



AGENDA

SOUTHERN VIRGINIA COMMITTEE

Richmond Marriott Hotel
500 East Broad Street, Richmond, VA 23219
Thursday, January 6, 2022
1:00 P.M.

In accordance with §2.2-3708.2.D.2 of the Code of Virginia, the public may witness this meeting electronically via telephone by dialing: **1-408-418-9388 (toll)** and utilize the access code: **2633 793 0219** and password: **95625925**. The telephone line is provided for the public to witness the meeting; no public comment shall be received via the call in number and the line will be muted to participants. **If you experience problems calling in or transmission, please call: 804-894-9652 or email at JButler@revitalizeva.org.**

Any person needing accommodations in order to participate in the meeting should contact Ms. Joyce Knight, at 804-894-9651 at least (5) five days prior to the meeting, so that suitable arrangements can be made. In accordance with §30-179 of the Code of Virginia, the public may provide comment on their experience with this electronic meeting format. A copy of the comment form may be found here: http://foiacouncil.dls.virginia.gov/sample%20letters/reporting_reqs.htm.

Welcome and Call to Order	<i>Mr. Walter "Buddy" Shelton, Chair</i>
Call of the Roll	<i>Evan Feinman, Executive Director</i>
Approval of the <u>9/21/21</u> Minutes	<i>(published on website)</i>
Public Comments	
Tabled FY 22 Applications	<i>Sarah Capps, Southern Regional Director</i>
Extensions and Modifications	<i>Sarah Capps, Southern Regional Director</i>
Other Business	<i>Evan Feinman, Executive Director</i>
Public Comments	
Adjournment	

**FY22 Southern Virginia Program
January 6, 2022**

The Commission tabled two applications submitted to the FY22 Southern Virginia Program at their September 22, 2021 meeting to be reconsidered for funding in January 2022. The Southern Virginia Program committee will act on these applications at its meeting scheduled for January 6, 2022 at 1:00 p.m.

Req #	Organization	Project Title	Request Amount	Staff Recommendation
Agribusiness				
3891	Campbell County	Central Southern Virginia Precision Agriculture & Farm Efficiency Grant	\$800,000 \$505,000	\$ 505,000
Business Development				
3895	Martinsville-Henry County Chambers Partnership for Economic Growth	Startup/Grow Martinsville-Henry County Expansion	\$ 106,124 \$ 103,575	\$ 103,575
TOTAL Grant Awards Recommended:				\$ 608,575

Agribusiness

Campbell County

Central Southern Virginia Precision Agriculture & Farm Efficiency Grant (#3891)

~~\$800,000 Requested~~ - Reduced to \$505,000 Request

September 22, 2021 (Previous Review)

Project Summary: This application is for a cost share program intended to improve participating producers' efficiency and improve environmental management. The Virginia Cooperative Extension offices in 19 counties would administer the program and 8-10 producers would be supported per county. The 19 participating counties are Amelia, Appomattox, Bedford County, Brunswick, Buckingham, Campbell, Charlotte, Cumberland, Dinwiddie, Franklin County, Greensville, Halifax, Henry, Lunenburg, Mecklenburg, Nottoway, Pittsylvania, Prince Edward, Sussex. The program would provide 33% cost share of up to \$5,000 per participant for a wide range of activities in four primary areas: (1) precision and improved agricultural technology, (2) stored forage improvements, (3) livestock improvements, and (4) value-added practices.

Matching Funds: Matching funds will be provided by the program's participants who will contribute a minimum of 67% of total costs. Commission funds will reimburse at a 33% rate up to a maximum of \$5,000 per participant.

Project Outputs: The application estimates that each of the approximately 150-190 participating producers would realize \$2,000 of new annual sales revenue, though it did not explain the basis for this estimate.

Staff Comments: This application is for a cost share program that will support the purchase of an extremely broad array of crop and livestock management equipment and the construction of hay barns. The proposed program guidelines include the purchase of the following types of equipment: livestock handling (head gates, scales, calf catchers, etc.); sprayers, spreaders, and equipment/software to control them; mechanical and chemical weed control equipment (in-row cultivators, flame weeders, etc.); seeding and harvest equipment; hay wrappers and hay bale rotators; cold storage systems; and a variety of legal for trade/certified scales.

The application did not demonstrate how any of the proposed measures represent new best practices. It also did not include discussion of how the adoption of any of the proposed measures would cause producers to realize savings or generate new income. The Commission has funded many of the activities for which grant funds are sought over the course of seven previous grants from 2010 through 2019. Each of these grants was closed with balances that ranged from \$74,000 to \$167,000. The most recent cost share grant awarded to this applicant in 2019 (#3486) included hay barns, hay wrappers, all of the same livestock handling equipment included in the current application, and cold storage systems, yet it was closed with a balance of more than \$80,000. Consequently, Staff is concerned that the large amount requested under this application has little bearing on actual demand.

The Commission is most interested in funding cost share projects that involve the implementation of new, advanced agricultural techniques. The Southern Virginia Program Guidelines provide that the Commission will consider cost share programs that "focus on transitioning producers into alternative agriculture enterprises or for implementing new best practices." The application did not demonstrate that any of the proposed activities involve the implementation of new best practices.

Financial Viability Assessment: The application did not demonstrate that this cost share program involves the implementation of new best practices or explain how the activities would result in savings or new revenue for producers. Consequently, this project does not advance the Commission's agribusiness objectives. In addition, the application did not include estimates of the costs of any of the eligible activities or an indication of regional interest, so it is impossible to assess the extent to which any of the activities will be implemented. Finally, several of the activities that would be funded under this grant have been funded under multiple previous grants, some of which were closed with balances in excess of \$167,000, suggesting that the amount requested far exceeds what is actually required.

Commission Recommendation: Committee recommends Tabling action on this grant until January, for staff to work with applicant to provide written details on how the project represents new best practices, and provide quantitative measures for producers to realize savings or generate new income.

January 6, 2022 (Updated Review)

Staff Comments: The applicant established a primary team of Virginia Cooperative Extension (VCE) agents, who have worked with staff to revise the narrative proposal and cost-share guidelines for this application. A second group of VCE agents involved in the project who will serve on the Disbursement Oversight Committee was also identified. Significant revisions were made to the content to refine the focus, and to clearly identify and to provide justification for the eligible practices being proposed. The title was changed from “Central Virginia” to “Southern Virginia” to reflect the geographic area covered, and the applicant agreed to include Patrick County to allow for all twenty (20) of TRRC’s Southern area counties to be included. The request is reduced from \$800,000 down to \$505,000; and provides funding for at least five (5) producers in each county and allocates \$5,000 for administrative costs. Funding allows for at least 100 producers to benefit, and VCE estimates the project will benefit ~ 150 producers in the region.

The stated project objective is “to encourage producers to incorporate new practices that enhance their operation’s inputs and cost savings.” VCE defines the focus on precision agriculture as the integration of technology with traditional agriculture to improve quality and efficiency; and the focus on farm efficiency as targeted to practices that decrease loss, increase income and promote safety. The revised program is targeted to four categories (1) Precision and Improved Agriculture Technology; (2) Produce Equipment & Cold Storage; (3) Produce Handling & Hay Storage Facilities; and (4) Livestock Handling Equipment. Producers will be required to spend at least \$3,000 on capital costs for equipment or construction to be eligible. A detailed list of eligible items under each category was provided with cost estimates and justification for each. The justification content satisfies the requirement for details to support return on investment for producers.

New eligible practices in this cost-share program include all eligible items under the Precision and Improved Agriculture category; the majority of items under the Produce Equipment category; and produce packing facilities under the Facilities category is also new. There are four specific cost-share items previously supported by the Commission that remain in this proposal. VCE has agreed that availability of cost-share funding for these practices will be limited to only first-time recipients. The specific items/practices previously funded, and the number of past Southern Virginia area recipients based on TRRC data analysis include: Hay Storage/Hay Barns (445), Livestock Handling Equipment (415), Cold Storage (6), and Produce Production and Handling Equipment (4). Whereas the Commission has supported cost-share for livestock handling equipment dating back to 2004, and hay storage was introduced in 2010, the cold storage and product production were only added in recent years to support increased vegetable production. The limitation for only first-time recipients for previously funded practices is included as a condition on the grant award, further emphasizing the interest of targeting cost share for producers to implement new best practices.

Staff Recommendation: Staff recommends approval of a \$505,000 grant, conditioned on cost-share funding being limited to only first time recipients for practices previously funded by TRRC.

Business Development

Martinsville-Henry County Chambers Partnership for Economic Growth *Startup/Grow Martinsville-Henry County Expansion (#3895)* ~~\$106,124 Requested~~— Reduced to \$103,575 Request

September 22, 2021 (Previous Review)

Project Summary: The MHC Chamber of Commerce coordinates the Chamber's Partnership for Economic Growth (CPEG) program in partnership with Patrick Henry Community College and Longwood Small Business Development Center. Grant funds are requested for expansion of the Startup MHC and Grow MHC programs to fund a portion of two existing chamber staff positions, contractual services for business and transfer payment incentives for selected entrepreneurs. Participants in the program will result from pitch competitions. The project will allow CPEG to serve additional entrepreneurs, provide additional training to entrepreneurs, and to make additional investments in viable business concepts.

Matching Funds: The project budget includes \$82,799 cash match with allocation of \$27,075 from local sources for contractual services and equipment, and \$55,724 private contributions for transfer payments. There is in-kind match from personnel service contributions (\$30,425) and waived rent for office or small scale production space within the West Piedmont Business Incubator (\$11,200).

Project Outputs:

- Increase in number of new businesses opening annually from 5 to 8.
- Target for annual outcomes of supporting 8 new businesses, leading to \$100,000 new capital investment; and support 5 existing businesses, leading to \$50,000 in new capital investment.

Staff Comments: The applicant indicates that funding will allow the CPEG program to serve additional entrepreneurs including agriculture and technology based business ventures. The project team is clearly versed in business development and currently operates a successful boot camp program. However, the application appears to be undeveloped and could benefit from further refinement. Guidelines for the business competition, eligible uses of funding, and any limit on type of companies that may be selected for assistance were not provided.

Staff suggests collaborating with applicant to develop guidelines for funding that address these items and that target traded sector businesses that support expansion of the region's economic base and/or specific sectors to address leakages from the regional economy. The budget will also need to be revisited to focus TRRC funding to business incentives. Funding of existing chamber of commerce staff positions should be addressed from local partner contributions and existing positions in match will need to be an in-kind contribution. Staff recognizes that a project that supports expansion of a successful business support and pitch program would provide direct outputs under the business development investment category. Staff recommends this application be tabled, to allow time for applicant to work with Tobacco Commission staff to refine the scope and budget of the proposal, to be reconsidered for funding approval in January 2022.

Financial Viability Assessment: The Martinsville-Henry County Chambers Partnership for Economic Growth has operated a successful business launch program since 2015. It has a good track record of partnering with other strong organizations in the region to deliver practical programming that supports and trains small businesses. Unfortunately, several aspects of the project were not fully fleshed out so it is difficult to assess its strength.

Commission Recommendation: Commission recommends tabling this application to give an opportunity to collaborate with the applicant to refine aspects of the project for reconsideration in January 2022.

January 6, 2022 (Updated Review)

Staff Comments: The applicant worked with staff to address all concerns identified during the previous review. Guidelines for program participation were inadvertently left off the original application, and these have been provided. The guidelines clarify eligibility for businesses and the requirements to participate in all 8 sessions for Startup MHC and all 4 sessions for Grow MHC, to complete and submit a business plan, and to participate in the pitch events. The guidelines also details type of expenses eligible for business incentives. The course syllabus for Patrick & Henry Community College's MHC Start-up program was provided, and instructs participants on all necessary aspects for completion of a comprehensive business plan.

The project budget was revised to remove chamber personnel costs from TRRC funding, and now allocates the majority of grant funding to business incentive (\$77,500), with the remaining funds allocated to contractual services (\$26,075) to expand capacity of the boot camp program to serve additional entrepreneurs by offering the program more than once a year. All direct costs including business incentives are matched 1:1 and additional in-kind match is provided for chamber staff and office space at the West Piedmont Business Incubator. The revised budget reduced the request to \$103,575.

The focus on this funding will be on incentive for businesses that produce a traded product or service, contributing to the region's economic base. Examples of targeted sectors include agribusiness, technology, small-scale production, manufacturing, and health care businesses. Service and retail sector business primarily serving a local market will not be supported. The typical limit of business incentives is \$10,000 (combining cash and in-kind awards); however, there is potential of award of up to \$15,000 maximum for an exceptional business with very high potential of success and funding needs to justify the additional incentive. TRRC incentive funding will be limited to capital costs (e.g. equipment or renovations) or third-party professional services contracts (e.g. website/branding, marketing, accounting, etc.).

TRRC funding will only be used for an expansion of annual entrepreneurial programs, and a one-time expansion of annual business incentives over the three year project period. The chamber has agreed to review all proposed business incentives for TRRC funding, with TRRC staff in advance of making these awards.

Staff Recommendation: Staff recommends approval of a \$103,575 grant award to support expanded entrepreneurship training and business incentives for the Startup MHC and Grown MHC program.

OTHER BUSINESS:

Town of Brodnax

Brodnax Depot Renovation Project (#2975)

Request for 8th Year Extension to January 12, 2023

Staff Comments: The Commission approved a \$121,030 grant in January 2015 for acquisition and renovation of the historic 1860's railroad depot in the Town of Brodnax, located along US 58 on the western edge of Brunswick County. This project will renovate the 1,754 square foot building to serve as a trailhead/restroom facility for users of the Tobacco Heritage Trail. As a heavily used section of the Trail, the trail segment connects to the Town of Lawrenceville only there are no bathroom facilities for 5+ miles (a common complaint of trail users). The original award was contingent on approval of VDOT funding, which was required it to be split into two phases and the VDOT contract was finalized in early 2019.

The Commission has previously approved three extensions for this grant. A seventh year extension approved in September 2020 provided for the current end date of January 12, 2022. At that time construction was scheduled to start in spring 2021 and to be completed by the end of 2021.

The Southside Planning District Commission administers this project on behalf of the Town and they are requesting a final 8th year extension. Construction did not begin in 2021, reportedly due to the lengthy DHR review and VDOT reviews. The PDC indicates that plans are in the final review period with VDOT and the project will go out to bid in spring 2022 with improvements being completed in January 2023.

A total of \$16,545.74 of grant funds have been used for acquisition of the depot and for architectural design fees. There remains a \$104,234.83 balance on the project account to support the renovations.

Staff questions whether the eighth year extension will provide sufficient time for completing the project, recognizing that the current renovation plans have not been bid, and with concern that if bids are yet again over budget there is no contingency plan for how any additional funding needs would be addressed. Staff suggests the "final" extension provide for an additional eighteen months (a total of nearly ten years) and be contingent on the grantee identifying a source of additional funding if the project is over budget.

Staff recommends approval of a final extension for eighteen months to June 30, 2023, contingent on the grantee identifying a source for any additional funding needs if the construction bids are over budget in order to allow the project to remain on schedule for completion.