

# ***Virginia Tobacco Region Revitalization Commission***

**FY2021 Southwest Virginia Program**

## **GUIDELINES & REQUEST FOR PROPOSALS —*Second Round*—**

***Application Due Date:***  
**Tuesday, March 4, 2021**



**Virginia Tobacco Region Revitalization Commission**  
**FY2021 Southwest Virginia Program**  
*—Second Round—*

GUIDELINES & REQUEST FOR PROPOSALS

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## I. GENERAL PROGRAM INFORMATION

### A. Purpose & 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 makes investments to revitalize the economy of the region it supports. Projects selected for funding include initiatives that will advance the Commission’s priorities and measurably expand the local and regional economy.

The Southwest Virginia Program’s Guidelines and Request for Proposals (together, “RFP”) are issued to solicit applications through a competitive process in order to establish grant and loan agreements for economic development projects in the region. Funding will be considered for projects promoting economic growth and development within the Southwest Virginia area of Virginia’s Tobacco Region. Refer to *Attachment B - Eligible Counties & Cities for Tobacco Commission Funding* on page 23 of this RFP.

Approximately \$2.1 million is available for this second round of FY21 funding for the Southwest Virginia Program. The application deadline is **Thursday, March 4, 2021**. Award decisions are expected to be made at the Commission’s meeting in May 2021.

### B. Investment Categories – Funding Priorities

Logic models included in the [Commission’s FY2020-2022 Strategic Plan](#) identify specific investment strategies for the types of projects that the Commission will consider funding. Applications submitted in response to this RFP must fall into one of the following categories:

- A. Business Development
- B. Sites and Infrastructure
- C. Agribusiness
- D. Broadband
- E. Tourism

Details on priorities and the types of projects to be considered within each investment category are provided in **Section III. Guidelines for Specific Investment Categories** of this RFP. All applicants must clearly articulate how the project relates to the goals of the program. 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. Outputs are specific to each investment category.

The Commission at its discretion may entertain other types of projects, provided they meet all other requirements of this RFP. Applicants who wish to bring a project outside of the scope of this RFP must contact TRRC’s grants staff in advance.

## **C. Eligibility – Eligible Applicants, Matching Funds, Uses of Funding**

### Eligible Applicants

Applications will only be accepted from governmental entities and non-profit organizations located in and/or providing economic revitalization programs, services, or facilities in the Tobacco Region. Eligible applicants including the following:

- Governmental Entities - Governmental entities within the Tobacco Region, including towns, cities, and counties; local or regional industrial or economic development authorities; regional authorities, and other governmental units.
- Non-Profit Organizations - Incorporated non-profit organizations designated as tax-exempt by the federal Internal Revenue Service.

Guidelines for applications submitted by regional partnerships and for projects benefiting for-profit entities, are in Section III of the Commission’s Funding Policies discussed below.

### Ineligible/Eligible Uses of Funding

The Commission’s Funding Policies for Grant Awards: Information for Applicants & Grantees (Revised June 2020) (“Funding Policies”) contain information on general ineligible uses of funds, specific type of expenses not eligible for reimbursement, acceptable expense documentation for seeking reimbursement, match documentation requirements, and other important details about the Commission’s grants policies.

### Matching Funds

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 match requirement.

Applicants for grant awards must submit details on the nature, source and timing of match contributions to the project necessary for meeting the 1:1 match requirement. Once secured, matching funds must be committed to the project and available as needed, and must not be conditioned or encumbered in any way that may preclude their use for the project during the grant period. Applicants should provide a commitment letter or equivalent document signed by an authorized representative of the organization providing matching funds to document each source of match.

If the Commission awards a grant to an applicant who 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 de-obligate its funds.

## D. Application and Submission Information

Proposals must be submitted by midnight on Thursday, March 4, 2021, through the Commission's online application portal: [https://vtc.smartsimple.com/s\\_Login.jsp](https://vtc.smartsimple.com/s_Login.jsp).

Applicants must select **Economic Development (use this for Business Development, Sites and Infrastructure, and Tourism projects)**, **Agribusiness** or **Broadband** application based on the nature of their proposal. In addition to text fields of the application, up to 10 pages of additional project description may be submitted as an attachment.

Applicants must certify they have read this RFP and the Commission's Funding Policies, that the information in their applications is true and correct, and that documentation for any claims and representations made can be made available. The certification must be made by an authorized representative of the applicant organization.

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

## E. Evaluation

The Commission's Southwest Virginia Committee will evaluate applications submitted in response to this RFP. Staff recommendations to the Committee will be based upon requirements in this RFP and the Evaluation Scoring Criteria provided in Attachment A. Approval of funding is at the sole discretion of the Commission. The Commission reserves its right to cancel this RFP, to not proceed with any or all applications, to condition its award on additional terms and conditions, or to award a loan to an applicant who sought a grant.

## F. TRRC Staff Contact Information

TRRC staff are available to assist with applications. For technical assistance with logging in or setting up an account with the Commission's online grants portal, please contact:

- Suzette Patterson, Grants System Manager (Richmond, VA)  
(804) 894-9662, [SPatterson@revitalizeva.org](mailto:SPatterson@revitalizeva.org)

To obtain feedback prior to submitting a full application, eligible organizations can complete the pre-application form available on the Commission's website. The pre-application is an optional, non-binding process that is used for providing informal feedback. Contact TRRC's grants staff for assistance with project design or to discuss a pre-application:

- Sara Williams, Southwest Regional Director (Abingdon, VA)  
(276) 619-4325, [swilliams@revitalizeva.org](mailto:swilliams@revitalizeva.org)
- Mike Kaestner, Grants Program Director (Richmond, VA)  
(804) 894-9658, [mkaestner@revitalizeva.org](mailto:mkaestner@revitalizeva.org)

## II. GUIDELINES FOR SPECIFIC INVESTMENT CATEGORIES

### A. Business Development

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

- (i) Regional Economic Development Marketing Initiatives
- (ii) Entrepreneurial System Development

#### Eligible Investments

##### **A1. Regional 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 region. Eligible applicants include regional marketing organizations or other regional partnerships. Funding is also available to engage third party consultants to assist with marketing available sites and buildings, recruitment of small job creators, and promotion of targeted downtown spaces for satellite and back offices.

##### **A2. Entrepreneurial System Development**

Initiatives that support the access to or expansion of, and development of new or existing entrepreneurial support systems. Development of shared work spaces and small scale manufacturing spaces 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 costs (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. Applicants are strongly encouraged to submit a feasibility study that projects anticipated demand and the nature of prospective users. All applications must include a business plan and an operating pro forma showing how the facility will become revenue positive within a reasonable period after construction is complete.

- *Small business development incentives* – Funding may be requested to provide match for community business launch programs.

### Requirements

Depending on the nature of the project, Business Development projects may require one or more of the following documents (refer to **Section III. Required Documents** of this RFP):

- Service Area and Project Location Map
- Feasibility Study
- Cost Estimate from Engineer or Construction Contractor
- Detailed Equipment List and Equipment Quotes
- Business Plan or Operating Plan
- Operating Budget Pro Forma & Rate Structure
- Program Guidelines & Sub-Awards (e.g., community business launch, and similar programs)

### Outputs / Metrics – Business Development

Applicants must identify the outputs that are expected to result from their project and explain how projections were calculated. Following are examples of Business Development metrics:

- Number of existing businesses recruited to region or strengthened by project activities
- Increase in 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, or access to financing
- Increase in taxable private capital investment

*These are the typical project metrics for estimating outputs of business development projects. Applicants are expected to identify the appropriate project output metrics for their project.*

## **B. Sites and Infrastructure**

### Investment Category: 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 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 for Sites and Infrastructure projects will use the **Economic Development** application, and will choose from one of the following investment categories:

- (i) Industrial Sites
- (ii) Infrastructure

### Eligible Investments

#### **B1. Industrial Sites -- Includes On-Site Utility Infrastructure & Buildings**

Applicants seeking funding for development of industrial sites (including requests for on-site infrastructure and buildings) must provide details on the scope of work and associated development costs for the whole site, including a discussion of any funding necessary to complete the project. Grants for on-site infrastructure will only be considered to bring targeted properties to a higher level of business ready site certification or as part of a broader site development initiative with a scope beyond utility construction.

The application should provide documentation of a master plan reflecting intended industrial or commercial uses and verify that the appropriate zoning for these uses is in place. Targeted sectors including NAICS codes should be provided. Building requests must document that the building specifications will satisfy the requirements of the targeted sector(s).

Priority will be given to projects that improve the readiness of sites already under development within the region as opposed to the acquisition and development of new sites.

#### **B2. Infrastructure -- Off-Site Utility Infrastructure**

Requests for utility infrastructure funding should only be submitted to serve clearly-defined economic development sites. The Commission will only consider awarding grants for planning, engineering, and design associated with off-site utility infrastructure; the Commission will only consider awarding loans for construction of such infrastructure.



## Requirements

Depending on the nature of the project, Sites and Infrastructure proposals may require one or more of the following documents (refer to **Section III. Required Documents** of this RFP):

- Service Area and Project Location Map
- Master Plan with Targeted Sectors
- Cost Estimate from Engineer or Construction Contractor
- Cash Flow Analysis with Rate Structure

## Outputs / Metrics – Sites and Infrastructure

Applicants must identify the outputs expected to result from their project and explain how any projections were calculated. Following are examples of Sites and Infrastructure output metrics:

- 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 or 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

*These are the typical project metrics for estimating outputs of economic development sites and infrastructure projects. Applicants are expected to identify the appropriate project output metrics that are expected to result from the implementation of their project.*

## C. Agribusiness

### Investment Category: Agribusiness

The Commission will consider awarding grants and loans for agribusiness projects that create or expand market opportunities for regional producers and that result in a quantifiable increase in net farm income. The two primary areas of interest to the Commission are the establishment of value-added processing, aggregation, and marketing facilities, and the development of emerging and new market opportunities to diversify and enhance the region's agricultural economy.

Priority will be given to regional facilities serving or benefiting multiple producers in more than one locality. Investments will support increasing sales of agricultural commodities and agricultural food products from the region. Projects must clearly demonstrate the identified need or opportunity for a new or expanding market that brings economic value to the region.

### Eligible Investments

#### **C1. Value-Added Processing, Aggregation, and Marketing Facilities**

Value-added processing, aggregation and marketing facilities add value by changing the characteristics of the agricultural commodity to meet market demand. Applicants will use the ***Agribusiness application*** and select one of the following Agribusiness Investment strategies:

- (i) Commercial Agriculture Processing
- (ii) Community Food Processing
- (iii) Farmers Markets
- (iv) Multi-Purpose Agriculture Centers

*Producer Collaboration & Cooperatives:* The Commission's priority is to invest in value-added projects that support producers working in partnership through a producer-based business, agricultural association, or a member-owned cooperative that benefits multiple producers. Funding limits are dependent upon on whether the facility will be publicly or privately owned and operated:

#### Private Ownership:

- Grants for Capital Projects - Grant requests for the lesser of \$250,000 or 25% of the total capital costs to support the costs for equipment or construction of value-added processing facilities operated by a for-profit business whose primary function involves the production, processing, or marketing of agricultural products. Applications must be sponsored by an eligible applicant. The Commission's funding will require a performance agreement under which the company will be required to repay grant funds if it does not meet certain performance targets.

#### Public or Non-Profit Ownership:

- Grants for Capital Projects - Value-added facilities owned by a government entity or a non-profit organization may apply for grants of up to the lesser of \$500,000 or 50% of capital costs.

- Grants for Start-Up Operations - Governmental entities and non-profit organizations may apply for grants for initial start-up operations associated with value-added processing facilities. Applicants must provide a sound operating plan that shows decreasing reliance on Commission funds.

### Loans

- Applicants may apply for low-interest financing assistance to support capital costs for start-up or expansion of a value-added processing facilities benefiting Tobacco Region producers regardless of public or private ownership. In addition, loans will be recommended for projects where there is an identifiable revenue stream sufficient to repay the loan.

## **C2. Development of Emerging and New Market Opportunities**

Projects that diversify and enhance the region's agribusiness economy with a focus on emerging and new market opportunities are eligible for funding. Applicants will use the ***Agribusiness application*** and select one of the following Agribusiness investment strategies:

- (i) Wholesale & Retail Cooperative Marketing
- (ii) Crop Demonstrations
- (iii) Cost-Share Programs

***Wholesale and Retail Cooperative Marketing < \$20,000 grants*** – Small matching grants of up to \$20,000 to support marketing initiatives focused on obtaining access to new or expanding markets to increase agricultural product sales revenues will be considered. All projects must benefit multiple producers. Projects eligible for funding include those that focus on development of institutional or commercial market opportunities; creation of on-line sales systems connecting buyers to sellers; targeted marketing strategies for specialty crops; and creation of broker or expediter services where a third party connects quality agriculture products from several farms to new market opportunities.

***Crop Demonstrations 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) will be considered. Projects seeking funds for basic research activities will not be considered.

***Cost Share Programs*** - Cost-share programs that focus on transitioning producers into alternative agriculture enterprises or for implementing new best practices that directly result in an increase to farmer income will be considered. Projects must be regional and benefit a multi-county area. Cost share incentive payments will be limited to no more than 33% of capital costs or the costs of contracted services. Projects seeking funds for recurring farm expenses are not eligible.

All cost share program proposals must include the following:

- Education component with requirements for participation,
- Proposed cost-share program guidelines with eligible costs and evaluation criteria,
- Analysis of the return on investment to producers for implementing the practice(s),

- Demonstration of need and/or evidence of producer interest, and
- A defined plan for monitoring and measuring outcomes.

### Requirements

In addition to any required information specified above, all proposals for Agribusiness investments must demonstrate the following:

- Benefit agriculture producers from Tobacco Region localities,
- Have a clearly identified market opportunity,
- Encourage private capital investment in farm operations or agribusiness facilities, and
- Will result in measurable increases to net farm income.

Depending on the nature of the project, applications for Agribusiness funding may also require one or more of the following documents (refer to the **Required Documents** section of this RFP):

- Service Area and Project Location Map
- Feasibility Study
- Business Plan or Operating Plan
- Operating Budget and Pro Forma
- Cost Estimate from Engineer or Construction Contractor
- Detailed Equipment List and Equipment Quote
- Marketing Plan
- Operating Agreements

### Outputs / Metrics – Agribusiness

Applicants must identify the outputs that are expected to result from the project and explain how the projections were calculated. Following are examples of Agribusiness output metrics:

- 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 the project
- Number of new jobs created by new or expanding agriculture based business
- Increase in taxable private capital investment

*These are the typical project metrics for estimating outputs of agribusiness projects. Applicants are expected to identify the project outputs that are most applicable to their project.*

## D. Broadband

### Investment Category: Broadband

The Commission will consider funding projects that provide unserved areas of the Tobacco Region with access to broadband speeds of at least 25 Mbps download and 3 Mbps upload. Projects proposing higher speeds may receive more favorable consideration, however, the objective is to address the needs unserved areas, rather than providing superior service to a few areas.

Broadband deployment projects must result in the provision of affordable high-speed/volume connectivity to residents, businesses, and institutions in unserved communities. Applicants will use the **Broadband application** for the following investment strategy:

- i) Broadband Infrastructure

### Eligible Investments

#### **D1. Unserved/Underserved Wireless and Fiber Broadband Service**

Applications for funding to support 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 project areas designated as unserved or underserved.

*The Commission strongly prefers awarding very attractive financing to broadband projects that can generate sufficient revenues to support debt service. Financing terms may include low interest rates and deferring payments until construction is complete, among other flexible terms. Applicants are invited to submit proposed loan terms for consideration. The Commission recognizes that sometimes the costs associated with establishing particular connections may be prohibitively expensive. In these cases, the Commission invites applicants to submit proposals for a hybrid approach of awarding a combination of loan and grant funding, with the grant funding targeted to subsidizing the costs of particular connections. On a case by case basis, the Commission will consider awarding grants to support projects that demonstrate that neither attractive financing nor a hybrid approach is feasible.*

*In addition, the Commission will consider awarding attractive financing to assist internet service providers implement more rapidly those broadband projects that otherwise would be supported with Rural Digital Opportunity Fund (RDOF) or Connect America Fund (CAF) funding in exchange for a pledge of future RDOF or CAF payments. To inquire, interested applicants should contact Mike Kaestner, Grants Program Director ([mkaestner@revitalizeva.org](mailto:mkaestner@revitalizeva.org)).*

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.

### Requirements

Applications for broadband funding must be submitted by a unit of government within 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 must be included as a co-applicant.

To be considered for funding, the lead applicant and private co-applicant must demonstrate suitable fiscal standing and management capabilities. Applicants and private sector partner(s), must submit the following documents and/or attest to each of the following:

1. Documentation that the 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 the application or otherwise demonstrate sufficient expertise and financial resources to carry out the 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;
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"; and
5. **For projects seeking any amount of grant funding:**
  - a. **For projects seeking exclusively grant funding:** a detailed financial analysis that clearly demonstrates how and why is it not feasible to complete the project with attractive financing (including a discussion of expected rates of return),
  - b. **For projects seeking a hybrid of attractive financing and grant funding:** an itemized list of the particular connections for which the applicant seeks grant funding with cost estimates for those connections; and
  - c. **For all projects seeking any amount of grant funding:** A detailed discussion of why other funding sources (such as VATI) cannot be obtained to support the project.

Applications for Broadband projects require all of the following information (refer to section III. **Required Documents** of this RFP for more information):

- Service Area and Project Location Map
- Cash Flow Analysis & Rate Structure
- Line-Item Detailed Budget
- Detailed Equipment List and Equipment Quotes
- Cost Estimate from Engineer or Construction Contractor

#### Project Outputs – Broadband

Applicants must identify the outputs that are expected to result from their project and explain how any projections were calculated. Following are the Broadband output metrics:

- Improvements in broadband speed offerings for unserved and underserved premises including number of households, businesses, and farms
- Number of new connections based on speed tier and pricing structure
- Return on Commission's investment based on the number of new connections established

*These are the project metrics for estimating outputs of broadband projects. Applicants are expected to identify the project outputs that will result from implementation of their project.*

## D. Tourism

### Investment Category: Tourism

The Commission will consider awarding grants and loans for tourism destination infrastructure projects and for regional tourism marketing initiatives. The Commission prioritizes regional projects of interest to national or international markets. Applicants must demonstrate the ability of the project to attract measurable visitor revenues from outside the Tobacco Region.

Applicants for Tourism projects will use the **Economic Development** application, and will choose from one of the following Investment Strategies:

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

### Eligible Investments

#### **E1. Tourism Destination Infrastructure**

(Heritage Tourism Sites and Outdoor Recreation Tourism)

Infrastructure investments in tourism destinations will only be considered for sites of documented ***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 will not be considered. Tourism destination projects that do not demonstrate the ability to attract significant visitor spending from outside the region will not be considered for funding.

#### **E2. Regional Tourism Marketing Campaigns and Initiatives**

Projects under this investment strategy should be focused on specific campaigns that will lead to the attraction of new visitors to an area (e.g., Southwest Virginia, or a multi-county tourism areas) of the Tobacco Region from national or international markets. Priority will be given to supporting marketing projects that seek to market the larger region as a whole rather than those that focus on an individual site or an initiative-specific campaign.

## Requirements

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.

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

- Service Area and Project Location Map
- Feasibility Study
- Economic Impact Study
- Cost Estimate from Engineer or Contractor
- Business Plan or Operating Plan
- Marketing Plan

## Outputs / Metrics - Tourism

Applicants must identify the outputs that are expected to result from their project and explain how any projections were calculated. Following are examples of Tourism output metrics:

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

*These are the typical project metrics for estimating outputs of tourism projects. Applicants are expected to identify the project outputs that are more applicable to their project.*



### III. REQUIRED DOCUMENTS

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.

- A. **Service Area and Project Location Map** – Maps of the project’s service area should be provided for projects where more than one specific area is served.
- B. **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.
- C. **Cost Estimate from Engineer or Construction Contractor** – Requests for construction expenses 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.
- D. **Detailed Equipment List and Equipment Quotes** – Requests for the purchase of equipment, must provide a detailed equipment list and quotes from product vendors.
- E. **Business Plan or Operating Plan** - A Business Plan or Operating Plan that describes the operational requirements for the project and how those requirements will be met should be submitted, if applicable.
- F. **Operating Budget and Pro Forma** - All requests for projects that will have ongoing operating costs must demonstrate how operation of the new or 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 expenses must be provided showing projections for how the program/facilities will be supported.
- G. **Feasibility Study** - A feasibility study or similar analysis that demonstrates that the proposed business concept is technically and economically feasible should be submitted, if applicable.
- F. **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.
- G. **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.

- H. **Cash Flow Analysis with Rate Structure** - For projects that will generate revenues, applicants must provide (i) a detailed cash flow analysis that shows a baseline of current operations and expected changes to revenues and expenditures if an award is approved, and (ii) a proposed or currently adopted rate structure for new and/or existing customers. 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.
- I. **Performance Agreements** – Provide terms for private sector performance agreements, if applicable.
- J. **Operating Agreements** - Agreements (Memoranda of Understanding or similar documents) between project partners or beneficiaries are required, if applicable.
- K. **Program Guidelines & Sub-Awards** - Applications requesting support for incentive programs (e.g., agriculture cost share or business development community business launch programs) must provide a copy of the proposed Program Guidelines. This will describe the governance of the program including its eligibility criteria, funding limitations, and program requirements. When the project will result in sub-awarding of TRRC funding to other recipients, the details of the sub-award arrangements including a draft of the proposed contract agreement must be provided.
- L. **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. Redundant form letters of support are discouraged.

## **IV. REQUIREMENTS OF FUNDING**

### **A. Grants and Loans**

This RFP seeks applications for both grants and loans. 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.

### **B. Award Information**

It is anticipated that the Commission will approve multiple awards—including grants and loans—as a result of this RFP. After the Commission makes award decisions, grant agreements will be issued for the amounts and with any conditions as approved by the Commission.

The Commission will typically use its standard restricted or unrestricted grant agreements 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.

### **C. 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.

### **D. 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.

#### **E. 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.

### **V. ATTACHMENTS**

- Attachment A – Evaluation Criteria
  
- Attachment B – Tobacco Region Map of Eligible Localities

**TRRC's Southwest and Southern Virginia  
Regional Economic Development Program -- Evaluation Criteria**

**OVERALL PROJECT EVALUATION (70 POINTS)**

***Projects will be evaluated in each area listed below for a total of 70 points for overall project evaluation.***

**Assessment of Need & Eligibility (15 points)**

Problem / Need - Clearly Identified problem or need to be addressed. (5)

Assessment of Need & Planning - 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. (5)

TRRC Priority - Fit with the Commission's mission, Strategic Plan, investment categories and funding priorities. (5)

**Methodology & Project Feasibility (25 points)**

Methodology - Logical and feasible approach to addressing objective and meeting investment metrics/output deliverable objectives that will benefit economic revitalization in the region. (10)

Timeline & Milestones - Project describes how objectives will be achieved under a realistic work plan. Progress steps and estimated dates for completion provided. (5)

Project Team - Experience and demonstrated expertise of project team for accomplishing objectives. (5)

Feasibility - Focus of project scope on direct outcomes benefiting economic revitalization in the region. (5)

**Project Budget and Match (15 points)**

Budget Detail - Budget is reasonable, realistic and cost-effective. Planned use of funds supported by a budget narrative and/or with quotes and estimates. (5)

Match - Leveraging of non-TRRC resources is evident with appropriate sources and amounts of cash commitments and other funding, and in-kind match contributions identified. (5)

Additional Match - Leveraging of non-TRRC resources exceeds minimum 1:1 requirement. (5)

## **Sustainability for Long-Term Success (15 points)**

Sustainability - Demonstrated financial plans provided including cash-flow analysis and pro-forma budgets. Clear plan for financial sustainability and ability to maintain effort beyond the term of grant funding. (10)

Long Term Impact on Region & Communities - Regional cooperation and financial collaboration. Likelihood for benefits of the project accrue regionally and/or serve as a model for other communities. (5)

## **INVESTMENT OUTCOMES RESULTING FROM OUTPUT METRICS & DELIVERABLES (30 POINTS)**

*Each project will be scored up to 30 points, under the relevant Investment Categories listed below:*

**A. AGRIBUSINESS** -- Ability to create agribusiness opportunities and to increase net farm income, with an emphasis on systemic or collective benefit. Evidence of producer interest and market opportunity.

**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. INDUSTRIAL SITES & INFRASTRUCTURE** -- Addresses critical needs to improve economic competitiveness of the region and to result in long-term job creation and private capital investment.

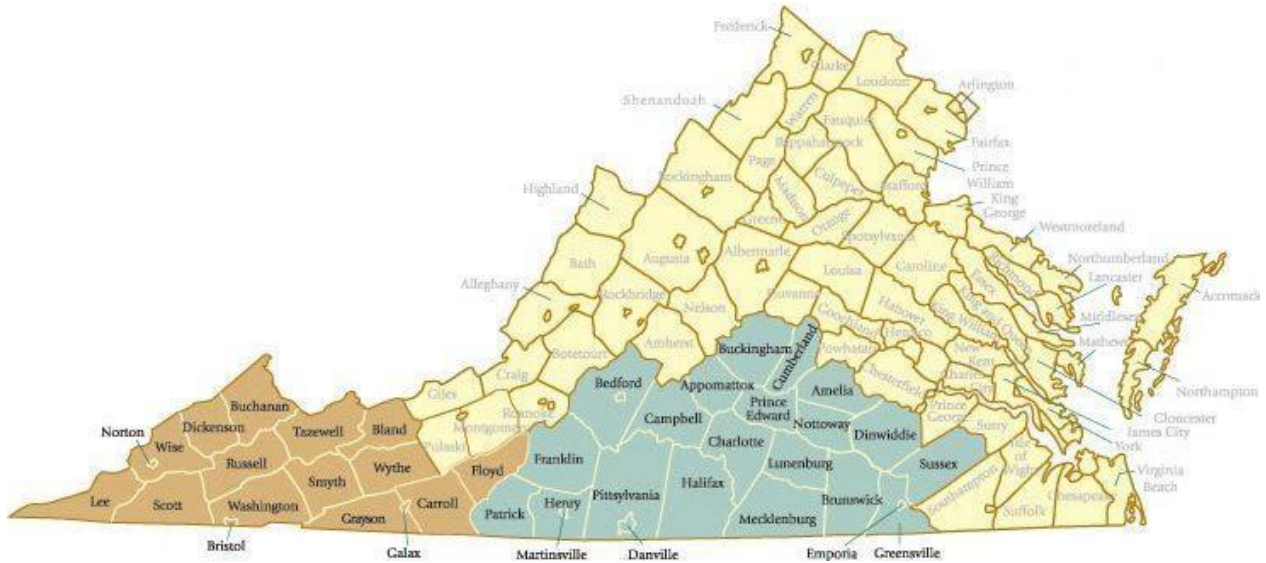
**D. BROADBAND** -- Extent to which project will serve new and unserved locations, at speeds in excess of 25Mbs download and 3Mbs upload in a cost-effective manner.

**E. TOURISM** -- Ability to significantly and directly, increase number of visitors from outside the region and beyond the Commonwealth; and with the increase in tourist and visitors to increase visitor spending in the region.

**TOTAL SCORE = OVERALL PROJECT EVALUATION + INVESTMENT OUTCOMES = 100 POINTS**

## Counties & Cities Eligible for Tobacco Commission Funding

The service area for the Virginia Tobacco Region Revitalization Commission includes 40-tobacco-dependent localities in the Southern and Southwest areas of Virginia. Eligible applicants serving these localities are eligible to apply to the Commission’s grant programs for projects that will enhance the economic growth and development of the region.



### **SOUTHWEST AREA**

**Counties:**

- Bland
- Buchanan
- Carroll
- Dickenson
- Floyd
- Grayson
- Lee
- Russell
- Scott
- Smyth
- Sussex
- Tazewell
- Washington
- Wise
- Wythe

**Cities:**

- Bristol
- Galax
- Norton

### **SOUTHERN AREA**

**Counties:**

- Amelia
- Appomattox
- Bedford
- Brunswick
- Buckingham
- Campbell
- Charlotte
- Cumberland
- Dinwiddie
- Franklin
- Greenville

Halifax

- Henry
- Lunenburg
- Mecklenburg
- Nottoway
- Patrick
- Pittsylvania
- Prince Edward

**Cities**

- Danville
- Emporia
- Martinsville