

**Comparison Document  
2020-2022 and 2023-2025 Strategic Plans**

Section	Changes
Overview	<b>First Draft:</b> Updated Service Area Map
Mission	No changes in either draft
Vision	No changes in either draft
Priorities	<b>First Draft:</b> Section was previously called “A New Approach.” Minor editing to verbiage.
Funding & Strategic Priorities	No changes to either draft
Funding Priorities	No changes to either draft
1. Business & Community Lending	<p><b>First Draft:</b> Minor editing to verbiage</p> <p><b>Second Draft Version: Added underlined verbiage to make clear the Commission intends the lending program to be a gap filler – not a competitor to local community banks.</b></p> <p><b>“Business and community lending:</b> The Commission’s largest budget line is directed toward community and business lending. This approach increases access to capital in the region while also contributing to the Commission’s financial sustainability. This program is funded via a full annual corpus invasion of 15%, less any budgeted funds for grant making and administration. This invasion improves the Commission’s fiscal position rather than harm it, as loans are usually made at interest rates greater than the yield on the Commission’s assets within the State Treasury. This increased lending activity will, in many cases, result in awards consisting solely of loans whereas past guidelines may have resulted in a grant award. <u>The Commission does not intend for its lending program to compete against local community banks, but to provide an alternative means of capital to projects that may not otherwise be a good fit for a local private lender.”</u></p>
2. Education & Workforce Development	<p><b>First Draft:</b> No changes to section</p> <p><b>Second Draft Version: Added underlined verbiage as alternative to prioritizing previous #8 priority, “Economic Factors Affecting Regional Competitiveness”</b></p> <p><b>“Education and workforce development:</b> As the national and global economies increase focus on human capital, the Commission must continue to support the region’s efforts <u>to address economic competitiveness factors</u> and ensure employers can hire top-flight talent. This will remain a focus for the Commission as we believe it presents opportunity for high return on investment and supports long-term economic growth.”</p>
3. Agribusiness	No changes to either draft

4. TROF	<b>First Draft:</b> Eliminated reference to “Community Business Launch” program
5. Industrial & Business Infrastructure	<p><b>First Draft Version: Replaced</b>  “<del>The Commission will continue to make grants and loans to support the creation and improvement of industrial sites, business locations, shell buildings, telecommunications, natural gas, and electrical infrastructure to close this gap and ensure that localities within the Commission footprint can compete successfully for projects.</del>” with “The Commission will continue to make grants and loans to support the creation and improvement of industrial sites, business locations, and shell buildings to close this gap and ensure that localities within the Commission footprint can compete successfully for projects. 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.”</p> <p><b>Second Draft Version: Restores reference to telecommunications infrastructure (underlined language)</b>  “The Commission will continue to make grants and loans to support the creation and improvement of industrial sites, business locations, <u>shell buildings, and telecommunications infrastructure</u> to close this gap and ensure that localities within the Commission footprint can compete successfully for projects. 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.”</p>
6. Small Towns Initiatives	<p><b>First Draft Version: New addition to plan</b>  “The rural towns in the Tobacco Region serve as important community focal points and economic centers. Due to changing transportation and economic patterns, these rural communities have faced acute challenges that are often reflected in extremely low-to-medium household incomes, lack of well-paying job opportunities, high rates of out-commuting by the workforce and high building vacancy rates. The Commission will make grants and loans to support capital investments in downtown properties and entrepreneurial and business support strategies, with the goal of encouraging the occupancy of vacant, underutilized private buildings and creation/expansion of technology and business service sector jobs.”</p> <p><b>Second Draft Version: eliminates references to specific strategies, which could be more fully addressed in program RFPs and added info on projects the Commission desires to support (underlined).</b></p>

	<p>“The rural towns in the Tobacco Region serve as important community focal points and economic centers. Due to changing transportation and economic patterns, these rural communities have faced acute challenges that are often reflected in extremely low-to-medium household incomes, lack of well-paying job opportunities, high rates of out-commuting by the workforce and high building vacancy rates. <u>The Commission desires to support projects that focus attention on revitalizing the footprints rural small towns in a manner that supports local and regional economic revitalization efforts that will attract outside capital investment in rural small towns.</u>”</p>
<p>7. Community Assets and Opportunities</p>	<p><b>First Draft Version: Restoration of Previous Priority</b>  “Many rural areas in the Tobacco Region are fortunate to have local natural resources and cultural assets with the potential to develop into tourist destinations. The Commission will make grants and loans to cultural projects and tourism opportunities that will create jobs, stimulate local business development, and bring significant numbers of residents from outside the footprint into the region.”  <b>Second Draft Version: eliminates references to tourism project qualifications, which could be more specifically addressed in program RFPs and added info on projects the Commission desires to support (underlined).</b></p> <p>“Many rural areas in the Tobacco Region are fortunate to have local natural resources and cultural assets with the potential to develop into tourist destinations. <u>The Commission supports natural and cultural asset projects that are regionally-impactful and have the demonstrated potential to attract outside investments and visitors to the region.</u>”</p>
<p>8. Economic factors affecting regional competitiveness</p>	<p><b>First Draft Version: Added</b>  “<u>The Commission acknowledges that the rising cost of childcare and housing has created barriers to attracting an adequate workforce for rural communities seeking to attract economic development opportunities. These quality-of-life challenges require a creative approach to generate a favorable climate for business growth and human capital expansion in the region. The Commission will consider supporting regional efforts that address these issues and have significant funding support from other public and private partners.</u>”  <b>Second Draft Version: This section has been struck and replaced with an update to “2. Education and Workforce Development”</b></p>
<p>Strategic Priorities</p>	<p><b>No changes in either draft.</b></p>

<p>Programmatic, capacity-building, and project development</p>	<p><b>First Draft:</b> Eliminated in 2023 Plan, as priority has been implemented.</p>
<p>Streamlined Committees</p>	<p><b>First Draft:</b>  Heading replaced with “Committee Structure.” Replaced “In a period of reduced budgets, dividing resources among too many committees leads to small grant rounds with correspondingly small outcomes. As a result, the Commission will match narrowed funding priorities with a reduction in the number of committees. The Commission will create a single committee for each region that manages all non-education grant-making and lending while eliminating redundant committees including R&amp;D, Special Projects, Agribusiness, and Business Support committees, and rolling their work into the new regional committees. These two regional committees are not continuations of the existing Southside and Southwest Economic Development committees – they will hear projects that would, previously, have come before some of the eliminated committees, at the discretion of the chairs. Additionally, the executive committee will be slimmed down to one that mirrors executive committees of other organizations: it will consist of the chairs of our committees and the officers of the full Commission. Each committee’s work is broken out into one or more logic models, which can be seen at the end of this document, that display the specific outputs supporting each programmatic goal. It is the goal of Commission staff to evaluate projects, both before awards are given and in follow-up, on how well they meet the clear metrics laid out in project outputs when grants or loans are awarded. For more detail on specific metrics, please contact Commission staff.” With “The Commission has five standing committees, with the option to create new committees on an ad-hoc basis for special purposes. All committees meet at the call of their respective committee chairpersons. Most committees evaluate grant and loan proposals from eligible applicants, as specified by each Request for Proposal. These committees make recommendations to the overall Commission as to what projects should be funded, in what amounts, and whether said funding should be in the form of a grant or loan. Some committees are operational in nature and recommend policy or process changes to the Commission. The overall purpose and objectives of each committee is described below.”</p>
<p>Improved Fiscal Management</p>	<p><b>First Draft:</b>  Eliminated the following, as strategy has been implemented: “Focus on lending. In the past the Commission has relied on grants as the primary means of supporting and incentivizing projects across the region. While this has resulted in positive impacts for the localities we serve, it has also resulted in the</p>

	<p>slow drawdown of Commission funds to the point that the Commission risks not being a financially viable entity within a short number of years. That said, the Commission still retains a significant amount of capital. It is critical that the Commission use this capital in the most efficient manner possible, and that will largely mean lending. The Commission has the authority to invade its corpus for more than \$20 million annually for the next several years – rather than use these funds to make further grants, which would dramatically deplete the corpus, the funds will be set aside for making low, fixed-rate loans. At 4% return, each year’s corpus invasion would yield at least \$800,000 new dollars per year, meaning millions of new dollars coming into the Commission per-year by year four. At the same time the Commission will expand lending activity beyond its current stakeholders to include business lending, when that business or its principals have sufficient assets to guarantee a loan or the business’s locality or IDA/EDA will guarantee the loan. In the past year, multiple businesses have approached the Commission with purchase orders in hand, but without access to capital sufficient to fill those purchase orders. These businesses will be ideal candidates for lending, and will make the business climate in the Commission’s footprint even more competitive relative to the rest of the Commonwealth. Focus on lending. In the past the Commission has relied on grants as the primary means of supporting and incentivizing projects across the region. While this has resulted in positive impacts for the localities we serve, it has also resulted in the slow drawdown of Commission funds to the point that the Commission risks not being a financially viable entity within a short number of years. That said, the Commission still retains a significant amount of capital. It is critical that the Commission use this capital in the most efficient manner possible, and that will largely mean lending. The Commission has the authority to invade its corpus for more than \$20 million annually for the next several years – rather than use these funds to make further grants, which would dramatically deplete the corpus, the funds will be set aside for making low, fixed-rate loans. At 4% return, each year’s corpus invasion would yield at least \$800,000 new dollars per year, meaning millions of new dollars coming into the Commission per-year by year four. At the same time the Commission will expand lending activity beyond its current stakeholders to include business lending, when that business or its principals have sufficient assets to guarantee a loan or the business’s locality or IDA/EDA will guarantee the loan. In the past year, multiple businesses have approached the Commission with purchase orders in hand, but without access to capital sufficient to fill those purchase orders. These businesses will be ideal candidates for lending, and will make the business climate in the Commission’s footprint even</p>
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	more competitive relative to the rest of the Commonwealth.”
Commission Foundation	No changes to either draft.
Investing in the Regions	<p><b>First Draft:</b>  Eliminated due to strategy implementation: “Field offices. The Commission’s field office staff has multiple responsibilities including grant management, metric tracking and grant oversight, project development of prospective grant applications, advising regional leaders on economic and community development initiatives, and recently, tracking of Commission assets. Moving forward, the Commission will better utilize the field offices by increasing the focus of field staff on project development and regional leadership. Field office directors have seen more economic and community development efforts in their respective regions than almost anyone in Virginia. Field staff have long been engaged in this activity on an ad-hoc basis, but making these efforts a stated job duty – and allocating a specific percentage of field office directors’ time for it – will bring them more closely into alignment with local and regional economic development staff and yield greater results. Along with this new focus on project development, field staff will continue to evaluate projects as they arrive and during performance periods. This core mission of the grants team will continue with an increased emphasis on thorough tracking of project metrics throughout the life of the grants and ensuring that all relevant data are not just recorded, but entered into the database in a manner that permits more-detailed analysis. Field staff will also directly monitor Commission assets in the field. The Commission possesses millions in physical assets throughout the footprint and with an increased concentration on cataloguing and potentially leveraging these assets good stewardship will be even more important than it has been previously. Field staff will serve as conduits to other state programs (VEDP, Port, DHCD, etc.) or federal programs (EDA, ARC, SBIR, etc.) that may be beneficial to projects, but this has been ad-hoc. By training field staff in other programmatic offerings, and setting aside staff time for advising partner organizations, communities, and business prospects, we can leverage our field staff expertise to bring more resources into the region without expending Commission funds.”</p> <p>Replaced “Regional Marketing and Development Efforts. The Commission’s regional marketing efforts, Invest Southern Virginia and Invest Southwest Virginia, while distinct in character, are both producing significant return for the Commission. Moving forward, the Commission will continue to support these efforts, and will ensure continuity by transitioning from a grantor/grantee relationship to a contract</p>

	<p>relationship. This has already been approved as relates to Anwyl Consulting and Invest Southern Virginia, and will be reflected in the FY21 budget. The three-year grant period for the team managing Invest Southwest Virginia will be regarded as a trial period, after which that effort could also be transitioned to a renewable contract with the Commission. The Commission will continue to seek partners to support funding of these efforts.” With “<b>Regional Marketing and Development Efforts</b>. The Commission will implement measures to assess the value and productivity of its regional marketing efforts, Invest Southern Virginia and Invest Southwest Virginia. The Commission will also continue to seek partners to support funding of these efforts to expand promotion of economic development opportunities in its geographical footprint.”</p>
<p>Program Outcomes and Goals</p>	<p><b>First Draft:</b> Eliminated previous “all-inclusive” logic models and replaced with logic models and outcomes specific to investment strategies.</p>

<p>Operations</p>	<p><b>First Draft:</b>  Minor changes to “Program Design” section to bring to current procedures.  NEW ADDITION to “Meeting Schedule:” With the passage of HB444 (regarding electronic meetings by public bodies) into law during the 2022 General Assembly session, the Commission will evaluate the incorporation of meeting via electronic means for some functions such as called meetings outside of the regular meeting schedule.  Minor changes to “Revolving Loan Program” to bring to current policies and procedures.  No changes to “Data Strategy.”</p>
<p>Organizational Chart</p>	<p><b>First Draft:</b> Updated to reflect current structure and positions, and to eliminate staff names.  <b>Second Draft:</b>  Updated to add dotted line reporting to the Commission for the Executive Director.</p>