



AGENDA

SOUTHWEST VIRGINIA COMMITTEE

Electronic Conference Call Meeting

Monday, September 28, 2020

11:00 A.M.

If accessing the meeting from the internet via a computer or smartphone, use this link to access the electronic meeting:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m9d0997054a492b2bc42029fcb5fb95a3>

If accessing the meeting by telephone dial: 1-408-418-9388 (US toll) and utilize the meeting number: 132 060 4648# and meeting password: ymMFXnD2f32 (96639632 from phones and video systems)

If you have any access issues at the time of the meeting, contact David Bringman via email DBringman@revitalizeva.org or call 804-894-9659.

Welcome and Call to Order	<i>Evan Feinman, Executive Director</i>
Items Related to Remote Meeting	<i>Andy Sorrell, Deputy Director</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Election of Officers	<i>Evan Feinman, Executive Director</i>
Approval of the <u>1/6/20</u> Minutes	<i>(published on website)</i>
Extensions and Modifications	<i>Sara Williams, Southwest Regional Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	

Southwest Virginia Committee September 28, 2020

The Southwest Virginia Committee will meet on Monday, September 28th at 11:00 am to consider requests for extensions and amendments to the following existing active grants.

Appalachian Agency for Senior Citizens *Falls Mills Adult Day Care (#3185)* Approved for \$250,000 in September 2016 (\$250,000 balance) Request for extension

Staff Overview & Comments: This grant will assist with construction of the Falls Mills Adult Day Care facility. The total \$2.2M project began construction in March 2020 and was estimated to be 40% complete according to the Annual Report received on September 10. The TRRC funding is intended to be used at the end of the project which is projected to be complete by December 2020.

As background, staff did not recommend funding this project because it is not consistent with the priorities of the Southwest Program or the funding priorities identified in the Commission's Strategic Plan. It is essentially a social services project, and staff remains skeptical that it measurably grows the regional economy.

Nevertheless, staff respects the Commission's previous decision and recommends approval of an extension through January 31, 2021.

The Barter Foundation, Inc. *Expanding the Production Capacity of Barter Theatre, Phase 2 (#3071)* Approved for \$250,532 in September 2015 (\$250,532 balance) Request for budget revision and extension

Staff Overview & Comments: The Commission approved this grant to assist with costs related to renovating and upgrading Barter's costume shop. The project also received a \$500,000 award from Appalachian Regional Commission.

Barter has been impacted especially hard by the COVID-19 pandemic. With no clear timeline for when the theater will be able to resume its normal operations, more than 90 of Barter's employees have been furloughed. In an effort to generate revenue to fund partial operations, the Theatre developed the "Barter at the Moonlight" concept. The Moonlight Theater, a drive in theater that operated from 1949-2013, has been leased and redeveloped to allow live performances. These performances have created the opportunity for 30 furloughed employees to come back to work.

ARC is permitting Barter to shift the use of its funds to administrative and personnel costs related to the Moonlight Project. The grantee has requested that TRRC approve a corresponding budget revision to provide the required match for ARC and to further assist with Barter's operational needs. Although the Commission's Funding Policies generally caution against using TRRC resources for

operating expenses, an exception is appropriate in this circumstance due to Barter's prominence as the state theater of Virginia and its role as a significant economic driver in the region.

Staff recommends the approval of: (1) a budget revision to permit the full grant amount to be used for operating support related to Barter Theatre's response to the COVID-19 pandemic, and (2) extending the grant period through September 30, 2021.

Birthplace of Country Music

Birthplace of Country Music Museum and WBCM Expansion (#3196)

Approved for \$250,000 in September 2016 (\$250,000 balance)

Request for extension

Staff Overview & Comments: The Commission awarded this grant to complete Phase 3 renovations to The Annex, a building located adjacent to The Birthplace of Country Music Museum. Additionally, the Commission provided a \$250K award for Phase 1 renovations that are now complete.

The Commission approved funding the current project based upon the understanding that matching funds were largely committed at the time of approval. The application stated that a variety of Federal and State funds and New Market Tax Credits would be used during the three phases of the project. It does not appear that any tax credits were used to complete Phase 1 and current fundraising updates do not include tax credits for Phases 2 or 3. Updated cost estimates for these phases have not been provided, however, at the time of application, these phases were expected to require approximately \$3.65M. The Cabell Foundation awarded a \$275K challenge grant that requires a 3:1 match and must be met by December 2021. A \$600K request is also pending with the Department of Housing and Community Development's Industrial Revitalization Fund. Despite the grantee's representation that matching funds were already committed, a substantial amount of additional fundraising is still needed. The most recent grant report cites issues related to COVID-19 that have impacted fundraising activities and staff is skeptical that the grantee will be able to obtain all necessary funding and to complete the project by December 2021.

It appears that the applicant approached TRRC prematurely and will not be in a position to properly utilize Commission resources for several more years. Staff believes that the most prudent decision at this time is to close the grant and allow the grantee to reapply once its financial needs become clearer. Therefore, staff recommends no additional extension for this project.

Friends of Southwest Virginia

Building Appalachian Spring: Growing the Economy of Southwest Virginia through Developing Outdoor Recreation Destinations (#3198)

Approved for \$500,000 in September 2016 (\$356,336.21 balance)

Request for extension

Staff Overview & Comments: The balance of this grant will be used for costs associated with two capital projects. The first project, construction of the Damascus Trail Center, is on schedule and

expected to be complete in October 2020. A grand opening will be planned in late 2020 or early 2021. The second project, High Knob Destination Center Site Plan & Building Design project, is well underway. A first draft of the schematic design has been received and a revision is expected in mid-October.

Staff recommends approval of an extension through September 30, 2021.

Historic Crab Orchard Museum and Pioneer Park
Capital Expansion Phase III – Design (#3202)
Approved for \$50,000 in September 2016 (\$45,200 balance)
Request for extension

Staff Overview & Comments: The Commission awarded funding to support half of the cost of design services that would result in the construction documents required for further capital improvement projects at the Museum.

At time of approval, staff understood that Tazewell County had committed \$50K to assist with design costs, and the Museum was to contribute \$20K. Based on the cost estimates provided with the application, these commitments were sufficient to complete the full design phase. The Museum has completed a contract with Riggs Ward for the schematic design work only.

Despite the funding commitments being in place at time of application, the availability of matching funds seems unclear. Throughout the life of this grant, the grantee has experienced cash flow challenges.

Project updates include the recent award of a \$100K challenge grant from the Virginia Coalfields Economic Development Authority contingent upon the receipt of new matching funds. The Museum would like to proceed with architectural design related to only bathroom upgrades, but this work is not under contract nor has the grantee provided a cost estimate or definitive timeline.

Ultimately, because the grantee has provided no clear reason for why the project could not have been completed within the past four years and there is little evidence that an additional extension would result in a different outcome, staff recommends no additional extension.

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

Staff Overview & Comments: The Commission approved this grant to support no more than 90% of the cost of basic engineering work needed to construct an access road serving the Constitutional Oaks Industrial Park.

Modifications to the pending design have been necessary to serve the needs of the company that purchased the shell building and will be locating at the Park. The engineer will continue to work with VDOT to resolve design requirements and issues necessary to receive final approval. Once design is complete, the County will be submitting an application to VDOT for Industrial Access Road funds to assist with road construction.

Staff recommends approval of an extension through September 30, 2021.

Smyth County Board of Supervisors
Smyth County's Back of the Dragon Overlook (#3078)
Approved for \$184,000 in September 2015 (\$161,210 balance)
Request for extension

Staff Overview & Comments: The Commission approved this grant to support 20% of the cost of engineering, permitting, design and construction of the Back of the Dragon Overlook in Smyth County. VDOT is funding the remaining 80%.

The project has made substantial progress over the past year. VDOT approved the final construction documents, a construction contract has been awarded to Inland Construction, and work began on August 28. Construction is expected to be complete within 120 days.

Staff recommends approval of an extension through September 30, 2021.

Southwest Virginia Community College
SWVA Regional Cybersecurity Initiative (#3187)
Approved for \$258,790 in September 2016 (\$118,006.79 balance)
Request for extension

Staff Overview & Comments: This project has provided support for a collaboration between the grantee, MECC, and UVA-Wise to create a regional cybersecurity workforce. The initiative, which was matched with ARC funding, utilized TRRC funds to establish cybersecurity labs at each college and assist with the cost of student certification exams.

Much of the project's fourth year was spent working through modifications to the grant's budget. These changes, primarily for additional equipment and staff training needs, appear to be within the original scope of the award and can be approved by Commission staff. SwVCC estimates that the project can be complete by Summer 2021.

Staff recommends an extension through September 30, 2021.

Southwest Regional Recreation Authority
Adventure Playground – Expanding the Regional Footprint of Economic Impact (#2904)
Approved for \$435,000 in September 2014 (\$93,204.42 balance)

Request for additional extension

Staff Overview & Comments: The grantee has requested a seventh year extension. The balance of the grant will be used to develop a horse trail in Scott County.

The project was delayed due to problems obtaining easements from affected landowners and by a lawsuit related to a key property (Rikemo). The Rikemo property will be available to begin construction of the horse trails in fall 2020, however, DEQ's decision to require SRRA to certify as Standards and Specifications Holders may create additional delay.

Despite DEQ's new requirements of SRRA, it appears that this project is ready to move forward and can be completed within the extension period.

Staff recommends approval of an extension through September 30, 2021.

Southwest Virginia Higher Education Center Foundation *Micronic Technologies Water Field Pilot Program to Support Commercialization Phase 2 (#3212)*

Approved for \$1,000,000 in September 2016 (\$124,879.71 balance)

Request for extension

Staff Overview & Comments: This project was approved through the Commission's former Research and Development Program to provide funding for design work related to developing a new water treatment technology. Due to delays associated with multiple location changes and Micronic's unsuccessful fundraising efforts, the company has made only limited progress towards this goal.

The balance of the grant will primarily be used to complete a contract with Genedge Alliance to facilitate the design and procurement of the ME-2 pre-production unit. This effort was impacted by COVID-19 which affected both vendor's timelines and Micronic's ability to operate in its facility during Spring 2020. The pre-production work resumed in July but additional milestones remain to be completed. Project leadership estimates that an additional six months is needed.

Staff recommends an extension through May 31, 2021.

Virginia's Heritage Music Trail: The Crooked Road

Expanding The Crooked Road Brand (# 2739)

Approved for \$208,000 in September 2013 (\$49,525.64 balance)

Request for budget revision and extension.

Staff Overview & Comments: The balance of this grant had been allocated for construction of wayside exhibits, a portion of which involves updating kiosk touchscreens.

In its most recent update, the grantee estimated that it could complete the project by Spring 2021. The existing touchscreens will be reprogrammed and updated. In addition, The Crooked Road

would like to repurpose grant funds to develop a digital app that maps the entire TCR/SWVA region and provides layers of current physical waysides as well as new digital waysides.

A digital wayside would feature the same historic content on areas that are not currently served by physical wayside exhibits and recordings and could potentially connect the app user to events calendars and tourism contacts in each locality. This app would assist visitors with trip planning and provide on-the-go information for visitors. The funding for the development of this app was originally intended to develop new physical wayside locations.

Staff recommends an extension through May 31, 2021 pending the Executive Director's approval of a budget revision to allow the balance of the grant not needed for touchscreen updates to be used for app development.