

Virginia Tobacco Region Revitalization Commission

FY2021 Southwest Virginia Program GUIDELINES & REQUEST FOR PROPOSALS

Application Due Date: Thursday, October 8, 2020



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PURPOSE

The purpose of these Guidelines and Request for Proposals (together, “RFP”) is to solicit applications through a competitive process to establish grant and loan agreements with government entities, institutions of higher education, and qualified nonprofit organizations for projects promoting economic growth and development throughout the Southwest Virginia area of the Commonwealth’s Tobacco Region. Refer to the last page of this RFP that identifies the Southwest Counties & Cities eligible for Tobacco Commission funding. In general, this funding will be made available to implement projects that advance the Tobacco Region Revitalization Commission’s priorities and measurably expand the local and regional economy.

BACKGROUND

The Tobacco Region Revitalization Commission (“TRRC” or “Commission”) was established by the Virginia legislature in 1999, as a political subdivision of the Commonwealth. The Commission’s mandate is to determine the appropriate recipients of funding from the Tobacco Indemnification and Community Revitalization Fund for the purpose of revitalizing the economy of the region it supports. The Commission’s Southwest Virginia Committee is responsible for evaluating applications submitted in response to this RFP.

Approximately \$3 million in funding is available in the Commission’s Southwest Virginia Committee budget to support projects in the following categories: Agribusiness, Business Development, Industrial sites and Infrastructure, Tourism, and Broadband. **As required by the Code of Virginia, all requests for grant funds require at least dollar-for-dollar (1:1) matching funds, with no more than 25% of the match requirement from “in-kind” sources. Loan requests do not have a minimum match requirement.**

The Commission’s *Funding Policies for Grant Awards: Information for Applicants & Grantees (Revised June 2020)* (“Funding Policies”) contain additional information about acceptable sources of matching funds, necessary documentation for seeking reimbursement, and other important details about the Commission’s grants program. The Funding Policies are available on the Commission’s website: <https://www.revitalizeva.org/wp-content/uploads/2020/06/1Funding-Policies-6-22-2020.pdf>.

The FY2021 Southwest Virginia application deadline is **Thursday, October 8, 2020**. Award decisions are expected to be made at the Tobacco Commission meeting in January 2021.

INVESTMENT CATEGORIES & FUNDING PRIORITIES

Applications submitted in response to this RFP must fall into one of the following project categories. In its discretion, the Commission may entertain other types of projects, provided they meet all other requirements of this RFP. Should an applicant wish to bring a project outside of the scope of these categories before the committee, they should reach out to Commission staff as soon as possible to be advised.

- Agribusiness
- Economic Development
 - Business Development
 - Industrial sites and Infrastructure
 - Tourism
- Broadband

The Commission's FY2020-2022 Strategic Plan includes logic models that indicate specific investment strategies that identify the types of projects that the Commission will consider funding. For each investment strategy, the Strategic Plan identifies corresponding project outputs (i.e., deliverables or near-term goals) and outcomes (i.e., long-term results). Applicants must select a specific investment strategy when submitting a proposal and identify the applicable outputs and outcomes that will result if the project is funded.

Applicants must clearly articulate and demonstrate how the project relates to the goals of the program, what outputs will be delivered, and when such outputs will be delivered. All projects must clearly define outputs that will occur during the project period and directly relate to the use of Commission funds and matching funds. All projects must also establish short and long-term outputs and outcome projections that must be reported.

Outputs are specific to each investment category and examples are provided in each of the relevant category sections of this RFP.

ELIGIBILITY

Applications will only be accepted from governmental entities in the Southwest region, non-profit organizations located in and/or providing economic revitalization programs, services, or facilities in the Southwest region, and higher educational institutions that serve the Southwest region. For guidelines and instructions on applications submitted by regional partnerships and for those benefiting for-profit entities, refer to Section III of the Funding Policies.

APPLICATION AND SUBMISSION INFORMATION

Proposals must be submitted through the Commission's online application portal by the October 8, 2020 deadline: <https://vtc.smartsimple.com/s/Login.jsp>. Applicants should select the Agribusiness, Economic Development, or Broadband application based on the nature of their proposal.

Before submitting an online application, applicants must certify that they have read the Southwest Virginia Program Guidelines (this RFP) and the Commission's Funding Policies.

Applicants must also certify that the information included in their applications is true and correct and that supporting documentation for any claims and representations made can be made available for review. The certification must be made by an authorized representative of the applicant organization.

All information expressly required by this RFP and the online application must be included. Failure to submit all required information may result in delayed consideration until a future request for proposals or decision against funding. Proposals which are substantially incomplete or lack key information may be declined for consideration.

Applications for grant awards must submit detailed information about the nature and source of proposed matching funds and the anticipated timeline for receiving approval if the matching funds have not already been secured. If matching funds have already been secured, the applicant must document that the matching share will: (i) be committed to the project, (ii) be available as needed, and (iii) not be conditioned or encumbered in any way that may preclude its use consistent with these Guidelines and the Commission's Funding Policies. If applicable, applicants should submit for each source of the matching share a commitment letter or equivalent document signed by an authorized representative of the organization providing the matching funds. If the Commission awards a grant to an applicant that has not secured acceptable matching funds at the time of award, the applicant will have up to 12 months from the date of the award to secure matching funds or else the Commission may rescind the award and deobligate its funds.

ADDITIONAL PROJECT DESCRIPTION AND REQUIRED DOCUMENTS

In addition to the information entered in the various required text fields included in the online application, up to 10 pages of additional project description may be uploaded if necessary to provide pertinent information related to the project, its scope, and intended results.

Depending on the nature of the project, applicants may be required to submit several other documents so the Commission and its staff are fully informed about all pertinent aspects of the project. As these will vary by project type, this list is not exhaustive and applicants should submit any other documents they believe will assist during the review process.

- **Line Item Detailed Budget** - All requests must include a line item detail budget with supporting details on proposed project costs, including how Commission resources and matching funds will be used. A template available in the online application may be used to provide this information. Other line item detail formats will be accepted provided they contain all pertinent information.
- **Operating Budget/Pro Forma** - All requests for projects that will have ongoing operating costs must demonstrate how operation of the new/expanded program or facility is expected to be sustained beyond a start-up period of no more than three years. An operating budget or pro forma (with revenues and expenditures) must be provided showing projections for how the program/facilities will be supported both during and after the project period.

- **Feasibility Study** - A feasibility study or similar analysis that demonstrates that the proposed business concept is technically and economically feasible.
- **Economic Impact Study** - The potential economic impact of the project to the region must be documented. While the Commission is primarily interested in the direct impact, estimates of the indirect and induced impacts may be provided.
- **Marketing Plan** - A marketing plan to describe the project’s target market and the plan to capture that market must be described in the application, if applicable.
- **Business and/or Operating Plan** - A business and/or operating plan that describes the operational requirements for the project and how those requirements will be met should be submitted, if applicable.
- **Cash Flow Analysis** - For projects that will generate revenues, applicants must provide a detailed cash flow analysis that shows a baseline of current operations and expected changes to revenues and expenditures if an award is approved.
- **Rate Structure** - For revenue generating projects, a current rate structure for existing customers must be provided. Proposed or planned changes to the rate structure that will result from and/or is necessary to support the project requested for support from the Commission must be identified.
- **Acquisition/Construction/Equipping of Long-Lived Physical Assets** – Requests for funding to support the acquisition, construction or equipping of long-lived physical assets must provide written costs estimates from independent qualified professional sources, as described below:
 - a request for the **purchase of real estate** must provide a current appraisal of the property by an independent, certified appraiser (“current” is defined as having been completed within the past year), or be based on the local tax assessed value;
 - a request for **construction** must provide a current written cost estimate from a licensed architect, engineer or contractor, as appropriate for the project. In addition, applicants must provide additional supporting documents including preliminary engineering reports, other relevant A&E documents, building plans, etc. with the application;
 - a request for **purchase of equipment and other long-lived physical assets (3+ years of useful life)** must provide cost quotes from product vendors.
- **Maps** - Maps of the project’s service area should be provided for projects where more than one specific area is served.
- **Operating Agreements** - Agreements (Memoranda of Understanding or similar documents) between project partners or beneficiaries are required if applicable.
- **Sub-Awards** - When the proposed project will result in sub-awarding TRRC funds to other recipients, the details of the sub-award arrangements, including a draft of the proposed contract, must be provided.
- **Program Guidelines** - Applications requesting support for incentive programs (e.g., cost share or community business launch programs) must provide a draft of proposed Program Guidelines that describe the governance of the program, including its eligibility criteria, funding limitations, and documentation requirements.

- **Letters of Support** - Applicants are encouraged to provide letters from project partners, beneficiaries and others that demonstrate the commitment of resources to the project or document demand for the project.

EVALUATION CRITERIA

Staff recommendations to the Southwest Virginia Committee and the Commission will be based upon requirements in this RFP and the following evaluation criteria. Approval of proposals for funding is at the sole discretion of the Commission. The Commission reserves its right not to proceed with any or all applications, condition its award on additional terms and conditions, or award a loan to an applicant who sought a grant.

Assessment of Need & Eligibility (15 points)

- Clearly identified problem or need to be addressed.
- Significance and strategic fit of project to the community, as demonstrated by assessment of need or opportunity, and evidence of stakeholder input and support in project design.
- Fit with the Commission's mission, Strategic Plan, investment categories and funding priorities.

Methodology; Project Feasibility (20 points)

- Logical and feasible approach to addressing objectives and meeting investment metrics/outcomes that will benefit economic revitalization in the region.
- Realistic work plan with description of significant steps and estimated dates for completion.
- Experience and demonstrated expertise of project team for accomplishing objectives.

Project Budget and Match (20 points)

- Budget is reasonable, realistic and cost-effective with planned use of funds supported by a budget narrative and/or with quotes and estimates.
- The project represents an efficient and effective use of TRRC resources, including leveraging non-TRRC resources with identified and committed sources and amounts.

Sustainability & Long-Term/Regional Impact (15 points)

- A clear plan for financial sustainability and ability to maintain effort beyond the term of grant funding.
- Collaboration with other regional partners and the degree to which benefits of the project accrue regionally and/or serve as a model.

Investment Outcomes & Project Outputs (30 points)

Applications will be evaluated under the most appropriate investment category listed below and the related outcomes and project outputs that are expected to result.

- Agribusiness** – Ability to create agribusiness opportunities and to increase net farm income, with an emphasis on systemic or collective benefit.

- B. **Business Development** – Ability to recruit or expand business development opportunities, thereby leading to an increase in jobs, incomes and revenues in the region.
- C. **Sites and Infrastructure** – Addresses critical needs to improve economic competitiveness of the region and to result in long-term job creation and private capital investment.
- D. **Tourism** – Ability to significantly and directly increase visitors to and visitor spending in the Southwest region.
- E. **Broadband** – Ability to serve new unserved locations, at speeds in excess of 25Mbps download and 3Mbps upload in a cost-effective manner.

GRANTS AND LOANS

This RFP seeks applications for both grants and loans. As noted above, staff will typically recommend that loans be awarded to projects that are expected to generate sufficient revenues to service debt even when the application sought a grant. TRRC loans offer competitive interest rates and will entertain flexible loan terms, such as forbearance periods during construction and interest only payments. In addition, the Commission will also entertain applications for a combination of a grant and loan as part of the same award. The grant portion of such an application could include, for example, a grant that covers an interest-only period of the loan until the project is complete and revenues begin to be realized. The Virginia Resources Authority (VRA) administers TRRC loans and applicants to which loans are awarded must provide any additional documentation that VRA or TRRC requests.

AWARD INFORMATION

After the Commission makes award decisions, grant agreements will be issued for the amounts and with any conditions as approved by the Commission. It is anticipated that the Commission will approve multiple awards—including grants and loans—as a result of this RFP. The Commission may cancel this RFP or reject proposals at any time prior to an award.

The Commission will typically use its standard grant agreement for selected projects. All grantees are required to follow the Commission’s Funding Policies as a condition of the award. The standard grant agreement and the Funding Policies are available on the Commission’s webpage. The Commission reserves the right to update its standard grant agreement and Funding Policies at any time.

PAYMENT OF GRANT FUNDS

Payment of grant funds will be subject to the terms of the grant agreement and will be disbursed on a reimbursement basis. Expenses incurred prior to the award date are not eligible for reimbursement. The standard reimbursement period is quarterly, unless otherwise agreed to by Commission staff. The grantee is required to provide appropriate documentation of the

expenditures and use of required matching funds for the project. The Commission's Funding Policies contain additional information that applicants should review closely.

REPORTING

Grantees must provide annual reports on the financial and quantitative progress made toward completion of the project's milestones and outputs and provide a narrative discussion of progress. A final report including a narrative on the success of the project, attainment of proposed outputs, and a description of the long-term expectations and achievements for the project is required at the close of the project. The Commission will not process the final payment request until all the grantee has satisfied all reporting requirements. Additionally, grantees must provide any additional or interim reporting information the Commission may request to ensure the provisions of the grant agreement are properly carried out, administered and enforced.

ASSETS

As a condition of awarding a grant, the Commission will have a claim to all property and assets in which Commission grant funds were invested and the Commission must approve any conveyances of such property and assets. This applies to investments in real property, real estate, and equipment purchase greater than \$5,000. The details of these requirements are included in the grant agreement and the Commission's Funding Policies.

PRE-APPLICATION & CONTACT INFORMATION

An optional, non-binding pre-application form is available on the Commission's website for prospective applicants to obtain feedback from Commission staff prior to submitting a full application. For technical assistance or to discuss a pre-application contact:

- Sara Williams, Southwest Regional Director – *Southwest Office (Abingdon, VA)*
(276) 619-4325, swilliams@revitalizeva.org
- Mike Kaestner, Grants Program Director (*Richmond, VA*)
mkaestner@revitalizeva.org

For technical assistance with logging in or setting up an account with the Commission's online grants portal contact:

- Suzette Patterson, Grants System Manager (*Richmond, VA*)
(804) 894-9662, SPatterson@revitalizeva.org

AGRIBUSINESS

The Commission will consider awarding grants and loans for agricultural projects that create or expand market opportunities for regional producers that result in a quantifiable increase in net farm income. Of particular interest to the Commission is the establishment of value-added processing, aggregation, and marketing facilities and the development of emerging and new market opportunities.

Applicants will use the ***Agribusiness application*** and will select one of the investment strategies listed under the following investment categories: (i) Value-Added Processing, Aggregation and Marketing Facilities, or (ii) Development of Emerging and New Market Opportunities.

Applicants must specifically identify the outputs that are expected to result from the project. Applicants should explain how any projections for these outputs were calculated. The following are examples of outputs that may be applicable. Applicants may propose different outputs that are more applicable to the projects they propose.

Outputs

- *Number of agricultural producers benefitting*
- *Total dollar value of Tobacco Region agricultural products to be used annually*
- *Increase in annual sales revenue for value-added agriculture products*
- *Average (per farm), and aggregate annual increase to net farm income*
- *Sales revenue for value-added agriculture products resulting from project*
- *Number of new jobs created by new or expanding agriculture based business*
- *Increase in taxable private capital investment*

Depending on the nature of the proposed project, applications for Agribusiness projects may also require one or more of the following documents (refer to **Additional Project Description and Required Documents** section of this RFP above for more information):

- Feasibility study
- Business plan/operating plan
- Operating budget/pro forma
- Construction estimates
- Equipment quotes
- Program guidelines (cost share projects)

Investment Category: Value-Added Processing, Aggregation, and Marketing Facilities

Investments are intended to support producers and processing facilities for increasing sales of agricultural commodities and agricultural food products from the Southwest region. Value-added processing, aggregation and marketing facilities supported by the Commission are expected to add value by changing the characteristics of the agricultural commodity to a more preferred product to meet market demand for an expanded customer base resulting in greater returns to the producers.

Applicable Investment Strategies:

- Commercial agricultural product processing facilities
- Community food processing facilities
- Local farmers markets
- Multi-purpose agriculture centers

Priority for funding consideration will be given to regional facilities serving or benefiting multiple producers in more than one locality. Projects considered for funding must address an identified need in a new or existing market that brings economic value to the region.

All proposals must include details for how the project will:

1. Build capacity for processing, aggregation, and/or marketing;
2. Increase sales of agricultural products from the tobacco region, and by how much;
3. Address an identified market opportunity; and
4. Track and evaluate progress toward accomplishing agribusiness outcomes.

Value-added projects that support producers working in partnership (whether through a producer-based business, agricultural association, or a member owned cooperative) that is for the benefit of multiple producers are encouraged. Collaboration and cooperation among multiple producers can provide benefits to profitability for small farm operations through the coordination of production, aggregation, processing and packaging, distribution, and/or marketing services. Depending on whether the value-added facility will be privately owned, or in public or non-profit ownership, the following options are available for funding consideration.

Limits for Grant and Loan Proposals

Grants

Public or non-profit ownership - Facilities that are owned by a governmental entity or a non-profit organization will be eligible for grants of up to \$500,000 or a maximum of 50% of the capital costs and/or limited start-up operating expenses for new or expanded processing, aggregation and marketing capabilities.

Private ownership - Facilities that are owned by a for-profit business will be eligible for grants of up to \$250,000 or a maximum of 25% of total capital costs supporting construction or equipment costs. Acceptance of the funding by the private beneficiary will typically require signing a grant agreement that includes certain performance metrics and requires partial or full repayment if those metrics are not satisfied. Projects must be sponsored by an eligible applicant that will be responsible for enforcement of the performance agreement. Private beneficiaries must provide at least 75% of the total project cost as a cash match.

Loans

Low-interest loans will be recommended for projects, regardless of ownership status, requesting \$250,000 or more or where there is an identifiable revenue stream sufficient to

repay the loan. Loans should be used to support capital costs for facilities, equipment and machinery for start-up or expansion of the facility.

Investment Category: Development of Emerging and New Market Opportunities

Applicable Investment Strategies

- Cost Share Programs
- Crop Demonstration
- Livestock Demonstration
- Wholesale and Retail Cooperative Marketing

Cost Share Programs - Cost share programs offer incentives for transitioning into alternative agriculture enterprises or implementing best practices that result in new and increased or livestock production. Priority will be given to programs that serve a multi-county area and leverage existing investments in broadband to implement precision/connected agriculture technology. Cost share incentive payments to region producers will be limited to no more than 33% of eligible costs.

All cost share program proposals must include the following:

1. education component with requirements for participation;
2. proposed cost-share program guidelines that identify participants' eligible costs and establish evaluation criteria;
3. analysis of the return on investment to producers for implementing the practice(s);
4. demonstration of need and/or evidence of producer interest; and
5. a defined plan for monitoring and measuring outcomes.

Crop and Livestock Demonstration Projects - Projects that assist producers in the development and demonstration of high-value, low acreage crops, defined as those that have a higher net return per acre compared to conventional commodity crops. Additionally, projects that focus on the introduction of new, high value, livestock practices are also eligible. Applications should clearly identify the targeted market opportunity and should include in the project's scope:

- demonstration plots/herds in the Southwest region;
- development of recommended production management practices and protocols;
- address producer acceptance and knowledge transfer for risk reduction and food safety; and
- development plan for market opportunities.

Projects seeking funds for basic research activities will not be considered favorably, as the Commission's preference is to support advanced research activities that are ready for demonstration.

Wholesale and Retail Cooperative Marketing - Initiatives that support access to, expansion of, and/or development of new or existing markets to increase agricultural product sales revenue

and marketability. All projects must benefit multiple producers. Small matching grants of up to \$20,000 will be available under this strategy to support marketing and market development.

Projects eligible for funding consideration include those that focus on development of institutional or commercial market opportunities; creation of on-line sales systems and connecting buyers to sellers; implementation of targeted marketing strategies for value-added products or specialty crops; and support for creation of broker or expediter services where a third party can be connector between quality agriculture products from several farms and market opportunities (e.g., restaurants or commercial buyers).

ECONOMIC DEVELOPMENT

The Commission is interested in supporting economic development projects that promote economic growth and development throughout the Southwestern portion of the Tobacco Region. Projects under this investment category will result in the expansion of the local and regional economy through measurable increases in job creation and new taxable private capital investment. Projects must fall into one of the following investment categories: Business Development, Industrial sites and Infrastructure, and Tourism.

Applicants will use the ***Economic Development application*** and will select one of the investment strategies provided for each of the investment categories below.

Investment Category: Business Development

The Commission will consider awarding grants and loans to facilitate the development of new industry and employment clusters, to support traditional economies, and to grow entrepreneurial systems that result in a diversified regional economy. In addition to continuing support for improving and marketing the region's industrial sites, projects under this category also include strategies for the creation of higher paying jobs and the attraction of skilled workers to rural downtown commercial districts.

Applicants must specifically identify the outputs that are expected to result from the project. Applicants should explain how any projections for these outputs were calculated. The following are examples of outputs that may be applicable. Applicants may propose different outputs that are more applicable to the projects they propose.

Outputs

- *Number of existing businesses recruited to the region or strengthened by project activities*
- *Increase in income and revenues from sale and export of traded products or services*
- *Number and salaries/ wages of jobs created by new or expanding businesses*
- *Advancement of targeted sector-based or cluster development recruitment strategies*
- *Increase in bona fide prospect activity, realistic for available workforce*
- *Number of new businesses started as a result of project activities*
- *Number of individuals assisted with entrepreneurial training and business development*

- *Number of new or expanding businesses benefiting from lending, seed and/or venture capital*
- *Increase in taxable private capital investment*

Depending on the nature of the proposed project, applications for Economic Development projects may also require one or more of the following documents (refer to **Additional Project Description and Required Documents** section of this RFP above for more information):

- Feasibility study
- Business plan/operating plan
- Operating budget/pro forma
- Rate structure
- Construction/A&E documents
- Construction estimates
- Equipment quotes
- Proposed program guidelines (e.g., community business launch (CBL) and similar programs)

Applicable Investment Strategies

- Regional Economic Development Marketing Initiatives
- Entrepreneurial System Development
- Tobacco Region Opportunity Fund (TROF) Enhancement

Economic Development Marketing Initiatives - Support for up to 50% of the costs to conduct targeted marketing strategies to recruit new employers to the region. This includes the recruitment of traditional industries and the recruitment of satellite offices and back office locations to the Southwest region. Eligible applicants may include regional marketing organizations or other regional partnerships. Funding is also available to engage third party consultants to assist with marketing of available sites and buildings, recruitment of small job creators, and promotion of targeted downtown spaces for satellite and back offices.

Entrepreneurial System Development - Initiatives that support the access or expansion, and development of new or existing entrepreneurial support systems. Development of shared work spaces and small scale manufacturing space focused on businesses which produce traded products and services are a priority. Projects could include, but are not limited to:

- *Publicly-owned or nonprofit-owned property developed for collaborative business development* - Funding can be used for up to 50% of the cost (up to \$250K) of renovations/up-fit of publicly or nonprofit owned buildings to be used as professional

office space for individuals and small businesses, for technology or business services sector satellite offices, and for small scale production/manufacturing businesses. Any identified properties must include or attract a tenant sufficient to keep the property revenue-positive after the pilot ends.

- *Small business development incentives* – Funding may be requested to provide match for CBL programs depending on evaluation of community need.

Investment Category: Industrial sites and Infrastructure

The Commission will consider awarding grants and loans to support the development of critical infrastructure necessary to provide a competitive environment for the recruitment of new jobs and investment to the Southwest portion of the Tobacco Region. Projects to construct shell buildings, extend or expand utility infrastructure, and other improvements that will enhance the site readiness of existing publicly-owned economic development sites are of particular interest to the Commission. Priority will be given to applications for funding to increase the readiness of existing sites rather than acquiring and developing new sites.

Applicants must specifically identify the outputs that are expected to result from the project. Applicants should explain how any projections for these outputs were calculated. The following are examples of outputs that may be applicable. Applicants may propose different outputs that are more applicable to the projects they propose.

Outputs

- *Change in the site's business ready tier characterization to improve marketability to specific targeted sectors*
- *Acres (and available lots) of graded or improved sites/served with necessary infrastructure*
- *Square footage of building constructed or renovated for new economic activity*
- *Linear feet of access road constructed*
- *Capacity increase and/or linear feet of water or sewer infrastructure improvements*
- *Number and average salaries of new jobs created*
- *Increase in taxable private capital investment*

Applicable Investment Strategies

- Industrial Sites (Including onsite utility infrastructure improvements)
- Shell Buildings
- Offsite utility infrastructure improvements

Industrial Sites (Including onsite utility infrastructure improvements) - Applicants seeking funding for site and infrastructure development must provide details about the scope of work and

associated development and funding plans necessary to complete the project. The application should also provide documentation of a master plan reflecting intended industrial or commercial use and that appropriate zoning for these purposes is in place. Priority will be placed on improving the readiness of sites already under development within the region. Lower priority will be given to the acquisition and development of new sites.

Shell Buildings - Similar to requests for site and infrastructure development, applicants seeking funding to construct shell buildings must document the intended target industries, including NAICS code. Because industries often have very particular requirements for suitable facilities, applicants must document that the building specifications will satisfy the requirements of the targeted industries.

Offsite Utility Infrastructure Improvements - Requests for utility infrastructure funding should only be submitted to serve clearly-defined economic development objectives and sites. Applicants for utility infrastructure improvements must demonstrate that financing is not available from non-TRRC sources and provide a multi-year cash flow analysis for projected increased revenue resulting from the proposed project. This applies to all water and sewer construction projects and other public or private utility infrastructure. Projects that will generate sufficient revenue from end users and projects seeking more than \$250,000 will be referred to the TRRC Loan Program for consideration.

Investment Category: Tourism

The Commission will consider awarding grants and loans that support regional tourism marketing initiatives and tourism destination infrastructure projects that demonstrate the ability to attract measurable visitor revenues from outside the Tobacco region.

Applicants must specifically identify the outputs that are expected to result from the project. Applicants should explain how any projections for these outputs were calculated. The following are examples of outputs that may be applicable. Applicants may propose different outputs that are more applicable to the projects they propose.

Outputs

- *Number of new visitors to the region*
- *Increase in annual visitor spending;*
- *Increases to tourism-related tax revenues (i.e. lodging)*
- *Increase to annual sales revenue from ticket or business sales*
- *Number of new or existing tourism businesses benefiting*
- *Direct job creation at tourism destination*

Depending on the nature of the proposed project, applications for Tourism funding may also require one or more of the following documents (refer to **Additional Project Description and Required Documents** section of this RFP for more information):

- Feasibility Study

- Economic Impact Study
- Business Plan / Operating Plan
- Construction Documents

Applicable Investment Strategies

- Heritage Tourism Sites (museums, historic sites, etc.)
- Marketing Campaigns and Initiatives
- Outdoor Recreation Tourism (recreation trails, etc.)

The Commission prioritizes regional projects of interest to national or international markets.

All applications must include economic impact projections as well as a description of the data collection or visitor tracking mechanism that will be used to document the number of new visitors to the region and associated spending resulting from the project.

Tourism Destinations (Heritage Tourism Sites and Outdoor Recreation Tourism) – Infrastructure investments in tourism destinations will be considered for sites of national or international interest. Heritage tourism sites or outdoor recreation tourism destinations must demonstrate the ability to attract a measureable increase in visitors and visitor spending from outside the Tobacco region. The significance and connection of these sites to larger regional, state, or national tourism initiatives must be documented.

The development of local recreational and cultural amenities such as trails, theaters, and historic sites primarily serving a local market and that are not able to demonstrate the ability to attract significant visitor spending from outside the region will not be considered for funding.

Marketing Campaigns and Initiatives - Projects under this investment strategy should be focused on campaigns that will lead to the attraction of new visitors to the Southwest portion of the Tobacco Region from national or international markets. Priority will be given to initiatives that seek to market the Southwest region as a whole rather than on individual, initiative specific, marketing campaigns.

BROADBAND

Applications for broadband deployment that will make available affordable high-speed/volume connectivity to residents, businesses, and institutions in unserved communities may be submitted using the ***Broadband application***.

Applications for broadband deployment will be accepted for up to 50% of the costs to design, construct, equip, and put into service broadband infrastructure that serves residential and commercial subscribers in the Southwest portion of the Tobacco Region project areas that are

designated as unserved. Proposals that request ongoing operating support to subsidize delivery of broadband to subscribers will not be funded. In addition, projects that seek to build backbone or middle-mile fiber without directly providing service to unserved customers will not be funded. Grants under this investment strategy will not exceed \$250,000. Proposals seeking amounts over this limit and projects that will generate revenue will only be considered for loan funding.

Applications must be submitted by a unit of government within the Southwest portion of the Tobacco Region (Towns, Cities, Counties, EDA/IDA, Broadband/Wireless Authorities, Planning District Commissions, etc.). Along with an eligible government, a qualified and experienced private sector provider should be included as a co-applicant. While IRS-designated nonprofits are generally eligible applicants for TRRC funds, it is not anticipated that non-profit organizations (e.g., community associations) will be preferred as lead applicants on Broadband projects.

This program is designed to provide unserved areas of the Region access to broadband speeds of at least 25 Mbps download and 3 Mbps upload. Projects proposing higher speeds may receive greater consideration, however, the objective is to serve as many project areas as possible rather than providing superior service to a few areas. In each case, applicants must demonstrate how the proposed technology solution will deliver the promised speeds in the proposed area once operational.

Applicants must specifically identify the outputs that are expected to result from the project. Applicants should explain how any projections for these outputs were calculated. The following are examples of outputs that may be applicable. Applicants may propose different outputs that are more applicable to the projects they propose.

Outputs

- *Improvements in broadband speed offerings for unserved premises including number of households, businesses, and farms*
- *Number of new connections based on speed tier and pricing structure*

Applications for Broadband projects require all of the following information (refer to **Additional Project Description and Required Documents** section of this RFP for more information):

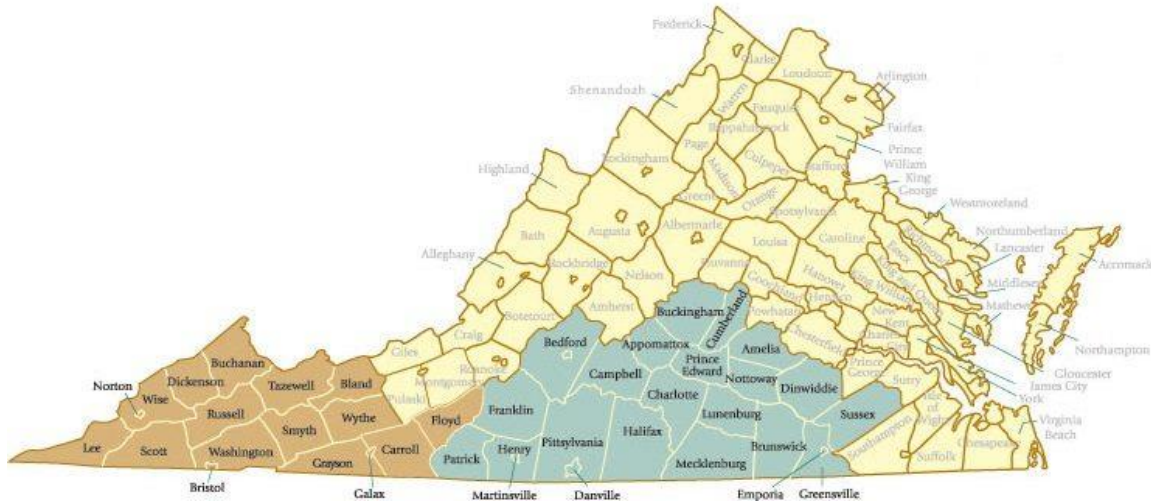
- Maps of area to be served
- Rate Structure
- Cash Flow Analysis
- Construction Budget
- Equipment List

To be considered for funding under this program, the lead applicant and private co-applicant must demonstrate suitable fiscal standing and management capabilities. To determine whether applicants meet these criteria, applicants and private sector partner(s), must submit the following documents and/or attest to each of the following:

1. Documentation that proposed project area is unserved based on program criteria;
2. Private Service Provider (the co-applicant) must provide proof that it has filed an FCC Form 477 for two years prior to submission of application or otherwise demonstrate sufficient expertise and financial resources to carry out a proposed project;
3. Projects must be fully-financed, through a combination of the total requested TRRC funds, committed funds from the applicant or co-applicant or other non-TRRC sources; and
4. Public or private co-applicants must provide the summary statement of an audited annual financial report for the most-recently concluded fiscal year, which should be marked "Confidential and Proprietary."

SOUTHWEST COUNTIES & CITIES FOR TOBACCO COMMISSION FUNDING

The service area for the Virginia Tobacco Region Revitalization Commission includes 40-tobacco-dependent localities in Southern and Southwest Virginia. The Southwest TRRC Region is comprised of the 14 counties and three cities listed below. Eligible applicants serving these localities may apply to the Commission’s grant and loan programs for projects that will enhance the economic growth and development of the region.



<u>Counties</u>	
Bland Buchanan Carroll Dickenson Floyd Grayson Lee	Russell Scott Smyth Tazewell Washington Wise Wythe
<u>Cities</u>	
Bristol Galax Norton	