox"/> Crop Programs	283	\$ 3,022	\$ 9,089	
Hay Storage	283	\$ 3,022	\$ 9,089	3.0
<input checked="" type="checkbox"/> Energy Efficiency	8	\$ 1,531	\$ 6,313	
Energy Audit	4	\$ 1,188	\$ -	0.0
Energy Practice Installation	3	\$ 2,500	\$ 15,600	6.2
Energy Practice Installation-REAP	1	\$ -	\$ 3,705	n/a
<input checked="" type="checkbox"/> Livestock Management	1073	\$ 2,225	\$ 3,099	
Dairy Equipment	20	\$ 3,690	\$ 5,332	1.4
Feeders	12	\$ 806	\$ 806	1.0
Genetic Improvement	241	\$ 1,762	\$ 2,520	1.5
Handling Equipment	768	\$ 2,397	\$ 3,303	1.4
Unknown	32	\$ 1,220	\$ 1,256	1.0
Grand Total	1364	\$ 2,387	\$ 4,360	1.8

Note: Most Southwest area cost-share grants required 1:1 Match. Highlights identify Match \geq 3:1.

Southern VA Area of Tobacco Region

Nine (9) Agribusiness grant awards from January 2009 to January 2016 are included in this analysis.

SS - Chart 1

By BMP Category - Number of Producers Served & Expenditures

Row Labels	Count of PRODUCER NAME	Sum of TRRC COST-SHARE	Sum of MATCH	Sum of TOTAL COST
Crop Programs	493	\$ 1,414,829	\$ 4,850,589	\$ 6,265,418
Energy Efficiency	153	\$ 322,032	\$ 948,060	\$ 1,270,092
Livestock Management	364	\$ 569,762	\$ 1,398,032	\$ 1,967,794
Pasture Utilization	82	\$ 45,419	\$ 114,773	\$ 160,191
Produce Practices	5	\$ 16,059	\$ 68,450	\$ 84,509
Grand Total	1097	\$ 2,368,100	\$ 7,379,904	\$ 9,748,005
	<i>Percentage</i>	24%	76%	
	<i>Average Cost-Share</i>	\$ 2,159		

SS - Chart 2

By County - Number of Producers Served & Expenditures

Row Labels	Count of PRODUCER NAME	Sum of TRRC COST-SHARE	Sum of MATCH	Sum of TOTAL COST
Amelia	28	\$ 66,824	\$ 277,105	\$ 343,929
Appomattox	98	\$ 171,162	\$ 504,421	\$ 675,583
Bedford	64	\$ 151,083	\$ 495,027	\$ 646,111
Brunswick	36	\$ 82,157	\$ 367,473	\$ 449,630
Buckingham	60	\$ 119,769	\$ 363,665	\$ 483,434
Campbell	123	\$ 288,237	\$ 819,292	\$ 1,107,528
Charlotte	86	\$ 155,389	\$ 437,603	\$ 592,992
Cumberland	56	\$ 110,243	\$ 361,934	\$ 472,177
Dinwiddie	9	\$ 14,550	\$ 81,354	\$ 95,904
Franklin	53	\$ 193,096	\$ 426,319	\$ 619,415
Greensville	8	\$ 14,600	\$ 12,381	\$ 26,981
Halifax	103	\$ 169,807	\$ 429,849	\$ 599,656
Henry	7	\$ 20,481	\$ 50,761	\$ 71,241
Lunenburg	22	\$ 51,328	\$ 225,304	\$ 276,632
Mecklenburg	87	\$ 176,989	\$ 723,533	\$ 900,522
Nottoway	27	\$ 58,773	\$ 225,448	\$ 284,221
Patrick	10	\$ 29,239	\$ 74,594	\$ 103,833
Pittsylvania	164	\$ 364,344	\$ 1,079,848	\$ 1,444,192
Prince Edward	48	\$ 108,944	\$ 327,680	\$ 436,624
Sussex	8	\$ 21,086	\$ 96,312	\$ 117,398
Grand Total	1097	\$ 2,368,100	\$ 7,379,904	\$ 9,748,005

SS - Chart 3

By Best Management Practice - Average TRRC & Match; Dollars of Match to \$1 TRRC

	Count of ▼ PRODUCERS	Average of TRRC	Average of MATCH	MATCH: \$1 TRRC
<input checked="" type="checkbox"/> Crop Programs	493	\$ 2,864	\$ 9,819	
Grain/Feed Storage	62	\$ 2,653	\$ 12,841	4.8
Hay Equipment	80	\$ 1,102	\$ 3,145	2.9
Hay Storage	351	\$ 3,300	\$ 10,804	3.3
<input checked="" type="checkbox"/> Energy Efficiency	153	\$ 2,105	\$ 6,196	
Energy Audit	81	\$ 1,354	\$ -	0.0
Energy Practice Installation	62	\$ 3,425	\$ 11,799	3.4
Energy Practice Installation-REAP	10	\$ -	\$ 21,652	n/a
<input checked="" type="checkbox"/> Livestock Management	364	\$ 1,565	\$ 3,841	
Dairy Equipment	29	\$ 3,123	\$ 5,139	1.6
Feeders	112	\$ 1,081	\$ 3,158	2.9
Genetic Improvements	1	\$ 173	\$ 352	2.0
Goat/Sheep Equipment	3	\$ 500	\$ 1,015	2.0
Handling Equipment	175	\$ 1,949	\$ 4,675	2.4
Livestock Identification	40	\$ 95	\$ 193	2.0
Shade Structure	4	\$ 2,875	\$ 16,498	5.7
<input checked="" type="checkbox"/> Pasture Utilization	82	\$ 554	\$ 1,400	
Fencing	53	\$ 241	\$ 497	2.1
Spreader & Sprayers	29	\$ 1,125	\$ 3,050	2.7
<input checked="" type="checkbox"/> Produce Practices	5	\$ 3,212	\$ 13,690	
Cold Storage	2	\$ 3,086	\$ 6,696	2.2
Produce Production Structure	3	\$ 3,296	\$ 18,353	5.6
Grand Total	1097	\$ 2,157	\$ 6,721	3.1

Note: Most Southern area cost-share grants required 2:1 Match. Highlights identify Match > 3:1.



EDUCATION COMMITTEE AGENDA

Tuesday
September 19, 2017 @ 5:00pm
The Crossroads Institute
Galax, VA

Welcome and Call to Order	<i>The Honorable Frank M. Ruff, Chairman</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Approval of the <u>5/3/17</u> Minutes	<i>(published on website)</i>
New College Foundation Funds	<i>Tim Pfohl, Grants Director</i>
2018-19 Workforce Financial Aid Guidelines	<i>Evan Feinman, Executive Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	



EXECUTIVE COMMITTEE AGENDA

Wednesday
September 20, 2017 @ 8:30am
The Crossroads Institute
Galax, VA

Welcome and Call to Order	<i>The Honorable Terry Kilgore, Chairman</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Approval of the <u>5/3/17</u> Minutes	<i>(published on website)</i>
Executive Session	<i>Evan Feinman, Executive Director</i>
Foreign Direct Investment Update	<i>Evan Feinman, Executive Director</i>
Administrative Budget	<i>Stephanie Kim, Finance Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	

*up to 12%
corpus allocation*



R & D COMMITTEE AGENDA

Tuesday
September 19, 2017 @ 4:00pm
The Crossroads Institute
Galax, VA

Welcome and Call to Order	<i>The Honorable Kathy J. Byron, Chairman</i>
Call of the Roll	<i>Evan, Feinman, Executive Director</i>
Approval of the <u>5/17/17</u> Minutes	<i>(published on website)</i>
Other Business: SBIR R&D Continuation Scope Changes on Fund Usage & Time Extensions	<i>Evan, Feinman, Executive Director</i>
Public Comments	
Adjournment	



SOUTHSIDE ECONOMIC DEVELOPMENT
COMMITTEE AGENDA

Tuesday
September 19, 2017 @ 3:30pm
The Crossroads Institute
Galax, VA

Welcome and Call to Order

The Honorable Tommy Wright, Chairman

Call of the Roll

Evan Feinman, Executive Director

Approval of the 5/17/17 Minutes

(published on website)

Other Business:

**Town of South Boston
Bedford County EDA
Mecklenburg County**

Sarah Capps, SS Grants Program Administrator

Public Comments

Adjournment

**FY18 Southwest Economic Development
Committee Recommendations
September 8, 2017**

Req #	Organization	Project Title	Requested Amount	Committee Rec
3312	Town of Appalachia	Powell River Trail and Park Improvements	\$160,000	\$ -
3307	Town of Big Stone Gap	Big Stone Gap Recreational Improvements	\$500,000	\$ 150,000
3306	Bristol Virginia Public Schools	Bristol Regional Career and Technical Center	\$25,000	refer to Competitive Education
3191*	Floyd County EDA	Floyd Regional Commerce Center Phase II Development	\$420,696	\$ 420,696
3311	Town of Gate City	Marketing Analysis	\$25,000	\$ -
3308	Grayson County	Project Timberwolf	\$150,000	\$ 150,000
3313	LENOWISCO Planning District Commission	DVTC Transformation Strategy	\$20,000	\$ -
3190*	Ninth District Development Financing Inc	Capitalization of Revolving Loan Fund for Ninth District Development Financing Inc	\$1,000,000	\$ -
3200*	Scott County Economic Development Authority	Riverside Development Phase III - Site Development	\$500,000	\$ 500,000
3304	Southwest Regional Recreation Authority	Spearhead Trails International Marketing and Trail Sustainability	\$200,000	\$ 200,000
3309	University of Virginia	UVa-Wise Oxbow Center for Technology & Innovation	\$270,000	\$ 167,500
3305	William King Museum of Art	Enhancing the Cultural Heritage Gallery to Maximize Visitor Experience	\$34,900	\$ 26,550
3310	Wythe County	Appalachian Regional Exposition Center - Arena Construction Project	\$2,000,000	\$ 250,000

Total (13 requests/8 recommendations)	\$5,145,596	\$ 1,864,746
Available Balance before/after recommendations	\$2,475,672	\$ 610,926

**FY18 Southwest Economic Development
Committee Recommendations
September 2017**

The Commission received ten new requests for FY2018 Southwest Economic Development funds in July 2017, which along with three tabled FY2017 proposals that were the subject of the Committee's meeting on September 8th. The Committee has an available balance of nearly \$2.5 million, and the Committee recommended support for nine projects. Staff will also provide a supplemental report prior to the Committee meeting on existing grants that are seeking extensions.

Req #	Organization	Project Title	Requested Amount	Committee Recommends
tbd	Wise County	Project Transformer (confidential)	tbd	Up to remaining balance
3307	Town of Big Stone Gap	Big Stone Gap Recreational Improvements	\$500,000	\$150,000
3306	Bristol Virginia Public Schools	Bristol Regional Career and Technical Center	\$25,000	Refer to Competitive Education
3191*	Floyd County EDA	Floyd Regional Commerce Center Phase II Development	\$420,696	\$420,696
3308	Grayson County	Project Timberwolf	\$150,000	\$150,000
3200*	Scott County Economic Development Authority	Riverside Development Phase III - Site Development	\$500,000	\$500,000
3304	Southwest Regional Recreation Authority	Spearhead Trails International Marketing and Trail Sustainability	\$200,000	\$200,000
3309	University of Virginia	UVa-Wise Oxbow Center for Technology & Innovation	\$270,000	\$167,500
3305	William King Museum of Art	Enhancing the Cultural Heritage Gallery to Maximize Visitor Experience	\$34,900	\$26,550
3310	Wythe County	Appalachian Regional Exposition Center - Arena Construction Project	\$2,000,000	\$250,000

Total (13 requests/9 recommendations)	\$5,305,596	\$1,864,746
Available Balance	\$2,475,672	

*Previously Tabled

Wise County

Project Transformer (#tbd)

\$ Tbd Requested

Staff Comments: Project Transformer is a confidential economic development project for which Wise County is competing with a site in Louisiana. The project has the potential to create 400+ new IT jobs averaging \$60k, with an additional 100 jobs averaging \$35k, with private capital investment of \$4 million. The project will also entail significant workforce development partnerships and facility enhancements with UVA-Wise.

Committee recommends to authorize staff to negotiate with Project Transformer and to offer for that project up to 100% of the remaining Southwest Economic Development Committee Budget as of September 20th, 2017.

Town of Big Stone Gap

Big Stone Gap Recreational Improvements (#3307)

\$500,000 Requested

Executive Summary Provided by Applicant: The Town of Big Stone Gap proposes to improve and expand recreational facilities at historic Bullitt Park and nearby Frog Level Park, connected via the Town's greenbelt system. In partnership with the Gap Partnership, the local merchants association, these improvements will include multi-functional fields designed to accommodate various travel baseball and softball tournaments throughout the year. Through this proposed project, the Town intends to supplement its economic revitalization efforts by creating a new source of significant visitation, taking advantage of the constant and growing demand for suitable facilities for travel baseball and softball tournaments. Such tournaments take place as much as nine months a year.

Staff Comments: The Town of Big Stone gap requests \$500,000 to develop fields to allow the Town to attract baseball and softball tournaments. The project will reportedly result in the creation of one full time and two part time jobs within the Parks and Recreation Department. These positions will be supported through revenues generated from the tournaments. The application projects 7,500 visitors associated with the tournaments during the first year. Additional information provided in the applicaiton projects that hosting 15 tournaments a year could result in approximately \$1M of visitor expenditures not including lodging and food tax revenues. Because lodging in the Town is currently limited and visitors would have to stay in neighboring localities an estimation of \$30,000 on annual tax revenue was estimated reflecting 50% of tournament related lodging. The economic impact figures were determined using data provided by the City of Kingsport which has a well established history of hosting similar events. Due to differences in the amount of visitor amenities such as lodging and dining in the two localities, it is difficult to determine how reasonable these estimates are. No marketing plan was provided to illustrate how the Town will recruit the 15 tournaments expected in the first year or grow to the estimated 20-30 tournaments in subsequent years. The total project cost is \$1,693,808.00 with matching funds provided from Wellmont Health Systems (\$200,000) and the Slempp Foundation, A \$350,000 application will be submitted to VDOT for paving related to the project and the application indicates an intent to seek funding from Old Dominion Power for lighting (60,000) as well as the Food City Foundation (\$33,808) and Vulcan Materials Company (\$250,000). It is not clear if these will be cash donations or in-kind contributions. Earlier conversations with TRRC staff indicated that an application would be

submitted to DCR but it appears that the deadline was missed and the application was not submitted. Support from DCR will be sought for Phase 2 of the project, though no details about the scope or timeframe for Phase 2 were provided in the application. While sports tourism is a legitimate source of potential revenue for many localities, these types of projects are better suited for funding from agencies such as DCR and have been historically declined when submitted to TRRC. Staff is also concerned about the precedent of funding local recreation under the premise of tourism potential, when dozens of other tobacco region communities could make similar arguments. Staff suggests the Phase One project should be submitted to DCR before considering any TRRC support.

Committee recommends award of \$150,000.

Bristol Virginia Public Schools
Bristol Regional Career and Technical Center (#3306)
\$25,000 Requested

Executive Summary Provided by Applicant: Bristol Virginia Public Schools (BVPS) is in the initial stages of planning a regional career and technical center that will provide Dual Enrollment opportunities for high school students seeking college-level career and technical certificates and degrees. In order to determine the most effective design that fully meet the needs of the greater Bristol area, BVPS will commission a feasibility study. BVPS has conducted introductory meetings and received proposals from several firms that specialize in this work. BVPS has selected the firm RMS- Research & Marketing Strategies to complete the feasibility study. BVPS will formally engaging the firm once funds have been secured. Upon completion of the feasibility study, BVPS will proceed in the development and creation of a regional career and technical center.

Staff Comments: This planning grant application would provide funding for BVPS to commission a feasibility study for the potential creation of a Career and Technical Education Center. The study would examine appropriate programs, certifications, locations for the facility, etc.. VHCC will contribute \$6,500 for the study and discussions have been held to discuss dual credit programs although nothing has been formalized to date. Matching funds will also be contributed by BVPS (\$6,500) and the Bristol Tennessee City schools (also \$6,500). BVPS will also provide in-kind support of \$6,500 for the project but it is not clear how this support relates to the overall cost of the contracted study. The applicant has selected a firm to perform this study which appears to have a well defined and appropriate scope of work. There were no estimated outcomes provided although that is generally to be expected for this type of feasibility study. The project was previously submitted to the Education Committee but was declined in May 2017, and since that time the applicant has worked to secure matching funds. However given the lack of details on how this proposed Center could impact identifiable numbers of individuals for industry-recognized credentials, as well as the inclusion of Bristol TN as a participant and future funding partner, it is difficult to determine what level of TRRC support, if any, would be appropriate for this project. Now that adequate matching funds have been identified this request would be better suited for the Education Committee due to the potential for future outcomes that better align with that Committee's priorities.

Committee recommends this request be referred to the Competitive Education grant cycle scheduled for Spring 2018.

Floyd County EDA

Floyd Regional Commerce Center Phase II Development (#3191)

\$420,696 Requested

Executive Summary Provided by Applicant: The project will begin Phase II development of the Floyd Regional Commerce Center, which has only two small pads available in Phase I. More sites are needed to both attract new industry and provide expansion space for existing industry. This project will build and complete road access and utilities to a 51-acre greenfield site, which is adjacent to an Appalachian Power substation and across the road from Citizen's Telephone's 200-Gbps open access network; and it will complete a small building pad (3 acres) from road-cut materials. Ultimately this 51-acre will net about 27 acres of building sites (including one that is about 17-acres), though this project will primarily cover road development (Appalachian Regional Commission Access program request) and utilities (TRRC funds requested to pay for water, sewer, last-mile fiber and stormwater.) We anticipate seeking federal Economic Development Administration funds in the future to help with additional building pad development.

Staff Comments: The Floyd EDA is seeking funds for contractual and construction of utilities to create access to additional building pads. When completed the new phase of the County industrial park will have an additional six parcels, a total of 27 buildable acres with the largest parcel being 17 acres with room to accommodate a 125k square foot building. The EDA estimates this additional property could result in an estimated 130 jobs and \$30 million of new private investment. The proposal includes very thorough feasibility studies with target industries, transportation alternatives, and preliminary engineering. Anticipated construction costs are thoroughly documented by the County's engineering contractors. The Commerce Center already hosts several successful businesses including a global manufacturer that has received TRRC R&D funds (Hollingsworth & Vose) and several smaller businesses in the EDA's Innovation Center (which was jointly funded by TRRC and federal EDA). Letters were provided from six locally-based companies interested in locating on the new lots. The Center is served by public water and sewer, Citizens Telephone broadband and three-phase power, all of which will be extended to the new lots. The project will be well-leveraged if an ARC Access Road request for \$946k is approved as expected. Any funding consideration should be conditioned on that approval, as it represents the entire match for this phase of construction. The County states it intends to pursue federal EDA funds for \$2 million of pad grading for the proposed lots. The project is well-aligned with SWED program objectives of assisting new job creation and taxable private capital investment. This project was tabled by the Committee in September 2016 pending the submission of the now-submitted ARC Access Road application. Recent conversations with the applicant and correspondence with DHCD's ARC program staff indicate that the project is likely to be approved.

Committee recommends award of \$420,696 contingent upon ARC approval.

Grayson County

Project Timberwolf (#3308)

\$150,000 Requested

Executive Summary Provided by Applicant: The proposed project will provide site improvements of a 12 acre site in the local industrial site, completing a construction ready pad. Grayson County industrial park has no available built out pads. Grayson County industrial park has no available built out pads. There is however plenty of land available in the park for improvements. The proposed project will, with the use of TIC and Local funds, prepare the 12 acre site by

completing the following activities: Clearing / Grading, Stormwater collection and retention, excavation for access road off the existing industrial park road into the pad site, concrete construction pad, parking lot with curb and guttering, and taps to existing water, sewer and telecommunications. The construction of the new facility will be carried out by the relocating company.

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

Committee recommends award of \$150,000 contingent upon the Company providing a 15 year Right of First Refusal to the applicant.

Scott County Economic Development Authority
Riverside Development Phase III - Site Development (#3200)
\$500,000 Requested

Executive Summary Provided by Applicant: The Riverside development has continued at a rapid pace since the initial investment by the Virginia Tobacco Commission on the site. We were able to attract TeleTech, a customer support center, creating 300 jobs and private capital investment of \$1.525 million. We want to create another site with the infrastructure so we will be ready for the next company. The need was recognized soon after the initial company was announced, and we would not have been able to attract that company had we not strategically created a ready to go site.

Staff Comments: Funds are requested to grade a 15 acre pad that already has road and utilities in place due to previous investments. The Commission has supported the development of the Riverside business park with grants totaling more than \$1 million since 2011 for engineering, site prep and access road development costs. The County invested \$1 million to acquire the property in 2011, and ARC Access Road funds of \$497k paid half of the cost to construct the existing entrance road. The park received its first tenant when Teletech announced a commitment to establish a "customer experience center" on an adjacent building pad and create 300 jobs with a \$1.5 million investment (a \$645k TROF was approved for that project). The application states this proposed pad site has the potential to attract 250+ jobs and \$1.5 million of new private investment, which is validated by the Teletech commitment on the adjacent 7.5 acre pad. The proposal initially submitted a year ago stated that local matching funds would be committed to provide the Commission's

required dollar-for-dollar match requirement. Given the previous success at this site, which is in large part due to its location on a well-traveled highway which provides access to the larger Tri-Cities workforce, the project was tabled in September 2016 to allow the applicant to pursue matching funds for the project. They have indicated that an application will be submitted to ARC in October 2017, and given the demonstrated success of Teletech's growth at Riverside and the project's alignment with SWED program objectives of job creation and taxable private capital investment, staff supports making a conditional funding commitment in the hope of strengthening the upcoming request to ARC by showing committed matching funds.

Committee recommends award of \$500,000 contingent on committed dollar-for-dollar matching funds from ARC and/or other sources.

Southwest Regional Recreation Authority
Spearhead Trails International Marketing and Trail Sustainability (#3304)
\$200,000 Requested

Executive Summary Provided by Applicant: This funding request is for funding essential staff positions to building our organization to a level of sustainability and to move our marketing from being US based to becoming an international based. The Trails was created in 2008 by the Virginia General Assembly to provide economic opportunities in Southwest Virginia by creating outdoor recreation opportunities. To date, Spearhead Trails has created (5) Multi-Use Trail Systems and additional systems will be opened in the coming years giving us a total of 6 Multi-Use Trails along with additional hiking, biking, and equestrian trails. We are not sustainable yet, but working toward becoming self-sustaining. Our next step is to reach 1,000 miles of trails, develop a touring business and interconnecting our trails and at the same time marketing Spearhead as a premier destination to the world wide travelers seeking outdoor recreation.

Staff Comments: This three-year request seeks the second half of the funding (\$150,000) for staff positions that was reduced from SRRA's FY17 request (approved for \$150k) and will also support marketing activities focused on attracting international visitors to the system (\$50,000). In May 2017 TRRC provided half of the requested funding for three staff positions with the understanding that the second half would be requested in a new application. Since 2008 TRRC has provided approximately \$2.5M for start up operating support to establish the Spearhead Trail System, which now has more than 300 miles of trails in five counties, while continuing to expand with a goal of adding 100 miles of new trails annually. A \$200,000 TRRC loan request is currently being evaluated by VRA to purchase equipment to allow SRRA to create a rental business to boost their revenues and sustainability. The positions funded by this request and the May 2017 approval will support the creation of the rental business and the expansion of SRRA trail systems. No new jobs are projected as a result of this application but annual revenue from permit sales are expected to increase by over \$74,000. Matching funds of \$200,000 from the Commonwealth of Virginia will be provided for additional organizational staff support. \$175,000 of ARC funds are committed from ARC for the Haysi to Breaks Interstate Park Equestrian Trail Project and \$199,000 of VCEDA funds will assist with the Construction of the Haysi Ridgeview Multi-Use Trail System and the Equestrian Trail. These funds are also listed as match in the FY17 application approved in May but are sufficient amounts to adequately match both grants. An economic impact study funded by ARC will be conducted this year to better capture the extent of visitor spending, at which time TRRC can better decide the merits of any future funding requests. With five trail systems now open, SRRA is continuing on a path to self-sustainability, with revenues from permit sales having increased 65% over the previous year. Continued system expansion during this project period can be expected to attract more visitors for longer stays, including international visitors, repeat visitors experiencing

newly-opened trails and customers of the rental business who previously lacked equipment or experience needed to ride the trails, all of which will help the drive to sustainability.

Committee recommends award of \$200,000.

University of Virginia

UVa-Wise Oxbow Center for Technology & Innovation (#3309)

\$270,000 Requested

Executive Summary Provided by Applicant: As part of the region's efforts to build a culture of entrepreneurship and innovation, UVa-Wise is launching the Oxbow Center to host early-stage and emerging businesses from inside and outside the region with access to business support services, mentoring, training and co-working space. The center will serve as a critical component of the innovation eco-system, the area's first co-working space to cluster activity in support of emerging technology businesses. Additionally, the Town of St. Paul is undergoing significant revitalization leveraging assets such as trail development, a soon-to-open boutique hotel, local craft brewery and the Clinch River. The Oxbow Center is another key element in creating a vibrant community attractive to technology professionals. It is the next stage of development for the region, leveraging the prior investments in broadband, cultural and recreational assets. Emerging companies utilizing the Oxbow Center will create jobs bringing much-needed employment.

Staff Comments: This is the second application from the applicant in support of this project which will establish a business accelerator space focused on recruiting early stage cyber security companies to the region. A previous application was submitted in FY17 and declined due to the timing and nature of the match. The current application requests \$270,000 to replace the HVAC system in the Oxbow Center located in St. Paul. This building was donated to the College in 2016 and required minimal upgrades to meet the basic needs for its intended purpose. A separate application has been submitted to the current Special Projects cycle for building renovations needed to support the creation of the Clinch River Ecological Center which will occupy other space in the facility. As a result of the SWED project, cybersecurity firms will be recruited through an established cybersecurity accelerator (MACH37) affiliated with the Center for Innovative Technology (CIT) in Northern Virginia. The outcomes estimate the location of three businesses during the grant period that will create a total of 30 jobs with an average salary of \$35,000. A modest amount of capital investment, estimated at \$15,000, will also result from the creation of the accelerator. Matching funds of \$524,861.00 are committed from the UVA Strategic Investment Fund to pay personnel expenses during the first three years of operation. Similar to the FY17 application it appears that TRRC funds would be spent at the beginning of the project with little to no match to be spent concurrently. During review of the proposal TRRC staff learned of approximately \$65,000 of additional expenses needed to prepare the building for occupancy. Funding appears to be in place for these expenses and can be counted towards the application's match requirement. To further reduce concerns of fulfilling the required match concurrently with the use of TRRC funds Staff suggests a reduced award to share the costs, including the HVAC upgrade, associated with making the building ready for occupants. While the projected outcomes of three companies and 30 jobs are somewhat modest and speculative, the project draws together the resources of UVA-Wise educational programs, CIT's MACH 37 program, the resurgent economy of downtown St. Paul and the region's growing focus on IT and cybersecurity workforce training and employment.

Committee recommends an award of \$167,500 for no more than 50% of the costs associated with upgrading the HVAC system and other physical improvements to the building to prepare it for occupancy.

William King Museum of Art

Enhancing the Cultural Heritage Gallery to Maximize Visitor Experience (#3305)

\$34,900 Requested

Executive Summary Provided by Applicant: Last year, TRRC funded the development of the soon-to-debut Betsy K. White Cultural Heritage Gallery, the most recent manifestation of William King Museum of Art's Cultural Heritage Project (CHP) and what will be its flagship asset. As construction on the gallery begins, we're now raising funds to enhance visitor experience by: 1) renovating the main lobby for improved accessibility and aesthetics; 2) acquiring the final pieces to populate the gallery; and 3) producing a 7-10 documentary film that will introduce visitors to the gallery's content. The ultimate goal of these additional gallery enhancements is to make WKMA *the place* to visit for people interested in Appalachian material culture and decorative arts. In so doing, we will drive tourism to Washington County and the broader region by drawing on and leveraging the area's history and cultural heritage – thereby increasing tax revenues, supporting local businesses, and generating national interest in WKMA.

Staff Comments: This application requests \$34,900 to continue capital improvements to the Museum to create a new Appalachian culture gallery by purchasing historic materials for display (\$22,500), updating the lobby (\$8,350) and producing a documentary film (\$4000) that will introduce visitors to the Betsy K. White Cultural Heritage Gallery. The creation of the Gallery Space is funded, in part, through a \$60,130 TRRC SWED award provided in FY17 for renovations of the former museum store to create space for the new gallery. The proposed enhancements are part of a larger Cultural Campus Expansion project with the ultimate goal of increasing the numbers of visitors to the Museum, particularly tourists from outside the region. The majority of the funds requested (\$22,550) will be used to acquire additional objects/artifacts to complete the Cultural Heritage Collection. Matching funds of \$34,900 are committed from a variety of sources. The Virginia Foundation for the Humanities has approved \$4,000 to be used to partially fund the documentary film. Various private donors have contributed \$19,400 to the WKMA's fundraising campaigns and these funds will be used for half the cost of the lobby renovations. It is anticipated that three of the pieces needed to complete the Cultural Heritage Collection may be donated and the in-kind value of these objects is estimated at \$2,000. An application is pending with the Massengill-DeFriece Foundation for \$6,500 for the documentary film and the application states that, should the TRRC request be approved, Foundation funds would be used for lobby renovation costs. The applicant indicates that they will approach Best Buy or similar companies to request in-kind support through the donation of three digital monitors and wall mounts for the new gallery. The value of these items is estimated at \$3,000. The application shows outcomes of one new job and 2,000 new visitors annually, although it is difficult to determine how much of this increase is a direct result of this particular gallery. However, with a long history of attracting visitors to a destination museum with Smithsonian-level curatorial standards, the new gallery and related campus improvements have a strong likelihood of increasing visitation to William King and extending stays for visitors to Abingdon. TRRC support for this modest request would best be focused on areas that provide new and increased opportunity to attract visitors, such as artifacts and film, rather than of costs associated with building upgrades related to the lobby renovation.

Committee recommends award of \$26,550 for artifact acquisition and film production.

Wythe County

Appalachian Regional Exposition Center - Arena Construction Project (#3310) \$2,000,000 Requested

Executive Summary Provided by Applicant: Situated in the heart of Southwest Virginia, the Appalachian Regional Exposition Center (APEX) will serve as the Commonwealth's premier civic center for localities west of Roanoke, providing permanent indoor seating for concerts and other entertainment events. In addition to the arena, which will be used for a myriad of activities, including livestock shows, rodeos, indoor soccer, travel shows, motocross, concerts and dozens of other events, APEX will also include outdoor multi-purpose fields, a walking track, an outdoor horse ring, livestock barns, as well as classroom and training facilities. The county is requesting funding to assist in the construction of the 300' x 300' main arena building.

Staff Comments: This request for an additional phase of funding for the AREC seeks 80% of the available SWED budget to construct a 300' by 300' arena structure on a site that is currently being graded. The site was purchased by the County in 2015 at a cost of \$1.3 million, and in late-2015 the Southwest Committee approved \$750k out of the County's \$3 million request for arena construction. Grading of the site should be completed this summer, using the 2015 TRRC grant. The County's FY17 request for \$750k for arena equipment buildout was referred to VRA in May 2017 for loan consideration. The overall project would create five new jobs managing the facility, with an estimated 17,900 visitors annually to a variety of events including agricultural expos, concerts, rodeos, motocross, trade shows, indoor soccer, etc.. The application estimates arena construction at just under \$6.5 million, a figure which is not verified in the architectural information provided, or by competitive bids, which are expected to be advertised this month. The County has indicated that it has authorized \$5 million of debt service for the project, so construction financing and required matching funds appear to be largely committed. Therefore, the necessity of Commission funding is debatable, based on the County Board Chair's statement to the Southwest Committee in 2015 that the County would develop the project even if no Commission funds were awarded. The project leaders have shared with staff and VRA their impression they were promised additional grants funds totaling \$3M, which is clearly not anything staff or Commissioners could do in obligating future grant cycles. Furthermore, when asked about the status of VRA loan review, County staff indicated it has communicated to VRA that it is "not interested in borrowing additional money." It is beyond the expertise of staff to assess an applicant's ability to take on additional debt versus a grant, which is the role of our partners at VRA. In this case, having already been referred to VRA by the Commission, it is staff's obligation - per state Code - to see that potential financing route is fully examined. This continues to be a promising project with many potential attributes outlined in previous staff reports, and the County has gone to considerable lengths to commit to the land purchase and a \$5M loan, but given that the County has declined to work with VRA and is instead requesting 80% of available funds, this request leaves few options other than to recommend declining it in its entirety until such time as the County agrees to work with VRA. Depending on the outcome with VRA, it is also possible for the County to apply to an Agribusiness cycle for agricultural equipment for the center, such as holding pens and similar equipment that has been funded at multiple agricultural marketing centers.

Committee recommends award of \$250,000.

OTHER BUSINESS

The Committee also acted on the following three requests for Grant Extensions on September 8th:

Southwest Virginia Community Foundation, Inc.
Bush Mill Heritage Tourism Project (Grant # 2549)
Approved for \$100,000 in September 2012 (\$28,560 balance)

The grantee has requested that this grant be extended for an additional (sixth) year to allow for completion of construction documents and to conduct the bidding process. This extension is necessary due in large part to delays associated with the VDOT funding provided for the project. The grantee states that they are in frequent communication with their engineering firm about the status of the needed VDOT approvals and hope to receive them soon.

Committee recommends approval of an extension through September 30, 2018.

Lee County IDA:
Constitutional Oaks Access Road Development (Grant # 2729)
Approved for \$60,000 in September 2013 (\$42,704.30 balance)

This grant was approved to support no more than 90% of the cost of basic engineering work needed to construct an access road in a timely manner should a prospect be recruited for the Park. There has been no activity on the grant in more than two years (July, 2015). The most recent update provided on September 6, 2017 stated that final design was near completion and the bid/ construction documents would be submitted to VDOT for review and approval by September 22, 2017. Applications for permits from VDEQ, and the Daniel Boone Soil and Water Conversation District will also be submitted. The VDOT review and approval process is estimated to take up to 6 month depending on agency workload and prioritization.

Committee recommends approval of an extension through September 30, 2018.

Virginia's Heritage Music Trail: The Crooked Road
Expanding The Crooked Road Brand (Grant # 2739)
Approved for \$208,000 in September 2013 (\$49,525.64 balance)

The balance of this grant is allocated for construction of wayside exhibits. Matching funds have been provided by ARC for additional kiosk work and the grantee hopes to coordinate the construction schedules for the two grants.

Committee recommends approval of an extension through September 30, 2018.

**FY18 Special Projects
Committee Recommendations
September 2017**

The Commission received 16 requests for FY2018 Special Projects funds under the application categories of Access to Healthcare and Regional Economic Development. Those requests total \$12.6 million, and the Committee has an available balance of \$7.1 million.

The Committee also received three “out-of-cycle” requests for Megasite funding, which falls under the purview of the Committee. The requests total \$2.7 million of the available Megasite budget balance of \$7.6 million. The Committee met September 8th and adopted the following recommendations:

Req #	Organization	Project Title	Requested Amount	Staff Recommends
Access to Healthcare				
3325	Southwest Virginia Community Health Systems	Tazewell Community Health	\$500,000	Refer to VRA
3321	Tri Area Community Health	Ferrum Capital Project for replacing the 5,000 sq. ft. facility with 16,300 sq. ft. in new construction on Ferrum Mountain Road	\$750,000	Refer to VRA
3327	University of Virginia	Response to the Health Crisis in Tobacco Country	\$1,085,485	\$499,933
3326	VCU Health Community Memorial Hospital	CT Simulator For The Solari Radiation Therapy Center	\$583,000	Refer to VRA
3324	Virginia Commonwealth University	Empowering Southern Virginia to Prevent, Control, and Treat Cancer	\$2,468,052	\$530,000
<i>Healthcare sub-total</i>			<i>\$7,717,724</i>	<i>\$1,029,933</i>
Regional Economic Development				
3332	Commonwealth Center for Advanced Manufacturing	CCAM Growth & Capability Development Plan	\$1,500,000	Refer to VRA
3330	Franklin County	Summit View Business Park South Land Bay Infrastructure Project	\$450,000	\$450,000

Access to Healthcare

Southwest Virginia Community Health System *Tazewell Community Health (#3325)* \$500,000 Requested

Executive Summary Provided by Applicant: The project, Tazewell Community Health Center, will directly address the unmet needs of the people of Tazewell County, Virginia by improving the appropriateness and efficiency of our health service facilities there. We are building a new facility that will increase our capacity to provide services and increase the scope of services offered in Tazewell compared to what is currently available at our existing site. The project will construct a new and larger service delivery site to replace our Tazewell Community Health site and increase our scope of services to include dental, pediatric, optometry, and radiology services and will employ 5 additional health care practitioners. The total square footage of the current building is approximately 3,600 sq. ft. The proposed project will increase square footage to 9,732 sq. ft. and the number of exam rooms will increase from 8 to 14.

Staff Comments: TRRC support is requested to offset the cost of constructing the proposed \$3.2M facility. The project is almost fully financed using a combination of loan and grant funds and construction is expected to begin in September 2017. Commission funds would fill a final funding gap that appears to be approximately \$400k. A \$1.6 million loan from New People's Bank has been approved with a prime minus .75% interest rate. The Federal Department of Health & Human Services has approved a \$1M grant for the project and the Virginia Healthcare Foundation will contribute \$100K to the project for dental equipment. The VHF has also issued a \$100K challenge grant (contingent on meeting a 1:1 match requirement) which is available for the project. The Carilion Foundation will contribute \$10K to the project. This facility will allow 621 new, unduplicated, additional patients to be served at the Tazewell location. The dental practice will serve 720 new and existing patients. The increased scope of services will result in the creation of 5 new jobs. Tazewell County is designated as a medically underserved, low-income dental Health Professional Shortage Area (HPSA), and mental health HPSA. Data obtained during review of this proposal shows current HPSA scores of 17 for medical, 19 for dental, and 16 for mental health. In 2016 the County ranked 126 out of 134 counties for lowest health status and outcomes in the state. This information leaves little doubt that the proposed facility is a much needed enhancement for healthcare in Tazewell County, where the applicant has operated in a smaller facility since 2006. As with the Ferrum project, substantial matching construction funds have been committed, and the applicant is an experienced healthcare provider that has a track record of service provision in this underserved county and has documented the need for expanded services.

Committee recommends referral to VRA for loan consideration.

Tri Area Community Health

Ferrum Capital Project for replacing the 5,000 sq. ft. facility with 16,300 sq. ft. in new construction on Ferrum Mountain Road (#3321)

\$750,000 Requested

Executive Summary Provided by Applicant: The Ferrum Capital Project will replace 5,000 sq. ft. of inadequate space in Vaughn Chapel with a new 16,307 sq. ft. facility a few hundred yards away. The new site is on 7.15 acres across from Ferrum College. The new space will provide suitable space for the existing 22 staff members and allow for adding a physician, pharmacist, and support staff. Currently we have five (5) medical providers sharing a 12' x 12' office with no room for private conversations with the patient or care giver. Tri-Area Community Health is an active user of telemedicine with the UVA Office of Telemedicine for access to 24 separate specialties, digital retinopathy screenings for diabetic patients, Certified Diabetes Education Classes, and interpretations of our x-rays.

Staff Comments: Grant funds are requested to support \$750,000 (15.8%) of the \$4.7 million project budget for expansion of the Ferrum Community Health Center and Pharmacy operated by Tri Area Community Health. This project was initiated in 2011 with the purchase of the 7.2 acre site across from the current clinic location on the lower level of the Chapel at Ferrum College. The critical need for the expanded facility is to serve low-income and uninsured residents in Patrick and Franklin Counties, with both localities being designed as a Health Professional Shortage Area (HPSA) for primary care, dental care, and mental health. Staff notes that the Patrick County's HPSA score of 17 for primary care represents a very dire need for access to medical care providers. The new facility will more than triple the size of the current clinic described as over-crowded and insufficient for the 22 staff including five medical providers all sharing a single 12' X 12' office. Outcomes include an additional 1,353 patients being served annually within five years (a 37% increase on the baseline of 3,610 patients), and the addition of 3.6 FTE employees in the second year of operation. A letter of support from William Jacobson, Vice President of Carilion Franklin Memorial Hospital emphasized the importance of medical clinics to serve uninsured and low income patients for the stability of the entire health care system in the region. Mr. Jacobson initiated the Health Efficiency Navigation Initiative at Carillon Franklin Memorial Hospital, a program designed to assist the uninsured with obtaining insurance coverage and in navigating them to an appropriate care setting, for which the Tri-Area Community Health Center is a critical partner for the program's success. The Commission reviewed a funding request for this project in 2015, and the applicant was advised to continue their efforts for fundraising and financing of overall project cost with the suggestion that they reapply when the project was closer to being ready. Since that time Tri Area was successful in securing a \$1 million federal grant from the Health Infrastructure Investment Program (further validating the need for this facility), an application for \$700,000 to the DHCD for Community Development Block Grant funding was submitted this summer and is currently under review, and a \$2M low-interest loan application has been filed with the USDA Rural Development with all requirements completed. The project budget provides for very solid matching funds at \$3.98 million, over 5:1 on the TRRC request and including significant debt financing. The project schedule identifies final design and construction documents to be completed by end of 2017, the construction contract to be awarded and site work initiated in March 2018, and the new facility scheduled to open by January 2019. The clinic is an active user of UVA Telemedicine services providing access to 24 separate specialists, digital retinopathy screenings, diabetes classes, and x-ray diagnostics review. Tri Area provided a Forecasted Income Statement for the proposed new Ferrum facility showing net revenue projections in 2019-2020 at \$49,317 which suggest capacity for loan financing; however, staff notes that revenues for the Total Organization in the current operating year are in deficit at

(\$358,751). The Total Organization revenues are projected at a deficit of (\$445,527) for 2019-2020, with this budget including debt service for annual loan payments of \$104K, \$148K, and \$182K respectively for Tri Care facilities in Laurel Fork, Floyd, and Ferrum. This is a very solid proposal that is well planned, does a good job of articulating the need, builds on the applicant's experience serving patients from this location, has significant outcomes from new patients served, and is near completion of financing in order to begin construction.

Committee recommends the project be referred to VRA for consideration of a loan.

University of Virginia

Response to the Health Crisis in Tobacco Country (#3327)

\$1,085,485 Requested

Executive Summary Provided by Applicant: The residents of the Virginia tobacco region face a public health crisis where rates of substance abuse, obesity, and cancer are far greater in the area than the national average. With rates of opioid use, obesity, and smoking higher in the footprint than the rest of the state of Virginia, we propose a culmination of innovative projects that respond to the health crises of substance abuse and cancer and its risk factors. Together, these programs will offer services to residents in the tobacco footprint that will improve health, reduce substance dependency, and help improve cancer prevention. This proposal incorporates successful, evidence-based interventions and programs into the local tobacco area through a combination of telehealth, mobile, and e/m/Health technologies to reduce morbidity and mortality while keeping local dollars in the community by reducing travel needs, improving health, and allowing investment of dollars back into the local communities.

Staff Comments: Since 2008 the Commission has provided nearly \$4.5M to support the expansion of UVA healthcare services including cancer screening and prevention and telehealth services to the TRRC region. Of this amount there are currently 4 open grants with a total balance of approximately \$1.6M. These projects are in various stages of completion and may have accrued expenses that have not yet been submitted for approval and reimbursement. This year's request seeks funding for 4 sub projects focused on substance abuse, obesity prevention, smoking cessation, and screening for breast and cervical cancer. The substance abuse program will be telemedicine-driven to provide UVA Dept of Psychiatry and Center for Telehealth to develop and implement a model for opioid abuse treatment in SWVA. Four locally-based community health worker positions will be hired to support the program which will serve an estimated 300 participants over the project's 3 year period. \$448,883 of the grant request has been allocated to this program and will be matched with \$490,461 of non-TRRC funds (UVA). The proposed mobile breast and cervical cancer screening program requests \$51,050 to be matched by \$87,558 of UVA support to provide mammography services and HPV self collection kits using the services of the mobile mammography van that was supported under previous TRRC grants. This program, which requests the lowest dollar amount of the four presented in the application, has the highest projected outcomes serving an estimated 348 (116 each year) TRRC region residents. These two sub-projects, while also having the highest outcomes, also align most closely with the healthcare priorities presented in the Strategic Plan. The obesity reduction program requests \$375,266 matched by \$356,163 to implement the SIPsmartER program to reduce consumption of sugar- sweetened beverage consumption among adults. This is a 6-month, small group-based program. 150 TRRC region residents (50 per year) are expected to participate. A smoking cessation program requests \$210,000 to serve two public housing sites in SW and SS and will use community health workers to support residents attempting to stop

smoking. UVA will contribute \$180,284 for the effort. This program will be offered to 88 public housing residents in the tobacco region with at least 30% of these expected to successfully quit smoking by year 3. While there is little doubt that obesity and tobacco use result in many serious health diagnoses, including cancer, these programs presented the lowest outcomes in the application and have less alignment with the Commissions' goals compared to the other two projects.

Committee recommends award of \$499,933 to fund the telemedicine substance abuse and mobile breast/cervical screening programs.

**VCU Health Community Memorial Hospital
CT Simulator For The Solari Radiation Therapy Center (#3326)
\$583,000 Requested**

Executive Summary Provided by Applicant: We are asking for support to purchase a CT Simulator. When planning radiation therapy treatments for cancer, it is critical to accurately target the tumor and spare healthy tissue. In order to achieve this, a CT simulation of the patient in the ideal treatment position, with excellent image quality and without truncating anatomy, is required. Simulation is the critical first step in designing a treatment plan, in which typically:

- Patients first meet their treating therapists
- Last minute questions are answered
- A reproducible and tolerable patient position is determined
- Patient immobilization is fit/fabricated
- Coordinate planes for treatment are determined and marked
- Patient anatomy is delineated
- Reference beam's-eye-view images are created

We estimate that at least 25% of all radiation patients will need at least one additional CT Simulator scan because of changes in tumor size, loss of weight or other issues.

Staff Comments: Funding is requested to support 100% of the equipment acquisition costs for a new CT Simulator for the Solari Radiation Therapy Center in South Hill. Matching funds include \$350,000 for capital costs related to construction of the area where the simulator will be located. Additional match appears to be for annual operating costs at the Center, which includes a half-time radiation therapist, and while total match is reported at \$1.2 million, this figure appears to be overstated by the inclusion of administrative overhead and depreciation over five years, in addition to other operating expenses including consumables used for patient services. Staff notes that the Commission previously provided a \$500K Special Project grant in September 2012 to support acquisition costs for a Linear Accelerator for the newly constructed Solari Radiation Therapy Center. Outcome projections for this previously funded application were identified as 120 patients served within the first year, increasing to 230 patients by the third year. This application identifies 191 patients as the baseline with projections to increase to 275 patients annually following the completion of this project. As reported by the applicant this reflects 84 net new patients served as a result of this project; however, it should be noted that this figure reflects a natural trend for increases to the number of patients served annually and also reflects plans to implement a van service as a transportation solution for patients. Essentially the CT simulator is an enhancement to the existing radiation program by allowing more convenient access to simulation prior to actual radiation therapy. Up to this point the simulation functions have been conducted at the main hospital campus ~ 2 miles away, using a Radiology scanner, creating inefficiencies for Center staff and inconvenience for patients. The requested CT scanner would be a more state-of-the-art solution

located at the Center. Upon request by staff, CMH provided the recent annual operating budget for the Center which shows \$12 million listed for actual operating revenues and \$1.15 million of actual expenses resulting in \$10.91 million revenues. When staff inquired about this further CMH explained that the \$12 million actual revenues reflected what was billable and not the actual payments received for services which they indicated could average 35-38% for a hospital system. CMH provided a scenario of 38% collections which would result in \$4.58 million revenues to the \$1.15 million expenses, which staff notes still represents revenues that are 3.5X greater than expenses. CMH went on to clarify that some departments are money makers, with radiation oncology being one of them, and that the request to the Commission would support net income for entire health care organization, which operates at a loss annually. Staff notes that simulation functions are currently available within the CMH system in the South Hill area but the primary benefit is that the requested equipment would allow more efficient use of the existing radiation scanner while providing equipment better suited to the simulation process. The Center appears to have sufficient cash revenues from this business unit within CMH to support a loan for the cost for this new equipment.

Committee recommends this proposal be referred to Virginia Resources Authority for credit analysis and consideration of a loan.

Virginia Commonwealth University

Empowering Southern Virginia to Prevent, Control, and Treat Cancer (#3324)

\$2,468,052 Requested

Executive Summary Provided by Applicant: The overarching aim of this application is to build upon the success and infrastructure of the currently operating Cancer Research and Resource Centers that serve the Southside health districts. We will accomplish this by combining the education and outreach activities with research efforts, which will directly expand healthcare access in the communities. We propose four initiatives to complete this work. Initiatives 1 and 2 will provide critical education and skills training to community members who will become cancer education and research ambassadors within their communities and to community medical professionals (e.g., EMS, nurses, physicians) who will facilitate increased healthcare access. Initiative 3 will develop and launch the Southside Living Well Research Registry to facilitate ongoing data surveillance, stimulate innovative opportunities to engage communities in research, and expose community members to evidence-based modifiable lifestyle information and cancer-screening opportunities. Initiative 4 will expand this exceptionally successful CRRC model into Farmville, Virginia.

Staff Comments: VCU's Massey Cancer Center, a National Cancer Institute-designated center, has received just under \$7.8 million in Special Projects grants since 2008. Most recently, and due to there being no Special Projects cycle in FY2017, the Commission approved a grant of \$458k in January 2017 to sustain operations at the two existing cancer research and resource centers (CRRC) in Danville and Lawrenceville through 2017. This majority of this current request would continue past funding to support the operation for three years of the two CRRCs, as well as adding a third CRRC based in Farmville to serve central Virginia. An additional aspect of the request is for just under \$300k to create a Southside Research and Registry database of 1,000 Southside residents. The Registry would serve as a source of data for future research projects at Massey. A final report submitted in June for a previous grant that had an 18-month project period from late-2015 to early-2017 indicates that educational programs offered by the two CRRCs have involved several

thousands of participants, including cancer survivors and continuing education for nurses and nursing students. In contrast, actual participation by tobacco region residents in clinical trials was less than 15. While education on cancer risks, symptoms, screening and treatment options and other related issues are all valuable services, it is not clear how those educational efforts translated into measurable and reportable numbers of participants receiving treatment, changing risky behaviors, or even, ultimately, the incidence of cancer diagnoses and treatment within the tobacco region. Meanwhile, Massey continues to rely on annual ongoing TRRC funding for the entirety of the CRRC operations (with matching funds coming from CRRC oversight and other clinical, research and administrative services at Massey's Richmond location), with no apparent progress to secure non-TRRC sources to support CRRC operations. Before embarking on adding a third center and continuing support for the existing two, Staff suggests that this request be tabled to allow time for conducting an independent, third party study of the efficacy of the CRRCs to include program effectiveness, future funding sources and sustainability, etc. Alternatively, as this is by far the largest request in this funding round, and seeks 35% of the Committee's available funds, Staff would suggest funding consideration, if the Committee chooses, could be for a one year period for the three CRRCs only, leaving the Registry database for a future funding consideration.

Committee recommends award of \$530,000 to continue operations of the two existing CRRCs.

Regional Economic Development

Commonwealth Center for Advanced Manufacturing *CCAM Growth & Capability Development Plan (#3332)* \$1,500,000 Loan Requested

Executive Summary Provided by Applicant: In order to establish itself as a global Center of Excellence (COE) in advanced manufacturing and recruit companies to Virginia, CCAM has launched an accelerated growth plan through 2020 that will significantly expand existing research staff and equipment and software capabilities. During this time, CCAM will create twenty-five (25) advanced manufacturing research jobs with annual salaries of approximately \$2 million, with a goal of sixty-five research staff by 2022. In addition to human capital, CCAM will be investing in machinery and equipment and new technologies that will attract and retain manufacturing companies within the Commonwealth of Virginia.

Staff Comments: CCAM was established as a 501(c)(3) advanced research center that opened five years ago in Prince George, adjacent to the Rolls-Royce manufacturing facility, with construction funding assistance from the Commission, and has been a partner on the Commission's initiatives in foreign direct investment and advanced manufacturing centers of excellence for the past several years. Along with its university research partners (UVA, VT, VSU, VCU and ODU), CCAM now list two dozen members from global advanced manufacturing industries including Airbus, Siemens, Canon, Newport News Shipbuilding and Kyocera. Over the past year, CCAM leadership has discussed the possibility of requesting a TRRC loan with Commission staff, to fund operating costs during a ramp up period that will allow implementation of a strategic growth plan to add research scientists and capabilities, along with new corporate memberships that will enhance annual revenues in future years. This request is for a ten year loan for working capital to fund salaries and additional research equipment. CCAM's growth plans include the addition of 25 research scientists, each of

whom would conduct "generic" basic research with universities and "directed" proprietary research for its industry members. Specific equipment needs included in the proposal include robotics, machining, laser coaters and CT scanners. Revenue growth would come not only from the federal, university and industry research, but also from a recruitment target of ten new Tier 1 members (a list of 30+ prospect companies was provided). The plan targets \$3 million of growth in research funding to reach break even and sustainability by 2019. Assessing the likelihood of reaching these various targets is well beyond the expertise of Commission staff, and quantifying reliable measures of direct benefits to tobacco region based advanced manufacturing employers is even more challenging. However, given the highly-respected nature of CCAM and its university and corporate members, and the Commission's strong partnership with CCAM to recruit and grow advanced manufacturing in our region, this appears to be a request that merits consideration by VRA for the requested loan.

Committee recommends the request be referred to Virginia Resources Authority for credit analysis and consideration of a loan.

Franklin County

Summit View Business Park South Land Bay Infrastructure Project (#3330)

\$450,000 Requested

Executive Summary Provided by Applicant: Franklin County is seeking funding for the development of infrastructure for a land bay in the southern region of the new Summit View Business Park. This infrastructure will include an access road connecting to U.S. Route 220, as well as public water and sewer service. This will allow two business sites to become immediately available to prospective businesses for development. The Star site, a tract seven (7) acres in size, already has been short-listed by a prospective business. The 144-acre Dogwood site is one of very few 100+ acre sites in Virginia and has also gotten intense interest by multiple prospective businesses. Grant funding for utilities to these sites was recently announced as part of VEDP's 2017 Business Ready Sites Program grants. Tobacco Commission funding would be used exclusively for access road construction to link these two sites to U.S. Route 220.

Staff Comments: Grant funds are requested to provide an access road for two premium tracks near the entrance of the South region area of the Summit View Business Park in northern Franklin County. Committed Matching funds include a \$225,000 grant award from VEDP to support a portion of the access road construction as well as water and sewer extension, landscaping and light poles; and \$208K of local Match toward A&E and construction, in addition to previous investments in land acquisition. Franklin County invested \$11 million for acquisition of the 550 acres in 2015 and 2016. This project will specifically addresses on-site needs for a seven acre track with an active prospect, a financial services company looking to locate high-end administrative functions with projections for creating 12 new jobs averaging \$70,177 and \$5.5 million in private capital investment. The scope of this project will also raise the readiness of a large second track, the 144-acre Dogwood site designed to accommodate a one million square foot facility, to a Tier 4 status (and possible even Tier 5). This larger site is activity being marketed to manufacturing and logistics companies with economic outcome projections being very significant, as represented by a recent prospect who planned to invest \$91 million and create 410 jobs with average wages of ~ \$17 per hour. Construction of the access road is an essential costs to meet the needs for the active prospect on the smaller lot, and to raise the readiness for marketing of the large site. The County has confirmed that VDOT Access Road funds are not an option due to the location of the lot for Project Star on US

220; and in terms of accessing the larger Dogwood site, due to the limitation of only one VDOT award annually per locality. In the previous year, the County submitted an application to VDOT Access Road funds to support access needs on the North area of the park, for which a funding decision was delayed and is anticipated to be approved as the county's 2017-2018 project. The only previous funding from the Commission to support development of this business park is a \$658,960 grant in May 2017 from the Southside Economic Development Grant Program to support site development costs in the North area. The pending request to Special Projects reflects critical funding needs for the South area. While this is not a regional economic development project, there is not sufficient funding in the Franklin County allocation (\$105k) in the Southside program making the project eligible for Special Projects. The County has confirmed active prospects and significant prospect interests in both areas of the Business Park, and Staff suggests that those should generate significant TROF offers that could be applied against these project costs. This is a highly-scoring application with direct economic development outcomes.

Committee recommends award of \$450,000.

Mid-Atlantic Broadband Communities Corporation
Business Recruitment and FDI Attraction Activities (#3322)
\$952,750 Requested

Executive Summary Provided by Applicant: MBC will continue the economic development recruitment and Foreign Direct Investment (FDI) attraction activities for Advanced Manufacturing and Technology companies. Our focus will be to expand the FDI program by hiring additional resources in the European Union, West Coast of the United States, and eventually South America to aggressively identify, pursue and successfully attract private sector jobs and capital investments into southern Virginia. Our team will work closely with VEDP, CCAM and its member companies, the Virginia Chamber of Commerce and Blueprint 2025 Strategy, GO Virginia regional groups and local economic development organizations to align our resources with the activities and outcomes necessary to accelerate the attraction of jobs and investments, both foreign and domestic, into the southern Virginia region.

Staff Comments: MBC has discussed assuming the foreign direct investment role that CCAM has led on behalf of the Commission for the past five years, using a TRRC grant-funded position (filled by Joe Anwyl) and expenses. Those efforts have resulted in the attraction of foreign manufacturing companies to the tobacco region including most recently Kyocera SGS Carbide. While the volume of announcements is admittedly lower than hoped for, recruitment has been hampered by the global and national economic recoveries, geopolitical uncertainties and other factors both foreign and local. MBC proposes a two-year project period to retain the current FDI effort through Mr. Anwyl, as well as expanding the FDI efforts to include technology companies including those based on the US West Coast and overseas that are seeking data centers sites, as well as enhancing FDI recruitment in the European Union. Grant funds are requested to support four employee contracts (\$832,750) and the related bonus incentives for successful announcements and performance by companies committing to job creation and private investment in the twenty-three localities of the Southern Virginia area (\$120,000). Matching funds are committed as "in hand" by MBC, which would cost-share the new EU and West Coast positions and bonuses with TRRC, and also support recruitment contracts, marketing costs, and 100% of a paid commission for recruitment of a data center investment. Where the project budget includes incentive bonuses of \$20,000 for company recruitment, the proposal clarifies that \$5,000 would be upfront at the time of the announcement, and the balance of \$15,000

would be paid based on job creation and private investment performance by the company. The proposal includes a January 2017 report by Mangum Economics, "Economic Development Potential of the MAREA and BRUSA Undersea Fiber Optic Cables". Microsoft and Facebook are investing in the MAREA fiber optic cable connecting Virginia Beach with Bilbao, Spain; and at 160 TBPS this will provide the equivalent of over half of the existing total trans-Atlantic capacity for fiber optics. The BRUSA cable is being funded by Telefonica, a Spanish telecommunications company, and will be connecting between Virginia Beach and San Juan, Porto Rico; then to Fortaleza and Rio de Janeiro, Brazil. Specific high-tech service industry clusters are identified as recruitment targets in the study by Mangum Economics. It should be noted that all "GigaParks" in Southern Virginia will have direct access to the MAREA cable through the planned 100 gigabit "on-net" connection at the landing site, providing a differentiating factor for promoting industrial sites in our region compared to similar sites in NC and SC. (The MAREA cable is schedule to arrive in Virginia Beach before the end of September 2017. MBC is planning for the "on-net" connection to be made in October with a tentative plan to be live by January 2018.) MBC clarified several items in response to questions from staff during the review process— 1) the payment schedule for the UK consultant is designed as a fixed price contract to maintain independent contractor status due to Contract law for international consultants; 2) while there is a strong emphasis on Hampton Roads in the Mangum report that area will not be targeted by the contract employees supported by this project; and 3) where the Mangum report suggests Latin America is not a good place to make investments, it was agreed that funding for this activity was a low priority. Recognizing that the four contract positions alone have an annual cost of \$857,000 not including bonus payments or marketing, staff does have some concerns about sustainability, and overlap of what would be assumed or expected to be responsibilities of the VEDP. On this later item MBC clarified that in recent interactions VEDP expressed an interest in focusing their resources on attraction of larger companies, which are not always the best target to attract to the more rural communities that populate Southern Virginia. This project takes a proactive approach to reaching out to prospective industries and developing these relationships for opportunities viewed as practical and achievable for the region. Clearly, the expansion of efforts beyond just advanced manufacturing and into the technology fields, as well as tripling the number of recruiters working on behalf of the Commission and region, is likely to greatly expand "deal flow" and increase the number of successful company locations in the footprint.

Committee recommends award of \$927,750, excluding \$25k of funding for the Latin America position that was scheduled for the latter stages of the proposed grant period.

Mount Rogers Development Partnership

Project Revival (#3317)

\$450,000 Requested

Executive Summary Provided by Applicant The Mount Rogers Development Partnership Inc., a 501 c3 entity, is an economic development regional marketing organization founded in 1990 as an MOU between the localities in the Mount Rogers region. The localities included Galax, Bristol, Wythe, Washington, Smyth, Grayson, Carroll, and Bland. With recent local government revenue shortfalls and regional markets contracting, capital resources flowing into the organization have diminished. By virtue, this has created an inability to carry out effective and sustainable lead generation and marketing initiatives for the region. Successful regional economic development

organizations in Virginia invest substantially in marketing both domestically and internationally. By implementing a strategic target sector outreach campaign, utilizing best practices and informed by VEDP's current Economic Development Strategy and Action Plan study, we will undertake several lead generation and marketing initiatives. These activities will include actions to strengthen customized material, prospecting efforts, site consultant collaboration, and market presence.

Staff Comments: The funding requested in this proposal will allow this long established regional economic development organization serving Bland, Carroll, Grayson, Smyth, and Wythe Counties and the City of Galax to increase their marketing reach. Funds will be used over a three year period to continue implementation of the organization's strategic marketing plan produced in 2017. This strategy will include contracting with lead generating firms (\$65,000 per year/ 3 years) and increasing attendance at several national and international trade shows, conferences, and other economic development marketing events (\$99k). Display equipment for these events will be purchased (\$10k) and a regional infrastructure/asset video will be produced (\$10k). Marketing materials and advertising is requested at \$25k. Outcomes appear to be optimistic with 500 companies contacted each year (1500 total). Direct communication will be had with 150 prospects and the same number will request information on regional sites. Thirty will visit the region. The member localities contribute annual funding based upon a per capita rate. These rates range from \$1.00 per capita to \$1.75 per capita depending on the locality. While matching funds of \$458,638.50 are provided in the application's budget pages it appears that these funds will be used to cover established and ongoing expenses associated with the organization and will not cost share the new activities for which TRRC support is sought. The applicant has submitted this in response to a shift that is underway in Commission-supported foreign direct investment recruiting (from CCAM, which covers the entire tobacco region, to the proposed regional efforts by the Coalfield Coalition in far Southwest and MBC in Southern VA). This new regional approach leaves the Mt. Rogers on its own without support from either of those programs. However, this also represents marketing and trade show costs that the applicant has been unable to fund from its own budget, and questions of precedent and future funding must therefore be raised. While an award would allow the region to have a period to test whether expanded trade show presence, marketing and lead generation could have measurable results in terms of prospect visits and company announcements, Staff suggests that these are costs that are best left to the participating localities that fund the organization (with some assistance from the TRRC Executive Director's budget authorization to assist with costs of prospect visits) to weigh the costs and merits of attending industry events, and that the Mt. Rogers region could be added to the FDI efforts being requested by MBC in its current request to assume the role of CCAM in recruiting foreign manufacturers.

Committee recommends award of \$300,000 for two years of marketing.

Mecklenburg County
Developing a Brand for VGA (#3331)
\$100,000 Requested

Executive Summary Provided by Applicant: This project supports the regional economic development marketing function of Virginia's Growth Alliance (TransTech Marketing Alliance) over a three year period and will allow the Alliance to complete a number of activities outlined in our Marketing Plan. Virginia's Growth Alliance (VGA) is a regional economic development marketing organization approaching in its sixth year of operation. The mission of VGA is to "grow

and diversify the region's (ten counties and one city) economy resulting in increased employment for its citizens, higher household incomes and an expanded commercial/industrial investment in the area." VGA promotes the region through traditional marketing methods of website, newsletters, collateral, direct mail, advertising, site selection consultant events, etc. This proposed grant will expand those outreach-marketing activities.

Staff Comments: Mecklenburg County is applying as fiscal agent on behalf of Virginia's Growth Alliance, a regional economic development marketing collaboration that was created with assistance from the Special Projects program in 2011 (\$200k) and an additional marketing grant of \$100k in 2013. VGA provides marketing, lead generation and prospect recruitment assistance to ten counties and one city in Southern VA. Since the latter grant was closed in 2015, VGA has apparently funded trade show travel from its own member locality contributions. The requested funds would cover travel costs for VGA's Executive Director to attend an array of national and international industry trade shows through the late-2017 to late-2018 timeframe. Industries targeted by these shows include food and beverage, furniture/wood products, datacenter/IT, aerospace, unmanned vehicles and "meet the site consultants" events. Some events are scheduled as VEDP trade missions, and more than 30 events are listed potential trips. While an award would allow the region to have an additional period to test whether expanded trade show presence, marketing and lead generation could have measurable results in terms of prospect visits and company announcements, Staff suggests that these are costs that are now best left to the participating localities that fund the organization (with some assistance from the TRRC Executive Director's budget authorization to assist with costs of prospect visits) to weigh the costs and merits of attending industry events.

Committee recommends award of \$100,000.

Virginia's Heritage Music Trail: The Crooked Road

Securing the Future (#3328)

\$165,000 Requested

Executive Summary Provided by Applicant: In 2015, The Crooked Road launched a large scale cultural event called the Mountains of Music Homecoming with the goal of building it into an annual event that would generate direct spending in Southwest Virginia in the millions of dollars each year. The 3rd annual Homecoming saw significant advances toward that goal including a 40% increase in concert ticket revenue. A total of 47 Southwest Virginia communities participated in the 3rd annual Homecoming, June 9-17, 2017, through Crooked Road concerts in 25 different communities and 136 cultural events presented by our community partners (organizations, businesses, etc.). Funding is requested from the TRRC for the 4th and 5th years to complete building the necessary infrastructure and solidify the brand recognition that will allow the event to become sustainable. Funding is also requested for creation of a phone app to aid Crooked Road visitors on a year round basis.

Staff Comments: This is the third request for TRRC support for the establishment of the annual Crooked Road "Mountains of Music Homecoming" Festival (see www.myswva.org/tcr/mountains-music). Previous funding totaling approximately \$560,000 was awarded from the Southwest Economic Development Committee in FY14 and FY16, and the first MoMH was held in 2015. The Executive Summary notes a 40% increase in concert ticket revenue during the 2017 Homecoming held this past June 9-17, and this is expected to continue to grow as the festival gains recognition. The current request will support marketing and administrative expenses (staff) for years 4 and 5.

\$165,000 will be used during the year 4 which includes \$15,000 for the creation of a phone app for year round visitors along the Crooked Road. Commission support significantly declines to \$37,500 in year 5. Matching funds, much of which is already committed, are from sources including Virginia Tourism, ARC, National Endowment for the Arts, and contributions from localities and private sponsors. An estimated 7,500-10,000 visitors are attributed to Homecoming events and surveys indicated that approximately 33% are from outside the region. Using this data to determine baseline visitation the application estimates an additional 1,000 new visitors to the region for 2019 events. Staff notes that TRRC funds are best focused on regional and national marketing, to stimulate visitor awareness, rather than local advertising that attracts area residents. This request, as noted, demonstrates declining support from the Commission as the festival reaches its fifth year, and builds its brand awareness and support from sponsors and attendees. As a signature initiative of the Commission, including substantial support from the the Special Projects and SWED Committees to establish the Crooked Road organization and various venues dating back to 2004, this request to help the festival reach its fifth year will ultimately enable the applicant and the Commission to better assess the outcomes of supporting an annual festival that involves venues spread across multiple localities and has shown growth in attendance and tourism outcomes in its first three years.

Committee recommends award of \$165,000.

Megasites

Blue Ridge Crossroads Economic Development Authority Wildwood Commerce Park - Phase III (#3320) \$1,229,317 Requested

Executive Summary Provided by Applicant: The Blue Ridge Crossroads Economic Development Authority (BRCEDA) requests \$1,229,317 in Virginia Tobacco Commission funds for construction of a natural gas interconnect station and upgrade of a wastewater pump station serving Wildwood Commerce Park. Commission funds will be used for engineering and construction-related costs towards total project costs in excess of \$10M. The project will make natural gas available to Wildwood and preserve Enterprise Zone utility incentives offered to Wildwood customers.

Staff Comments: TRRC support is requested to continue development of utility infrastructure at the Wildwood Commerce Park. Previous Commission grants have assisted with site acquisition (\$6.75M) and for site development (\$7.3M), including an access road, water, sewer, storm water, and fiber utilities. Commission funds have been leveraged using BRCEDA and local funds, ARC and VDOT for acquisition and site development costs, as well as funding from American Electric Power to extend electric distribution service to the site. The total development cost to date is \$24.6M. At full development Wildwood expects to attract three businesses providing 450 jobs and producing \$250M in new private capital investment. The current request will fund construction of a required natural gas interconnect station and will upgrade a wastewater pump station serving the Park. The interconnect station is estimated to cost \$1M with \$729K requested in this application. Match of \$300K will be provided from Appalachian Natural Gas to complete the funding required by Spectra Energy, which will construct the interconnect. \$500K is requested to offset half the cost of upgrading the pump station (a total expense of \$1M). Although this project is fully funded through an \$8.3M 0% interest VRA loan provided to the City of Galax, a rate increase was necessary to ensure adequate funding for repayment. At the request of staff, BRCEDA provided information

showing the loss to Galax of \$442k of system revenues from one high-volume water user over five years. The premise of this aspect of the request is that, without TRRC funding for the pump station, Galax may no longer be able to offer the EZ incentives and endure those revenue reductions. However, staff would note that a new high volume user would create new revenues that do not exist now, and which would, even during the five year EZ incentive period, provide substantial new revenues for Galax and would pay full rates in year six and beyond. Consequently, Staff does not see a reasonable argument to fund the \$500k pump station expense that is already fully funded by VRA at 0%. Absent that aspect of the request (and its accompanying matching funds), the natural gas interconnect would stand alone as a \$1.03M project, and with only \$300k of matching funds. As this interconnect appears to be required to deliver any level of natural gas service to the site, Staff supports this aspect of the project and suggests a 50% award for this infrastructure, contingent on the applicant securing all required matching funds to complete the project.

Committee recommends award of \$514,659 for 50% of the natural gas interconnect project costs.

Greensville County
MAMaC RIFA Wetland Mitigation Bank (#3318)
\$915,139 Requested

Executive Summary Provided by Applicant: A majority of economic development projects in southside Virginia require the Army Corp issue a permit allowing wetlands to be disturbed. The permit requires localities to purchase wetland credit at a 2:1 ratio. Currently there is only one wetland mitigation bank in the watershed for Greensville County, the City of Emporia and Mecklenburg County. Being the only bank, the credits are sold for over \$80,000/acre. Preliminary engineering has estimated a 51 acre bank can be built for just under \$48,000/acre, saving approximately \$1,600,000. These are funds that can be used toward creating a pad for a client or bringing in utilities. The bank would be built off site on property under option by the County in the southern end of Greensville County. The RIFA is on the short list for two major projects that would need wetland credits in 2018-2020.

Staff Comments: Grant funds are requested to support 50% of the Phase 1 & 2 acquisition and development costs for a publicly-owned wetland mitigation bank, owned by the MAMaC RIFA and its members (Greensville, Emporia and Mecklenburg). The need for establishing their own wetland bank is being driven by a limited number of wetland banks in the watershed for MAMaC, and the exceptionally high price for purchasing those wetland credits (~ \$80,000 per acre), presenting the opportunity for the RIFA to create its own bank in order to lower the costs. The proposed land acquisition includes a total of 194.5 acres of which 124.59 acres are identified for forest protection with a purchase price of \$3,500 per acre (\$436,065), and the remaining 69.91 acres which are identified for wetland creation, enhancement, or restoration; or for upland restoration and easement would be purchased for \$14,000 per acre (\$978,740). Additional costs are to support the creation of the wetlands. Where the total Phase 1 & 2 costs are estimated at \$1.8 million including land acquisition, this is expected to result in 25 acres of wetland credits; and the future Phase 3 cost is estimated at \$497K and would result in an additional 25 acres of wetland credits. The County has identified two active prospects for MAMaC which would both require wetland credits. Project Traction is on a 350 acre site and will require 22 acres of wetland credits; and Project Topaz, which has an option on 300 acres, would require some level of wetland credits TBD with current estimates at 5-10 credits including crossing wetlands with rail. Outcome estimates for Project Traction if they

choose to locate to MAMaC include \$450 million private capital investment and creation of 872 new jobs with average wages of \$39K per year. A second prospect identified as Project Topaz is estimated to be a \$2 billion investment and the creation of 350+ new jobs. Greenville County initially entered into an Options contract with the landowner in September 2015, and revised terms under a new contract agreement in May 2017, which provides the County the option to execute acquisition by December 31, 2018. The proposal identifies the Commonwealth Opportunity Fund as the source of the 1:1 Match for this request, and further indicates the County's willingness to commit to loan funds if the COF is not available. At \$2.32 million for acquisition and development of a ~ 50 acre wetland bank plus other costs for A&E services this puts total cost estimates at < \$48K per acre of wetland credit, significantly less than the \$80K per acre wetland price available from the private market. Engineering for the bank was funded from a previous Megasite grant, so cost estimates are considered reliable. As the first known publicly-owned wetland bank for economic development purposes in the tobacco region, this project is an exemplary model for other localities, and will remove a significant barrier to attracting companies to MAMaC and other industrial properties in the participating localities.

Committee recommends award of \$915,139 grant, for no more than 50% of the direct costs for acquisition and development of the RIFA-owned wetland mitigation bank.

Henry County

Commonwealth Crossing Broadband & Power Extensions (#3323)

\$601,463 Requested

Executive Summary Provided by Applicant:

Henry County is requesting a megasite grant from the Tobacco Commission to install the following at Commonwealth Crossing:

- Installation of broadband/fiber infrastructure within the park to serve Tract 1, Project Atlantis, and Tract 4; in addition to serving the industrial park, this broadband extension will also open up opportunities for additional third party commercial/residential use of the Mid-Atlantic Broadband backbone - including the town of Ridgeway.
- Installation of electric distribution facilities (single phase, three phase, and streetlights) within the park to serve Tract 1, Project Atlantis, and Tract 4.

Staff Comments: Grant funds are requested to support 50% of the cost for construction of fiber and power infrastructure to, and serving the Commonwealth Crossing Mega-Site in southern Henry County. Mid-Atlantic Broadband provided a detailed cost-estimate for the fiber installation at \$472,468. This includes extension of a 96 strand fiber cable along US 220 from the Town of Ridgeway to the entrance of Commonwealth Crossing, and extension of a 48 strand fiber cable within the mega-park. A letter from Appalachian Power identifies the cost for electric service to Commonwealth Crossing at \$730,458 to include 3 phase power, installation of street lights, and single phase power to the water tank; and excluding costs for installing conduits which is noted to be handled by the county. For outcome projections the County presents figures for \$235 million capital investment and 533 jobs to be created, with these figures being based on averages for four prospects who have visited the property within the last twelve months. This request is identified as essential to serve "Project Atlantis" which is the Commonwealth Centre for Advanced Training (CCAT) which is to be unveiled at a September 6, 2017 ribbon cutting. This facility will be offered exclusively to companies that locate to the park to be used as a workforce training area and for back-office

functions, in the interim time period when the company is building their own facility elsewhere in the park. Staff has inquired with the County as to whether they have negotiated an agreement with AEP for revenue return or user rate reductions as payback on the \$730K of TRRC & Match funding that would be invested in the power infrastructure, once there are power users in the park. Responses from the County are unclear although it does sound like there is a revenue return proposal in place.

Committee recommends an award of \$566,052.

OTHER BUSINESS

University of Virginia

Improving Working Women's Health in the Tobacco Region through Telemedicine (Grant # 2754)

Approved for \$927,739 in September 2013 (\$578,781.84 balance)

The grantee has requested approval of a fifth year extension for this grant. This project which was originally approved for high risk prenatal care was delayed due to the unexpected death of the physician who was leading the project. In September 2016 a one year extension was approved administratively for the project and at that time a change of scope as also approved. In that request the grantee proposed to repurpose the award to expand the Rural Telehealth Project and the Behavioral Risk Factors and Women's Cancers projects. Additional time is needed to complete these initiatives.

Committee recommends approval of a one year extension through September 30, 2018.

Tobacco Region Revitalization Commission

Financial Summary

As of July 31, 2017

TICR Fund Balance	\$ 216,817,453
Restricted Endowment Balance	\$ 75,976,441
Unrestricted Endowment Balance	\$ 168,665,766
Restricted Endowment Accum Interest	\$ 1,988,286
Unrestricted Endowment Accum Interest	\$ 1,700,639
Total Cash & Investments	\$ 465,148,584

Cash Disbursements - this month	\$ 4,993,902
Cash Disbursements - FYTD	\$ 4,993,902

Fund	Unobligated Balances
Special Projects	\$ 7,142,433
Education	\$ 11,857,597
TROF (Deal Closing)	\$ 14,027,818
Southside Economic Development	\$ 25,743,590
Southwest Economic Development	\$ 2,475,672
Agribusiness	\$ 2,415,010
R&D	\$ 22,865,102
Megapark	\$ 7,625,408
Megasite Prospect Incentive Fund	\$ 3,040,000
VRA Loan Program set-aside	\$ 4,977,700
Administration	\$ 2,224,772
TICRC General Account	\$ 637,250
FY2018 Budget Balance	\$ 105,032,351

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

	<u>FY18 Budget</u>	<u>YTD Actual</u>	<u>YTD Actual as % of Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Other Revenue (all cost codes)	\$ -	\$ 410,206.96		410,206.96
Total Revenues	\$ -	\$ 410,206.96		\$ 410,206.96
<u>EXPENDITURES</u>				
Administration				
Salaries, Fringe Benefits, Per Diems	\$ 1,403,700	\$ 179,258.37	12.8%	\$ 1,224,441.63
Contractual Services	372,200	25,963.75	7.0%	346,236.25
Supplies and Materials	6,500	554.96	8.5%	5,945.04
Transfer Payments	313,000	-	0.0%	313,000.00
Rent, Insurance, Agency Svc Charges	151,100	14,826.71	9.8%	136,273.29
Furniture and Equipment	5,700	4,471.67	78.5%	1,228.33
Subtotal - Administration	\$ 2,252,200	\$ 225,075.46	10.0%	\$ 2,027,124.54
Community Revitalization	21,100,000	4,768,826.94		
Total Expenditures	\$ 23,352,200	\$ 4,993,902.40		
Revenues Over (Under) Expenditures	\$ (23,352,200)	\$ (4,583,695.44)		
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (endowment and earnings)	\$ 21,677,415	\$ -		
CASH BALANCE, June 30, 2017	\$ 221,401,149	\$ 221,401,148.61		
CASH BALANCE, July 31, 2017	\$ 219,726,364	\$ 216,817,453.17		

TOBACCO REGION REVITALIZATION COMMISSION

Financial Activity and Budget Fund Balances Report

As of July 31, 2017

Cost Code	Fund	FY17 Ending Cash Fund Balance	FY2018 Budget Transfers	YTD Disbursements	YTD Revenue	Unpaid Commitments	Budget Balance
041	Special Projects	15,111,222.33		(329,586.43)		(7,639,203.29)	7,142,432.61
042	Education	36,999,669.23		(1,225,590.28)		(23,916,481.71)	11,857,597.24
043	TROF (Deal Closing)	20,983,934.06		(218,000.00)	408,009.26	(7,146,125.00)	14,027,818.32
044	Southside Economic Development	36,813,917.29		(478,226.07)		(11,242,101.00)	25,093,590.22
045	Southwest Economic Development	7,744,244.13		(40,200.65)		(5,268,842.28)	2,465,201.20
050	Reserve Account	33,683.17				(33,683.17)	0.00 *
051	Agribusiness	6,419,116.21		(103,325.15)		(3,900,781.32)	2,415,009.74
052	R&D	39,962,561.82		(354,462.51)		(16,742,997.74)	22,865,101.57
056	VRA Loan Program	5,000,000.00		(2,300.28)			4,977,699.72
057	Megasite Prospect Incentive Fund	15,000,000.00				(11,960,000.00)	3,040,000.00
060	RESTRICTED-Reserve Account	495,877.91				(495,877.91)	- *
061	RESTRICTED-Special Projects						
064	RESTRICTED-Southside Econ Dev	650,000.00					650,000.00
065	RESTRICTED-Southwest Econ Dev	145,802.66		(48,368.14)		(86,964.05)	10,470.47
067	RESTRICTED-Megapark Dev	32,956,220.19		(1,978,767.43)		(23,352,044.38)	7,625,408.38
040	Administration	2,449,847.57		(225,075.46)			2,224,772.11
069	RESTRICTED-General Account	80,606,996.37					80,606,996.37
049	TICRC General Account	(79,971,944.33)			2,197.70		(79,969,746.63)
	TOTAL	221,401,148.61	-	(4,993,902.40)	410,206.96	(111,785,101.85)	105,032,351.32

FY '17 TRUF Apps/
Approvals

Non-confidential
listing available
upon request.

VIRGINIA TOBACCO COMMISSION COMMITTEES

(as of 9/13/17)

AGRIBUSINESS COMMITTEE

Gayle Barts
James Edmunds
Basil Gooden
Frank Harris
John Holland
Don Merricks
Robert Mills
Ronnie Montgomery, *Vice-Chair*
Cecil Shell
Robert Spiers, *Chair*
William Stanley
Richard Sutherland
Tommy Wright

BUSINESS SUPPORT COMMITTEE

John Cannon
Cathy Lowe
Danny Marshall
Don Merricks
Dale Moore

EDUCATION COMMITTEE

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

EXECUTIVE COMMITTEE

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

PERFORMANCE MEASURE COMMITTEE

Danny Marshall
Dale Moore
Ed Owens

RESEARCH AND DEVELOPMENT COMMITTEE

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

R&D SUBCOMMITTEE (VETTING)

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

SOUTHSIDE ECONOMIC DEVELOPMENT COMMITTEE

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

SOUTHWEST ECONOMIC DEVELOPMENT COMMITTEE

Bill Carrico, *Chair*
Ben Chafin
Becky Coleman
Todd Haymore
Cathy Lowe, *Vice-Chair*
Ronnie Montgomery
Will Morefield
Richard Sutherland

STRATEGIC PLANNING COMMITTEE

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

SPECIAL PROJECTS COMMITTEE

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

TROF COMMITTEE

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

* terms have expired but remain on the Commission until replaced

**Centers of Excellence
Operational Planning Retreat • July 19, 2017**

Our Mission:

*We are a dynamic network
of advanced manufacturing resources
that supports industry
by developing an exceptionally skilled workforce.*

Our Vision:

*The Centers of Excellence
are recognized as an asset
for workforce and economic development
through innovative and quality training solutions.*

Our Values:

Quality

exceeding expectations by applying the highest standards
in everything we do

Responsive

to the needs of the community, employers, employees, and market changes

Partnerships

leveraging resources by developing collaborative relationships

Innovation

always seeking creative and forward-thinking solutions

... delivered with passion



Tobacco Indemnification and Community Revitalization Commission TRRC CoE Quarterly Report and Performance Metrics Template

Due each quarter by fiscal year

Bruce Sobczak, Director Workforce Development - Revised September 1, 2017

Date submitted:	
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Quarterly Performance Report for quarter		Fiscal Year	
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Note: Quarterly reports reflect combined performance of the two grant awards.

General Information

Project Title:	
Name of Grant Recipient:	
Grant Numbers (1st & 2nd awards):	

Contact Person:	
Phone:	
Email:	

Training for Industry Certifications Facilitated by CoE's and Satellite Sites

Subject area	Training provider/location	# Students enrolled	# Students completing	# Credentials awarded	Conferring organization	Notes
Machining Technologies NIMS Certifications	SVHEC SoVA CoE					
	New College Institute CoE					
	SVAM CoE					
	SVCC, Emporia Training Center					
Sub-totals		0	0	0		Total trained to machining certifications
Welding Technologies AWS and NCCER Certifications	SVHEC SoVA CoE					
	New College Institute CoE					
	SVAM CoE					
Sub-totals		0	0	0		Total trained to welding certifications
Mechatronics Siemens SMSCP and NCCER Certifications	SVHEC SoVA CoE					
	New College Institute CoE					
	SVAM CoE					
Sub-totals		0	0	0		Total trained to mechatronics certifications
Other Industry Recognized Certifications	SVHEC SoVA CoE					
	New College Institute CoE					
	SVAM CoE					
Sub-totals		0	0	0		Total trained to mechatronics certifications
Grand Totals		0	0	0		

Custom Contract Training Facilitated by CoE's

	Client Company/Organization	# Students completing	# hours of instruction	Training Location	Subject area and/or training objectives
Custom Contract Training					
	Totals		0	0	

Marketing Events and Pipeline Building Activities Facilitated by CoE's					
Group or Organization	Activity or Event Description	# attending	# hours of activity	Event Location	Notes
Totals		0	0		

Foundational Training for Pipeline to Advanced Certifications - Community Colleges and other partners						
Subject area	Training provider/location	# Students enrolled	# Students completing	# Credentials awarded	Conferring organization	Notes
Machining Technologies	Mountain Empire Community College					
	Southwest Virginia Community College					
	Virginia Highlands Community College					
	Wytheville Community College					
	Patrick Henry Community College					
	Southside Virginia Community College					
	Danville Community College					
	Sub-totals		0	0	0	
Industrial Maintenance/Mechatronics	Mountain Empire Community College					
	Southwest Virginia Community College					
	Virginia Highlands Community College					
	Wytheville Community College					
	Patrick Henry Community College					
	Southside Virginia Community College					
	Danville Community College					
	Sub-totals		0	0	0	
Welding Technologies	Mountain Empire Community College					
	Southwest Virginia Community College					
	Virginia Highlands Community College					
	Wytheville Community College					
	Patrick Henry Community College					
	Southside Virginia Community College					
	Danville Community College					
	Sub-totals		0	0	0	
Grand Totals		0	0	0		

Other Outcomes and Benefits Due to Training, Consulting Services or Activities by the CoE's			
Category of Services or Activity	Results Quantified	Client Company or Organization	Description, Notes and Additional Information
New Job Creation - addition of staff			
New Business Creation - new company startups			
Business Expansion - new products/services added			
Job Retention - prevention of the loss of staff			
New Technologies implemented - first time use			
New Processes Adopted - first time or expansion of use			
Quality Improvements - reduce defects, scrap, rework			

Productivity gains - increase output ,reduce cycle times			
New Product Development - design, prototype, fabricate			
Supply Chain Development - match companies/suppliers			
Other -			

Space for Additional Activities, Achievements, Accomplishments
Copy and Paste Here or add Attachment to Report

Reporting | Report due dates CoE's

Q1 FY 2017/18 Due November 1, 2017
July
August
September

Q2 FY 2017/18 Due February 1, 2018
October
November
December

Q3 FY 2017/18 Due May 1, 2018
January
February
March

Q4 FY 2017/18 Due August 15, 2018
April
May
June

Q1 FY 2018/19 Due November 1, 2018
July
August
September

Q2 FY 2018/19 Due February 1, 2019
October
November
December

Q3 FY 2018/19 Due May 1, 2019
January
February
March

Q4 FY 2018/19 Due August 15, 2019
April
May
June

Russell County Industrial Development Authority: APPALACHIAN BIOFUELS, LLC (Grant # 2941)

Main Staff and Reviewers Related Organizations Activities Projects

Grant for \$210,000.00 approved on 8/1/2014: Current Status: Active

Alert:

No

Grant E-mail Address

23-208691-b06d5-com2-d1da226a@smartsimple.com

Printer Friendly Application - No Attachments

Printer Friendly Application - Incl Attachments

Summary Organization and Contact Information Project Information Results & Accountability Matrix Next Steps & Certification Recommendations A

Grant Program:TROF

Fund: Tobacco Region Opportunity Fund

Project Term: 6/30/2014 - 6/30/2017 (36 Months, 0 Extensions)

Payment Summary

Net Award:	\$565,000.00	Net Paid Amount:	\$565,000.00	Balance:	\$0.00
Amendment Amount (1 Amendments):	\$355,000.00	Paid Amount:	\$565,000.00	Processing Payments:	\$0.00
Approval Amount:	\$210,000.00	Received Amount:	\$0.00	Available Balance:	\$0.00

Open TROF Employment Worksheet

TROF Results Summary

TROF Results Summary

	Promised	Delivered	% Promise Met
Jobs	40	0	0
Quarterly Wages	\$370,000	0	0
Average Annual Wages	\$37,000	0	0
Capital Investment	\$3,500,000	\$0	0

Clawback Due

\$565,000

Richardson, Stacey (TIC)

Subject: FW: App Bio Fuels / Chuck Lessin Matter

\$360,000 in escrow
\$10,000 from the Company
\$10,000 from Russell County

They are asking us to waive the remaining balance.

From: Piper, Chris (TIC)
Sent: Wednesday, September 13, 2017 12:53 PM
To: Nolen, Christopher R.
Cc: Feinman, Evan (TIC)
Subject: RE: App Bio Fuels / Chuck Lessin Matter

Chris,

Thank you for your email. Staff does have serious concerns about the precedent that would be set if the Commission were to accept the offered terms. The Commission establishes our grant agreements in order to ensure that when a project is not successful, those funds can be returned to the Commission for reinvestment into the Region. Accepting less than the required clawback would set a precedent for other groups to pay back less and thus hampering the Commission's ability to further invest in the Region.

We were all hopeful Chuck's business would be a success and help in the revitalization of the Southwest economy. We appreciate his working with us throughout this process. We also applaud Chuck's responsible stewardship of the grant funds, and as a show of our appreciation for Chuck having worked in good faith, we are willing to be far more flexible than usual as regards the repayment plan. The Commission typically agrees to repayment plans of no longer than five years, but I would be willing to recommend to the Commission that we extend that out to as many as eight years to lessen the impact of the remaining repayment.

We have placed your request on the agenda for next week's Executive Committee meeting which begins at 8:30am on September 20, 2017 at The Crossroads Institute, 1117 East Stuart Drive, Galax, VA. Please let me know if you will be in attendance.

Sincerely,

Chris Piper

From: Nolen, Christopher R. [mailto:cnolen@mcguirewoods.com]
Sent: Friday, September 8, 2017 5:27 PM
To: Feinman, Evan (TIC) <efeinman@revitalizeva.org>
Cc: Piper, Chris (TIC) <cpiper@revitalizeva.org>
Subject: App Bio Fuels / Chuck Lessin Matter

Evan - Good afternoon. I believe you happen to see Chuck Lessin yesterday at an economic development event. Chuck asked me to reach out to you with regard to the Appalachian Bio Fuels matter. Jasen Eige has left the firm to take a position in Bristol, Virginia, and I am now assisting Chuck with regard to the performance agreement for the biofuels project.

I spoke with Chris Piper yesterday about the repayment proposal that Jasen suggested prior to his departure. It is my understanding that you and Chris may be discussing this issue early next week so I wanted

to touch base to let you know that I am the point of contact with Jasen's departure and that I hope you give serious consideration to the settlement offer that Jasen made on behalf of Chuck.

While I know that Commission staff may have a concern about setting precedent with regard to less than full repayment of the amount owed, there are compelling reasons as to why to treat this situation differently. I believe Jasen briefed you on how the money was spent – all in furtherance of the project, so I will not belabor that point.

I would like for you and Chris to give serious consideration to the fact that there is a significant amount of money in escrow. That money is there because Chuck exercised extreme caution in the use of the Commission's resources. He did not recklessly spend all of the money in trying to make the project work after it became evident that it was unlikely to be successful. It is this prudent course of action that is typically lacking in these situations. I suspect that most of the time, the Commission is looking at a situation where the organization spends virtually all of the money in the hopes that a miracle will happen – a miracle that never comes.

Rather than focusing on the lack of full repayment if the Commission accepts the settlement offer, I hope you, Chris and the Commission will focus on the positive precedent that will be established if the settlement offer is accepted. The precedent the Commission should want to set is one that indicates to grantees – "be prudent with the grant funds and if you can demonstrate that you acted in a responsible fashion and conserved funds when the success of the project is called into action, then the negative consequences of a failed project will be less than would otherwise be the case."

Chuck's situation is exactly that – he acted responsibly. To treat him exactly the same as a project that failed and there were no funds returned sends the wrong signal to future grantees (while I know Russell Co. is directly on the hook with the Commission, because of the personal guarantee Chuck signed there is a significantly likelihood they will look to him for repayment, so for the purposes of this discussion, my references to grantee means Chuck). As such, I think you should look at Chuck's actions in mitigating the downside risk of the project for the Commission and appropriately recognize that in accepting the settlement offer that Jasen made. It is my understanding from Jasen that he believes, based on conversations he had, that several members of the executive committee would be receptive to such an offer.

Chris suggested that I follow-up with both you mid-next week after you have had a chance to discuss this matter further. In the interim, if you would like to discuss by phone, need more information from Chuck, etc. please let me know and I will be happy to assist.

Thank you for considering these points and have a great weekend.

Sincerely,

Chris

Christopher R. Nolen

SVP Government Relations - State
McGuireWoods Consulting LLC
Gateway Plaza
800 East Canal Street

FY18 Southside Economic Development Summaries and Staff Recommendations - September 2017

The Southside Committee meeting agenda for September 19th includes requests for four projects: one that was referred to VRA loan consideration in May, and is now requesting reconsideration of a grant award; two other projects that were awarded funding in January and May for which the grantees are requesting an increase in funding; and one project requesting a time extension.

An October 19th due date has been announced for new requests in the Committee's FY18 funding round.

BEDFORD

County of Bedford

***Site Development in the New London Business and Technology Center (#3291)* \$250,000 Grant Approved May 2017 - Request to Expand Scope and Increase Grant to \$750,000**

Executive Summary Provided by Applicant: Bedford County EDA will execute the site grading and excavation plan for a 4.21 acre lot in the New London Business and Technology Center. This site work will accelerate the ability to attract further industry growth in the park and help us prepare a pad site to show to prospective businesses and industries that want to locate here. The site identified for this work is Lot 3b, to the east of the roundabout in the heart of the park.

Updated Staff Comments and Recommendation (September 2017) – This current grant of \$250k was approved in May to support site development costs for Lot 3-B (4.21 acres) in the New London Technology Park. In July the Bedford County Administrator notified staff of the County's interest in expanding the scope of the grant to include additional lot development costs, in order to take advantage of economies of scale related to mobilization of equipment by the construction contractor. On August 31, the County made a written request for an increase to the original grant amount in order to accomplish site development costs on four lots. In addition to the original scope for grading of Lot 3-B (now estimated at \$190K), the proposed expanded scope includes grading of a ten acre site on Lot 4 (\$944K); and clearing and grubbing of two lots in the west end of the park, Lots 10A and 12A (\$175K). The County indicates that this request is being driven by increased prospect interest, including an R&D company interested in constructing a 40,000 square foot manufacturing building with up to 30 employees within 3-years and \$4.5 million capital investment; and an existing company in the county, currently operating out of two facilities with need to consolidate operations, and for which one of this company's buildings is of interest to another prospect, a UK company. Upon receiving the County's request that this be on the agenda for an increase to the approved grant award, staff inquired further about more detailed cost estimates for the site development work. The County's A&E firm Hurt & Profitt provided estimates on September 6, for development costs on each lot, which puts the total project budget for cash expenditures at over \$1.3 million. Estimates of the previous investment by the County in these lots are reflected in the current price listings for the four lots which tally over \$1.5 million. Following a meeting of the Bedford County Economic Development Authority on September 7, the County confirmed their interest in proceeding with site development work on the four mentioned lots, and requested an increase in this grant to \$750,000 to reflect 50% of the estimated costs for work on the three additional lots. The County's cash match for the project is at \$865,447, excluding in-kind values associated with previous investments in land acquisition and improvements. Development of the New London Park has been funded with TRRC assistance dating back to 2002, and this premier property now hosts CAER, a private employer (Simplimatic Automation), and will be the site of a new Liberty School of Engineering campus. The Bedford SSED allocation is currently just

under \$2 million as a result of the sale earlier this year of the CAER building to Liberty. Staff notes this request would be highly consistent with program objectives of preparing shovel-ready economic development sites to serve prospective employers and attract measurable new job creation and taxable private capital investment.

Staff recommends approval of an increased grant award of \$750,000 (an additional \$500,000 above the May approval)

BRUNSWICK

Brunswick County IDA

Build-Out for Prospect at Old Southern State Warehouse (#3241)

\$347,000 Approved January 2017 – Request to Increase Grant by \$100,000

Executive Summary Provided by Applicant: Funding is requested to assist in the improvement and build-out of an industrial space for a new small business that is locating to the Town of Lawrenceville. The business is a start-up that will produce what it refers to as healthy snacks. The business has a working relationship with a European company that also produces healthy snacks. In its business plan the business has identified the Mid-Atlantic area as its market area. The requested funds will be used to help build-out a 3,000 S.F. space that includes 500 S.F. of refrigeration space, a 400 S.F. office and the remainder will be production space built to meet VDACS requirements; e.g. sanitary requirements etc. The building is a 12,000 S.F. old Southern State warehouse.

Updated Staff Comments (September 2017): This project to renovate the former Southern States building, which is owned by the Town of Lawrenceville, was approved in January to provide space for a start-up business prospect. In January the County IDA was awarded a grant for \$347k for 50% of the costs estimated by an engineering firm to renovate 6,000 sq. ft. to allow the very long, linear production equipment that is similar in design to equipment in operation in Europe. Since that grant approval, revised space plans call for a 10,000 sq. ft. facility, and bids received in June for the building renovations were nearly \$1 million. IDA staff has been working since then to reduce the costs where possible. Estimates now place the renovations at \$583k, for which the IDA requests an increased TRRC grant of \$447k, which would provide 77% of those costs. The project financing includes a \$120k investment by the Brunswick IDA, a proposed \$25k grant from Mid-Atlantic Broadband, a \$200k loan from the PDC's Lake Country Development Corp. for equipment, and a reported \$100k private investment in equipment plus \$275k of working capital. Staff has requested updates on committed matching funds, for assurance that our dollar-for-dollar match requirement is met on the overall capital expenditures (excluding business operating capital). The prospect provided an extremely thorough business plan, and is being advised by a senior project manager at VEDP, along with others in the food products industry, legal and accounting firms, Southside PDC and Virginia's Growth Alliance. While there is inherent risk in supporting any new start-up business, particularly one that hopes to establish itself within the ultra-competitive snack food space dominated by companies such as Kellogg's and Nabisco, it should be noted that TRRC funds are requested solely for engineering and renovation of the Town-owned building, which is adjacent to the Tobacco Heritage Trail and suitable for re-use in the event the business is not successful. The increased grant request is significant for a company that intends to create twelve jobs and have private investment of under \$600k. However, the strength of the business plan, the significant market opportunity and potential for growth should the company be successful in this highly-competitive space, and the support of multiple state, regional and local economic development entities will help mitigate risk to the extent possible. This appears to be a calculated and reasonable risk for using less than 15 percent of the available Brunswick allocation (currently \$3.1 million), assuming the company secures required matching funds sufficient for equipment and operating capital, and commits to a multi-year lease of the facility.

Staff recommends an increased award of \$447,000 (an additional \$100,000 above the January approval) for facility engineering and renovation, not to exceed 50% of total project capital expenditures, contingent on the prospect company securing all necessary funding for equipment and operating capital and committing to a multi-year lease.

HALIFAX

South Boston IDA

John Randolph Hotel Redevelopment Project (#3289)

\$1,000,000 Requested – Request to be reconsidered for grant funding.

Executive Summary Provided by Applicant: The South Boston Industrial Development Authority (IDA) is seeking \$1 million from the Southside Economic Development Fund to assist with the redevelopment of the former John Randolph Hotel (VDHR ID: 130-0006-152), located at 327 Main Street, into a boutique hotel with 27 rooms, a restaurant, a rooftop bar, and a gift shop. In July 2012, a Feasibility Study was completed, which was later updated in February 2017. In June 2013, the South Boston IDA purchased the property. The John Randolph Hotel is located in the Town of South Boston's Central Business District directly on the main corridor into downtown. It is a highly visible, deteriorating, four-story, vacant structure constructed in 1929. The total project cost is nearly \$8 million, and it is anticipated 11 new, full-time jobs and 25 part-time jobs, or 28 full-time equivalents, will be created as a result of this project.

Revised Staff Comments and Recommendation (September 2017): This project was originally submitted in Spring 2017 and was referred to VRA for credit analysis and a potential loan offer (see further discussion later in these Comments). Estimated annual outcomes - 11 FT and 25 PT new jobs and \$7.9M public-private investment. Redevelopment of the historic John Randolph Hotel into a boutique hotel as a means for bolstering the tourism economy and spurring downtown revitalization has been a priority for the Town of South Boston for several years. The Town purchased the building in 2013, and a detailed Business Plan and Market Analysis originally drafted in 2012 by Cornerstone Hospitality to evaluate the financial viability of the project was revised in September 2016. This analysis presents that the boutique hotel could provide the anchor for moving the Town's downtown revitalization efforts forward, but emphasizes that more will be necessary for transforming the Town into a marketable destination in order for long-term financial success to be accomplished. Creative Boutique Hotels, LLC (CBH) a Virginia based partnership that focuses on development of boutique hotels in small markets and specializes in historic buildings (including two currently under construction with TRRC support in the SWVA tobacco region) was selected by the IDA to serve as the developer and operator for the new hotel. With this application the hotel developer provided a conservative estimate for 11 full time jobs with aggregate annual salary of \$416,250 and 25 part-time positions (or 28 full-time equivalents) at \$275,175. Total estimated costs for renovations are at \$7.89 million with ~ \$2 million expected to be supported from federal and state historic tax credits. The South Boston IDA identifies a willingness to secure a master loan for up to \$4.2 million and presents the need for grant funding to reduce the level of debt that can be serviced from projected net operating income (details are in an investment summary and pro-forma). The current plan is that the IDA would own the building and CBH would cover the Town's debt service through annual lease payments. In addition to the \$1 million grant request to the Commission, the IDA was approved for a \$475,000 DHCD Industrial Revitalization Fund grant, which was announced in April. This project would accomplish the Commission's funding priority for repurposing of obsolete buildings with economic development potential to attract visitor spending. While it does not meet the traditional objective for tourism grants of supporting national/international destinations that attract increased visitors and spending, the applicant does present solid outcomes for visitor spending based on estimates for hotel occupancy. The TROF program is also an option, and the current estimates based on the job numbers from the

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developer is for a \$100,000 TROF incentive plus \$50k loan. This request was referred to VRA for loan consideration following the May 2017 Commission meeting and the Town worked quickly to provide VRA with all requested documents. On August 1, TRRC received notification from VRA that they were not recommending the loan be approved. The summary of identified concerns were based on too much overall debt planned for the hotel (the reason for which the Town was originally pursuing the grant funding as noted in their business plan); and with concerns for a downside scenario that the debt service would be burdensome considering the Town's other economic development projects. With this initial assessment by VRA, the Town Manager requested that the project be reconsidered for grant funding by the Commission. The Town has an option agreement to purchase an adjoining 4,600 square foot building that is envisioned to be part of the hotel developing providing for five additional rooms and an open conference space area. DHCD has provided funding for a feasibility study to assess utilizing this additional space as part of the hotel development. This evaluation is currently underway with the proposed hotel operator, CBH. Where the original request to the Commission was for \$1,000,000, the maximum currently available in the Halifax County allocation for a grant award is \$873,849. An initial TROF incentive was estimated at ~ \$100,000 and staff suggests that this could help make up the difference in the original request amount and what is available in the county allocation. However, awarding the full available balance in the Halifax SSED allocation (\$873,849) would be significantly larger than any grant previously provided for a hotel project - as compared to the \$750k Special Projects award approved in 2014 for Hotel Bristol (prior to the creation of the loan program), a \$540k loan offered to CBH for its project in St. Paul, a \$265k TROF for a CBH hotel in Bristol, and a \$145k TROF for a hotel in Farmville - and would preclude having any available SSED allocation for future job-creating projects until the next budget year beginning July 2018. Staff suggests that an award that mirrors DHCD's IRF grant of \$475k is more appropriate for a project that will create 28 FTEs, and will preserve nearly \$400k of the Halifax allocation for any other job-creating projects that may be considering a Halifax location through the rest of FY2018.

Staff recommends award of ~~\$475,000~~ grant. \$600,000 ✓

OTHER BUSINESS

Mecklenburg County

Mecklenburg Correctional Center Feasibility Study (#2528)

Current End Date January 8, 2018 - One Year Extension Requested

This grant was awarded in January 2013, and is approved to support costs for the environmental assessment and engineering of the cleared state prison site. The Department of Corrections committed to demolishing the prison structures prior to transferring the property to the County. In September 2016 the Commission approved an extension through January 2018, which was necessary due to delays in the demolition work being completed. Demolition of the site has been completed with the exception of the removal of a 100,000-gallon fuel tank and miscellaneous steel. The County contracted with Hurt & Proffitt on a Phase 1 Environmental Study. Hazards found on the property resulted in the need for a Phase 2 Environmental Study which is expected to be completed in November 2017. Remediation of the site will be DOCs responsibility prior to transfer of the title back to the County. Site engineering for which the balance of grant funds is current allocated is currently scheduled to begin in February 2018, and to be completed by end of October 2018. Commission staff received a letter from the County in August requesting an extension to provide sufficient time for the remaining work to be completed.

Staff recommends approval of an extension through January 8, 2019.

Research & Development Committee

Summaries and Staff Recommendations

September 19, 2017

The Commission received three new R&D grant proposals by the August 3rd due date, requesting nearly \$4.5 million of the available \$12.8 million balance. The requests include one "Continuation" request for a project that received one previous round of R&D funding (Danville #3337) and two requests for projects involving federal SBIR Phase Two funding (Region 2000 #3336 and 3338). The Committee will meet on Tuesday, September 19th at 4:00 p.m. to discuss these and Other Business items as described herein.

Danville, City of

Improved Natural Non-Nutritive Sweetener Research and Development Project (#3337)

\$1,999,958 Requested

Executive Summary Provided by Applicant: eBio has an expertise in the formation and preservation of micro and nano-sized particles for product enhancement purposes. This expertise has allowed the company to develop a novel process using natural products to re-stabilize stevia sweetened solutions to emphasize the desired sweetness properties of stevia, while removing its undesirable properties. The company has shown proof of concept of its preferred formulation and has had this formulation perform extremely well in a taste-test. The company will undertake to perfect the sweetener product, as well as to develop a scalable industrial process to consistently manufacture the sweetener in a format and in volumes suitable for the food and beverage industries. The company is working with seasoned beverage industry experts and anticipates with the success of this project that it will move into a larger industrial location in Danville, VA and expand its team to produce both liquid and dry powder concentrated sweetener.

Staff Comments and Recommendation: The private beneficiary Company, Engineered Biopharmaceuticals, Inc. (or eBio) received one of the earliest TRRC R&D grants in May 2011 and concluded its project to test processes for creating dry powdered pharmaceuticals in 2014. The Company continues to maintain a presence in the Dan River Business Development Center, and has discussed its plans for this Continuation request with TRRC Staff for over a year. This is a one-year request for operating expenses to use its patented technology to develop and test commercial-scale processes to improve the flavor profile of stevia, a natural non-nutritive sweetener in wide use as a low-calorie sugar substitute across the food and beverage industry. The company has used its own resources to prove the concept and validate it in professional taste tests, with assistance from two beverage industry senior executives and a Senior Fellow from Dartmouth's business school serving as advisers. The proposal provides a very clear description of the research steps to be accomplished, including further product refinement, process development, commercial viability and scale-up, etc.. TRRC funds would pay 100% of the salaries/wages/benefits for 22 chemical engineers, scientists and technicians to be hired for the project (\$1.2M for one year), as well as equipment (\$448k, with a very detailed list provided); supplies (\$134k) and operating costs (\$160k). Private matching funds committed by the Company will pay for equipment (\$1M), operating costs (\$617k); consulting and testing services (\$265k), etc.. Staff suggests that a more appropriate approach is to equally share the cost of new tobacco region positions with the Company and its investors, which would result in a reduction of the personnel funding by \$628,979. Commercialization in 2019 and beyond is

envisioned as 30 additional jobs and private investment of \$5 million in plant and equipment at a site being negotiated with City of Danville. A number of factors make this a compelling proposal, including: eBio's success with its first grant and its ongoing presence in Danville; an advisory team that consists of C-suite level beverage executives; proof of concept validated by professional panels; a potentially enormous global market; and significant job creation and private capital investment in both the research and commercialization phases. The very thorough business plan notes several potential hurdles that must be overcome to reach commercialization, including both the technological process, competition, the economics of production costs, and acceptance by both producers and consumers, but this appears to be a technology and team that seems capable of resolving any barriers to market.

Staff recommends award of \$1,370,979, with funding for new positions to be shared equally by TRRC and the Company.

Region 2000 Research Institute

Advanced Coatings to Enable Next Generation Products (#3336)

\$2,000,000 Requested

Executive Summary Provided by Applicant: DVTI, incorporated in 2000, has decided to design and build a new high-volume multi-product coater based on the company's proven technology. By incorporating additional technical developments, the company will be able to produce a variety of different coated fiber products requested by our customers and meet the high-volume demand encountered. DVTI currently has SBIR/STTR funds from existing Phase II research contracts and will be supplemented by additional Phase II funding based on existing Phase I contracts. DVTI has experienced a 70% conversion rate to Phase II and, for the period, the aggregate amount is anticipated to be more than \$3.7M. The capital cost of this expansion, over the next 36 months is expected to be approximately \$6,000,000 and will generate 16 jobs, with an average wage of \$61,000/year. Mid-term expectations include the installation of one additional coater bringing the 'footprint' investment to nearly \$10,000,000 with 43 jobs paying \$47,000/year.

Staff Comments and Recommendation: This request from Charlottesville-based DVTI seeks funds to develop a fourth generation DVD coater that greatly expands the capacity of the earlier generations in response to international customer demand. DVTI has exclusive worldwide licenses to UVA-developed technologies for coating applications for metallic and non-metallic fibers, an extensive suite of intellectual property, and a long and successful track record of translating SBIR Phase One proof of concept into Phase Two funding. The Company has disclosed that the bulk, if not all, of its currently approved SBIR Phase Two research will continue to be conducted in Charlottesville (having been submitted to SBIR and approved prior to the Company's knowledge of TRRC funding availability), but will provide the intellectual foundation for the tobacco region-based design and development work that will result in the new higher-volume coater being based at a site in one of the five tobacco region localities currently under consideration. It further states that more than \$4 million of matching funds will be spent in the footprint when the coater is completed. TRRC funds are requested specifically for the following: \$1M for contractual equipment design and testing services, technician training etc with tobacco region entities including IALR, NCI, and the Chemquest Institute in South Boston; salaries/wages/benefits (\$400k); equipment (\$200k); continuous charges for operations rent and utilities (\$200k); supplies/materials (\$100k); plant and improvement (\$100k); etc. The request indicates 16 new tobacco region jobs in the research phase, averaging more than \$60k in salaries/wages, with private capital investment of \$3 million.

Commercialization phase outcomes indicate 43 production jobs averaging \$47k, with an additional \$3M of private investment. Given that the Company's roster of clients for which it has conducted SBIR and corporate-funded research include several federal agencies, military branches, and Fortune 100 aerospace and equipment manufacturers, and the confidential attachments indicate strong demand from global customers for a variety of coatings applications, there appears to be a high likelihood of successful commercialization. This request, while not necessarily attracting SBIR funds to the footprint, has the benefit of potentially attracting significant job creation and investment to the tobacco region as a direct result of substantial SBIR-funded research that can be commercialized for an extensive array of large international manufacturing customers.

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

Region 2000 Research Institute

Screening System for Age-Related Macular Degeneration (AMD) (#3338)

\$475,000 Requested

Executive Summary Provided by Applicant: Age-related macular degeneration (AMD) is the leading cause of blindness in developed countries. Although the "wet" form (one type of AMD) is treatable with injections, the "dry" form (the other type of AMD) has no good therapy. Early intervention and taking preventative measures are the best measures to help prevent this sight threatening disease. To achieve this goal, iHealthScreen is developing an automated screening system to identify individuals at an early stage of AMD and to refer to an ophthalmologist to enable preventative strategies.

Staff Comments and Recommendation: The proposed private beneficiary Company, Charlottesville-based iHealthScreen Inc., reports it has successfully completed an SBIR Phase One from NIH, proving the concept for three software products to use retinal image analysis to more accurately detect the progression of early-stage indicators for eventual onset of age-related macular degeneration (AMD). iHealthScreen will apply in January 2018 for a \$1.3 million SBIR Phase Two to further develop two screening and analysis software products. SBIR funds would pay for the salaries of the Company's Charlottesville-based principal, a contracted NYU faculty collaborator (\$105k), and to hire three programmers (their workbase location would reportedly be in tobacco region). TRRC funds would be used to further develop a telemedicine application that is currently offered through an Amazon platform. The telemed platform for secure patient data transfer, would be further refined with TRRC support into a "platform independent, highly-scalable and fully functional AMD screening system" capable of serving clinics in rural areas. TRRC funds are requested for 100% of the costs to hire two additional programmers for three years (\$440k total salaries/benefits) as well as \$25k of computer equipment and \$10k for project management. The request indicates a site in Bedford, Campbell or Appomattox will be selected, and will eventually be staffed with ten high skilled jobs. The Outcomes stated for the research phase are five jobs (3 SBIR-funded and 2 TRRC-funded) and \$120k of private capital investment, while commercialization phase outcomes state 10 jobs and \$120k investment, and the proposal states that "Following this we aim to establish a grading center at Denver to analyze retinal images from all over the world" but the Company principal has replied that was an erroneous reference intended to be Danville. The request further states a goal that within five years the site will be staffed by "at least 20 scientists, programmers, image graders" etc. and additional justification was provided for those numbers during commercialization. The attached business plan identifies a number of competing technologies currently being offered, and purports to have a lower cost solution using less expensive

cameras that rural clinics could afford. Commercialization is not described in full detail, stating only that "partners and licensees" (including venture capital) are being sought, which creates some concern about the likelihood of commercialization occurring to any extent in the tobacco region. The Company has submitted several provisional and non-provisional patents for their technologies. While this is a relatively modest R&D request and Staff is not in any way questioning the validity of these technologies, there are concerns about the mobility/portability of software programming jobs in the research phase (TRRC-funded employees could live and work almost anywhere) and the likelihood of commercialization and a long-term commitment to job creation and significant private capital investment in the region. Matching funds are dependent on SBIR approval, so should SBIR Phase Two be approved and a more tangible commitment to long-term job creation and investment in the region occur, Staff believes this could be a candidate for reconsideration in Spring 2018.

Staff recommends this request be tabled.

OTHER BUSINESS

VTT, LLC/ Virginia Tech Transportation Economic Development Inc.
Acquisition of Equipment to Expand Tire Test and Research Capabilities at The Global Center for Automotive Performance Simulation (#3209)
Request for revision of project scope and budget

Original Executive Summary Provided by Applicant in September 2016: The purchase of an MTS Flat-Trac CT Plus Tire Test System will enable the GCAPS to expand its research and test capabilities. The machine will be used for research into test methodologies, prototype materials and designs of motorcycle and passenger car tires. This characterization will also be used in the development of modeling techniques and simulation. An additional benefit of this is the expanded capacity for standard testing currently being conducted on the LTRe. This opens time on the LTRe to continue and expedite on going research into wet testing, surfaces, and dynamics. The additional equipment will be co-located with the existing LTRe to take advantage of existing facility benefits, though renovations will be required. Additional staffing from technicians to engineers will be required to conduct the research and operate the new equipment.

Staff Comments and Recommendation: VTT LLC is a private company operating GCAPS and is solely owned by Virginia Tech Transportation Economic Development Inc., which is a IRS-designated 501C3 that serves as the eligible applicant entity for this project. The tire research center is located at VIR Raceplex in Halifax County, and was initially assisted by the R&D program in 2010 with \$5 million awarded to purchase the tire testing equipment that still forms the core of its research offerings to car, truck and tire manufacturers. A significant new market opportunity and added research capability would be testing for manufacturers of motorcycle tires and motorcycle race teams, as well as adding surface replication, modeling and wet testing for GCAPS' existing car and truck manufacturing clients. The original approval for this grant was to purchase the multi-million dollar MTS equipment described in the Executive Summary. The public-private funding partnership for that expense did not materialize, and GCAPS has worked on designing and testing its own enhancements to the LTRe machine to accomplish similar research objectives, using local businesses to machine equipment add-ons. GCAPS has met the research and "commercialization" targets of phase one grant (22 FTE working in three daily shifts, with annual payroll of more than

\$1.1M). GCAPS reports 25 global clients and \$4M in annual spending, with testing 16 hrs/day six days per week. The revised use of TRRC funds (\$500k) is for purchase and installation of second generation fixtures, motors and electronics (a total expense of \$800k). The intended equipment enhancements have been tested using first generation prototypes, and VTT provided a thorough research plan and list of needed equipment. The combined effect of the new equipment enhancements generating revenue from new markets, plus allowing additional testing and revenues for existing customers, is expected to result in six new jobs and estimated additional revenues of more than \$1.5M annually. This request is leveraged at a 2:1 match, once funds are committed by the partner tire manufacturer to contribute \$500k toward equipment and site improvements (a letter of interest was provided). GCAPS is committing \$500k toward the cost of employing 5-7 new research engineers and technicians. The proposal cites a \$1M taxable investment in facility expansion and \$1M new annual spending. The revenue return proposal states intention to apply additional revenues to research activities. Ultimately the request is likely to produce several well-paying new jobs and significant economic impact in the region for the foreseeable future.

Staff recommends approval of the reduced award of \$500,000 (down from \$1 million) and the revised use of funds to develop equipment and electronics that will accomplish the previously-approved objective of motorcycle testing, while adding significant new testing capabilities for existing customers.

Bland County Economic Development Authority
Underground Mine Wireless Communication, Tracking and Atmospheric Monitoring System (Part 2) (#2697)
Request for Fifth Year Extension

This grant for the development of underground mine communications and monitoring equipment was approved for \$600,000 in September 2013 and has a current available balance of \$325,905. American Mine Research has notified Staff that while the project is largely complete there are outstanding invoices from international vendors related to product approval and has asked that additional time be granted to allow receipt and processing of these invoices. It is expected that some portion of the remaining balance will be deobligated and returned to the Committee's available balance.

Staff recommends approval of a fifth year extension until December 31, 2017 to allow time for AMR to process final payments and to complete grant close out activities.

Southwest Virginia Higher Education Center Foundation
Excavation Damage Prevention Devices (#2698)
Request for Extension and Approval of access to Phase 1b portion of grant

This project for the development of underground utility marking tape for damage prevention was approved in September 2013 for \$1,500,000 and has a current remaining balance of \$872,446. At the time of approval none of the required matching funds were available. In September 2015 the R&D Committee approved a revised schedule for the project that would allowed half of the grant (\$750k) to be released for Phase 1a, to be completed over a two year period, contingent on the commitment

of an equal amount of matching funds for the project. This contingency was met and the project is approaching the end of the Phase 1a period. During this time the product design has been refined to better meet market needs and production staff has been hired. Additionally production equipment has been purchased and the company successfully completed its first sale to a Canadian water company in June 2017. Feedback has been very positive and the company anticipates several new orders over the coming months. Access to the remaining \$750k grant award has been requested and will be matched using sales revenues that Excavation Alert is now generating. The Phase 1b funding, to be released according to TRRC's reimbursement process and contingent on documentation of 1:1 match, will be used to purchase additional equipment needed to increase production rates to meet supply needs for the orders, as well as further refinement of product materials and offerings. The part time production positions will also be made full time. After completing a site visit to the Buckingham County facility earlier this month and meeting with the Excavation Alert team, Staff has confirmed the progress made over the past two years and is optimistic about the continued growth potential of this project.

Staff recommends approval of a fifth year extension until September 30, 2018 and affirmation that the remaining \$750k for Phase 1b is available for the project.

Southwest Virginia Higher Education Center Foundation
LiteSheet: energy-efficient and lower-cost LED lights (#2699)
Request for Fifth Year Extension

This grant for development of a suite of LED lighting products was approved for \$2,000,000 in September 2013 and has a current remaining balance of \$37,060.07. This project has requested a fifth year extension to allow the remaining funds to be used to continue support for production employees. Litesheet anticipates that it will continue to request reimbursement for these positions at a rate of \$11-12k a month. At this rate it is likely that all grant funds will be expended by the end of 2017.

Staff recommends approval of a fifth year extension through March 1, 2018.

Education Committee

September 2017

The Education Committee will meet at 5:00 p.m. on Tuesday, September 19th to consider the following items, including:

- funding caps for annual Workforce Financial Aid requests;
- reassignment of two current grants for the New College Institute advanced manufacturing center;
- a grant time extension for VFCCE #2583;
- funding assistance for Project Transformer in Wise County;

Workforce Financial Aid for the 2018-19 School Year

In October the Commission is scheduled to receive its annual requests for Workforce Financial Aid funding. Those requests must be acted on at the January Commission meeting, to allow grantees to market financial aid to students in the Spring for the upcoming school year (2018-19). The Committee is being asked to consider a maximum amount that can be requested per applicant, so that Staff can communicate that to applicants prior to the October grant application deadline.

In September 2016 the Committee set a cap at \$350,000 per community college and higher education center for the current 2017-18 school year. As in previous years, TRRC funds are to be last-dollar after all other funding sources have been exhausted, and per the Code revisions adopted in 2015, must be matched at least dollar-for-dollar. Priorities for all requests to serve tobacco region students include the following which were approved by the Education Committee in 2016:

- All certifications that can be completed in six months or fewer
- Identified target program applicants who can attain their degree/certificate within one year
- STEM-H and Advanced Manufacturing applicants who are working toward a degree or certificate
- All other community college students who might obtain their degree/certificate within one year
- All other full-time, program-placed students
- For students receiving New Economy Workforce Credential (NEWC) funding for non-credit training, the Commission will support one-sixth of the cost of the training program and certification, (half of the one-third share the student is responsible for) with the remainder to be covered by the state's New Economy Workforce Credential funds, and potentially state FANTIC funds or other sources including private foundations and/or the student.

Grantees for 2017-18 are just in the opening weeks of the school year, so have had little time to assess demand for the each of the funding priorities that were added with the 2016 grant approvals. The current school year should be viewed to some extent as a transition period to assess demand from students for the short-term (six months or less) training and certification that is the Commission's top priority, and that demand will be affected in large measure by the Commonwealth's newly-created NEWC and FANTIC grant funding. A second factor in discussing the funding cap is the Commission's declining endowment and budget, relative to previous years. As such, **Staff will ask the Committee to consider reductions of \$25k, \$50k or \$75k to last year's \$350k cap per request.**

Added

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agenda*

New College Foundation

New College Institute Center of Excellence (#2882)

\$2,000,000 Grant Award – Approved May 22, 2014

May 2018 End Date - \$1,047,983.46 remaining balance

New College Center of Excellence Phase 2 (#3098)

\$1,581,088 Grant Award – Approved September 23, 2015

September 2018 End Date - \$1,268,050 remaining balance

Request for Grants #2882 & #3098 to be reassigned to the New College Institute

Staff Overview & Comments: At the May 18, 2017 meeting the Commission placed a freeze on current balances in the above grants awarded to the New College Foundation for development of the New College Institute's Center of Excellence in Advanced Manufacturing. This freeze was made with the exception of essential funding for the operation of the NCI COE to include the salary for Pamela Carter and other costs necessary to deliver the training programs. Following a meeting between TRRC and NCI staff a letter was issued by the Commission's Executive Director on June 19, 2017, identifying the budgeted costs that would be eligible for reimbursement during the freeze; and noting that any other costs not falling into one of these categories that were considered essential for the operation of the COE could be requested for approval and would be considered on an item-by-item basis. Six payments totaling \$150K under the first grant, and one payment of \$313K for capital costs under the Phase 2 grant, have been processed since the freeze was put in place for eligible expenditures prior to the freeze and for costs eligible for reimbursement during the freeze. These payments are reflected in the above balances.

The concerns discussed at the May Commission meeting included the relationship between the grantee, New College Foundation and the beneficiary, New College Institute, and how best to move forward in developing the CoE. Since the May meeting and the discussions that followed, the Commission received an August 16, 2017 letter from the New College Foundation requesting that they be removed as the grantee for the two COE grants TRRC #2882 and #3098. This action requires approval by the Commission and is being recommended by staff.

Recognizing the limited financial resources available from the Commission to support development of the COE, and in the interest of making certain that these funds are allocated for the highest and best use to support the ultimate objectives for development and delivery of training by the COE, the following items are identified as required for development and approval by the Commission's Executive Director, as a condition of the new grant agreements issued to the New College Institute:

1. Detailed Training Plan & Partnership Agreement - A revised detailed plan that clearly identifies the advanced and specialty training certifications/credentials that are intended to be delivered at the designated NCI Center of Excellence, and those that are intended to be accomplished at partner locations. This plan shall identify the agreed upon location of the training and the education provider, with the expectation that all parties and partners sign in agreement as evidence of the partnership commitment.
2. Revised Detailed Budget - A revised detailed budget for each of the grants that is first focused on accomplishing the training programs and objectives for the COE; and presented in a way that clearly aligns the costs to the advanced and specialty skills training objectives of this funding. Costs to deliver prerequisite training being created to establish a foundational level for a pipeline of students, where programs would not otherwise exist in the COE serve area, can be included; however, it is expected that these costs align with the approved training focus for the COE, and

be determined to be an essential cost following an evaluation of cost-savings and efficiencies by utilizing existing equipment assets and facilities.

Staff recommends that grants #2882 and #3098 originally issued to New College Foundation, be reassigned to the New College Institute under new grant agreements. Staff recommends the new agreements retain the original start date, and that the end date on grant #2882 be extended to September 23, 2019 to allow two years for implementation. Staff further recommends that the approval for release of available balances beyond those costs previously identified as eligible under the freeze, be conditioned on the development of two items: 1) Detailed Training Plan & Partnership Agreement and 2) Revised Detailed Budget which clearly aligns project costs to training programs and objectives, to be approved by the Commission's Executive Director.

Virginia Foundation for Community College Education

GED to College: Increasing Educational Attainment Levels in the Tobacco Region (#2583)

Approved for \$389,000 in September 2013 – Balance \$178k

Request for Fifth Year Extension

The grantee has requested a fifth year extension for this project which has undergone several changes since its approval four years ago. The grant was originally approved to serve recent tobacco region GED recipients to provide scholarship assistance for non-credit workforce training programs (CNA, Truck Driving, etc.) for which traditional financial aid was not at that time available. In 2015 the scope of the grant was expanded to allow funds to be used to support any TRRC region GED recipient regardless of when that credential was obtained, as well as any unemployed or underemployed tobacco region adult, including those who had received a high school diploma. In addition to the non-credit workforce training assistance, STEM-H programs were also allowed. Despite this expanded scope there appears to have been limited demand at some of the community colleges, and the subsequent state funding of the New Economy Workforce Credential and FANTIC financial aid programs has been created to provide assistance for non-credit training and credentials. There is no question the grant has accomplished some of its original objectives of providing an incentive to move beyond a GED and into fast-track training programs that lead to in-demand careers. However, as the fourth anniversary of this project approaches, approximately 45% of the grant funds remain available, and the top priority for the Commission's annual Workforce Financial Aid grants is now to serve similar short-term, non-credit training needs. In the request for extension received August 31, 2017 the grantee noted that a large portion of the scholarships were provided to DACA (Deferred Action for Childhood Arrivals) students who were not eligible for other federal or state financial aid. In this letter a plan to continue to provide support to students at Patrick Henry Community College and Southside Virginia Community College was outlined, with a majority of the grant balance reserved for those two colleges (\$125k). The remaining balance (\$53k or so) will be made available to other tobacco region colleges that have needs that meet the grant objectives. With the exception of the DACA students it is likely that most if not all students that would be served with this grant are now eligible for scholarship assistance under the revised priorities for Workforce Financial Aid approved by this committee in September 2016. A benefit of extending this grant one additional year will be to see what demand remains from populations such as DACA that aren't served by NEWC/FANTIC or the annual TRRC Workforce Financial Aid grants to community colleges.

Staff recommends a fifth year extension through September 26, 2018.

Wise County

Project Transformer (#tbd)

Request for \$1.7M Incentive Funds for Education Training and Facilities

In pursuit of a major technology company for Wise, the Commission will need to put together an aggressive package. In addition to a TROP grant and loan (approximately \$4m grant with another \$2m loan), prospect incentive funds (approximately \$6m to UVA Wise) and Competitive Education funds (approximately \$1.69m to UVA-Wise) will need to be used to create a “technology village” adjacent to UVA-Wise’s campus. This village would include a 50,000 square foot technology center, parking, a joint-use training center, mixed-use buildings to attract other area service businesses, space for additional technology companies, and infrastructure to support this development. None of the funds will be expended if the prospect doesn’t locate in Wise, but if they do, the region will benefit tremendously. Project Transformer will include a dramatic scaling up of UVA-Wise’s computer science department, campus improvements, and the creation of 400 high-wage technology jobs along with 100 more jobs at close to the median wage. SWVA is in competition with at least one other major university community for the project.

Staff will request the Committee go into closed session to discuss potential Education funding for this project.