



**Virginia Region Revitalization  
Tobacco Commission**

**Winter Full Commission Meeting  
January 6 - 7, 2020**

**Homewood Suites by Hilton  
700 East Main Street  
Richmond, VA**



Happy New Year!!!

**ITINERARY**

Virginia Tobacco Region Revitalization Commission  
Winter Tobacco Full Commission Meeting  
Homewood Suites by Hilton Downtown  
700 East Main Street, Richmond, VA  
January 6 - 7, 2020



**MONDAY, JANUARY 6, 2020 – Homewood Suites by Hilton, 700 East Franklin Street, Richmond**

- |                     |                                    |
|---------------------|------------------------------------|
| 11:30 AM – 12:00 PM | LUNCH                              |
| 12:00 – 12:30 PM    | SOUTHSIDE ECODEV Committee Meeting |
| 12:45 – 2:30 PM     | AGRIBUSINESS Committee Meeting     |
| 2:30 – 4:00 PM      | SPECIAL PROJECTS Committee Meeting |

**HOTEL CHECK-IN – 3:00 PM**

*Hampton Inn & Suites, 700 East Franklin Street*

- |                |                                    |
|----------------|------------------------------------|
| 4:15 – 5:15 PM | SOUTHWEST ECODEV Committee Meeting |
| 6:30 – 8:30 PM | <b><u>RECEPTION</u></b>            |

Residences at the John Marshall  
(aka Hotel John Marshall)  
"Marshall Ballroom"

*(The meeting location is in walking distance from the hotel. Parking Garage is located at 13 North 5<sup>th</sup> Street (between Franklin & Main Street))*

**TUESDAY, JANUARY 7, 2020 – Homewood Suites by Hilton, 700 East Franklin Street, Richmond**

- |                  |                             |
|------------------|-----------------------------|
| 9:00 – 9:30 AM   | EDUCATION Committee Meeting |
| 9:30 – 10:30 AM  | TROF Committee Meeting      |
| 10:30 – 12:00 PM | FULL COMMISSION Meeting     |
| 12:00 – 12:30 PM | LUNCH                       |
| 1:00 PM          | DEPART FOR HOME             |

**\*\* SAFE TRAVEL \*\***



**TABLE OF CONTENTS**

**Virginia Tobacco Region Revitalization Commission  
Winter Full Commission Meeting  
Homewood Suites by Hilton  
Richmond  
January 6- 7, 2020**

**MEETING LOGISTICS**  
Itinerary ..... 1  
Commission Agenda ..... 2

**AGRIBUSINESS COMMITTEE**  
Agenda ..... 4  
FY20 New Grant Proposals ..... 5  
Extension Request ..... 20

**EDUCATION COMMITTEE**  
Agenda ..... 21

**SOUTHSIDE ECONOMIC DEVELOPMENT COMMITTEE**  
Agenda ..... 22  
Tabled Project Proposals ..... 23  
Project Extension ..... 25

**SOUTHWEST ECONOMIC DEVELOPMENT COMMITTEE**  
Agenda ..... 27  
Tabled Project Proposals ..... 28

**SPECIAL PROJECTS COMMITTEE**  
Agenda ..... 32  
FY20 New Project Proposals ..... 33  
Tabled Proposals ..... 40  
Extension Requests ..... 44

**TROF COMMITTEE**  
Agenda ..... 48  
Estimate Appeal ..... 49  
TROF Awards ..... 51

**ADMINISTRATIVE**  
Financial Summary ..... 53





## **AGENDA**

### **FULL COMMISSION**

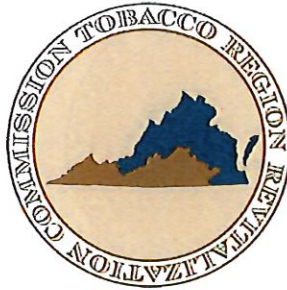
**Tuesday, January 7, 2020  
10:30 A.M.**

**Call-in - 646-558-8656 / Access code: 601-082-667**

**Homewood Suites by Hilton  
700 East Main Street  
Richmond, VA**

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<b>Welcome and Call to Order</b>	<i>The Honorable Terry G. Kilgore, Chairman</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Approval of <u>10/10/19</u> minutes</b>	<i>(published on website)</i>
<b>Agribusiness Committee</b>	<i>Robert Spiers, Chairman</i>
<b>Education Committee</b>	<i>The Honorable Frank Ruff, Chairman</i>
<b>Special Projects Committee</b>	<i>The Honorable Danny Marshall, Chairman</i>
<b>Southside Economic Development Committee</b>	<i>The Honorable Thomas Wright, Chairman</i>
<b>Southwest Economic Development Committee</b>	<i>The Honorable Bill Carrico, Chairman</i>
<b>TROF Committee</b>	<i>The Honorable Terry Kilgore, Chairman</i>
<b>TROF Update</b>	<i>Andy Sorrell, Deputy Director</i>
<b>OSIG Report</b>	<i>Evan Feinman, Executive Director</i>
<b>Foreign Direct Investment Update</b>	<i>Evan Feinman, Executive Director</i>
<b>VEDP New Workforce Development Initiative</b>	<i>Evan Feinman, Executive Director</i>
<b>Other Business</b>	<i>Evan Feinman, Executive Director</i>
<b>Scheduling of May 2020 meeting</b>	<i>Evan Feinman, Executive Director</i>
<b>Public Comments</b>	
<b>Adjournment</b>	



## AGENDA

### AGRIBUSINESS COMMITTEE

Monday, January 6, 2020  
12:45 P.M.

Call-in - 646-558-8656 / Access code: 601-082-667

Homewood Suites by Hilton  
700 East Main Street  
Richmond, VA

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<b>Welcome and Call to Order</b>	<i>Robert Spiers, Chairman</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Approval of the <u>10/9/19</u> Minutes</b>	<i>(published on website)</i>
<b>HEMP Project Policy Discussion</b>	<i>Evan Feinman, Executive Director</i>
<b>FY20 New Grant Proposals</b>	<i>Tim Pfohl, Grants Director</i>
<b>Other Business</b> <b>Extension Requests</b>	<i>Tim Pfohl, Grants Director</i>
<b>Public Comments</b>	
<b>Adjournment</b>	

**FY20 Agribusiness**  
**Summaries & Staff Recommendations**  
**January 2020**

The Commission received fourteen proposals for FY20 Agribusiness funds by the announced due date in October. Executive summaries of the proposals and Staff comments and recommendations are contained below. The Committee has a balance of \$2,597,796, a portion of which Staff recommends be preserved for a Spring 2020 round for hemp processing facilities. There is also Other Business for a request to extend one active grant.

Req #	Organization	Project Title	Requested Amount	Staff Recommends
3586	Abingdon Feeder Cattle Assoc.	Mechanizing Forage Research in Southwest Virginia - Phase 2	\$11,810	\$11,810
3598	Abingdon Feeder Cattle Assoc.	Pastures for Profit	\$734,400	\$250,000
3594	Appalachian Sustainable Development	Cultivating a Sustainable and Equitable Medicinal Herb Value-Chain in Virginia	\$225,545	\$185,000
3591	Charlotte County Industrial Development Authority	Shaw Carpet Building Renovation	\$585,000	Refer to Southside Econ Devel
3607	Halifax County	Industrial Hemp Research and Extension Program	\$125,000	Table
3605	Halifax County IDA	Project Phoenix	\$250,000	Refer to Southside Econ Devel
3588	Town of Independence	Independence Farmers Market	\$150,000	\$150,000
3590	Institute for Advanced Learning and Research	Controlled Environment Agriculture; Increasing and Diversifying Agribusiness in Southern Virginia	\$644,856 \$365,520	\$365,520
3593	Institute for Advanced Learning and Research	Regional Food System Development Through A Value Chain Coordinator	\$134,034	Table
3603	Southern Virginia Food Hub	Start-up operating and personal services expenses	\$154,998	\$105,537
3599	Southside Virginia Fruit and Vegetable Producers Association	Expanding Produce Aggregation Capacity in Southside Virginia	\$176,000	\$176,000
3592	Virginia Cooperative Extension	Project Manager, SWVA Regional Agribusiness Opportunities	\$158,988	\$158,988
3606	Washington County Fairground Inc	Facilities Renovation and Improvement of Washington County Fairgrounds	\$225,000	\$135,000



3604	Joint IDA of Wythe County, VA	Regional Hemp Fiber Processing Facility in Wythe County, VA	\$250,000	Table
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Total (14 requests)                      \$3,546,295      \$1,537,855

**Abingdon Feeder Cattle Association**  
***Mechanizing Forage Research in Southwest Virginia - Phase 2 (#3586)***  
**\$11,810 Requested**

**Executive Summary Provided by Applicant:** A CIBUS Harvester by Wintersteiger was purchased in 2019 using funds from the Virginia Tobacco Region Revitalization Commission, the Abingdon Feeder Cattle Association, three lending institutions, and four Soil and Water Conservation Districts. The machine has already been extremely beneficial in conducting three forage research projects for Virginia livestock producers. One add-on to this harvester that would improve the accuracy and usability of the results is a forage sampler (made specifically for this machine). The sampler is designed to take representative samples as harvest is conducted.

**Staff Comments and Recommendation:** This request supports the purchase of an additional piece of equipment to supplement harvesting equipment purchased using a \$75,538.50 TRRC Agribusiness award in 2019. The CIBUS Harvester was delivered in June and was used to conduct three forage research projects to benefit Southwest Virginia livestock producers. The current request would provide half of the funds needed to purchase a forage sampler designed specifically for this particular machine. The sampler is necessary to take consistent representative samples as harvest is conducted. Forage is the largest crop produced in the region and is a critical component of the livestock industry. The research trials will be conducted at the Southwest Virginia Agriculture Research and Extension Center in Glade Spring. The results of these trials will be shared at the annual Forage Field Day in August. This event is well attended (average 120) by farmers from several counties. Wintersteiger, the equipment supplier, provided a quote documenting the \$23,620 total project cost. Half of this amount has been requested from TRRC with matching funds to be raised from a variety of sources including Soil and Water Conservation Districts, many of which also contributed funding for the initial equipment purchase.

**Financial Viability Assessment:** The premise of this request is to add equipment that will deliver consistent processed harvest samples for more reliable lab analysis, benefitting livestock producers across Southwest through dissemination of the research findings at producer field days as well as Extension publications. This minimal investment will assist in more productive forage results for hundreds of producers in multiple TRRC counties.

**Staff recommends award of \$11,810.**

**Abingdon Feeder Cattle Association**  
***Pastures for Profit (#3598)***  
**\$734,400 Requested**

**Executive Summary Provided by Applicant:** Despite the importance of forage to the animal industry in Southwest Virginia, the majority of pastures are in poor condition. The expense of fertilizer and lime coupled with the lack of application equipment (throughout the region) make it difficult to make meaningful improvements. Despite the need for pasture maintenance, row crop and hay fertility programs take priority throughout the season. Extreme environmental conditions (2019 for example - above average



precipitation in the spring and drought throughout the fall) take their toll on forage plants. The Pastures for Profit Program offers producers assistance to make the needed adjustments to soil fertility (lime, phosphorus, and potassium), seeds for forage stand improvement, and to purchase application equipment.

**Staff Comments and Recommendation:** This request supports the creation of a new cost share program to assist regional farmers in implementing new forage varieties based upon the research conducted using the forage equipment purchased in FY19 Agribusiness grant #3493. Cost share is proposed for the purchase of items to assist with adjustments to soil fertility, forage seeds, and application equipment. These inputs directly influence forage production. Optimum forage production results in increases in animal carrying capacity and profitability. Substantial investment in forage production is often necessary in order to see the results that lead to increased earnings. Assisting producers with the purchase of application equipment will allow them to make custom fertilizer applications as needed, and less-affected by the schedules of local fertilizer dealers. The proposed cost share program will serve 12 localities (Bland, Buchanan, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe) and will be administered through the local VT Cooperative Extension offices. The eligible purchases proposed in this application include lime and fertilizer (phosphate and potash), forage seeds (grass and legumes), and application equipment for lime and fertilizer. Cost share of 1/3 (33%) of eligible purchases up to a \$2,000 per producer limit is proposed. The project, as submitted, would serve a minimum of 360 producers, assuming each received the maximum amount of cost share. The budget allocates \$720,000 for transfer payments to participants to be matched by their contribution which is shown as \$865,000. Considering that TRRC funds would reimburse on a 33% rate, this figure seems low compared to the anticipated 66% contribution from participants. The actual match is likely to be much higher than is reflected in the budget, particularly for producers who purchase more expensive equipment. A small amount of the budget is allocated for administrative expenses associated with managing the project (personal services \$12,960 and supplies and materials \$1,440).

**Financial Viability Assessment:** While there is little doubt that quality forage is necessary to support the region's cattle industry it seems that many of the proposed qualifying purchases should be considered annual recurring expenses for farmers (fertilizer, lime, seeds, etc.) which are not typically priorities for TRRC supported cost share programs which prefer investment in long-lived equipment and improvements to farming practices. These items, such as fertilizer/ lime application equipment estimated to cost from \$1,100 up to \$15,000, are the most appropriate uses of TRRC cost share support. By limiting the use of program funds it is conceivable that fewer producers will participate. This factor, along with the grantee's history of returning unused cost share funds, suggests that a lower award amount would be sufficient to gauge interest in this new program. Staff also suggests an amendment to the program's guidelines to require that participants be both residents and property owners in the region. The proposed guidelines require only that they be residents or property owners.

Staff recommends award of \$250,000 for up to 33% cost-share not to exceed \$3,000 per producer, on capital costs for eligible equipment purchases, and the program guidelines be amended to require applicants be "resident and property owner in the participating counties" (striking the word "or").

## Appalachian Sustainable Development

### *Cultivating a Sustainable and Equitable Medicinal Herb Value-Chain in Virginia (#3594)*

\$225,545 Requested

**Executive Summary Provided by Applicant:** Appalachian Sustainable Development (ASD) will increase the profitability, size and sustainability of the medicinal herb value-chain in Virginia's tobacco region. ASD will first expand access to profitable domestic and international markets for field and forest



grown medicinal herbs that are sustainably produced, by securing purchase orders and contract farming agreements. Through training and technical assistance, ASD will expand and support a grassroots medicinal herb farmer network to meet growing demand and increase net income. To inform best farming practices and increase practice adoption, high value, low acreage, forest farming demonstration plots will be established. Research conducted at these plots will inform sustainable harvest practices and plant population assessment protocols for future high-value production. Lastly, expanded commercial herb processing equipment will increase the processing capacity and efficiency of ASD's Appalachian Harvest Herb Hub (AHHH) in Duffield, Virginia, to help more tobacco region farmers profitably meet strict buyer quality standards.

**Staff Comments and Recommendation:** This proposal provides a very detailed plan to support development of a herb grower network, connect those growers to national buyers of processed herbs, and return sales revenues to those growers. The majority (83%) of requested funds would support personnel over a three year period (\$187K, including three project staff and the ASD Executive and Finance Directors), with increasing TRRC support in years 2-3 as other grants expire including TRRC #3373 which is supporting this project (Jan 2018 - \$40K balance). The request also seeks funding for equipment (\$20K), transfer payments to help growers receive certifications (\$10K), supplies/materials (\$3K), travel/training (\$5K) and other lesser operating costs. Matching funds are committed from a variety of public agencies including VDACS and USDA, as well as several private corporate foundations including Patagonia and BB&T. Outcomes indicate a baseline of 5 current growers, increasing to 20 in year 1, with an additional 30 starting in the next year and beyond. Strong support is expressed by at least two national companies interested in purchasing a ready supply of processed organic botanicals. Staff suggests that, if funding is considered, it be focused on ASD staff who are directly implementing the project (moving the Executive and Finance Directors who assist in oversight/management to the matching funds side), and limiting staff support to no more than 50% of salaries and benefits for those three positions over the course of the grant period. This results in a reduction of personnel funding by approximately \$40K, with additional support offered for those smaller requested amounts of equipment and supplies that would limit the Commission's exposure if the enterprise was ultimately unsuccessful.

**Financial Viability Assessment:** The proposal includes supporting studies of the larger national market for forest botanicals, along with support from at least two corporate buyers. The issue of sustainability beyond a period of grant funding is a concern when previous ASD enterprises supported by TRRC have ultimately failed, such as the wood processing facility created several years ago in Russell County with Agribusiness grant assistance. As strong as the market opportunity appears to be, this enterprise would appear to be almost completely dependent on continued grant funding, as evidenced by estimated sales revenue of \$275K in 2022 (year three) with \$225K COGS, which is well short of an operating margin needed to fund all operating costs in future years. At Staff's request, ASD has provided additional information on its plans for sustainably funding the Herb Hub enterprise (including project staff) from operating revenues and/or other sources beyond the term of the requested TRRC funding. This includes co-locating with its nearly 20 year old Appalachian Harvest facility, engaging a consultant to develop strategies for minimizing operating expenses and maximizing operating revenues, charging a 10% sales commission to growers, and securing corporate buyer investments in support of expanding the number of growers. Given ASD's longstanding proficiency in securing grant funding from a wide array of public agencies and private foundations (including a \$1.2M ARC grant for an unrelated project), as well as the demonstrated support for this project from public and private organizations, there is some mitigation of risk that this enterprise could ultimately fail for lack of adequate margins of revenues vs. operating costs. Support should be predicated on a viable plan for sustainably funding operational costs.

**Staff recommends award of \$185,000, based on personnel support not exceeding 50% for the three project staff positions, and conditioned on provision of an adequate plan for long-term operational sustainability.**



**Charlotte County Industrial Development Authority**  
***Shaw Carpet Building Renovation (#3591)***  
**\$585,000 Requested**

**Executive Summary Provided by Applicant:** The old Shaw Carpet Manufacturing Building built in 1970, operated in the Town of Keysville, Charlotte County, Virginia, until about 1990, at which time it was abandoned and left empty by the company. In May 2015, the Charlotte County IDA purchased the building at auction for \$80,000. Since there was little available building inventory for economic development opportunities in the County, the IDA considered this purchase a great investment to acquire a relatively substantial building and lot at a very reasonable price to attract a prospect industry. In May 2019, the Director of the Virginia Growth Alliance and County Administration showed a prospect client, interested in developing a Hemp Processing Center, in the Shaw Building. Due to its central location in the former tobacco region, with good transportation access, close to numerous potential growers of hemp, the Shaw Building became the primary focus for the company.

**Staff Comments and Recommendation:** Funds are requested for renovation and upfit of the circa-1970 former Shaw Carpet industrial building in Keysville, which the company vacated in 1990 and the County IDA purchased in 2015. The building is expected to be offered to a proposed hemp processing operation to be owned by a Tobacco Region-based licensed hemp research grower. Per the project Milestones, the building is currently being assessed for environmental remediation, which would be completed with funding being requested from the Virginia Brownfield program. Match to the requested TRRC-funded renovations would come from a proposed DHCD Industrial Revitalization Fund application for \$500K, which is due March 1, 2020. At the time of this application, detailed renovation costs are not known and were not provided. Also, details of the hemp processing operation (private capital investment, job creation, hemp grower supply chain etc), while still subject to confidentiality, were not provided. Staff suggests that, as this request is solely focused on renovations to a county-owned industrial building, without yet directly supporting the hemp processing, it is better suited for referral to the Southside Economic Development program, which typically supports development of county-owned industrial sites, and within which there is currently an available allocation balance of nearly \$565K. There appears to be an adequate timeline to refer this request for renovations of a County-owned industrial building to the SSED program for a Spring 2020 funding consideration, which would better align with the DHCD IRF funding cycle and announcements, and enable the renovated building to be marketed to any other prospects in the event the hemp project does not materialize at this location.

**Financial Viability Assessment:** Given the current lack of known details on the cost of building renovations or the project parameters/impacts of the hemp processing operation, this request does not provide known Agribusiness outcomes that could justify funding support from this program at this time. Given the highly competitive nature of IRF programs, with strong statewide demand on those limited funds, there is little urgency to act now until remediation is completed and renovation plans and matching funds can be more accurately understood. At such future time as the hemp processing project is quantified, and TRRC policy regarding support for hemp projects is more firmly established, the hemp aspect could be resubmitted for future funding consideration.

**Staff recommends this request be referred to the Southside Economic Development Program.**



## Halifax County

### *Industrial Hemp Research and Extension Program (#3607)*

\$125,000.00 Requested

**Executive Summary Provided by Applicant:** Industrial hemp is a new crop for Virginia farmers that has the potential for very high net returns per acre and the opportunity to revitalize some of the farming communities that have previously relied on tobacco. However, the risks associated with hemp production are great and come with very high production costs, varied recommendations for cultural practices, unknown pests with limited pest control options, unfamiliar harvest and post-harvest handling requirements, a new regulatory environment, and a presently unsettled marketing system. Proposed project addresses many of the production questions faced by growers, conducting research under Virginia growing conditions to address the needs of hemp growers and providing information vital to support an effective Extension education program. As for tobacco, the ultimate goal for industrial hemp in Virginia should be to develop a reliable, profitable grower base that can support a larger hemp industry in the Commonwealth with buyers, processors, and manufacturers.

**Staff Comments and Recommendation:** This request seeks 2 years of support for two new and two existing staff, lab equipment and greenhouse upgrades to study greenhouse transplants, field production and pest management at Southern Piedmont AREC in Blackstone. Other project costs include \$40K of supporting activities to be conducted by Virginia Tech plant scientists in Blacksburg and \$25K of contracted lab analysis (location tbd), though it is unclear which specific expenses would be incurred from required matching funds. The proposal states there will be 5 participating producers and 25 acres of research crops planted. Staff has inquired on several details of this request, including justifications for the budgeted amounts, confirmation that matching funds from Halifax County (\$93,750) and VT (\$31,250) have been approved, equipment quotes, the outlook for additional state funding to support hemp research, etc. While the request presents a compelling case that additional research and educational outreach is needed in the 2020 hemp growing season to address significant problems observed in the 2019 growing season, at the time of publication of this report, answers on those topics were still forthcoming, and as such, Staff lacks adequate information to form a recommendation. Should that information be provided in advance of the January 6th Committee meeting, Staff will make every reasonable effort to provide an updated recommendation.

**Financial Viability Assessment:** The proposal presents a compelling case for additional applied research by experts in Southern VA and Blacksburg, and the ability to disseminate findings through Extension field days, grower workshops and publications. However, there is not yet adequate information in hand to form a Staff recommendation, and the request should be tabled until such time as that information is available.

**Staff recommends this request be tabled.**

## Halifax County IDA

### *Project Phoenix (#3605)*

\$250,000 Requested

**Executive Summary Provided by Applicant:** Project Phoenix will construct and operate a hemp processing facility in Halifax County. With recent regulatory changes, demand for CBD – an extract of hemp – has grown explosively. Given its agricultural profile, existing infrastructure, and labor skillsets, nowhere is better positioned to take advantage than Virginia's Tobacco Region. However, the crop's economics are reliant on nearby commercial-scale processing facilities of which none currently exist in the proposed service area. Meanwhile, North Carolina is investing rapidly. With extraction capacity standing as the limiting factor in Virginia, it is imperative to quickly create the necessary value-add processing infrastructure before Virginia is left behind by North Carolina and Kentucky, both of which are years



ahead in their efforts to develop the hemp market. The Phoenix facility is projected to purchase \$50 million in hemp from Virginia's former tobacco farmers in just 3 years, with 41 direct employees and hundreds of ancillary jobs.

**Staff Comments and Recommendation:** TRRC funds are requested for upfit of a building to be purchased by the IDA, upfit and then leased to a proposed hemp CBD oil processing operation. The IDA has reported it is in the process of securing an option to purchase an undisclosed building and has enlisted an appraiser for verifying that investment by the IDA of potentially up to \$2 million. The proposal included a 10 year pro forma and equipment quotes for the hemp processor, and a thorough but confidential business plan was subsequently provided as well. The processor estimates 68 hemp producers providing feedstock in the Outcomes section of the proposal, but the 10 year pro forma peaks at 43 producers annually by the third year of operations. Investment by the company is approximately \$1.9M in equipment and personal property (e.g. forklifts etc). Beyond those parameters, the project is the subject of incentive negotiations with VEDP, VDACS and other state funding partners, and as such, Staff elects not to disclose other potentially confidential aspects of the business plan. More so, as this request is solely focused on upfits to a County-owned industrial property, and not requesting direct support to the private hemp processor in the form of equipment or operating funds, Staff suggests this request (as with the Charlotte request) is more appropriate to be considered in the Southside Economic Development program, where a current available allocation of more than \$1.7M could be used to assist this project at this or a higher level of funding. Staff has discussed this approach with IDA staff and they are agreeable to it.

**Financial Viability Assessment:** While the estimated Agribusiness Outcomes are provided for hemp growers who would sell feedstock to the processor, as noted, this request does not directly benefit that private company. Commission policy for supporting hemp processing projects is yet to be determined, but the use of the TROF model, which would otherwise be available to these projects, is the appropriate process to offer performance-based incentives that are equitably-sized to each project's jobs and investment numbers, and that future path could be open to the IDA and company at such time as the Commission adopts policy for directly assisting hemp processors. In that the funds in this request would not flow directly to the hemp processor, it is appropriate to be referred to Southside Economic Development, where it is common practice to support improvements to an IDA-owned building that could be marketed to other prospects in the event the hemp project fails to materialize.

**Staff recommends the project be referred to the Southside Economic Development Committee.**

## **Town of Independence**

### ***Independence Farmers Market (#3588)***

#### **\$150,000 Requested**

**Executive Summary Provided by Applicant:** The Town of Independence is developing the vacant property located at the corner of Highway 21 and Highway 58 as a Farmers Market venue and multi-use recreational facility to encourage increased farmer and customer participation and tourist visitation. The Town of Independence and Grayson County have recognized agriculture and tourism as two viable sources for future economic growth. The recently approved Comprehensive Plan ranks agriculture as the number one economic development strategy in Grayson County. In 2011, the Town of Independence was awarded a technical assistance grant from ARC and EPA to do a community economic development assessment blueprint. Per the assessment recommendation, the Town purchased the corner lot in 2013 to become the site of the first town park and farmers market. In 2019, Independence was awarded the USDA Business Development grant to assist with a market structure. Commission funding will provide the additional funding needed for structure construction.



**Staff Comments and Recommendation:** The Town of Independence has requested support to construct a permanent Farmer's Market in its downtown area. This Market has operated on Town-owned property since 2013 and this will be the location of the permanent structure. Very impressive tracking information was presented in the application to document the visitation and sales outcomes associated with past market years. With an established group of nearly 30 members from Grayson, Carroll, Wythe, Smyth, Pulaski, Floyd Counties as well as counties in NC (Alleghany and Surry), the market maintains an 80% producer-only vendor rate. The market also requires that vendors are "local", defined as a 100 mile radius. The open air market operates for 25 weeks during the summer months and a year-round online farming market. Annual sales average over \$100k earned from average weekly customer counts of 225. It is estimated that 25% of the visitors are from out of town. In 2018 the market recorded 4,876 visitors, 53 vendors and market sales of \$82,199. To ensure products sold at the Market are raised at the participating farm, the market manager conducts site visits to view farming operations. The permanent location will provide assurance of keeping the market manager for another two year period, add approximately 8 new vendors, and increase sales by 35%. The increased sales is estimated to result in an increase of 8% in sales and meals taxes for the Town. The total project cost is \$450,000, documented with a cost estimate from Hurt and Profitt. Site development will be performed using \$130,000 contributed by the Town and \$25,000 from USDA. USDA will also provide \$150,000 for construction. TRRC funds are requested for construction. During the construction period the Market will be moved to another site to ensure that the 2020 market season is not lost.

**Financial Viability Assessment:** This is perhaps the strongest farmers market request seen by the Commission to date, as evidenced by a long track record of operations, site control, well-designed construction plans, committed funding from the Town and USDA, experienced market management, a large producer base (50+, with 20-30 participating most weeks), a strong schedule of events to attract customers to the market, and arguably the best tracking system of producer participation, sales and customers seen in any TRRC-region market.

**Staff recommends award of \$150,000.**

## **Institute for Advanced Learning and Research**

### ***Controlled Environment Agriculture; Increasing and Diversifying Agribusiness in Southern Virginia (#3590)***

**\$644,856 Requested – Revised to \$365,520**

**Executive Summary Provided by Applicant:** Consumer demand for healthy, local, and pesticide free produce continues to drive the evolution of the food system. Year-around indoor production in controlled environment agriculture (CEA) addresses each. Regional farmers are ideally suited to adopt this technology due to their traditionally small farm size and high value crop production. Leveraging the modern greenhouse space and ag-tech capabilities at IALR, along with the expertise of multiple faculty members at Virginia Tech, this proposed project will promote CEA to both new and existing farmers across Southern Virginia. High value demonstration crops will include lettuce, herbs, strawberries, blackberries, hemp, and others. Education through conferences, workshops, site visits, and a web presence will drive interest. The partnership will bring together industry, academia, and producers to establish a CEA innovation and education center with the overall goals of increasing net farm income and profitability while diversifying agribusiness in the region.

**Staff Comments and Recommendation:** As initially submitted, this request sought nearly \$645K, including \$436K for 2 post-doc researchers focused on aquaponics (plants) and aquaculture (fish), to be housed at greenhouses and labs at IALR for 3 years, plus \$102K for conferences/workshops, \$39K travel, and \$68K supplies. IALR has revised the request to focus only on indoor aquaponic/hydroponic plant production (e.g. herbs, lettuces, berries, vegetables), reducing the total request to \$365,520. The revised



request seeks \$233K for the aquaponic post-doc, \$43K for conducting conferences/workshops, \$22K for staff travel, and \$68K for greenhouse supplies/materials. Matching funds from Virginia Tech Plant Sciences would fund a research associate housed at IALR (\$216K), \$139K of hydroponic equipment at IALR, and \$20K of supplies/materials for the IALR-based researchers. Three existing IALR research staff partially dedicated to the project would provide an additional \$155K of matching funds. Total matching funds are nearly \$573K, exceeding the required dollar-for-dollar match. IALR states that the overarching objective is to provide potential private farm producers with "training, knowledge and skills necessary, including assistance with business plans, equipment procurement issues, and facility development to make informed decisions on whether (to pursue) controlled environment agriculture." IALR acknowledges this is less a research project as it is a demonstration center, and these are largely known technologies. The premise is that Tobacco Region private producers will implement CEA operations based on best practices learned and demonstrated at this center. However, no discussion of cost/scale/barriers for producer implementation, and what the likelihood/estimates of private producer implementation will be. Outcomes are somewhat speculative based on the likelihood of producer adoption of CEA, and expression of producer interest is not provided, although IALR commits to a rigorous survey-based analysis of private participants to assess actual implementation data including sales revenues. Staff notes that a previous TRRC grant paid for the existing IALR greenhouse (\$700K in #2429 for the now defunct Proteos Bio R&D project).

**Financial Viability Assessment:** Given the lack of information on costs/barriers and interest in private producer implementation, this project could be viewed as fairly speculative. However, factors such as the December announcement of the Aerofarms indoor food crop production facility, reportedly the largest of its kind in the world, leads to a presumption that the region's proximity to consumer markets supports the case for these types of private enterprises, and IALR's track record of success in educating and supporting producers of hemp, tobacco and other crops through its precision agriculture and ISO-certified analysis lab (also both supported by TRRC grants), leads to some indication that IALR's array of technical experts and resources are being embraced by private farmers/producers as an essential regional resource. The reduced scope of this request, the limited request for additional long-lived assets, and IALR's stated commitment to continued funding of the program beyond the requested three-year grant mitigate risk that the program will be ineffective, as well as putting back into productive service the TRRC-funded greenhouse facility that has been underutilized since the previous R&D project ended.

**Staff recommends award of \$365,520 contingent on required Match being provided from cash contributions toward equipping and operations of the new CEA facility at IALR in Danville.**

## **Institute for Advanced Learning and Research**

### ***Regional Food System Development Through A Value Chain Coordinator (#3593)***

**\$134,034 Requested**

**Executive Summary Provided by Applicant:** Consumer demand for local food is on the rise and is projected to grow in the decades to come, thereby presenting an opportunity for increased farm revenue for new and existing farmers. However, many farmers lack the time and resources to promote their goods to potential customers. Simultaneously, many large institutional buyers would like to offer local produce, meat, and dairy to their employees and visitors, but they would prefer not to interact with each farmer individually. These conditions establish a need for an advocate to facilitate the interaction and drive the creation of a robust local food system where farmers' price points are met while local consumers gain greater access to their products. This proposed three-year project seeks matching funding for a value chain coordinator position to connect institutional buyers, food hubs, and other purchasers, with farmers to increase net farm output, income, and diversify agribusiness in the region.



**Staff Comments and Recommendation:** Grant funds are requested to support 57% of the direct project costs over three years for a new value chain coordinator position and related costs for travel and supplies. The applicant identifies the focus of this position would be on connecting institutional buyers, food hubs, and other potential purchasers of farm products, with the agriculture producers in the region for increasing their net farm output and income. Match funds are from a \$100,000 cash donation made to the Future of the Piedmont Foundation and secured by the Danville Regional Foundation, and \$36,408 from time contributions for existing staff at IALR. A Dan River Region Local Food System Assessment funded by the DRF in 2017, on behalf of their Health Collaborative, was provided to support the application. This assessment was identified as a first step toward identifying a network of regional stakeholders and highlighting barriers to participation in a local food system. Of the 33 farms that responded to a survey, 72% indicated marketing support as a barrier to increasing production and selling at capacity. Farms responding were primarily in Pittsylvania County (13) and Caswell County, NC (10), along with ten other farms in three VA and two NC counties. Surveys were also conducted with restaurants (7 responses) and institutions (3 responses), all located in Danville and Pittsylvania County. During the review of this application staff questioned the likelihood of the project benefits accruing to a regional group of tobacco region producers, noting that the majority of the survey respondents and the DRF service area being primarily limited to Pittsylvania County and neighboring North Carolina (a priority for the TRRC Agribusiness program is for projects benefiting producers in at least three tobacco region localities). More importantly staff had concerns about the lack of specific economic metrics for tracking agribusiness results, and how responsibilities for the new coordinator would be structured and how success would be measured.

**Financial Viability Assessment:** While there is no question that there is an opportunity and regional interest for brokering services between local producers and buyers, Staff viewed this proposal as more of a conceptual project that still needs to be developed. Staff suggests that the project be tabled to allow the regional work group to work on identifying and quantifying baseline metrics that demonstrate a higher level of regional producer participation and buyer interest, with specific goals for increasing purchasing and producer sales across a larger portion of Southern VA, in order to focus the specific work activities and reportable outcomes for the proposed coordinator.

Staff recommends this request be tabled.

## Southern Virginia Food Hub

### *Start-up operating and personal services expenses (#3603)*

**\$154,998 Requested**

**Executive Summary Provided by Applicant:** The SVFH addresses several needs of local agribusinesses. It consists of: a local food grocery, a commercial kitchen, dairy processing room, a local food deli, and a community classroom. The grocery will increase the availability of local products to consumers. The kitchen will be used to transform local products into value-added items. These goods will then be available for retail through the grocery and deli. The deli will offer ready-to-eat, take home meals prepared from seasonal local products. The SVFH will also operate a delivery truck that will run a weekly route among the rural 8 counties served. SVFH is seeking funding for staff and operating expenses during the 3 year start-up period. This funding is necessary until SVFH is able to become financially self-sustaining. These start-up operating funds will allow the time necessary for SVFH to establish consumer market awareness as well as develop the necessary producer relationships.

**Staff Comments and Recommendation:** Grant funds are requested to support 50% of identified operating costs over a three-year period for the Southern Virginia Food Hub, a start-up nonprofit enterprise developed to support several needs of the agricultural community. Opening in June 2019, the SVFH has transformed what was previously a derelict building in the heart of downtown South Hill, into a



multifaceted facility offering a local food grocery, commercial kitchen available to producers and food entrepreneurs, a local food deli with read-to-eat meals made from local seasonal products, and a dairy processing room (still in development, to be used for the production of soft cheeses, yogurt, ice cream and butter). A list of SVHF Local Producers with more than 100 farms and value-added food businesses, representing thirteen tobacco region counties was included with the application suggesting a very broad reach for agriculture beneficiaries of this facility. The Commission has provided \$320,812 from three past Agribusiness grants, toward creation and development of the Food Hub, with a \$62,000 award in 2019 for a delivery truck. Other state and federal agencies including DCHD, VDACS, and USDA Rural Development have committed over \$670,192 in Match. The detailed budget submitted with the application requests 50% from TRRC across all line items including personnel positions for a chef, baker, and two grocery clerks; a contract market manager; and utility and other continuous charges to support operations of the nonprofit business enterprise. Matching funds were identified to come from revenues generated by SVFH. Reported revenues from the June opening through November 2019 were provided, showing \$76K of revenues during this period with \$120K cost of goods sold (COGS), indicating a need for funding assistance while the brand and customer base is being built. Staff suggests a reasonable budget for the Commission's consideration to include \$28,275 for the local foods chef position (\$18,850 per year X 3 years with declining support at 75%, 50% and 25% over the three years), \$36,000 toward the contracted market operations manager, and \$41,262 for continuous charges for a total of \$105,537.

**Financial Viability Assessment:** The operating deficit in the initial five months can be partially attributed to the Food Hub starting in the middle of a growing season, which reduced the amount of farm products available for direct sale and value-adding processing. It can also be attributed to the start-up of a new enterprise which is still building customer awareness of its brands and products. There has also been a transition in leadership, necessitated by a family emergency for the initial leader and visionary, but the new management leadership has produced solid financial tracking and operating plans to continue working toward sustainable break-even operations, and the addition of the dairy processing component should further enhance expansion of sales revenues. As with any new start-up enterprise, particularly one that is so unique in nature, time is needed to establish its role relative to the marketplace and customer base, and a more clear picture of the Food Hub's long term viability will emerge after it has been able to operate through two or more full growing seasons. To work toward that goal of sustainability, Staff suggests the Food Hub leadership should be required to produce and report a periodically-updated (at least annually) well-defined plan and assessment for sustainability. While further assistance in the form of an operating line of credit may have to be considered by the leadership, Staff acknowledges there is some risk of a lengthy runway to sustainability, which is mitigated by the support from the Town and the state and federal funding partners. Recognizing the complexities involved in the coordination of this multi-faceted start-up operation, and the exceptional interest and participation from agriculture producers and value-added entrepreneurs from a large number of Southern Virginia counties, Staff supports the unique vision of this facility for serving the agribusiness community and the benefits that will accrue throughout the region.

**Staff recommends award of \$105,537, contingent on TRRC funds only being disbursed for up to documented Match amounts, based on declining support for identified personnel and operating costs in years two and three, and contingent on development of a well-defined, periodically updated plan and assessment for sustainability to be reported annually to funders and key stakeholders.**



**Southside Virginia Fruit and Vegetable Producers Association**  
***Expanding Produce Aggregation Capacity in Southside Virginia (#3599)***  
**\$176,000 Requested**

**Executive Summary Provided by Applicant:** The Southside Virginia Fruit and Vegetable Producer Association (SVPA), based in Charlotte County, Virginia, is a group of 16 independent small-farm operators across an under-served 12-county region working cooperatively to aggregate, market, sell, and deliver their produce to the wholesale market. Our growers collectively farm more than 100 acres of produce, including crops such as sweet corn, tomatoes, green beans, cabbage, potatoes, squash, and other fresh vegetables. We are seeking funds to expand our aggregation and storage capacity through the acquisition and construction of a new facility, the addition of operational equipment, and the expansion of our cooler space. This project is expected to improve the association's operational capacity, allowing for an increase in sales of produce to wholesale customers. This will increase revenue for individual farms, support farm business development in the Tobacco region, provide additional food and farm jobs, and improve market access for Tobacco region producers.

**Staff Comments and Recommendation:** This project is focused on construction and equipping a new centrally-located facility in Charlotte County serving as the aggregation, packaging and distribution center for a recently formed producer cooperative. Development of the Southern Virginia Fruit and Vegetable Producers Association (SVFVPA), a grassroots, farmer-founded and operated grower association, was born from the need of Southern Virginia farmers to have access to institutional buyers, and shared equipment and facilities for aggregating product for sale to wholesale markets. The cooperative currently operates out of an old fire station in Charlotte Court House, with a leased refrigerated cooler for cold storage from one of the association members. With this application the SVFVPA proposes to construct a new 80' X 100' facility (more than three times the size of their current hub) that is designed to accommodate their expansion plans and address needs for cold and dry storage, sorting and packaging equipment, offices and loading and distribution. A current business plan provided with the application identified specific targeted customers, a variety of more than twenty fruit and vegetable products currently available to be sourced from its membership, and focused sales channels for expanding product sales. Members and growers represent seven tobacco region counties - Brunswick, Buckingham, Charlotte, Campbell, Halifax, Lunenburg, and Prince Edward Counties - with the largest representation being from Charlotte County, and other members already selling regularly to the Amish-run produce auction in Cullin. Members currently grow ~ 100 acres of vegetables and produce collectively that is utilized for wholesale distribution, with the capacity to expand up to 300 acres based on demand. Additional production facilities include 10 high-tunnel greenhouses for an expanded growing seasons. Grant funds are to support site acquisition and development costs (\$45,000), and purchase and up-fit of an 80' X 100' metal building (\$80,000), equipment (\$40,000), and modest amounts for warehouse staff, packaging supplies, and continuous charges (\$11,000). The primary source of Match funds is from USDA Rural Business Development funds (\$126,000) supporting costs for a large refrigerated truck and cooler. RBEG funds were awarded in the Summer 2019 and the order for the truck was placed, with the intention of accommodating grower needs for the fall harvest. The \$93K truck was received and paid for in December 2019, after the application to the Commission, and Staff supports this being counted toward the match requirement. Additional match is for shrink wrapper equipment (\$6,000) and the in-kind value of produce washing and packaging equipment, two bean harvesters and a sheller (\$44,000). The applicant was unaware that this harvester/sheller equipment originally purchased with funding from the Tobacco Commission for the VSU edamame project, and as such is ineligible for meeting the 1:1 match requirement. In recognizing this concern, SVFVPA identified other contributions expected to be made including an estimated \$45,000 in association revenues to be used to cover hired labor costs, and volunteer contributions of association leadership for administrative responsibilities at 720 hours annually. Estimates were not provided for association member contributions for operations of the facility, which would be reasonable, if documented properly, to also count toward an in-kind match contribution. A quote was provided for the metal building



and an estimate from Bars Refrigeration was the basis for the funding requested for the cooler. Other cost estimates included in the application and line item details provided during the review, were from member expertise in construction, with a commitment for all construction activities to be competitively bid. Outcome projections following the first year of operation in the new facility are for an increasing from 16 to 40 producers served, and annual sales revenue per producer increasing from \$6,250 to \$37,500.

**Financial Viability Assessment:** The cooperative has already established its capability for aggregation of fresh produce for wholesale clients, having secured significant purchase commitments from Produce Source Partners, for sale of produce in multiple Food Lions in the Lynchburg area. VAFAIRS has worked closely with SVFVPA over the last two years with development of their business plan and applications for funding, and they remain committed to assisting the cooperative to see its success. Letters of support were provided by the Charlotte County offices of VCE, Farm Bureau, and BOS, and several of the farm business members of the cooperative. Recognizing the success to date of this farmer-operated cooperative, the identified market opportunity, commitments from regional buyers, their growing membership and the need for a permanent and expanded distribution center, Staff is supportive of this request. While there is always risk involved in the ongoing operation of member-based cooperatives, SVFVPA has, in its relatively short existence, demonstrated a savvy commitment to connecting its producer members to food service buyer channels, returning 85% of sales revenue to its producers, and charging 15% for its services in order to sustain its operations. None the less, TRRC should protect its security interest in the facility by recording a lien on the property to be developed.

**Staff recommends award of \$176,000, contingent on TRRC funds only being disbursed for up to documented Match amounts, and competitive bidding of all professional contracts for construction.**

## **Virginia Cooperative Extension**

### ***Project Manager, SWVA Regional Agribusiness Opportunities (#3592)***

**\$158,988 Requested**

**Executive Summary Provided by Applicant:** A Project Manager position dedicated to addressing southwest Virginia regional agribusiness opportunities will advance core strategies identified through regional planning efforts and produce specific actions to drive Southwest Virginia's agricultural and economic growth. By working closely with Extension agents, educational institutions, clients, and partners in the region, this position will capitalize on existing strengths and collaborative partnerships to advance agricultural enterprises throughout 13 counties and three cities. The Project Manager will help identify new opportunities and assess the viability of these new ventures; alleviate barriers to entry; help producers pursue niche opportunities, and; facilitate start-up and expansion of local businesses, among other activities. Agriculture and food/beverage manufacturing were identified as priorities in the GO Virginia Region 1 Growth & Diversification Plan published in August 2019.

**Staff Comments and Recommendation:** The position proposed in this application is the result of numerous discussions between regional funding agencies who identified a lack of leadership capacity needed to progress several agricultural initiatives, including some previously funded through TRRC. The need to support a full time position tasked with moving these projects forward, while also working with regional agricultural stakeholders to develop new projects, was determined to be essential. The Project Manager will work closely with extension agents, educational institutions, clients, and other public and private partners in the 13 county region. Due to the success of similar positions in other parts of the state, it was determined that VT Cooperative Extension would be the most likely organization to initially house this position. The funds requested in this application will support the salary and benefits for the Project Manager for the initial three year period. Matching funds of \$58,988 are proposed from Extension primarily for unrecovered F&A for three years. An application has also been submitted to GO Virginia for



\$100,000 to match TRRC's support for the Program Manager salary and benefits. Due to GO Virginia's restrictions on the eligibility of matching funds from state-funded organizations (including TRRC) as required match for their grants, additional financial support will also be needed to fully fund the position. A more specific job description with a defined scope of work and deliverables will also need to be developed.

**Financial Viability Assessment:** This new position has been an expressed goal of several Southwest VA partners for more than a year, including the leadership for the GO Virginia region. The need is based on several agribusiness development opportunities that have languished for lack of qualified project leadership that is dedicated full-time to the implementation of those developments. Examples include the meat slaughter operations proposed in Carroll and Russell, grain growing on reclaimed mine land being supported by InvestSWVA etc. Housing the proposed position under Extension brings that organization's resources, expertise and project contacts into the work activities, and Extension has committed to tracking and reporting on project activities and outcomes using its established systems. Current matching funds and long term funding sustainability remain concerns, and to some extent this is a pilot to demonstrate results over the three year project period. Extension has suggested that solid results at that time would make a case for adding the position to its annual staffing budgets, along with support from localities (as they support funding for current Extension agents). Staff suggests that frequent reporting by the person who holds this position (at least monthly if not bi-weekly) to project funders and key stakeholders on the project pipeline and activities is a best practice that has been successful in the Commission's two regional efforts to attract foreign direct investment, and should be required in this project. Contingent on securing adequate matching funds, this regional "value-added" technical assistance opportunity is a reasonable step forward that could result in multiple new private investments in agriculture and agribusiness projects across SWVA, as well as securing and administering funding for individual projects from federal, state and private investors.

**Staff recommends award of \$158,988 contingent on securing required matching funds to support at least 50% of costs for the new position, and on frequent periodic reporting by this position to funders and key stakeholders.**

## **Washington County Fairground Inc**

### ***Facilities Renovation and Improvement of Washington County Fairgrounds (#3606)***

**\$225,000 Requested**

**Executive Summary Provided by Applicant:** Washington County Fairgrounds will renovate and improve the following structures and grounds as follows: 1) Repair and upgrade electrical wiring in livestock barns as well as Building A and Building B. The lighting will be replaced with LED fixtures. 2) Outside electrical and lighting upgrade throughout fairground. 3) Concrete the graveled flooring of Building B. 4) Paving of road and graveling of parts of roads throughout main fairground and parking area as well as parking area for livestock trailers around barns. 5) Replace roll up doors on barns and Building A. 6) Purchase livestock pens and sale arena for Barn Building E. 7) Repair and upgrade livestock wash racks and fencing. 8) Purchase of tractor and arena equipment for taking care of barn surfaces between rentals/events.

**Staff Comments and Recommendation:** Funding is requested to support half of the costs associated with making a number of upgrades and repairs to the Washington County Fairgrounds in Abingdon. These activities include replacing the worn cattle sales arena and cattle holding pens and updating the lighting in the facilities. Upgrades will be made to the electrical systems and the graveled floor of one building will be replaced with concrete. Improvements (paving and graveling) to sections of roads and parking lots on the property will also take place. A tractor and other arena equipment will be purchased to



help maintain the property between events. Other improvements such as replacement of doors, upgraded livestock wash racks and fencing are also planned. Despite being used consistently for much of the year for various regional events, the property has not received any major improvements in more than 40 years (20 for the livestock facilities). With newer facilities, such as the APEX Center in Wytheville, offering modern spaces to host similar events, these upgrades are critical to maintain a competitive position for attracting regional events, and a better experience for users and attendees. The applicant provided a substantial list of events which attract visitors from a wide geographical area. Examples of these include a winter rodeo held January through March with attendance ranges of 400-600 visitors, the Tri-State Horse and Mule Spring sales in April and October with participants from 10 states, regional 4-H and FFA events. Cattle sales such as the Scott County Cattleman's Premium Assured Heifer Fall Sale attract buyers from 4 states and the SWVA Finest Angus Sale from 5 states. These events collectively result in the potential for significant economic benefit in the Town of Abingdon, although this was not quantified in the application. Matching funds of \$225,000 are to be provided from the applicant, however it appears that much of this is yet to be raised. Documentation was provided showing approximately \$85,000 of funds currently available for the project.

**Financial Viability Assessment:** The Commission has previously assisted the Fairgrounds with funding to construct a second access entrance road, which was successfully completed a decade ago. The requested improvements include a mix of normal maintenance and replacement work such as replacing the existing roll-up doors and switching lighting to LED, in addition to significant new upgrades in flooring, equipment, etc. Staff suggests focus for any TRRC funding be placed on the latter, assuming adequate required matching funds can be secured. A review of the budget helped Staff identify at least \$135,000 of activities that fall in the significant upgrade category, including pouring a concrete floor in Building B (\$25K, currently gravel), the cattle sale arena and holding pens for Building E (\$70K) and new tractor and arena working equipment (\$40K). A partial award, directed to no more than 50% of costs that can be justified as significant new upgrades, will also assist the applicants in meeting the required matching funds, of which they demonstrate they have \$85K in hand. Staff notes that a current Commissioner is a recent past president of the Fairgrounds, and his spouse was involved in submitting this request, so Staff and the applicants have exercised care in ensuring that other Fairground officers are responsible for grant administration should funding be approved.

**Staff recommends award of up to \$135,000 for 50% of significant new upgrade and equipment expenses.**

## **Joint IDA of Wythe County, VA**

### ***Regional Hemp Fiber Processing Facility in Wythe County, VA (#3604)***

**\$250,000 Requested**

**Executive Summary Provided by Applicant:** Vitality Farms LLC (VF) is the project of a family with multiple years of experience growing hemp in Wythe County and with multiple generations of farming experience generally. Additional expertise is derived from worked with the University of Virginia and being licensed growers for several years. Three growing cycles of industrial hemp have been successful with the crop harvested with regular hay equipment. VF's proposal is twofold. First, the company will purchase seed in bulk and distribute it for regional growers use, then pay these farmers based on productivity. Principals will serve as educators, expert liaisons, and marketing distributors of the products produced for fiber. No CBD oil or similar products are part of this plan. Secondly, to provide for vertical integration and to add value to the agricultural product, VF will establish a hemp fiber processing facility in Wythe County. The closest like facilities are in Colorado and Canada.

**Staff Comments and Recommendation:** This hemp fiber processing project was announced by the Governor and the locality in late-October 2019, with 13 new jobs and a \$894K private investment to be



operated by a licensed hemp grower who partnered with UVA during the research phase. It does not appear to meet the \$750K taxable capital investment threshold required in TRRC Agribusiness Program Guidelines to justify the requested \$250K grant, because per the budget \$725K of the indicated private investment is startup operating capital for seed purchase and personnel, and only \$350K is equipment (including this \$250K request), with \$25K from each of VDACS AFID and County funds for equipment. The IDA requested TROF in 2019 for the project, and the calculated offer was \$65K grant + \$65K loan for 24 new jobs and a \$450K taxable private capital investment. The proposal states that 2 buyers are committed to purchase the company's processed hemp fiber, with an additional potential buyer in negotiation. A list of 50+ growers is provided, with the majority (40+) located within the Tobacco Region. Pending the Agribusiness Committee's approval of a policy for equitably addressing hemp processing projects based on each project's jobs and investment parameters, Staff suggests that using the TROF formula calculation for grant+loan incentives is an appropriate and consistent model for supporting privately-owned hemp processing projects, along with the requisite performance agreement.

**Financial Viability Assessment:** Commission policy for supporting hemp processing projects is yet to be determined, but the use of the TROF model, which would otherwise be available to these projects, is the arguably the most appropriate process to offer performance-based incentives that are equitably sized to each project's jobs and investment numbers. Given the performance requirements of the AFID grant to purchase feedstock from Virginia growers, there is adequate protection through the AFID grant agreement, and a potential TRRC performance-based agreement, to proceed with an grant+loan or interest-free loan as per the TROF calculations, while generating annually-recurring new income for Tobacco Region hemp growers as per the Agribusiness program objectives. However, unlike the two previously-discussed hemp processing requests (Charlotte and Halifax) this request seeks funds to flow directly to the private hemp processor. Until Commission policy is finalized, Staff suggests this request be tabled for reconsideration in a Spring 2020 funding competition specifically announced for hemp processing facilities.

**Staff recommends this request be tabled for a Spring 2020 round for hemp processing facilities.**

## **OTHER BUSINESS**

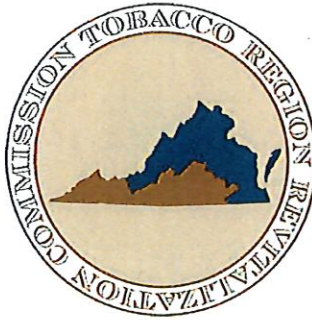
### **Pittsylvania County**

#### ***SoVA Vineyard Development and Expansion to Support Virginia's Wine Industry (#3102)*** **Request for extension to January 12, 2022**

In January 2016, the Commission approved an \$811,526 grant award to support a new Agribusiness initiative designed to significantly expand grape production in the tobacco region and to address critical shortages for the wine industry of the Commonwealth. The project represents a partnership with the state viticulturist Dr. Tony Wolff with Virginia Tech/VCE, Virginia Viticulture Association, Institute for Advanced Learning and Research, and Virginia Cooperative Extension's Central and Southwest Districts. Management of the vineyard program transitioned to IALR in July 2018, which followed multiple delays due to changes in staffing. IALR reports 37 acres of vineyards under cost-share agreements with five existing vineyards and four new vineyards; and 41 landowners/vineyards having expressed interest in consideration for participating in the program. Recognizing that commitments under the cost-share agreements for new vineyard acres to be established and the normal project cycle for grower participation requires 18-24 months, Pittsylvania County on behalf of IALR is requesting a two year extension, in order to continue to market the program to those who have already expressed interest and to new participant interests.

**Staff recommends approval of an extension to January 12, 2022.**





## **AGENDA**

### **EDUCATION MEETING**

**Tuesday, January 7, 2020  
9:00 A.M.**

**Call-in - 646-558-8656 / Access code: 601-082-667**

**Homewood Suites by Hilton  
700 East Main Street  
Richmond, VA**

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<b>Welcome and Call to Order</b>	<i>The Honorable Frank M. Ruff, Chairman</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Approval of the <u>10/10/19</u> Minutes</b>	<i>(published on website)</i>
<b>Talent Attraction Program Update</b>	<i>Stephanie Kim, Finance Director</i>
<b>FY 20-21 Workforce Financial Aid Timeline &amp; Funding</b>	<i>Tim Pfohl, Grants Director</i>
<b>Other Business</b>	<i>Evan Feinman, Executive Director</i>
<b>Public Comments</b>	
<b>Adjournment</b>	



## AGENDA

### SOUTHSIDE ECONOMIC DEVELOPMENT COMMITTEE MEETING

Monday, January 6, 2020  
12:00 P.M.

Call-in - 646-558-8656 / Access code: 601-082-667

Homewood Suites by Hilton  
700 East Main Street  
Richmond, VA

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<b>Welcome and Call to Order</b>	<i>The Honorable Thomas Wright, Chairman</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Approval of the <u>9/30/19</u> Minutes</b>	<i>(published on website)</i>
<b>Tabled Project Proposals</b>	<i>Sarah Capps, Southern Office, Grants Program Administrator</i>
<b>Project Extensions</b>	<i>Sarah Capps, Southern Office, Grants Program Administrator</i>
<b>Other Business</b>	<i>Evan Feinman, Executive Director</i>
<b>Public Comments</b>	
<b>Adjournment</b>	



# FY2020 Southside Economic Development

## Summaries and Staff Recommendations

January 6, 2020

Following the announced July 25, 2019, application deadline, the Committee met in South Boston on September 30, 2019 to discuss award recommendations. Two applications were tabled by the Committee to be reconsidered at the meeting scheduled for January 6, 2020. Original recommendations for both are presented below. Three previously funded grants are requesting extensions and are included under Other Business.

### TABLED APPLICATIONS

Req #	Locality	Organization	Project Title	Allocation Available	Requested Amount	Staff Rec
3581	<i>Halifax</i>	Town of Halifax	Halifax War Memorial Heritage Tourism Site Enhancement Project	<b>\$1,754,402</b>	\$179,000	\$0
3579	<i>Nottoway</i>	Nottoway County	Harris Memorial Armory Restoration Project	<b>\$856,152</b>	\$50,000	\$0

### HALIFAX (1 proposal for available allocation of \$1,754,402)

Halifax, Town of  
***Halifax War Memorial Heritage Tourism Site Enhancement Project (#3581)***  
**\$179,000 Requested**

**Executive Summary Provided by Applicant:** The Town of Halifax is applying for Tobacco Commission funding to supplement secured VDOT funds to extend decorative street lighting, signage, and landscaping around the Halifax County War Memorial connecting it to the Halifax Courthouse Square through safer pedestrian crosswalks and better ADA sidewalk access where existing parking/future parking areas can be better utilized within the Town of Halifax Court House Historic District. In 2001, the County and Town of Halifax began a revitalization project to improve downtown by providing an attractive, pedestrian-friendly environment. The Halifax Downtown Master Plan was completed in 2003 to serve as a vision for the future of downtown and as a guide for phased funding, design and improvements to roadways, parking and pedestrian access for business and public facilities, including the heritage tourism sites at the Halifax War Memorial and Halifax Courthouse Square, a stop on the Virginia Civil War Trails- "Lee's Retreat" self-guided driving tour.

**Staff Comments and Recommendation (September 30, 2019):** This VDOT-funded project aims to support economic vitality in the Town of Halifax through improvements to the approach corridors and access to the downtown cultural sites and commercial area in the Town of Halifax Court House Historic District. The goal is to improve traffic flow, increase public parking and provide for better pedestrian circulation. VDOT has approved \$463K for the project, and TRRC grant funding would be used for additional project costs represented as "streetscaping" related to construction costs for pedestrian



crosswalks, lighting, signage, landscaping and ADA sidewalk access areas designed to connect to existing and future parking areas. The downtown project area includes two sites - the historic courthouse and the war memorial - that are part of Virginia's Civil War Trail, purportedly drawing visitors from outside the region, although visitor numbers are based on Town population as a percentage of all Virginia population and historic site visitation (e.g. no visitor data specific to the memorial site is provided). Construction bidding is expected to occur in January 2020, with construction scheduled to start in March 2020 and targeted for completion in March 2021. The applicant notes that accessibility improvements are critical to increasing visitor numbers and visitor spending, recognizing that many of the visitors to the Civil War Trail and War Memorial are disabled and accessibility is important. Historically, Staff has limited recommendations for capital improvement investments for tourism destinations to those that can demonstrate the ability to attract and measure new national and international visitors and their spending. This level of tourism data was not available for the Town's historic district, or the Memorial specifically. While Staff does not dispute that streetscape amenities improve the aesthetics of a community for residents and visitors, we suggest that supporting this request could constitute a precedent for funding streetscape improvements that are adjacent to visitor sites, relieving localities of the local VDOT match requirement, with no measurable direct correlation between streetscape amenities and visitation to specific destination sites such as museums.

**Staff recommends no award.**

**Staff Comments (January 6, 2020):** Additional information was provided by the Town of Halifax to address questions raised by the committee. This includes confirmation that there is no "Main Street USA" grant program for this type of project, as was mentioned in the previous Committee meeting. Based on the original application and subsequent information, Staff's Comments and Recommendation remain unchanged from the initial Staff Report, as shown above.

**Financial Viability Assessment:** While Town leadership has worked diligently to fund millions of dollars of downtown improvements, and to defend this request as supporting those revitalization efforts, TRRC Staff remains strongly committed to keeping Economic Development funds focused on tourism destinations of national/international importance and interest to out-of-region visitors. Streetscape improvements are an enormously expensive proposition that has been funded for decades by the VDOT Enhancement program (derived from Federal Highway funding) matched with local government funds. Staff strongly believes maintenance and improvement of public rights-of way such as streets and sidewalks is a responsibility of those agencies and localities, and should not become a new funding priority for the Commission. Staff's recommendation of no award remains unchanged.

## **NOTTOWAY (1 proposal for available allocation of \$856,152)**

### **Nottoway County**

#### ***Harris Memorial Armory Restoration Project (#3579)***

**\$50,000 Requested**

**Executive Summary Provided by Applicant:** The core concept of the Harris Memorial Armory Restoration Project is to develop a multi-use/educational center for Southside Virginia focusing on the counties of Nottoway, Amelia, Lunenburg, Dinwiddie and Brunswick with Southside Virginia Community College, Longwood University, and other institutions of higher learning to offer our communities opportunities to enroll in and take associate degree courses, graduate courses, and technical training programs. There would be opportunities for members of the community to access literacy classes and reading development for youth. Restoration will provide a variety of spaces from classroom sized rooms to large, open meeting spaces. Additionally, employers will be able to offer opportunities for courses



leading to technical certifications that will make students better prepared for modern workplaces. The historic building's usage will be expected to have a notable positive economic impact on the Town of Blackstone due to the proximity to the business district.

**Staff Comments and Recommendation (September 30, 2019):** The historic circa-1930s Harris Memorial Armory is located in downtown Blackstone and has been owned by the Town for 30+ years. It has been the subject of restoration efforts for a number of years, including a DHCD-funded feasibility study completed in 2016. More recently, occasional community events have been held in the Armory, as evidenced by Facebook postings by a local nonprofit group of community volunteers who have been hosting events, fundraising, and making repairs to the structure. The 2016 study proposed potential uses for the Armory as a learning center and multi-purpose event space. It estimated renovation costs at \$3 million-plus, to be partially funded by historic tax credits. Staff notes the roof repair estimate that is the basis of this request is dated 2001 and has asked if a more recent assessment of the roof and building have been done. The interior of the Armory primarily houses a large gymnasium with a small stage, balcony and ancillary facilities such as restrooms. As such, the interior does not offer a layout conducive to a modern educational facility with multiple classrooms, labs etc., and in fact is arguably best suited as a community events and athletics space. Moreover, the proposal lacks evidence of a financing plan for renovations and commitments from accredited post-secondary educational providers to offer workforce training in the Armory, which negatively impacted the scoring of the proposal. Staff further notes that SVCC offers a robust array of workforce training (including GED, power line worker, truck driver, diesel mechanic etc.) less than four miles away on Fort Pickett. While Staff commends the volunteers for their dedication to preserving and repurposing this unique historic structure, it does not appear that funding roof repairs for a facility that is most likely to serve as a community center aligns with TRRC economic development funding priorities and outcome metrics. Staff has discussed this project with partner community development agencies for potential assistance from those state and federal resources, which are more appropriately aligned with the Armory's ultimate uses.

**Staff recommends no award.**

**Staff Update (January 6, 2020):** The applicant has communicated that there is no additional information in the form of an update.

**Financial Viability Assessment:** As stated previously, the Armory is a significant historic asset for the Town, however, the stated intention to use it as an education center lacks supporting assessments of training needs in the county, in-demand careers that area employers are finding hard to fill, financing and operational plans, or any significant commitment by accredited educational providers. Likewise, the building – which is primarily comprised of a large gymnasium - is ill-suited to be a robust educational facility. Staff's recommendation of no award remains unchanged.

## OTHER BUSINESS

### Sussex County

#### *Route 602 (Cabin Point Road) Sewer and Water Line Extension (#3125)*

#### **Request for 5<sup>th</sup> Year Extension through January 12, 2021**

This \$290,073 grant award was approved January 2016, to support infrastructure costs for water and sewer extensions to serve the Cabin Point Road Industrial Park. There remains a balance of \$103,792.79 on the TRRC project account. In May 2018, the Commission approved an expanded scope with a fourth year extension allowing grant funds to be used to cover up to 50% of estimated costs for clearing and grubbing, wetlands delineation and permitting, and stormwater management facilities to serve the site. Under



December 11, 2019, letter the County indicates delays with approvals from DEQ, which caused delays and as indicated by the County those issues have now been resolved. Where letter from the County request an extension through July 2020, staff recommends approval of a full additional one-year extension to allow sufficient time for bidding and construction contract work to be completed.

**Staff recommends approval of a 5<sup>th</sup> year extension through January 12, 2021.**

### **Prince Edward County**

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

#### **Request for 6<sup>th</sup> Year Extension through January 12, 2022**

This \$49,080 grant was approved in January 2016 to support a portion of estimated \$1,058,650 costs for construction of an access road into the Prince Edward County Industrial Park. The full balance remains in the TRRC project account. A total of \$571,960 of Commission funds are committed under three grants to support this project -- another SSED grant for \$194,485 (#3145), as well as a \$328,395 Special Projects grant award (#3089), both of which were previously extended through May 24, 2020 and will require additional extensions in May. TRRC grants are primarily being matched by VDOT Access Road funds and investments by the County. In September 2019, the County proceeded with their VDOT application. The VDOT funding is expected to be approved by the Commonwealth Transportation Board in January 2020, and the County has indicated that an additional 12-18 months will be needed to complete construction activities. To allow sufficient time for this work, the County is requesting an extension for two additional years to January 12, 2022.

**Staff recommends approval of an extension to January 12, 2022.**

### **Roanoke River Rails to Trails, Inc.**

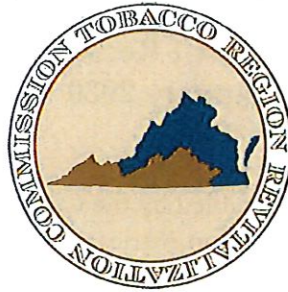
#### ***Lawrenceville Corridor Acquisition Project (#3038)***

#### **Request for 6<sup>th</sup> Year Extension through May 21, 2021**

This \$285,960 grant was approved in May 2015, to support acquisition of 2.8 miles of linear trail segment connecting the Town of Lawrenceville with 17 miles of the existing Tobacco Heritage Trail; and to support costs related to trail construction. The property acquisition from Norfolk Southern was completed in 2017, with Norfolk Southern negotiations and their requirements for detailed surveys and boundary line descriptions taking longer than initially anticipated. There remains a balance of \$50,960 on the TRRC project account. TRRC received a request in December, for a sixth year extension to allow these funds to remain available to support eligible trail construction and contractual expenses; and to be used toward meeting the Match requirement for a VDOT Enhancement Grant currently under review. Following the land acquisition, the project was delayed further when an October 2017 application to VDOT was not funded, despite it having scored well in the competitive process; and the RRRT/Town of Lawrenceville was required to wait a year to reapply. A new application to VDOT requesting \$589,765 was submitted in September 2019, and an award decision is expected to be made in March with final approval in June 2020. RRRT is requesting a 6<sup>th</sup> year extension through May 21, 2021, in order for funds to remain available to be used toward a portion of the \$117,953 Match requirement for the VDOT award.

**Staff recommends approval of the 6<sup>th</sup> year extension to May 21, 2021, contingent on the September 2019 application to VDOT being approved for funding in 2020.**





## **AGENDA**

### **SOUTHWEST ECONOMIC DEVELOPMENT** **COMMITTEE**

**Monday, January 6, 2020**  
**4:15 P.M.**

**Call-in - 646-558-8656 / Access code: 601-082-667**

**Homewood Suites by Hilton**  
**700 East Main Street**  
**Richmond, VA**

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<b>Welcome and Call to Order</b>	<i>The Honorable Charles "Bill" Carrico, Chairman</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Approval of the <u>10/9/19</u> Minutes</b>	<i>(published on website)</i>
<b>Tabled Project Proposals</b>	<i>Sara Williams, Southwest Office, Grant Program Administrator</i>
<b>Out of Cycle Project Request</b>	<i>Tim Pfohl, Grant Director</i>
<b>Other Business</b>	<i>Evan Feinman, Executive Director</i>
<b>Public Comments</b>	
<b>Adjournment</b>	

## FY20 Southwest Economic Development Summaries & Staff Recommendations January 2020

The Commission received project proposals in July for the FY2020 Southwest Economic Development program, two of which were tabled by the Committee in October, and are scheduled to be reconsidered on January 7<sup>th</sup>. Executive Summaries and Staff Comments/Recommendations are included below. The SWED Committee has a current balance of \$805,541 to address these two proposals:

Req #	Organization	Project Title	Requested Amount	Staff Recommends
3569	Town of St. Paul	Lyric Project, Phase II	\$349,600	\$349,600
3571	University of Virginia	UVa-Wise Southwest FOURSight	\$482,292 (revised)	Refer to Competitive Education

### Town of St. Paul *Lyric Project, Phase II (#3569)* \$349,600 Requested

**Executive Summary Provided by Applicant:** The Lyric Project is an integral part of the region’s asset-based community/economic development strategy. By having the ability to host meetings/breakout sessions for 200+ attendees in eight different rooms and use the stage/auditorium seating, the Lyric will be a unique venue that will attract a variety of visitors. Once complete, St. Paul and the region will have a destination feature normally only found in metro areas—the ability to have a complete multi-day visit that includes cultural and outdoor recreation experiences without having to get in ones’ vehicle. The \$349,600 requested from the Tobacco Region Revitalization Commission funds for the Lyric Project Phase II project will be used for the construction/installation of the Lyric Theater’s new meeting rooms. The Lyric Theater will further the region’s goal of supporting local businesses, attracting a variety of visitors, and advances the TRRC’s Strategic and Funding Priority V- Community Assets and Opportunities.

**Staff Comments and Recommendation:** Funding is requested to begin Phase 2 of a 3 phase, \$3.4M total renovation to the historic Lyric Theater in downtown St. Paul. This project is part of the ongoing revitalization of the Town which has benefited greatly from the development of the TRRC-funded Spearhead Trails and the Western Front Hotel, along with other outdoor recreation opportunities and visitor-based businesses. In addition to serving as an entertainment venue, the Theater will also contain much needed meeting space to accommodate large groups and conferences which cannot currently be accommodated elsewhere in Town. The Western Front Hotel, while providing an attractive lodging option for these groups, does not have the types of amenities or space to host these events. A portion of this request (\$184,000) will be used to purchase the partitions and walls needed to develop breakout rooms in the meeting facilities. The remainder of the request (\$205,600) will be used for Phase 2 renovation for mechanical, electrical and plumbing work. Phase 1, which focused on façade and structural repair and stabilization, is largely complete.



The phase cost approximately \$480,000 and was funded through grants from ARC (\$300K) and VCEDA (\$40,000) as well as Town contributions (\$90,000+), and VA Main Street funding. To meet the estimated \$1.2M Phase 2 cost, TRRC funds will be combined with an additional approved ARC grant (\$200K) and additional Town funding (\$100K). A \$600K IRF application is pending with DHCD and represents a large portion of the funding needed to complete this phase. The Town also plans to seek funding from various foundations (Dominion, Slemo, etc), USDA, local contributions, etc. to complete the project. Historic tax credits will also be used during Phase 3, which will complete interior furnishings, equipment and fixtures. Outcomes are estimated at 3,000 visitors per year resulting in \$56,000 in revenue from ticket sales. The project will create five jobs with average salaries of \$27,500. The requested amount, though larger than the Wytheville and Lebanon theater requests, is just over 10% of the overall project budget and is well-leveraged by substantial funding from other state and federal agencies. While outcomes are more modest than the Wytheville theater project, they seem appropriately sized to visitor amenities in St. Paul and consistent with those in the Lebanon theater project. Staff supports the focus of TRRC funds on the build-out of meeting space that is sorely lacking in St. Paul, and will enable growth of corporate and other business and group-related visitation.

**December 2019 update:** This project was tabled in October 2019 partly due to the uncertain status of the remainder of the funded needed to complete Phase 2 renovations. Since that time the project has received a \$400k IRF award. While this demonstrates additional funding committed for this phase of the project, it is less than the \$600k IRF application presented in the TRRC application. It is not clear what sources will be used to fully fund the remainder of the project.

**Financial Viability Assessment:** The Town has now secured \$700K toward the \$1.2M cost of phase two through commitments by ARC, DHCD and the Town. Commission approval of this request would bring committed funding for this phase to 87% of the estimated costs, with foundations being approached for the \$150K balance of the phase. Historic tax credits and private foundations are being targeted to complete the project in phase three. While there is some risk that phase three funding is not yet committed and could stall the project, to date the Town has commendably committed its own funds while aggressively pursuing all other appropriate sources for this type of project. Project completion is not ensured at this point, and may require additional requests to the Commission and other now-committed funders, but the significant commitments made by several funders to get the project to this point mitigate the risk that this project will be allowed to languish unfinished.

**Staff recommends a grant award of \$349,600 contingent on commitment of funds required to complete Phase 2 construction.**

## University of Virginia

### *UVa-Wise Southwest FOURSight (#3571)*

**Request revised to \$484,292**

**Executive Summary Provided by Applicant:** UVa-Wise proposes to build a Southwest Virginia-based teleworking workforce in cybersecurity and outfit it with technology and market access to become the first operation in the country to apply a new decentralized labor model to solve the national crisis in cybersecurity talent shortages. This model has the potential to reduce the risk of cybersecurity attacks, such as ransomware, that today are unchecked in many governments and smaller enterprises across the country. The College and its partner, FOUR18 Intelligence Corp., an



emerging Virginia cybersecurity company, will replicate FOUR18's pathfinder program already underway at Eastern Kentucky University to create a sustainable cyber workforce in Southwest Virginia, supplying it also with cutting edge collaborative cyber analysis technology to enable it to be first to market with this novel model and to grow it through national marketing partners including Amazon Web Services and federal agencies that have already performed pilots and requested new proposals.

**Staff Comments and Recommendation:** December 2019 update: This request, originally submitted for \$750K and increased to \$1,005,127.89 in subsequent budget documents received in August, was tabled at the October 2019 Committee meeting. Funds are requested for an 11 month project period that would support cybersecurity training and four-month internship experiences for an initial cohort of "non-technology" UVA-W students recruited from psychology, business and criminal justice majors. The larger objective is to establish a UVA-Wise program at Oxbow Center in St. Paul that would annually train 20-25 students for remote teleworking positions with federal contractors, communities and private businesses to search for and defend against cyber security attacks. The private sector project partner (FOUR18 Intelligence Corp.) is a cybersecurity company based in Northern Virginia which was identified based on its work in a current ARC-funded parallel effort in Eastern Kentucky and a project in South Louisiana focused on protecting small businesses from cyberattacks. The intended outcomes in the project period are to identify 25 participants in the pilot cohort and provide hybrid online/face-to-face training and work-based internships. Program completers will sit for the nationally-recognized CompTIA Security+ certification and be awarded a UVA-W 6-hour certificate. It is anticipated that the 12 highest performing students will then begin three-month apprenticeships with employers to be identified during the project, while the other 13 will begin entry-level IT jobs averaging \$40K annually. Since being tabled, Staff has been in frequent communication with UVA-W and FOUR18 to discuss changes to the project, in particular to the budget, to better align the objectives of the project with TRRC funding priorities and budgetary constraints. The latest budget was received in December 19th and reduces the requested amount to \$482,292 with slightly more than half of that amount (\$246K) to be used to contract with FOUR18 to deliver cyber training, candidate recruitment and apprentice job placement with local SWVA companies. Funds are also allocated for UVA-W personnel (\$63K), equipment (\$54K), supplies/materials (\$7K) and \$112K for tuition and student stipends, for a total of \$236K flowing to UVA-W. The stipends (\$30K) will provide financial support to the students while they are completing the apprenticeship program. Matching funds of \$482,292 will be provided by FOUR18 for contractual services (\$442,867) related to program development, program management, recruitment, licenses, etc. to be financed by Income Sharing Agreements (ISA), a unique educational financing tool available to students pursuing education in certain professions (generally those with above-average income potential). In an ISA scenario the "impact investor" enters into the Income Sharing Agreement with the student in exchange for a limited share of the individual's future income above a minimum threshold. The applicants state that sustainability will be accomplished through a variety of funding sources, including ISAs, Opportunity Zone investments, UVA-W tuition and reduced-cost licenses for UVA-W to use the FOUR18 platform, so that future annual cohorts will be added and led by UVA-W faculty.

**Financial Viability Assessment:** The reliance on ISAs is a new funding strategy that reportedly has been used successfully at Purdue University, and presents a new strategy that has not yet been tested in the Tobacco Region. The proposal would be strengthened by having an independent assessment of the results of the Kentucky and Louisiana programs that provide the models for this project. None the less, the project objective of standing up a new certificate-based program incorporating CompTIA certification as part of the cybersecurity training and apprenticeships are activities and



outcomes which better align with the funding priorities of the Competitive Education Program. Staff suggests that this proposal be referred to the Education Committee for consideration in Spring 2020.

**Staff recommends this request be referred to the Competitive Education program for consideration in Spring 2020.**



## AGENDA

### SPECIAL PROJECTS COMMITTEE

Monday, January 6, 2020  
2:30 P.M.

Call-in - 646-558-8656 / Access code: 601-082-667

Homewood Suites by Hilton  
700 East Main Street  
Richmond, VA

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<b>Welcome and Call to Order</b>	<i>The Honorable Daniel Marshall, Chairman</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Approval of the <u>6/6/19</u> Minutes</b>	<i>(published on website)</i>
<b>MegaSite Policy Discussion</b>	<i>Evan Feinman, Executive Director</i>
<b>FY20 New Project Proposals</b>	<i>Tim Pfohl, Grant Director</i>
<b>Tabled Proposals</b>	<i>Tim Pfohl, Grant Director</i>
<b>Out of Cycle Proposal</b>	<i>Tim Pfohl, Grant Director</i>
<b>Other Business</b> <b>Extension Requests</b>	<i>Tim Pfohl, Grant Director</i>
<b>Public Comments</b>	
<b>Adjournment</b>	



## FY20 Special Projects Summaries & Staff Recommendations

In October the Commission received 8 requests for FY2020 Special Projects funds under the application categories of Regional Economic Development and Access to Healthcare. Two additional proposals tabled in the FY19 round are also included herein. Those requests total \$5.5 million, and the Committee has an available balance of \$2,175,062. There are also six Other Business items regarding extensions requested for existing active grants.

Req #	Organization	Project Title	Requested Amount	Staff rec
<b><i>Regional Economic Development</i></b>				
3602	Blue Ridge Public Television, Inc.	Digital media content and delivery system Sights Sounds and Stories	\$460,000	\$0
3601	Town of Damascus	Appalachian Trail Center of Damascus	\$150,000	\$150,000
3597	Franklin County	Sewer Extension for Summit View Business Park	\$250,000	\$250,000
3610	Greensville County	MAMaC Utility Infrastructure	\$861,631	\$75,000
3589	Mecklenburg County	Expansion of the Civil Rights in Education Heritage Trail	\$70,000	\$70,000
3595	Southwest Virginia Higher Education Center Foundation	Virginia Rural Information Technology Apprenticeship Pilot Program	\$700,000	<b>Refer to Competitive Education</b>
3334	Southwest Virginia Workforce Development Board	SWVA Regional Certified Work Ready Communities Initiative	\$248,950	<b>Resubmit to Competitive Education</b>
3467	Edward Via Virginia College of Osteopathic Medicine	Railways to Healthways: Serving SWVA Health, Education and Economy	\$180,000	\$0
<i>Subtotal - Regional Economic Development</i>			<i>\$2,920,581</i>	<i>\$545,000</i>
<b><i>Access to Healthcare</i></b>				
3600	University of Virginia	Expanding Access to Cancer and Healthcare Services	\$427,346	\$0
3596	Virginia Commonwealth University	Implementing the Mobile Health Initiatives and Resources Experts (mHIRE) Program	\$2,151,642	\$0
<i>Subtotal - Access to Healthcare</i>			<i>\$2,578,988</i>	<i>\$0</i>

**Total (10 requests)**

**\$5,499,569**

**\$545,000**

## *Regional Economic Development*

### **Blue Ridge Public Television, Inc.**

#### ***Digital media content and delivery system Sights Sounds and Stories (#3602)***

**\$460,000 Requested**

**Executive Summary Provided by Applicant:** Sights, Sounds and Stories is an ongoing project designed to tell the positive stories of the underserved areas of southwest and southern Virginia. Our project gives dedicated journalists the opportunities to tell stories in a positive way that can be shared with the masses. It uses the platform of digital media allowing these communities to come together. We will create a new channel (on the YouTube platform) that gives a continuous program stream, much like a tv channel, to the VTRRC footprint. With a lead producer and 2 project producers we can generate over 150 segments a year creating an unprecedented 24-hour stream for the region. Addition equipment must be purchased. Once the channel is in place, we ask for content contributors from others in the region. These contributions will be facilitated by our lead producer and project journalists. Future opportunities will involve creating town hall meetings and open forums.

**Staff Comments and Recommendation:** This request seeks funding for three staff, equipment (\$94K), travel, \$150K for "online costs" to create edited video content of stories from the Tobacco Region on arts and culture, agriculture, education, politics and other topics, for posting online. Matching funds would come largely from the applicant (\$263K), a proposed \$150K ARC grant application, as well as a \$50K request to the Newman's Own Foundation. TRRC staff has advised the applicant in discussion prior to this submission, that the project does not align with our Strategic Plan Logic Models, since there are no direct measurable economic outcomes. As such, this was one of the two lowest scoring proposals in this application cycle.

**Financial Viability Assessment:** For this project to publish positive stories from the Tobacco Region, it is unclear what economic action the video content would lead viewers to take, or how many viewers would see this and act in some measurable economic manner such as visiting the region, or as the proposal suggests, starting a business in the region. Likewise, it is unclear how any resulting actions could that be tracked and attributed directly to this project. Sustainability beyond a period of grant funding is also unclear. Staff suggests the Committee should consider the "opportunity cost" of using \$460K in this way, and question whether this proposed project is consistent with Commission enabling legislation to revitalize the economy.

**Staff recommends no award.**

### **Town of Damascus**

#### ***Appalachian Trail Center of Damascus (#3601)***

**\$150,000 Requested**

**Executive Summary Provided by Applicant:** A region-wide outdoor recreation initiative was started in 2012 to promote community and economic development through outdoor recreation by developing outdoor assets, uniting them under a common brand, supporting downtown revitalization, and cross-promoting assets and their communities. This project seeks to leverage funds from the Tobacco Region Revitalization Commission, the Appalachian Regional Commission POWER Initiative, Virginia's CDBG program, and other local sources to take the next step in the development and enhancement of the natural assets within and surrounding the Town of Damascus. This project will allow completion of the Appalachian Trail Center of Damascus, a facility owned by



the Town and staffed/operated (by Agreement) by the ATC for a period of 20 years. This project is the centerpiece of the Town's overall revitalization and economic restructuring plan.

**Staff Comments and Recommendation:** The application requests additional funding to address larger than anticipated construction costs of the Appalachian Trail Center being developed in Damascus. The project's initial two bids both returned results of a minimum \$150k over the estimated construction budget of \$575,300. With the third round of bids due in early December, this application was submitted to request additional funding to address these cost overruns. During Staff's review of the proposal, through follow up conversations with the applicant, we learned that while the December bids came in on budget, the decreased estimates were based on the decision to cut approximately 30% of the Center's proposed square footage. The estimated 600 sq. ft. cut from the design were intended to house the ATC's training room as well as the exhibit room which would be used to highlight other AT communities in the region. Although the impact of the ATC will be largest in the immediate Damascus area, the Appalachian Trail runs through 5 TRRC localities (Washington, Smyth, Wythe, Grayson, and Bland) and attracts a national and international audience to the region. An estimated 20,000 visitors are expected annually, and the Center's exhibits will promote other surrounding AT communities to spread the impact across the region. The current application estimates a total development cost, including site acquisition and design as well as start up staffing and non-exhibit related equipment, of \$1,360,500. Additional funding has been committed by ARC (\$49,000 – A&E, site work, construction), ARC-POWER (\$530,500 - A&E, site work, construction, exhibits), and Tobacco Commission (\$150k awarded to Friends of SWVA in grant #3198 – construction). The Town of Damascus provided \$250k for site acquisition and will contribute \$85,000 for construction of the Trail Center. While the currently approved funding will allow construction of the ATC to move forward on a reduced scale, the applicant has asked that the current request be considered to allow the previously removed sections of the project to be re-bid to explore the potential of completing the project in its original form. The training room and exhibit space are considered critical areas that will generate much of the associated regional impact of the project.

**Financial Viability Assessment:** The premise of supporting visitor centers rests on the notion that these facilities promote local and regional destinations, and thereby extend the length of stay and spending by visitors. In this case, the AT Center in Damascus has committed to promoting multiple regional destinations, is a priority project of the regional Friends of Southwest Virginia marketing and destination development partnership, and further solidifies Damascus - once a town dependent on a single industrial employer that is now long gone - as a major AT stop that has earned its reputation as "Trail Town" and resulted in a surprising array of Trail-oriented private businesses including lodging and outfitters. The case for regional impact and support for the creation of this Center is endorsed by co-funders such as DHCD/ARC, meshes solidly with other TRRC-supported outdoor recreation tourism efforts in SWVA, and is strongly invested in by the Appalachian Trail Conservancy.

**Staff recommends award of \$150,000.**

## Franklin County

### *Sewer Extension for Summit View Business Park (#3597)*

**\$250,000 Requested**

**Executive Summary Provided by Applicant:** The Summit View Business Park (SVBP) is a premier business park for the Virginia Tobacco Region. It encompasses 550 acres and will one day be home to an estimated 15-20 new businesses, \$300 million in private investment, and create over 2,200 new jobs for the County and region. The park is hampered by the lack of sewer capacity to



handle new businesses moving into the park. The park is currently served by a small sewer package plant that has a total daily capacity of 20,000 gallons per day (GPD), of which 10,000 is or will soon be taken leaving 10,000 GPD available. The proposal will extend sewer service down U.S. Route 220 to the outskirts of the town of Rocky Mount and tie into the Town's much larger sewer treatment system. This extension will increase the daily GPD capacity to 115,000 GPD thus allowing further development within the park.

**Staff Comments and Recommendation:** This project is to address obvious wastewater treatment capacity limitations necessary for attracting additional new companies to Franklin County's 550-acre Summit View Business Park, with \$250,000 requested to support the \$845,900 estimated project cost. The existing package treatment plant serving the SVBP has a capacity of 20,000 GPD, of which 10,000 GPD is committed for two recently announced companies, leaving a 10,000 GPD reserve. The County is working with a third prospect, a food and beverage company, which has sewer requirements estimated at 20,000 GPD that exceed the available capacity of the current system. The County - in partnership with the Western Virginia Water Service Authority - plans to tie into the Town of Rocky Mount's larger sewer treatment system with a 7,100 linear foot 8-inch sewer force main extension, increasing sewer capacity to 115,000 gallons per day at SVBP, and longer term plans are for an additional extension (if needed) that could increase wastewater capacity for SVBP to 400,000 GPD. WVWA provided a \$3.4 million preliminary engineering estimate from 2016 for the US 220 commercial corridor (with the majority of this work having now been completed) and the remaining force main segment requested for TRRC support estimated to cost \$845,900. Recognizing that the route is along the busy US 220 corridor, and to address cash flow revenue questions raised by staff, WVWA confirmed that no customers outside the SVBP will be required to connect, noting that for system engineering purposes the Authority does not typically allow individual property connections to major pressurized force mains. Previous investments by TRRC in SVBP total \$1,319,649 under three grants (two from SSED and one SP); and Franklin County's local investments in SVBP are estimated at \$35 million. This project is eligible for Special Projects funding consideration based on the balance in the County's allocation under the SSED program being insufficient to cover the requested funding need. The Commission has provided a TROF estimate for Project Kingston - which would be SVBP's third committed occupant - of a \$245,000 grant and \$245,000 loan incentive, based on economic outcomes projected at 56 new jobs with average salary/wage of \$50,281, and private capital investment of \$30.58 million.

**Financial Viability Assessment:** The subsequently-provided information has affirmed the primary focus of this project is for addressing wastewater capacity needs for new companies locating to SVBP - a core TRRC program objective - with little obvious new cash flow that would support a recommendation for loan financing, and any additional future sewer revenues being speculative at this time. Franklin County's own investments in SVBP are visionary, well-leveraged and thoroughly validated by the recent private investments by Stik-Pak Solutions and ValleyStar Credit Union, with substantial potential future returns on those public investments through prospects that are both current and can be anticipated with the additional site and infrastructure development provided by this and previous TRRC grants in site grading, broadband and utility infrastructure.

**Staff recommends award of \$250,000.**



**Greensville County**  
***MAMaC Utility infrastructure (#3610)***  
**\$861,631 Requested**

**Executive Summary Provided by Applicant:** Greensville County in partnership with Mecklenburg County and the City of Emporia, have taken great strides in preparing MAMaC for an MEI client. Two infrastructure projects have been designed and bid to shorten the time frame to operation for a client. Both project bids, a road and sewer extension, came in over the preliminary estimates. The County is requesting \$449,840 to complete Otterdam Road, phase II. The County also requests \$336,791 to complete the sewer extension from where it connects to Otterdam road to the site. In addition to the utility construction, the County is preparing to engineer a natural gas extension that will serve MAMaC as well as several other industrial sites. The County is requesting \$75,000 for 1/2 of the engineering cost.

**Staff Comments and Recommendation:** This request primarily serves the TRRC-funded MAMaC megasite, which is a regional partnership with Emporia and Mecklenburg. TRRC grants to create MAMaC have totaled \$25.9 million. Funds requested herein would fill cost overruns for bids received on Otterdam Road phase 2 widening (\$450K) and a sewer extension (\$337K). Those projects are primarily funded by VDOT (\$1.48M) and GoVirginia (\$2.19M) respectively. Greensville is also contributing more than \$786K to those two projects, and an active 2015 TRRC Megasite grant (903K) is assisting the road improvement. The proposal has been revised to request an additional \$75K (matched equally by the County) to allow Columbia Gas to begin engineering of a gas line to serve both MAMaC and the County industrial park, where a current prospect requires natural gas service. While Staff acknowledges the cost overruns for the road and sewer bids received, which could potentially be funded from the current available Megasite Program balance of \$2.99M, it is suggested that those limited funds to further advance the readiness of the nine sites funded by the Megasite Program should be reserved for a Spring 2020 open competition, based on remaining development needs at the nine Megasites. The County has indicated in this proposal that a Spring Megasite funding cycle might result in a shifting of the local priority to natural gas line construction, which is estimated as a \$21M project. Staff does, however, support a Special Projects award at this time of \$75,000 sought in this request to support 50% of the \$150K cost to begin engineering the natural gas line. This engineering is estimated to have a 6-8 month timeline, which would greatly shorten the time to deliver gas services to MAMaC and the current County industrial park prospect.

**Financial Viability Assessment:** MAMaC, as well as other TRRC region megasites, have been a funding priority for the Commission for a decade, and MAMaC in particular has been a finalist for at least two transformational OEM prospects. It is not known at this time if a future MAMaC prospect would require a multi-million dollar natural gas line, but making this small investment in gas line engineering is a low risk and potentially critically important step in shortening the timeline to deliver gas service should it eventually be needed.

**Staff recommends award of \$75,000.**

**Mecklenburg County**  
***Expansion of the Civil Rights in Education Heritage Trail (#3589)***  
**\$70,000 Requested**

**Executive Summary Provided by Applicant:** In 2004, The Civil Rights in Education Heritage Trail®, (CRIEHT), a self-guided driving tour of 41 important Civil Rights in Education sites, was developed and installed throughout Central and Southern Virginia. A few years ago, Virginia's Crossroads sought to expand the trail, adding 12 new sites to the existing trail. The funding



requested in this grant application, matched by Virginia's Crossroads, will be used to complete the following:

1. Add 12 new CRIEHT locations to the existing 41 sites.
2. Complete the design portion of the graphic panel inserts to reflect the newly designed map and trail listing for continuity with the existing 41 locations (see Project Location Map).
3. Refurbish the existing 41 pedestals with some paint, polish and new parts, as required. Said parts will include replacing some pedestal parts, or even entire pedestals.
4. Make every existing site ADA compliant.
5. Install new wayfinding signs.

**Staff Comments and Recommendation:** This request is to support 50% of the \$140,000 estimated costs for a priority project of the regional tourism marketing alliance, Virginia Crossroads (previously known as Virginia's Retreat), for expansion of the Civil Rights in Education Heritage Trail. Virginia Crossroads is recognized as a long-standing regional collaboration receiving annual operating support contributions, and serving fourteen tobacco region counties. With this project, the 41 existing sites that are part of the CRIEHT driving tour, would be expanded with 12 new sites bringing the total to 53 sites, the majority being in the tobacco region. A list of the new site locations was provided. (Costs associate with a site in Petersburg will be covered from Match.) Grant and matching funds would be used to support costs to finish design work on graphic panel inserts, costs for new site markers and fabrication of graphic panels and wayfinding signs, new graphic panel inserts for existing sites to tie the entire trail together, and updates to existing sites including addressing ADA compliance issues. Content for the new pedestals has already been developed and is ready to use in completion of the graphic panel designs and revised route maps and marketing materials. The CRIEHT is being promoted through brochures available at all Virginia Tourism Welcome Centers and in county visitor centers; and on the Virginia Crossroads website, currently being updated to provide more emphasis on the opportunities for visitors to travel this driving trail while in the region. Limited information is available for assessing the economic impact of the trail, despite it being a keystone of the marketing efforts of this regional tourism organization. Recognizing the limited economic impact data specifically for this driving trail, staff inquired about consideration to contracting for a modestly-priced, economic impact study with survey data collection mechanism to get a current understanding of visitors to the trail. This suggestion was received favorably. A revised detailed budget was provided for the \$140,000 estimated project costs, correcting two errors identified during the review process, and allocating ~ \$13,500 toward the economic impact study.

**Financial Viability Assessment:** With the CRIEHT trail including the Robert Russa Moton Museum, a national landmark and part of the U.S. Civil Rights Trail, this project meets the Commission's criteria for supporting nationally-recognized tourism destination. The CRIEHT receives funding support from fourteen tobacco region localities meeting the Special Projects program criteria for regional participation and governance. The major aspect of this long-standing regional tourism partnership that is lacking – periodic economic impact assessment – will be addressed by the impact study that is a condition of this grant.

**Staff recommends award of \$70,000 including support for the economic impact study to be completed as a condition of this grant.**



**Southwest Virginia Higher Education Center Foundation**  
***Virginia Rural Information Technology Apprenticeship Pilot Program (#3595)***  
**\$700,000 Requested**

**Executive Summary Provided by Applicant:** In 2019, the General Assembly of Virginia established the Virginia Rural Information Technology Apprenticeship Grant Program for the purpose of awarding grants on a competitive basis to small, rural information technology businesses to establish apprenticeship programs. The Southwest Virginia Higher Education Foundation is seeking an award to fund the proof of concept for the program to be overseen by the Southwest Virginia Higher Education Center in collaboration with the Chief Workforce Development Officer of the Commonwealth of Virginia as stated in the Code of Virginia. The funds will support the first round of competitive apprenticeships for the identified tobacco region localities of Bland, Buchanan, Carroll, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise and Wythe and the Cities of Bristol, Danville, Galax, Martinsville, and Norton. Guidelines and policies for the program will follow the criteria set in place by the Center and approved by the Chief Workforce Development Officer.

**Staff Comments and Recommendation:** The application requests funding to initiate a pilot for paying entry level salaries for the first cohort of 12 IT apprentices, to be employed and mentored by small rural IT businesses and supported for an 18 month period. The General Assembly and Governor approved the Rural IT Apprenticeship Grant Fund in the 2019 session under Code of Virginia 23.1-3129.1. However, no state funding was approved in 2019 to initiate the program, which per Code is to be administered by SWHEC and available on a competitive basis to IT employers in Southwest (except Floyd), the Southside cities of Danville and Martinsville and four Western Virginia counties outside the Commission footprint. Commission funds would be used in a cost-share approach as an initial pilot (in lieu of state funding) to reimburse participating employers for 70% of the proposed \$58,333 annual salary and benefits for the apprentices. Matching funds will be provided by the participating employers who will contribute \$300k for the apprentice salaries and benefits and \$270k representing the salary and benefits for the mentoring employees. The participating mentor organizations will also contribute computers and other equipment valued at \$30k. The program requires that the apprentice maintain full time employment for an additional 18 months after the apprenticeship period had ended. The HEC will contribute \$70k representing a portion of the salary and benefits for the Grant Program Director (\$60k) and Executive Director (\$5k) for the time spent working on the project as well as rent and administrative expenses (\$5k). This contribution should be reclassified as in-kind match since these are well established positions at the HEC. Additionally, \$30k will be provided by the applicant for apprentice salary and benefits. The details of this cost-sharing arrangement, including commitments from both the employer and apprentice beyond the 36 month period, were not provided in the application which states that final policies and procedures are being developed with assistance from the Commonwealth's Chief Workforce Development Officer. These details should be provided prior to funding approval. Similarly, prior to any Commission funding being considered, reconsideration of state appropriation funding should be allowed to play out in the 2020 General Assembly budget deliberations. The proposed 70% reimbursement seems extremely generous compared to other TRRC supported cost share programs which are often at 33% reimbursement. Staff suggests that a 50/50 cost share may be more appropriate, but that the request either be tabled until after the 2020 session, and/or alternatively referred to the Education Committee for consideration in May during the FY20 Competitive Education cycle.

**Financial Viability Assessment:** This request seeks a high level of funding per apprentice (\$58K each) for just 12 positions, and could be viewed by the General Assembly as a message that the Commission is willing to be the primary funder of the program in future years, (including



apprentices in non-TRRC counties), which would be a costly and ultimately unsustainable drain on future Commission budgets.

Staff recommends the project be referred to Competitive Education, pending the outcome of the state biennium budget adopted in the 2020 session.

**Southwest Virginia Workforce Development Board**  
***Southwest Virginia Regional Certified Work Ready Communities Initiative***  
**(#3334)**

~~\$377,025 Requested~~ – Reduced to \$114,620

**Executive Summary Provided by Applicant:** The 17 jurisdictions in Workforce Development Areas I and II, in partnership with local governments, regional economic development agencies, school divisions, higher education, and employers, will become ACT Certified Work Ready Communities (CWRC) for purposes of economic development and for quantifying and verifying work readiness skills that employers require for job placement and advancement. This includes using the National Career Readiness Certificate (NCRC) as a competency-based, industry-recognized, third-party validated, portable and stackable certification that validates work readiness skills in: applied mathematics, locating information, and reading for information. It will be administered to high school seniors in addition to Workforce Innovation and Opportunity Act (WIOA) participants, college students and other job seekers, and incumbent workers. Economic developers will use it as a recruitment tool per Site Selection Magazine. Employers will use job profiling for high-need positions as a means to match job-specific requirements to requisite skill attainment levels.

**Staff Comments and Recommendation:** FY2020 Update (December 2019): This request to promote the National Career Readiness Certificate (NCRC) across 21 region localities was submitted to the Special Projects Committee in FY18 but was tabled each of the past two years. This effort will result in their recognition as ACT Certified Work Ready Communities (CWRC). It is modeled on a similar initiative in Southern VA that was funded by the TRRC Education Committee, and to date has resulted in national certification of several SoVa localities as Work Ready Communities. It was originally submitted to cover two workforce development board regions (Areas One and Two, serving 17 TRRC region localities in SWVA). The updated request, received in December 2019, seeks funding to support only the Area 2 service area (Mount Rogers and New River) serving nine TRRC localities and four non-TRRC localities (NRMWRDB also seeks to be the grantee/fiscal agent instead of the original applicant organization for Area One). The requested amount has been accordingly reduced to \$114,620. Those funds would be used for a small percentage (5-10%) of time for four current staff members (\$31K requested) and for \$83K of various projects costs including WorkKeys NCRC test fees for 1,500+ Tobacco Region residents (\$54K), as well as software license fees for training and job profiling, travel, outreach, supplies and other related expenses. While some progress has been made over the past two years to promote NCRC testing across the region, there remains a substantial need for assistance to see the effort through to a successful completion. The Area 2 (New River/Mount Rogers) Workforce Development Board will contribute \$117,738 in matching funds however a large portion of this (\$61,742) is for expenses associated with testing expenses for the 4 localities in their service area that are not in the TRRC region. Staff does not feel that these expenses are appropriate match for this project. The remainder of the match is proposed for existing salaries, use of computers, rent, etc. Approximately \$24,000 of match is allocated for testing fees and proctoring. Staff feels that this project would be better suited to the Competitive Education Program where similar projects, such as the one implemented in Southern VA were funded. A referral to the Education Committee would provide the additional benefit of allowing



additional time for Staff to work with the applicant to identify more suitable match and to continue to refine the budget.

**Financial Viability Assessment:** This regional project, while reduced to one workforce region, has been successfully initiated by the WDBs and localities without the benefit of TRRC funding, which is a testament to the regional collaboration and desire to have communities certified as Work Ready. The NCRC is a known economic development recruitment tool and this regional effort will ensure that SWVA does not fall behind levels achieved in other parts of the state, including Southern VA. If the intended outcomes of more than 1,500 NCRC-certified residents is achieved, this could potentially be one of the most cost-effective investments the Commission could make. Assistance from the Commission could ramp up efforts and address funding shortfalls that have been identified in the initial project period, however the flaws mentioned above regarding matching funds is a significant weakness of the proposal in its current state, and should be addressed in a new follow-up request in the name of the NRMWDB to the Commission's Competitive Education program in Spring 2020. Having originally been submitted by the Area One WDB two years ago, and revised multiple times since, a new current proposal to Education (as opposed to referring this one) would be much cleaner to comprehend and consider for assistance.

**Staff recommends this project be resubmitted as a new proposal – with revised applicant, budget and outcomes - in the Spring 2020 Competitive Education round.**

### **Edward Via Virginia College of Osteopathic Medicine**

#### ***Railways to Healthways; Serving Southwest Virginia's Health, Education and Economy (#3467)***

**\$180,000 Requested**

**Executive Summary Provided by Applicant:** “Railways to Healthways” legitimizes the common agenda of a grass roots effort initiated in May of 2016. Community and government leaders in the coal fields of Virginia approached regional educators to advance enrollment of students in local medical and health professional schools. The challenge was eagerly accepted. The existing partnership between Tazewell County Public School (TCPS) system and Southwest Virginia Community College (SWCC) and a new Master of Arts in Biomedical Sciences (MABS) degree program at Bluefield College will be offered on the VCOM-Virginia campus. Our initiative will advance the following goals: 1) strengthen the SWCC career coaching programs at public schools (Buchanan, Tazewell, Russell) to focus on health professions, 2) enhance student admission and graduation rates at local 4-year colleges 3) advance health business partnerships for offer youth opportunities and 4) most importantly, inspire area youth to see health professions as a reality; academically, financially and culturally.

**Staff Comments and Recommendation:** December 2019 update: This project was tabled in September 2018. TRRC Staff followed up with the applicant in anticipation of this meeting and spoke at length about the concerns with the project and possible solutions. During those discussions it became clear that the project as presented in 2018 continues to be the preferred direction. In a nearly identical budget to the original 2018 submission, TRRC funding of \$60,000 per year for 3 years will be used to support a VCOM faculty member (\$26,900) to serve as the Program Director tasked with coordinating efforts with partner schools as well as collecting and reporting data to measure program effectiveness. The budget continues to allocate \$24,600 to be used over three years to supplement current career coach positions at SwVCC and Bluefield College and expand the time they are able to spend with students. Currently career coaches do not necessarily focus on particular career paths and this funding would be used to support positions dedicated to healthcare



professions. These partnerships would allow students to be exposed to several healthcare career pathways that require varying levels of educational attainment. The remaining funds are budgeted for the development of program materials (\$8,000) and the Director's travel (\$500). The majority of matching funds continue to be allocations of time from several VCOM-based positions (percentages for faculty/staff contributions to the project).

**Financial Viability Assessment:** While the objectives of the project and the project leader's vision are commendable, this project results in neither healthcare services to residents nor academic credentials for students, so alignment with TRRC program metrics are lacking. Directing limited TRRC funds to career coaching is a long-term investment that lacks sustainability, with indirect outcomes that are difficult to reliably quantify. While there is little doubt that the demand for both healthcare services - and professionals to provide those services - will continue to rise far above the region's supply for each, a proposal such as the one presented here simply does not align with the Commission's stated performance measures outlined in the Strategic Plan, and would take a decade or more to see results from students completing healthcare education and returning to work in the region. Staff concedes there is value in raising awareness among K-12 students about career opportunities such as healthcare, and commends the project partners for working toward a 2+2+graduate post-secondary education pipeline, but remains focused on targeting the Commission's limited resources to projects that directly deliver healthcare service to residents (through the Special Projects Program), and supporting educational projects that directly award healthcare workforce credentials to students (through the Education Program).

Staff recommends no award.

## *Access to Healthcare*

### University of Virginia

#### *Expanding Access to Cancer and Healthcare Services (#3600)*

\$427,346 Requested

**Executive Summary Provided by Applicant:** Virginia's rural tobacco region continues to have high rates of colorectal and breast cancers, as well as poor access to other healthcare services. Residents in this region commonly face financial barriers, lack of insurance or transportation, and shortage of practicing providers as barriers to receiving needed care. To address this need, we propose to expand our cancer screening programs that includes mobile breast cancer screening and a comprehensive colorectal cancer program, and will implement two outreach programs that will promote cancer screening, Medicaid enrollment, and support for a health clinic to provide free medical services. These programs will help increase access to cancer prevention through screening, as well as access to needed procedures for those who otherwise may be forced to go without. Our screening programs have already proven to be life-saving services, and the medical services offered through outreach have already successfully provided needed services to thousands of patients.

**Staff Comments and Recommendation:** Since 2008 the Commission has provided approximately \$4.9M 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 2 active grants with a total balance of approximately \$765K. The current request seeks funding to continue to provide screenings for breast and colorectal cancer, both of which have been supported by previous Commission grants. In 2018 an award of \$266,562 was made to support these activities for one year. There has been no activity on this grant and the current proposal appears to request support in years 2 and 3, which were requested but not approved in the 2018 award. TRRC funds



are requested for general program support (\$102,049), colorectal screenings (\$186,658), and mobile mammography (\$32,639). The application requests \$6,000 for printing and marketing costs associated with VHCF screening and Medicaid enrollment referrals. Finally \$100,000 is requested to support the Health Wagon's Move Mountains Medical Mission Clinic (M7) which will replace the RAM clinic that operated in the region for many years providing dental, vision, and general medical treatment. Commission funds are requested for volunteer compensation, event staff, dental stipends, etc. No information was provided on how this event would be sustained beyond the initial three year period covered by this application. The application presents impressive outcome estimates for these activities. The mobile mammography van will serve 350 women (175 per year). Colorectal screenings (FIT test) will be provided for 1,500 tobacco region residents with 1,000 of these returned and processed resulting in 60 follow up colonoscopies. The M7 clinic will serve an estimated 3,600 patients over three years. UVA will contribute matching funds of \$427,451 primarily for program administration, mobile mammography, and the colorectal cancer expenses. No match was shown for the Medicaid enrollment or M7 activities. As in previous applications UVA has presented percentages of multiple existing positions, nearly all Charlottesville-based, in order to meet the match requirement. Of the \$427,451 match shown for the current application, over half (\$221,787) is from UVA-based leadership and program administration expenses related to management of the project. Many of these same positions have appeared in numerous UVA applications as far back as 2008.

**Financial Viability Assessment:** Despite the unquestioned commitment to providing much needed healthcare services to the TRRC region (in particular to the SW), and a clearly-detailed budget, activities and outcomes, there does not appear to have been an effort by UVA to assume any of the financial needs associated with providing these services which have received Commission support for over a decade. With these factors in mind, the majority of the match presented in this application would be better classified as "in-kind" and would exceed the limit for non-cash match. Much of this proposal would utilize TRRC funds in years two and three, as current active grants cover much of the year one activities. Given the sizable balances on the two current grants (\$765K) there does not appear to be great urgency to fund this plan for the next year, and year one activities could be accommodated with budget revisions to those current grants. Per Committee discussion at recent meetings, Staff has been directed to begin shifting the focus of Special Projects - Healthcare funding away from supporting the two cancer centers at UVA and VCU after a decade of support that assisted the centers due to state budget constraints at the start of the 2008 recession.

**Staff recommends no award.**

## Virginia Commonwealth University

### *Implementing the Mobile Health Initiatives and Resources Experts (mHIRE) Program (#3596)*

**\$2,151,642 Requested**

**Executive Summary Provided by Applicant:** Using a mobile health program called mHealth Initiatives and Resource Experts (mHIRE), we will provide health access opportunities to rural communities of the VA Tobacco Region. The purpose of mHIRE is to decrease the burden of cancer in Virginia by increasing access to health care. mHIRE will employ a mobile health unit to provide on-site access to cancer services in Danville, Farmville, and Brunswick County. We plan to use telemedicine to deliver health care services to rural residents in order to reduce or minimize challenges patients encounter (e.g., transportation). mHIRE will provide the following cancer-related services: 1) CRC screening; 2) oral cancer screening; 3) prostate cancer education and navigation to screening for high risk men; 4) human papillomavirus (HPV) vaccinations; 5) telemedicine to deliver



genetic counseling risk assessments; 6) telemedicine to deliver palliative care; 7) telemedicine to deliver tobacco cessation; and 8) patient navigation to appropriate cancer-related care and services.

**Staff Comments and Recommendation:** Massey Cancer Center at VCU has received nine TRRC grants for \$8.88M since 2008. This current request seeks 99% of available Special Projects balance that was published in the Program Guidelines. This specifically seeks \$1.22M for personnel including \$272K for Richmond-based faculty and staff, \$253K for contractual travel, conferences and 2 med professionals, \$151K for supplies/materials, \$256K for continuous rent and office costs for the two Tobacco Region Cancer Research and Resource Centers located in Danville and Lawrenceville, and \$267K for purchase of a mobile van. Funding by year breaks out to \$890K in year one, and \$630K in each of years two and three. All required matching funds are listed but not specified in any detail that would allow TRRC staff to know the source or uses (presumably, as in past grants, these are all Richmond-based costs). The proposal lists four initiatives, each requesting \$538K, for cancer screening/services, telehealth delivery, navigation to cancer care/services and tobacco cessation services. Cancer screening would be focused on colorectal, oral, prostate and HPV. Outcomes are listed as a total of 635 residents served, primarily through access to cancer screening and services (550) and patient navigation to cancer care/services (50). This current proposal states that in 2018, the CRRCs provided cancer-related services and information to 3,763 residents through a variety of events, and assisted 65 residents with navigation to cancer care services. **Financial Viability Assessment:** As stated in the FY19 Staff Report, after a decade of outreach and education through the two Centers, there is no definitive data provided to indicate that cancer detection and treatment rates have improved in the region. In grants over the past five years, the Commission has only supported staffing and operating expenses for the two Tobacco Region CRRCs for a one-year continuation period (an average of \$533K/year), with the admonition that matching funds in future requests should be secured to fund half of the Centers. To date, and as reflected in this proposal, Massey has resisted funding any portion of TRRC region costs, relying 100% on TRRC support to staff and operate those Centers. In this same timeframe, Massey's FY18 "Philanthropic Review" annual donor report cites \$10.5M of philanthropic giving, \$12.5M of state appropriations and \$33.4M of research grant funding. MCC now seeks to continue Commission support of the Centers over an additional three-year period, while also seeking additional Richmond-based expenses, which have been relegated to the matching fund categories in the most recent grants. Given the Committee's discussion and direction at its two most recent meetings regarding phasing out support of the two Virginia cancer centers (which was initiated as a response to the 2008 recession) and in light of the current budget surplus, as well as Massey's failure to secure adequate matching funds to sustain the Centers and reduce the need for Commission support, Staff feels it would be contrary to the Committee's direction to recommend continuation of funding for even one additional year.

**Staff recommends no award.**

## **OTHER BUSINESS**

### **Danville-Pittsylvania Regional Industrial Facilities Authority**

#### ***Berry Hill Mega Park (#2264)***

#### **Request for Extension to January 11, 2022**

**Staff Overview & Comments:** This \$2.7 million grant from the Megasite program was approved in January 2011, to support design and engineering and ROW acquisition for utilities and road infrastructure including new electrical transmission lines and substations, nature gas, and a new



connector road from US 58. The entire Megasite project development was delayed for several years as the localities and their engineers worked through permitting issues. In September 2019, the Commission approved a fourth extension on the grant providing a 9<sup>th</sup> year extension to January 2020. This approval also provided for a revised project budget to support \$2 million for engineering and environmental studies (NEPA) and right-of-way acquisition for the US 311 Connector Road; and \$1.7 million toward engineering, environmental studies and ROW for the planned 138K AEP electric transmission line with breaker/substation. The RIFA received notification in June 2019, that the Commonwealth Transportation Board approved \$33 million in funding through the Hwy. 58 Corridor Development Fund for the road design and construction. The RIFA also reports that AEP has selected the preferred route for the electric utility infrastructure and is negotiating ROW acquisition with property owners; with initial engineering and design work completed. The RIFA is requesting an additional two year extension to January 11, 2022, or order to complete the final elements of the agreed upon scope and deliverables for infrastructure serving Berry Hill.

**Staff recommends approval of an extension to January 11, 2022.**

### **Liberty University**

#### ***Center for Medical and Health Sciences Phase II (#2590)***

#### **Request for Six Month Extension to July 8, 2020**

**Staff Overview & Comments:** This \$8.5 million grant was approved in September 2012 to support 50% of equipping costs for Liberty's new medical school. Recognizing the substantial time involved in startup of a new medical school, in January 2019, the Commission approved an extension through January 8, 2020, to support identified equipping costs for the remaining \$2.5 million in grant funds. Following this approval, grants staff asserted the Commission interests in TRRC funds being used for the Simulation and Skills Lab and Anatomy Lab equipment, with Liberty's matching funds to be used for Research Lab and Furnishing expenses. There remains a balance of \$704,015.33 on the TRRC project account, and Liberty has identified \$533,000 of eligible expenditures from July to mid-December for equipment purchases already received by the University, to be submitted for reimbursement. In early December, Liberty reported to staff that equipment deliveries for contracts entered into in February 2019, with Von Hagens Plastination, for plastination models budgeted to TRRC funds for the Anatomy Lab would be delayed. The plastination models are made to order from actual human body parts, requiring 12 months from order to completion. Based on the February 2019 order date, and recognizing that they are being shipped from Germany, these items are not expected to arrive at LUCOM for acceptance and final payment until ~ April 2020. All other equipment purchases supported by TRRC grant funds are on schedule to be completed by the current end date of January 8, 2020. From Liberty's matching funds, the \$1.7 million 3D printer for the Research Lab is under contract with a Sweden-based manufacturing company and is to be delivered in spring 2020. This purchase will complete Liberty's required match obligations under the grant. Liberty is requesting a six month extension to July 8, 2020, to allow sufficient time for these final equipment orders to be fulfilled and paid.

**Staff recommends approval of a six month extension of July 8, 2020.**



**Greensville County**  
***Mid Atlantic Advanced Manufacturing Center (#3010)***  
**Request for 6<sup>th</sup> year Extension to May 21, 2021**

**Staff Overview & Comments:** This \$1,480,320 grant was approved in May 2015 to support acquisition of electric utility ROW and construction costs for Phase 2 Otterdam Road Extension. The county initially requested a budget revision for a portion of the grant to be used for Phase 1 Otterdam Road cost overruns, and later a revision to reallocate \$160,000 for an increase to the engineering/project management cost. There remains a balance of \$841,949.72 on the TRRC project account to support the Phase 2 road construction. In June 2019, the Commission approved a fifth year extension to May 21, 2020, at which time engineering was reported to be 99% complete and the project was to be bid in the following months. In September, staff received a sixth extension request to extend the grant for a sixth year to May 21, 2021. The delays were identified as being related to problems obtaining right-of-ways on lands that were within restrictions of a conservation easement. The project was bid again and the County plans to initiate the construction contract in late December, with construction expected to take nine months. The County is requesting a full additional year extension to allow for any further unanticipated delays related to the weather.

**Staff recommends approval of a 6<sup>th</sup> year extension to May 21, 2021.**

**Danville-Pittsylvania Regional Industrial Facility Authority**  
***Water System Improvements Phase II (Virginia System) (#3011)***  
**Request for 7<sup>th</sup> year Extension to May 21, 2022**

**Staff Overview & Comments:** This \$2,241,567 grant was approved in May 2015 to support Phase II waterline construction and related costs to bring water from the North Carolina line into the Berry Hill Megasite. This included construction of 10,465 linear feet of 20" waterline and appurtenances extended along VA SR 863. The Commission approved a 5<sup>th</sup> year extension in January 2019, at which time the RIFA reported that design, permitting, and bidding had been completed with construction activities scheduled to start in early 2019. The current project end date is March 1, 2020, with the full balance remaining on the TRRC project account. The RIFA reports that the contractor has been installing the new waterline since July 2019, having accrued \$715,122 of expenses eligible for TRRC reimbursement. The waterline construction was halted with a decision by the RIFA to relocate the waterline segment within the park. This change was determined to be necessary due to facility layout and infrastructure location needs of several active prospects. Dewberry & Davis is in the process of redesigning the waterline, and will then pursue required permitting approvals. Construction of the remaining waterline extension is expected to be complete within two years. The RIFA is requesting approval of a 7<sup>th</sup> year extension to May 21, 2022.

**Staff recommends approval of a 7<sup>th</sup> year extension to May 21, 2022.**

**Mid-Atlantic Broadband Communities Corporation**  
***Dynamic Spectrum Wireless Broadband Access for Southern VA: Phase 1 (#3088)***  
**Request for 5th Year Extension to September 23, 2020**

**Staff Overview & Comments:** This \$300,000 grant was approved in September 2015, to support construction of six towers and related capital costs for the TV White Space initiative also supported by Microsoft and in partnership with the equipment provider Adaptrum. One of the tower locations



serving the Virgilina community in Halifax County had to be relocated due to bedrock issues at the original location. Tower construction at the new location has been delayed and MBC is again requesting additional time for this work to be completed. MBC reported that the experimental network has produced mixed results for users served by a total of thirteen (13) tower sites, and has worked to troubleshoot performance issues related to the base stations and customer premise equipment. Adaptrum took over operation of the network in July 2018 and will continue to operate the network through June 2020. While enrollment in the TVWS project were curtailed in 2018, the tower site in Virgilina is still identified as a priority by MBC for deployment of wireless broadband services in this unserved area of Halifax County. There remains a balance of \$86,597.57 on the TRRC project account, of which \$25,000 is estimated to be drawn down for this last tower. Construction of the tower is expected to be completed in early 2020, and MBC is requesting a full 5<sup>th</sup> year extension to accommodate any unanticipated weather related delays.

**Staff recommends approval of a 5<sup>th</sup> year extension to September 23, 2020.**

**A.L. Philpott Manufacturing Extension Partnership  
*TRRC Trade Adjustment Assistance Program (TAAP) (#3097)*  
Request for 5<sup>th</sup> year extension**

**Staff Overview & Comments:** This grant, which was approved for \$300,000 in September 2015 (current balance of \$227,439) seeks a fifth year extension, through September 30, 2020 to allow completion of the work that is being performed with TRRC region based manufacturers. This project reached its expiration date on September 23, 2019 but was granted a grace period by the Executive Directory in order to continue work on the project until a formal extension could be presented to this committee for approval. Since that time one of the outstanding contracts has been completed however the Grant Report states that one additional client remains in the pipeline. It is not known if additional clients will be recruited during the fifth year of the grant. This grant has operated on a cost share basis to cover one half of the company's cost to participate in the program. The remainder of the cost is paid utilizing federal funding through the Trade Adjustment Act that is managed by the Mid-Atlantic Trade Adjustment Assistance Corporation (MATAAC). Through this program, Genedge worked to provide support to companies address operations that have resulted from foreign trade inequities.

**Staff recommends an extension through September 20, 2020.**





## AGENDA

### TROF COMMITTEE

Tuesday, January 7, 2020  
9:30 A.M.

Call-in - 646-558-8656 / Access code: 601-082-667

Homewood Suites by Hilton  
700 East Main Street  
Richmond, VA

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<b>Welcome and Call to Order</b>	<i>The Honorable Terry Kilgore, Chair</i>
<b>Call of the Roll</b>	<i>Evan Feinman, Executive Director</i>
<b>Approval of the <u>10/9/19</u> Minutes</b>	<i>(published on website)</i>
<b>TROF Formula Discussion</b>	<i>Evan Feinman, Executive Director</i>
<b>Project Red Update</b>	<i>Evan Feinman, Executive Director</i>
<b>Other Business</b>	<i>Andrew Sorrell, Deputy Director</i>
✓ <b>Project Extension</b>	
✓ <b>Estimate Appeal</b>	
<b>Public Comments</b>	
<b>Adjournment</b>	





City of Danville  
Office of Economic Development

TROF Estimate  
Appeal.

December 16, 2019

Mr. Andy Sorrell  
Virginia Tobacco Region Revitalization Commission  
Via electronic mail

Dear Andy:

The purpose of this letter is to request the placement of an agenda item on the TROF Executive Committee meeting on January 7<sup>th</sup> in Richmond. eBio Nutritional Sciences LLC is moving from its research and development status into a full-scale commercial operation in Cane Creek Centre, an industrial park owned by the Danville-Pittsylvania County Regional Industrial Facilities Authority. This business is one that has been nurtured effectively with two Research and Development grants from the VTRRC, and we are extremely grateful for the support that the Commission has provided in developing the technology. An R&D Grant(s) that enables the business entity to commit to a major commercial manufacturing facility with an anticipated annual sales volume forecasted conservatively to be in excess of \$25 million meets our definition of success.

The project, as we are trying to commercialize it, needs approximately \$750,000 to ensure a successful startup and establishment of positive cash flow operations. The business will employ an anticipated 61 persons, and the weighted average annual wage will be slightly in excess of \$63,000. We expect eBNS to make taxable capital investments totaling approximately \$4.5 million. For the Danville/Pittsylvania County region, the average annual wage of \$63,000 will be a significant contributor to our strategy of building the percentage of middle-class income households in our jurisdictions. Furthermore, this business will expand the locality's strategy of becoming a major play in advanced technology to manufacture nutraceuticals and fortified food products.

eBio Nutritional Sciences incorporates technology that has the potential to be used internationally across a broad spectrum of food and pharmaceutical manufacturing operations. The opportunity for both the Commission and the local jurisdictions to be recognized widely for a novel manufacturing method to enhance the efficacy of flavorants, pharmaceuticals and chronic treatment therapeutics is one that we think should be supported as fully as possible by both the localities and the Commonwealth.

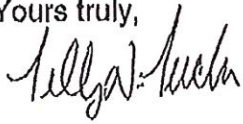
December 16, 2019

Mr. Andy Sorrell

Please notify us as soon as possible the response to this request for a meeting.

Thank you and my very best wishes for a merry Christmas and a successful healthy, and happy 2020.

Yours truly,



Telly D. Tucker, CEcD  
Director



# TROF Awards FY 2016 - FY 2020 to date

Project #	Date Approved	Organization	Project Title	Jobs Promised	Capital Investment Promised	Approved Grant Amount	Approved Loan Amount	Total Approved Amount
3612	12/09/2019	Pittsylvania County	Just Greens, LLC	92	\$41,836,000	\$190,000	\$0	\$190,000
3609	11/25/2019	Cumberland County	Confidential (not announced)	52	\$31,650,000	\$65,000	\$65,000	\$130,000
3608	10/25/2019	Pittsylvania County	Morgan Olson LLC	703	\$57,840,000	\$1,195,000	\$0	\$1,195,000
3585	11/25/2019	Mecklenburg County	Confidential (not announced)	479	\$10,550,000	\$1,170,000	\$0	\$1,170,000
3583	09/12/2019	Danville, City of	PRA Group Inc.	300	\$10,858,219	\$1,095,000	\$1,095,000	\$2,190,000
3556	08/06/2019	Danville-Pittsylvania Regional Industrial Facility Authority	Confidential (not announced)	45	\$6,445,000	\$270,000	\$270,000	\$540,000
	FY 2020 (to date)	# of Projects	6	1,671	\$159,179,219	\$3,985,000	\$1,430,000	\$5,415,000
3550	05/22/2019	Danville, City of	Lighthouse Inc.	160	\$40,240,000	\$340,000	\$220,000	\$560,000
3549	05/24/2019	Danville-Pittsylvania Regional Industrial Facility Authority	Geferrec, LLC	8	\$1,900,000	\$45,000	\$0	\$45,000
3546	04/30/2019	Galax, City of	MOOG Inc.	10	\$3,500,000	\$20,000	\$20,000	\$40,000
3545	04/30/2019	Carroll County	Blue Ridge Designs, LLC	35	\$950,000	\$50,000	\$50,000	\$100,000
3544	04/30/2019	Joint IDA of Wythe County, VA	Confidential (not announced)	5	\$270,000	\$15,000	\$15,000	\$30,000
3507	06/06/2019	Ernie McFaddin	Polycap LLC	44	\$7,900,000	\$140,000	\$140,000	\$280,000
3506	02/12/2019	Smyth County Board of Supervisors	Scholle IPN Packaging, Inc.	42	\$10,290,000	\$195,000	\$0	\$195,000
3502	12/12/2018	Franklin County	McAivalds, Inc	25	\$7,800,000	\$60,000	\$60,000	\$120,000
3501	12/12/2018	Danville, City of	Essel Propack	45	\$31,197,395	\$330,000	\$330,000	\$660,000
3485	11/01/2018	Smyth County Board of Supervisors	Smyth County Machine and Fabrication LLC	53	\$4,000,000	\$200,000	\$0	\$200,000
3484	10/15/2018	Danville-Pittsylvania Regional Industrial Facility Authority	BGF Industries, Inc.	65	\$7,000,000	\$620,000	\$620,000	\$1,240,000
3483	10/15/2018	Prince Edward County	Yak Attack	50	\$650,000	\$110,000	\$0	\$110,000
3482	10/15/2018	Danville-Pittsylvania Regional Industrial Facility Authority	Harlow Fastech LLC	49	\$8,000,000	\$315,000	\$630,000	\$945,000
3481	10/09/2018	Franklin County	Empire Bakery Commissary	75	\$10,400,000	\$140,000	\$140,000	\$280,000
3479	10/09/2018	Charlotte County Industrial Development Authority	Cardinal Homes	200	\$2,550,000	\$370,000	\$370,000	\$740,000
3476	10/09/2018	Danville, City of	VitalPlan Inc	26	\$218,004	\$70,000	\$70,000	\$140,000
3456	07/25/2018	Henry County IDA	Press Glass, Inc.	212	\$43,550,000	\$935,000	\$0	\$935,000
3455	07/25/2018	Halifax County IDA	Aquatic	70	\$500,000	\$125,000	\$0	\$125,000
3452	07/17/2018	Smyth-Washington Regional Industrial Facilities Authority (SM/WIFA)	Speyside Bourbon Coopersage, Inc.	35	\$9,000,000	\$95,000	\$0	\$95,000
3451	07/17/2018	Smyth County Board of Supervisors	Speyside Bourbon Coopersage, Inc.	125	\$26,000,000	\$415,000	\$0	\$415,000
	FY 2019	# of Projects	20	1,334	\$215,915,399	\$4,490,000	\$2,665,000	\$7,155,000
	FY 2018	# of Projects	28	1,035	\$126,009,797	\$3,640,000	\$642,500	\$4,282,500
	FY 2017	# of Projects	20	715	\$143,288,700	\$3,170,000	\$997,500	\$4,167,500
	FY 2016	# of Projects	25	2,056	\$841,383,750	\$10,173,000	\$0	\$10,173,000

# ADMINISTRATIVE



## Tobacco Region Revitalization Commission

Financial Summary  
As of October 31, 2019

TICR Fund Balance	\$ 205,218,823
Restricted Endowment Balance	\$ 75,976,441
Unrestricted Endowment Balance	\$ 122,819,816
Restricted Endowment Accum Interest	\$ 3,155,455
Unrestricted Endowment Accum Interest	\$ 4,840,326
<b>Total Cash &amp; Investments</b>	<b>\$ 412,010,860</b>

Cash Disbursements - this month	\$ 1,140,029
Cash Disbursements - FYTD	\$ 8,303,494

Fund	Unobligated Balances
Special Projects	\$ 2,175,062
Education	\$ 11,393,080
TROF (Deal Closing)	\$ 1,783,376
Southside Economic Development	\$ 23,202,911
Southwest Economic Development	\$ 805,541
Agribusiness	\$ 2,597,796
R&D/Broadband	\$ 2,477,735
Megapark	\$ 2,990,747
Megasite Prospect Incentive Fund	\$ 10,500,000
VRA Loan Program set-aside	\$ 339,388
Administration	\$ 1,647,398
TICRC General Account	\$ 26,925,641
FY2020 Budget Balance	\$ 86,838,676

**Tobacco Region Revitalization Commission**  
Statement of Revenues, Expenditures, and Changes in Fund Balance (Cash Basis)  
As of October 31, 2019

	<u>FY19 Budget</u>	<u>YTD Actual</u>	<u>YTD Actual as % of Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>				
Other Revenue (all cost codes)	\$ -	\$ 811,547.64		811,547.64
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 811,547.64</b>		<b>\$ 811,547.64</b>
<b><u>EXPENDITURES</u></b>				
<b>Administration</b>				
Salaries, Fringe Benefits, Per Diems	\$ 1,538,430	\$ 559,426.20	36.4%	\$ 979,003.80
Contractual Services	318,950	49,228.34	15.4%	269,721.66
Supplies and Materials	6,000	1,278.51	21.3%	4,721.49
Transfer Payments	244,270	-	0.0%	244,270.00
Rent, Insurance, Agency Svc Charges	166,100	39,020.95	23.5%	127,079.05
Furniture and Equipment	5,500	4,434.16	80.6%	1,065.84
Subtotal - Administration	\$ 2,279,250	\$ 653,388.16	28.7%	\$ 1,625,861.84
<b>Community Revitalization</b>	17,500,000	7,650,105.41		
<b>Total Expenditures</b>	<b>\$ 19,779,250</b>	<b>\$ 8,303,493.57</b>		
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (19,779,250)</b>	<b>\$ (7,491,945.93)</b>		
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In (endowment and earnings)	\$ 43,048,222			
CASH BALANCE, June 30, 2019	\$ 212,710,769	\$ 212,710,768.56		
CASH BALANCE, October 31, 2019	\$ 235,979,741	\$ 205,218,822.63		