

**SOUTHERN VIRGINIA
COMMITTEE**



▪ *In-Person Meeting* ▪

AGENDA

SOUTHERN VIRGINIA COMMITTEE

Homewood Suites by Hilton, Capital Ballroom

700 East Main Street, Richmond, VA 23219

Wednesday, January 4, 2023

2:00 P.M.

In accordance with §2.2-3708.3 of the Code of Virginia, public access for this meeting is being provided both in person and through electronic communications means. Video will not be used for this meeting, only audio. The public may remotely participate in this meeting by utilizing the following meeting link:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m4c19bbea837293b683eb494fdfe9cab1>

If participating by phone, please dial:

1-408-418-9388 (toll) and enter meeting number: **2631 326 6747** and password: **78495872**

If during the meeting electronic transmission fails, the public may alert the Commission by calling 804-894-9652 or emailing jbutler@revitalizeva.org. If alerted to a transmission failure, the Committee shall recess until public access is restored.

Welcome and Call to Order	<i>Mr. Buddy Shelton, Chair</i>
Call of the Roll	<i>Mr. Andy Sorrell, Acting Director</i>
Approval of the <u>10/5/22</u> Minutes	<i>(published on website)</i>
Public Comment	
FY 2023 Southern Va. Applications	<i>Ms. Sarah Capps, Southern Regional Director</i>
Extensions & Modifications	<i>Ms. Sarah Capps, Southern Regional Director</i>
Other Business	<i>Mr. Andy Sorrell, Acting Director</i>
Public Comment	
Adjournment	

**FY23 Southern Virginia Program
Staff Summaries and Recommendations
January 4, 2023**

The Tobacco Region Revitalization Commission received eighteen applications by the October 20, 2022 application deadline for the FY23 Southern Virginia Program. One was “withdrawn”. The remaining applications are grouped below by investment category. The Southern Virginia Committee will act on these applications at its meeting scheduled for January 4, 2023, at 2:00 p.m.

Req#	Organization	Project Title	Requested Amount	Staff Rec
Agribusiness				
4107	Brunswick County Industrial Development Authority	Brunswick County Produce Project	\$ 500,000	\$ 500,000
4119	Mecklenburg County	Southside Virginia Beef Producers Increase Efficiency and Their Bottom Line Through Use of Certifiable Livestock Scales	\$ 7,500	\$ 7,500
4114	Prince Edward County	Project Clementine	\$ 75,000	\$ 75,000
4118	Virginia Cattleman’s Association	Inventory Advance Incentive and Cattle Processing Initiative Fund	\$ 330,000	\$ 330,000

Business Development				
4121	Brunswick County Industrial Development Authority	Sledge and Barkley	\$ 437,000	\$ 437,000
4126	Patrick County Economic Development Authority	Cockram Mill/Freehouse Brewery	\$ 30,000	\$ 30,000
4105	SOVA Innovation Hub Corporation	SOVA Innovation Campus Construction	\$ 400,000	\$ 400,000

Sites and Infrastructure

4122	City of Emporia	Extensions of Water and Sewer to Norwood Property	\$ 840,000	Refer to CBL for Loan of \$1,680,000
4124	Halifax County	Virginia International Raceway Water Supply Interconnection - Halifax County	\$ 745,259	\$ 546,029
4104	Mecklenburg County	Virginia's Growth Alliance Site Development Project	\$ 602,210	\$ 602,210
4123	Patrick County Economic Development Authority	Rich Creek Corporate Park Shell Building	\$ 95,850	\$ 95,850
4111	Sussex County	Megasite - Master Planning, Conceptual Engineering, & Water Line Extension	\$ 250,000	\$ 250,000

Tourism

4112	Brunswick County	Herman Road Lake Gaston Day Use Park - Kayak and Canoe Launch	\$ 230,400	\$ 230,400
4108	Cumberland County	Operation Connect-The-Dots	\$ 218,667	\$ 218,000
4113	National D-DAY Memorial Foundation LTD	National D-Day Memorial Motor Pool Museum and Courtyard	\$ 350,000	\$ 350,000
4106	Town of Blackstone	Operation Swedish Chef	\$ 581,000	\$ 581,000
4099	West Piedmont Planning District Commission	Southern Virginia Regional Branding and Marketing Plan	\$ 50,000	\$ 50,000

Request amount to the Tobacco Commission was clarified on three applications.

TOTAL (17 requests): \$ 5,742,886 \$ 4,702,989

Agribusiness

Brunswick County Industrial Development Authority

Brunswick County Produce Project (#4107)

\$500,000 Requested

Project Summary:

This project is a public-private partnership between Brunswick County's IDA and Southside Virginia Vegetable Packing, LLC (SVVP) to construct a produce processing facility at the I-85 Business Park in Alberta, VA. The SVVP is comprised of and owned equally by eight local farms participating in organic produce production, aggregation, and distribution. Demand for their products has led to multiple expansions of their farming operations over the past five years. To accommodate the need for further expansion in production, a large-scale produce processing facility is required. This project will grow to support 60 jobs from an estimated 20 farms across Southern Virginia and the surrounding area by year five of operations. A 450,000 sq. ft. building will include climate-controlled intake areas with forced air-cooling system, industrial ice making equipment, two processing lines, and ample cold storage and loading docks to facilitate final distribution of produce.

Matching Funds:

A total of \$3,619,000 including:

- \$435,000 state funding from VDACS AFID Facilities grant award.
- \$1,184,000 federal award from the US Economic Development Administration.
- \$200,000 cash from Brunswick County IDA towards A&E and construction.
- \$1,800,000 loan by Brunswick County IDA with private lender, backed by USDA.

Project Outputs:

- Construction of a 450,000 sq. ft. produce handling facility on 4.25 acres at I-85 Business Park.
- Assist in development of a business projected to have \$8.3 million in annual sales; and growing annual purchasing to support 60 jobs, and 20 farms across Southern Virginia.

Staff Comments:

The Commission approved a \$500,000 grant and \$300,000 loan in September 2021, to support the Brunswick County Produce Project. Due to rising construction costs bids were significantly over budget and the new estimated cost for the facility is \$5,619,000. A detailed cost estimate for construction was provided. An additional \$500,000 is requested from the Commission and match from other funding sources are at \$4,619,000 including a \$1.8 million private loan. In light of this new loan amount, the smaller \$300K loan offer from the Commission was declined by the IDA. Old Dominion Organic Farm (ODO) is one of eight member farms that are equal members in the Southern Virginia Vegetable Packing, LLC, which collaborates in organic produce production, aggregation and distribution. This project provides for direct Agribusiness outcomes for increasing net farm income in the region and supports a private producer collaborative. A schematic of the layout for the Vegetable Packing Facility, as well as the Business Plan and competitive analysis were provided. Water, sewer, three-phase electric and fiber access are already available at the site.

Financial Viability Assessment:

There is demonstrated demand for more organic vegetable products in the market; and a proven track record of success by the identified operation. With this grant, all financing for construction will be secured.

Staff Recommendation: Staff recommends approval of \$500,000 grant award, contingent on executive director's approval of final lease agreement with Southern Virginia Vegetable Packing LLC.

Mecklenburg County

Southside Virginia Beef Producers Increase Efficiency and Their Bottom Line Through Use of Certifiable Livestock Scales (#4119)

\$7,500 Requested

Project Summary:

Grant funds are requested to support 50% of equipment purchases, and certification costs for mobile legal for trade sales to benefit cattle farmers in Mecklenburg, Brunswick and Charlotte Counties. Beef Cattle producers have the opportunity to capture added value by marketing their feeder cattle in uniform lots by weight and sex (truck load of 48,000-50,000 pounds) while minimizing costs for transportation and subsequent shrink. However, most of Virginia's cattle herds are not large enough to have enough head of same sex, similar weight feeder cattle for a 48-50,000 pound truck load to allow cattle to be directly loaded at farm and weighed on truck across certified truck scales. Marketing truck load lots takes cooperation of like-minded producers working together, but is hindered by the lack of available legal for trade scales to allow weighing individual producer's calves before loading the truck on the farm. The purchase scales to be utilized from a base location in Mecklenburg County will support producers marketing their feeder cattle in cooperation with other producers, as well as efforts to market finished cattle for direct sales.

Matching Funds:

- \$6,000 Mecklenburg County, match on equipment purchase and certification
- \$1,500 Lake County SWCD contribution towards certification and maintenance

Project Outputs:

- Purchase and certification of legal for trade scales.

Staff Comments:

This project reflects a modest request for a project that will benefit many producers in the region. The County is partnering with Lake County Soil and Water Conservation District, who will coordinate with livestock markets and with local VCE agents, and will be responsible for managing the equipment including annual certification and maintenance costs. Virginia cattle producers have a history of cooperating to market feeder cattle in uniform truck load lots thru local producer groups, such as the Amelia Area Cattlemen, LLC (AAC) utilizing the Virginia Quality Assured Feeder Cattle Program (VQA) and the Virginia Cattlemen's Tel-O-Auction. The nearest set of legal for trade scales for use by cattle producers in the Mecklenburg County area is managed from Buckingham County by the Buckingham Cattleman's Association, which is a logistical burden and not practical for maximizing producer cooperation. Letters of support were provided from 22 cattle producers in Mecklenburg County; and the project is expected to benefit producers in at least three Southern Virginia counties. The \$15,000 project budget includes two equipment estimates totaling \$11,494, annual scales certification costs at \$1,800 (\$600 X 3 years), and \$1,706 for replacement parts and transportation costs.

Financial Viability Assessment: Long-term commitment by the Lake County Soil and Water Conservation District to coordinate scales, and for operation and maintenance of the equipment.

Staff Recommendation: Staff recommends a \$7,500 grant award for 50% of the equipment purchases, and third-party certification and maintenance costs during the three-year grant period.

Prince Edward County
Project Clementine (#4114)
\$75,000 Requested

Project Summary:

Project Clementine is a small, multi-species, red meat processing plant whose operations center on 1) fee processing of beef, lamb, and goats for local Southside Virginia producers and 2) processing and manufacturing of wholesale and retail cuts for local restaurants, hotels, and grocers as well as retail consumers especially seeking Halal meats. Project Clementine will consist of a 32'X 92' square foot steel building constructed on a 2.5-acre parcel in the Prince Edward County Business Park. Site planning is underway and will be considered for approval by Prince Edward County shortly after its completion.

Matching Funds:

\$684,500 has been presented in matching funds, detailed below:

- \$100,000 application for the VDACS Agriculture and Forestry Industries Development (AFID) Fund
- \$584,500 in loan approved by private lender.

Project Outputs:

- Put into operation a small red meat processing plant.
- An estimated 1,122 beef producers from Prince Edward and seven surrounding counties will have access to the facility; however the primary benefit is expected to accrue to small ruminant producers.
- Net \$776,189 in revenue in its first year of operation.

Staff Comments:

Project Clementine will help expand meat processing by creating a new value-added facility that will source from producers of cattle and small ruminants in the Southern Virginia region. The project enjoys the support of the locality, which is assisting the firm to locate in the Prince Edward County Business Park for the operation. Market planning was well-researched, citing the "Demand Estimation for a Red Meat Processing Facility in Southern Virginia" study produced by Longwood Small Business Development Center and "A Study of Small-Volume Red Meat Processing in Virginia" produced in September 2020 by Matson Consulting and Virginia FAIRS. A well-organized business plan for the project was included, which provided detailed information about the planned facility. In addition, the applicant provided several projected monthly orders by prospective customers of the facility demonstrating demand particularly for lamb and goats, and for beef cattle.

Financial Viability Assessment:

There is a shortage of meat processing facilities in the Southern Virginia region. Given this fact, along with the extensive business plan and encouraging pipeline of prospective customers, it is anticipated that the facility will have great potential for success.

Staff Recommendation:

Staff recommends a \$75,000 grant, to support up to 25% of approved equipment costs; contingent on executive director's approval of final performance agreement.

Virginia Cattleman's Association
Inventory Advance Incentive and Cattle Processing Initiative Fund (#4118)
\$330,000 Requested

Project Summary:

Grant funds are requested by the Virginia Cattleman's Association with \$300,000 toward incentive fund and \$30,000 for contractual services related to start-up of the program; to be matched by \$300,000 from the Virginia Cattle Industry Board for the incentive fund and \$30,000 in-kind from VCA. The primary objective of this project is to support expansion of the finished cattle market in Virginia to provide cattlemen with the opportunity to sell their cattle and/or beef locally for a higher return. USDA statistics show a decrease to 36.8% in 2021, for US cattle producer's share of retail value of beef; down from 51.5% in 2015. An inventory advance purchase incentive fund will be established, providing for an increase in the number of Virginia cattle finished by offering incentive for the advance purchase of cattle processed for USDA certified beef sale.

The program will be limited to farm operations that raise and finish cattle in the Commonwealth of Virginia. Virginia-sourced cattle is any cattle that are physically located in Virginia, owned by a Virginia producer or agribusiness and have been finished in Virginia for at least 30 days. Organizations or agribusinesses who source Virginia cattle to process in Virginia under USDA inspection (co-marketers) are eligible; and agribusinesses operations processing at least 16 cattle annually under USDA inspection, for commercial or retail sales are also eligible for this incentive program. Based on the current price of fed cattle at ~ \$1.50 per pound, a 1,300 pound steer would cost approximately \$2,000 per head. This unit value of \$2,000 will be used for allotment of the available program funding which are proposed can support purchase of ~ 300 cattle. All advance incentives will be approved for each applicant, based on an increase in the number of Virginia-sourced cattle processed annually, with transactions required to be reported to VCA on an approved schedule.

Matching Funds:

- \$300,000 application to the Virginia Cattle Industry Board
- \$30,000 in-kind match by Virginia Cattleman's Association for project administration

Project Outputs:

- Support 25 cattle farm businesses and/or co-marketing agribusiness organizations providing an increase in annual sales revenue by an average of \$100,000 annually per farm business.
- Provide incentive fund for an estimate 300 head of cattle annually; estimating for an 8-week cash cycle, allowing the program to support an increase in up to 2,000 head of Virginia sourced cattle per year.

Staff Comments:

This project provides an immediate solution to address a known barrier for expanding beef processing. The primary beneficiary of the project are beef cattle farmers and co-marketing agribusiness organizations supporting the sale of USDA certified beef products originating from Virginia. Two categories are identified for nonprofit and private entity eligibility: 1) entities source Virginia cattle to process in Virginia under USDA inspection (examples of eligible Tobacco Region beef producers include BCA Beef, Grayson Beef, Landcrafted Food, Virginia Beef Company, and Virginia Farm Fresh Meats; 2) Virginia Agribusinesses that finish their own cattle in Virginia and have them process under USDA inspection (examples include Black Locust Beef, Buffalo Creek Beef, Munsey Meats, Natural Products, 460 Meats, and others within program eligible criteria for processing at least 15 cattle annually). A secondary beneficiary will be the USDA certified processing facilities.

While this proposal is submitted and recommended under the Tobacco Commission's Southern Virginia Program, the incentive funding will be available for all eligible entities in the Tobacco Region footprint. VCA is proposing that the Virginia Cattle Industry Board matching funds be allowed to support entities anywhere in

Virginia so that the program can be offered statewide. The benefit of the program will be available for producers in many Tobacco Region counties, with 14 localities having over 10,000 head of cattle. Here are the highest beef cattle producing counties for the Tobacco Region, based on the 2021 USDA Ag Census:

- 1) Bedford County (23,500) – number of beef cattle
- 2) Pittsylvania County (21,000)
- 3) /4) Russell County (20,500)
- 4) /3) Wythe County (20,500)
- 5) Washington County (19,000)
- 6) Carroll County (14,300)
- 7) Campbell County (14,200)
- 8) Franklin County (12,400)
- 9) Smyth County (12,100)
- 10) Scott County (11,700)
- 11) Lee County (11,400)
- 12) Floyd County (10,900)
- 13) Tazewell County (10,300)
- 14) Halifax County (10,200)
- 15) Appomattox County (9,700)

The incentive fund will be managed similar to a loan program with payback by recipients annually. Virginia Cattleman's Association has committed to annual reporting to the Commission; and to return of any balance in the incentive fund to the Commission, if the program were ever to cease to exist. Distribution of the available 300 units @ \$2,000 cattle unit value, will be handled equitably by VGA, with different tier levels established based on the size of agribusiness entities applying for the funds. The \$30,000 portion of TRRC request allocated to contractual services will be used to support necessary legal and accounting fees performed by a third parties related to contract and lending documents, and for marketing costs for the new program such as website updates and printing costs. Risks for the incentive are addressed by limiting eligibility to private entities with demonstrated sales of USDA certified Virginia-raised beef. VCA has addressed all concerns and staff recommends approval of funding for this incentive program.

Financial Viability Assessment:

Final contract to be used for incentive program will be reviewed by general counsel as a condition of the award. The design of the incentive program reduces risks, by offer incentive to private entities with demonstrated sales of USDA certified Virginia-raised beef for retail and/or commercial markets.

Staff Recommendation:

Staff recommends a \$330,000 grant award contingent on the executive director's approval of the final contract to be used for the incentive program; and recognizing that required match will cover participants from across the Commonwealth in order for VCA to offer the program statewide.

Business Development

Brunswick County Industrial Development Authority

Sledge and Barkley (#4121)

\$437,000 Requested

Project Summary:

The Brunswick County Industrial Development Authority (BCIDA) is requesting 50% of the \$874,000 costs for essential repairs and stabilization of the lower floor of the Sledge and Barkley building. This is a historic 1890's three-story, eight-bay brick building in downtown Lawrenceville. The BCIDA plans to develop the 23,000 square foot building for mixed-use. The top two floors and an adjacent 7,000 square foot storage space will be converted to ~ 24 apartments. The lower level on N. Main Street and the basement will be used for business development and provides equivalent of three commercial spaces. A Market and Feasibility Study funded by a DHCD Industrial Revitalization Fund will determine the best use for the lower level. Considerations are funding establishing an economic development "hub" with a shared space providing access to technology, office equipment and business services, or as commercial retail space, or a combination of both.

The TRRC funding request is for an initial \$150,000 to cover immediate structural stabilization and water mitigation to prevent deterioration on the lower level. The remaining \$287,000 from TRRC will be combined funding from the DHCD IRF program to provide the necessary funding for the required renovations and buildout of the 1st floor and basement areas of the building.

Matching Funds:

- \$437,000 match committed from Brunswick County IDA.
- \$250,000 grant from Virginia Department of Historic Resources is assist in repairing damage from Hurricanes Florence & Michael, including roof damage and masonry repairs
- Other Match identified for total building renovations include a \$2 million funding request to DHCD's IRF program, \$2.7 million in state and federal historic tax credits, and loan financing.

Project Outputs:

- Structural stabilization and water mitigation to lower floor walls of the Sledge and Barkley building.
- Buildout of 5,400 sq. ft. on both the lower floor and basement for business development to provide co-working, business incubation and/or shared retail space serving as an economic hub.

Staff Comments:

This application fits within the Commission's Business Development investment strategy. The Sledge & Barkley Building has been vacant since 2007, and has been a community redevelopment priority since the IDA acquired the building in 2019. It is a former hardware store, and prominent historic building in the Town of Lawrenceville. The presence of vacant or underutilized buildings in Brunswick County, within its towns, has been identified as an obstacle for expanding the county's tax base. Redevelopment of the property aligns with the 2020-2025 Community Economic Development Strategy prepared by Southside PDC which recommends development of a shared workspace in downtown to continue redevelopment and business retention. The Commission approved a \$71,900 grant in October 2019 (TRRC #3476), which was used towards Preliminary Architectural Report, securing Part 1 and 2 historic tax credits, and further design and estimates for construction. Total estimated costs for redevelopment of the entire building is \$8.62 million. An estimate for the \$874,000 portion of the TRRC project costs was provided.

The DHCD Industrial Revitalization planning grant is expected to be followed by an IRF application in summer 2023 to support the larger building renovations contract. Staff notes that both the BCIDA and the Brunswick Chamber of Commerce are considering moving their offices into this building as well as a proposed Main Street Program staff position. The synergies associated with the co-location of services for business support is noted. Meanwhile, staff has clarified that use of TRRC funding will need to be limited to areas supporting business outcomes and not for these local offices. Staff supports the request for up to \$150,000 of funding to be used for necessary costs to stabilize the building, in order to reduce further degradation. The remaining \geq \$287,000 of grant funds will be matched significantly when financing is in place for buildouts of this space as determined by market demand in the feasibility study. The Commission has made similar grant investments with the Town of Altavista for 5,625 square feet building; and in Patrick County for a 7,178 square foot space in Town of Stuart, both for business development for these downtowns. The Brunswick County partners have documented multiple prospective commercial interests, as well as individual and small business interests for the building. The viability of the Brunswick County IDA project will be fully assessed with completion of the feasibility study. Staff supports approval of this funding request.

Financial Viability Assessment:

Vetting of the project will be completed by DHCD. A feasibility study will determine the highest and best use of the business development space. All financing will be in place before contract is initiated for the lower level and basement renovations. Local partners are committed to operation of the business development space.

Staff Recommendation:

Staff recommends approval of a \$437,000 grant allowing for release of up to \$150,000 for stabilization of the lower floor; and contingent on the balance of grant funding being released following completion of the Market and Feasibility Study and securing all funding required for building renovations.

Patrick County Economic Development Authority
Cockram Mill/Freehouse Brewery (#4126)
\$30,000 Requested

Project Summary:

Cockram Mill, a former brick construction grist mill located on the Dan River less than one mile from the Blue Ridge Parkway in Meadows of Dan is undergoing rehabilitation to transform the mill building into a brewery, tap room, restaurant, and event space. The property is located on state highway 58 and also includes two smaller buildings with concept drawing showing these as a craft shop and antique shop. Patrick County has limited gathering places and currently does not have an establishment such as what is planned for the revitalized mill complex. Freehouse Brewery will need to purchase brewing equipment, hot water heaters and cold storage equipment to commence brewery operations which is a substantial capital investment.

Matching Funds:

- \$115,044 in private funds from Freehouse Brewery, in hand toward equipment costs
- \$872,250 loan request from IRF to support renovation costs (establishing revolving loan fund)

Project Outputs:

- Establish and put into operation multiple tourism businesses at the Cockram Mill property.
- 20 new jobs at an average wage of \$40,000

Staff Comments:

This project will help revitalize a blighted site along US Highway 58 between the Blue Ridge Parkway and the Primland Resort, a scenic tourist thoroughfare. The project is a direct priority in the West Piedmont PDC's Comprehensive Economic Development Strategy 2002-2026 Plan towards the goal of improving small business culture across the region. The proposal was supported by a detailed feasibility report and end use business plan, which clearly outlined projected revenues and expenses, and cost estimates for renovation and equipment.

Financial Viability Assessment:

The Cockram Mill complex consists of several buildings other than the grist mill, and the brewery will be a catalyst for renovation of other buildings for use as retail and short term rentals, which will increase economic development activity for Meadows of Dan and Patrick County as a whole.

Staff Recommendation:

Staff recommends a \$30,000 grant, to support up to 25% of approved equipment costs; contingent on executive director's approval of final performance agreement.

SOVA Innovation Hub Corporation
SOVA Innovation Campus Construction (#4105)
\$400,000 Requested

Project Summary:

The scope of work for the SOVA Innovation Campus includes 1) redevelopment of a neighboring 13,000 square foot building at 801 Wilborn Ave., South Boston, VA, which is one mile from U.S. Route 58 and 2) Development of site infrastructure to support environmentally-sustainable practices and agriculture and technology demonstration areas. The Campus will fill a physical gap in the Main Street District of South Boston and supports the region's emerging identity as a rural technology hub. The building, which has already been substantially designed, is referred to as "The Labs" to complement "The Hub." The Labs includes four key components: digital makerspace, community spaces, coworking offices, and outdoor spaces. Once complete, the SOVA Innovation Campus will facilitate mass collaboration among regional and state partners to find innovative solutions to the complex challenge of creating economic equity for Southern Virginia.

Matching Funds:

A total of \$2,588,860, which includes:

- \$1,688,860 application submitted in March 2022 to the US EDA Public Works Economic Adjustment Assistance program
- \$900,000 in funds from the SOVA Innovation Hub Corporation

Project Outputs:

- 104 new jobs at an average salary of \$65,962

Staff Comments:

The SOVA Innovation Corporation is supported by professional non-profit staff employed by the Mid-Atlantic Broadband Communities Corporation. TRRC Grant #3749 was previously funded at \$85,300 to support architectural and engineering design for the SOVA Innovation Labs building. The current funding request will be used for hard construction costs for the building, which is anticipated to be completed by 9/1/2024. The facility is projected to more readily enable entrepreneurship, small business development and talent retention in a region that is experiencing population decline and a poverty level of 17%. The proposal was accompanied by letters of support from Southside PDC, Brunswick County, Charlotte County, CodeVA, Danville Science Center, Halifax County, Longwood University, Lunenburg County, Mecklenburg County, the Town of South Boston, the Southern Virginia Higher Education Center, and the Southern Virginia Regional Alliance.

Financial Viability Assessment:

The proposal was accompanied by a detailed construction budget and business plan projecting revenues and costs. In addition, a market study prepared by the Institute for Service Research for the project defines the uses for the campus that will most contribute to the success of the facility and forms the backbone of the business plan.

Staff Recommendation:

Staff recommends a \$400,000 grant, contingent upon acquisition of matching funds to support the project.

Sites & Infrastructure

City of Emporia

Extensions of Water and Sewer to Norwood Property (#4122)

\$840,000 Requested

Project Summary:

The City of Emporia purchased the 38-acre Norwood Estate Property in 2016, with the objective to develop an industrial park strategically located with direct access to US Route 58. The location provides access to a four-lane divided highway and is in close proximity to Interstate 95. The project will provide the water and sewer line extensions connecting the existing water and sewer lines under US Route 58 and to the southern boundary of the Norwood site. Emporia contracted with Timmons Group to design and engineer the extensions. The \$1,680,000 estimated construction cost includes \$252,000 for new 750 linear feet of waterline, and \$1,428,000 for 4,625 linear feet of force main sewer line. Addressing the water and sewer utility capacity limitations is necessary to expand marketing opportunities for this industrial park.

Matching Funds:

- \$840,000 matching funds committed by City of Emporia

Project Outputs:

- 750 linear feet of 12-inch waterline under US Route 58 to connect to the existing line near the intersection of East Atlantic Street and the eastbound lane of US Route 58.
- 4,625 linear feet of force main sewer line will be installed from the Norwood property line, under US route 58 and along the north side of East Atlantic Street to intersection of Broad St.

Staff Comments:

The Commission has one grant benefiting Emporia's Norwood Estate Property, a \$130,000 award (#3454) in September 2018, providing 50% of funding for engineering water and sewer connections and for site work engineering. The Norwood site is a 38 acre industrial park located adjacent to US Route 58. With expanded water/sewer capacity the site will be marketed for a single larger business, or several smaller advanced manufacturing companies or supply chain businesses. Development of the property is expected to result in at least 100 high paying jobs intended to improve income levels of the region. The Norwood site is currently characterized as Tier 2; and is expected to move to Tier 3/4 following completion of outstanding due-diligence updates. The site is served by power and fiber and is located in a designated Enterprise Zones and in an Opportunity Zone which will assist in attracting private investment. Four neighboring counties provided letters of support. The Resolution passed by the City of Emporia identifies a request for \$1.6 million of loan funds from the Commission. Funding requests for construction of off-site utility infrastructure projects are recommended by TRRC staff for Loan consideration. The Commission's Community Business and Lending Program supports loans of \$1 million or more and provides competitive rates for locality-backed loans.

Financial Viability Assessment:

Virginia Resources Authority will assess financial viability of financing water and sewer infrastructure.

Staff Recommendation: Staff recommends project be referred to the Commission's Community Business and Lending Program for consideration of a \$1,680,000 Loan.

Halifax County (#4124)

Virginia International Raceway Water Supply Interconnection - Halifax County

\$745,259.15 Requested

Project Summary:

Grant funds are requested to support 50% of the ~ \$1,490,518 million estimated costs for final design, permitting, easements and inspections for the water supply system to connect the Virginia International Raceway in southern Halifax County and the town of Milton, North Carolina. The long term sustainability of a significant regional asset is a priority of Halifax County and the entire Southside region. Without public water, VIR cannot host events or continue to invest back into its growth. The wells serving the existing public water system at VIR are no longer reliable and at a high risk of being insufficient. The proposed Phase 1 VIR Water Interconnection would connect Pittsylvania County's Ringgold water system to the VIR water system. The Pittsylvania County Service Authority would convey water supplied from the City of Danville to the VIR water system which is owned and operated by the Halifax County Service Authority.

Matching Funds:

- Halifax County has committed \$500,000 toward final design including Phase 2 costs to Milton NC.
- State appropriate of \$4 million, of which \$245,259 is allocated to final design and planning costs, and the balance will be used for construction.
- A US EDA application for \$4 million is intended to support remaining construction costs.

Project Outputs:

- Final engineering and planning necessary for proceeding with contract for construction of waterline; including environment permitting and ROW acquisition.

Staff Comments:

VIR is one of the largest visitor attractions in Southern Virginia. A 2018 economic impact study that was based on 300,000+ annual visitation for multi-day events, estimated VIR provides a \$237 million total annual impact on the region's economy. Visitation numbers are estimated at 350,000 for 2022, with the addition of the Blue Ridge Rock Festival. Provision of a reliable water supply is critical for VIR to maintain and grow their impact on the region. The Preliminary Engineering Report prepared for the Halifax County PSA was completed by Hurt & Profit in 2017. Partners in this project include Halifax County, and three Virginia public service authorities the Halifax PSA, Pittsylvania County PSA, and Danville PSA. Construction of the waterline is estimated to cost ~ \$7.5 million. While funding requests for construction of off-site utility infrastructure are considered for loans; request for assistance with final design and planning are eligible for the Commission to consider for grant assistance. Staff notes that the \$1,490,518 cost estimate for final engineering and soft costs for Option 2 includes both the \$1,092,058 for Phase 1 to VIR; and \$398,461 for Phase 2 which is a connection from VIR to Milton NC. Staff views the Phase 1 costs at \$1,092,058, for connecting water service to VIR as a priority for the Commission and recommends this portion for grant funding at up to 50% of eligible costs.

Financial Viability Assessment:

All matching funds need to proceed with a contract for final design and soft costs have been secured.

Staff Recommendation:

Staff recommends a \$546,029 grant award for 50% of the \$1,092,058 Phase 1 estimated costs.

Mecklenburg County
Virginia's Growth Alliance Site Development Project (#4104)
\$602,210 Requested

Project Summary:

Grant funds are requested on behalf of five localities who participate in the regional economic alliances, Virginia's Growth Alliance, to increase the marketability of five smaller and three larger industrial sites to expand diversity of sites being marketed in the region. Engineering due-diligence and final reports/studies will be completed at eight industrial sites with one or more in Brunswick, Charlotte, Lunenburg, and Greensville Counties, and the City of Emporia. This request is based on research undertaken through VEDP's Virginia Business Ready Sites Program and the assessment completed for identifying sites with the most developability potential in conjunction with priorities of VGA localities. VEDP's research considered the strengths and weaknesses of each site and how it pertained to the labor shed and developability criteria established for targeted sectors. This project enables participating localities to address the existing deficit in shovel ready sites allowing them to better market the region for attracting targeted industries. The entire scope of work will include the characterization of one site, which is currently uncharacterized, and bring it to a Tier 3. It will also raise the tier level of four sites and provide final design work to allow three sites to advance their tier level.

Matching Funds & Project Outputs:

\$770,201 Match = Go Virginia Region 3 application to be submitted for \$392,210; \$235,000 Go Virginia Region 4 match; and \$80,000 Local Match (\$25,000 from Brunswick County, \$55,000 from City of Emporia). Project outputs are included below with VEDP's VBRSP assessment status for Tier level classifications.

1. **I-85 Ag Industrial Park – (Brunswick County), \$41,150 TRRC & Match = \$82,300 Total**
112 acres available; 475,000 sq ft buildout potential. Due-diligence to raise site from Tier 2 to Tier 5; an approximately 20 acre site graded pad will be certified as shovel ready.
2. **Brunswick County Industrial Park – (Brunswick County), \$45,150 TRRC & \$45,150 Go Virginia Match + \$25,000 IDA = \$115,300 Total.**
34 acres available; 280,000 sq ft buildout potential. Due-diligence to achieve Tier 5; an approximately 17 acre graded pad will be certified as shovel ready.
3. **Heartland Regional Industrial Park – (Charlotte County), \$25,000 TRRC & Match = \$50,000 Total.**
375 acres available; 1,700,000 sq ft buildout potential. Final design for well drilling to achieve Tier 4.
4. **Lunenburg-Victoria Industrial Park – (Lunenburg County), \$53,235 TRRC & Match = \$106,470.**
29 acres available; 225,000 sq ft buildout potential. Due-diligence to move site from Tier 2 to Tier 3.
5. **Lunenburg Commerce Center – (Lunenburg County), \$77,175 TRRC & Match = \$154,350 Total.**
114 acres available; 900,000 sq ft buildout potential. Due diligence to certify site at Tier 4.
6. **K-V Road Site / Old Middle School – (Lunenburg County), \$80,000 TRRC & Match = \$160,000.**
21 acres available. No current characterization; will achieve Tier 3 status after due-diligence completed.
7. **Norwood Estate Property– (City of Emporia), \$210,000 TRRC & \$290,000 Match = \$500,000 Total.**
38 acres available; 350,000 sq ft buildout potential. TRRC funding for transportation final design, and Match from Go Virginia Region 4, for final design on water storage tank. With the completion of all required studies, the industrial park will move from Tier 3 to Tier 4 characterization.

8. **FASTA Site – (Greensville County), \$70,500 TRRC & Match = \$141,000 Total**
52 acres available; 410,000 sq ft buildout potential. \$21,000 to update environmental due-diligence for maintaining Tier 4 characterization; and \$120,000 A&E services for site plan for 20-acre graded pad.

Staff Comments:

Mecklenburg County serves as the fiscal agent for the Virginia's Growth Alliance, a regional economic alliance of four counties and one city in the south-eastern area of Southern Virginia. A strong application was presented by VGA for moving five smaller acreage sites, each between 21 and 52 acres available; and three larger sites, each between 112 and 375 acres available, to higher level of Tier characterization under VEDP's Virginia Business Ready Sites Program. Copies of VBRSP assessments were provided for industrial parks, where assessment were completed. Detailed line-item engineering cost estimates were provided by Dewberry Engineering for the two sites in Brunswick County. Detailed line-item engineering cost estimates have been provided by Timmons for five sites, and an estimate is expected to be provided for the K-V Road Site in Lunenburg County. Staff verified that scopes of work do not duplicate previous investments by TRRC in seven out of the eight industrial parks, with this request providing TRRC's first investment in the FASTA Site.

Financial Viability Assessment:

All required funding will be secured at the initiation of each contract for A&E services.

Staff Recommendation:

Staff recommends approval of \$602,210 grant award, for up to 50% of the engineering due-diligences and studies for each of the eight industrial sites.

Patrick County Economic Development Authority
Rich Creek Corporate Park Shell Building (#4123)
\$95,850 Requested

Project Summary:

The Patrick County Economic Development Authority proposes to renovate a recently vacated building in the Rich Creek Corporate Park to prepare it for a future business or light industrial tenant. The 20,000 SF building was constructed in 2006, sits on a 3.5 acre graded site and was previously used as office space for a call center. The renovation will include removal of non-load bearing walls, drop ceilings and the installation of a sprinkler system. Attracting a tenant to the shell building located at the business park entrance will help market the larger 70 acres available at this industrial site that is available for development.

Matching Funds:

- \$95,850 matching funds to be requested from US DOC's Economic Development Administration.

Project Outputs:

- Construction renovations for 20,000 square foot building to provide a marketable shell building.
- Targeted outcomes: 25-40 jobs at \$62,000 average salary, and \$10 million capital investment.

Staff Comments:

Rich Creek Corporate Park is the only business park in Patrick County. This area lacks sufficient available commercial space to attract new business. This request presents a cost-effective solution to take an existing building back to a shell, to make it ready for attraction of a business or light industry. Estimated economic impact outcomes based on current prospects interests is creation 25-40 jobs at \$62,000 average salary, and \$10 million capital investment. While the larger 70 acres site at Rich Creek Corporate Park is characterized as Tier 2, under the VBRSP, the smaller site with the shell building meets all criteria for Tier 5 with utility services already at the building. The Commission has previously invested ~ \$942,218 in the shell building with the older award from to 2002, and other grants to support previous up-fit for the call center. Further investments under this request will restore the value of the property and allow it to be marketed for light manufacturing. Three cost estimates from Clark Brothers Company combine for Plant & Improvements renovations costs totaling \$191,700 (\$93,500, \$46,200, \$52,000). Of this total the Patrick County EDA is requesting 50% funding from the Commission. US EDA is identified as the intended source of match.

Financial Viability Assessment:

All utility infrastructure is already available at this park, and with the renovation to the shell building the property will be ready for occupancy. All funding will be in place prior to the disbursement of grant funds.

Staff Recommendation:

Staff recommends approval of a \$95,850 grant award for 50% of the construction renovations.

Sussex County (#4111)

Megasite - Master Planning, Conceptual Engineering, & Water Line Extension

\$250,000 Requested

Project Summary:

The goal of the project is to enhance the shovel-readiness of the Sussex Megasite, a strategic economic development area for Southern Virginia. This request is a component of a broader application the County submitted to the VA Economic Development Partnership (VEDP) for a VA Business Ready Sites Program site development grant. Overall, the County is requested over \$3 million in funding from VEDP, the Tobacco Commission, and USEDA to assist with a more robust master planning and conceptual engineering design study and construction of a waterline for the Sussex Megasite. This includes identifying the highest and best uses for manufacturing and distribution in this strategic area of Sussex County - particularly those without significant water demands. The study would include both of the County-owned properties, the Sussex Megasite and Route 602 Industrial Park given their close proximity (less than 1,500' feet apart), as well as due diligence and pursuit of adjacent properties (700+ acres) to expand the Megasite.

Matching Funds:

- \$250,000 committed from by Sussex County.
- \$1,255,000 application submitted to VEDP VA Business Ready Site Program.
- \$1,555,000 application intended to US DOC's Economic Development Administration

Project Outputs:

- Identification of the industrial users (specifically for manufacturing and distribution sectors), based on highest and best uses of the property and particularly those without significant water demands.
- A&E Master planning for larger proposed Megasite to include A&E costs for Wetlands Mitigation Plan, Stormwater Management Plan; Treated Wastewater PER, rail spur access and internal road network assessment, and concept site layouts for the larger area proposed development area.
- Feasibility, surveying, and design engineering of extension of 8,500 linear feet of 8" natural gas distribution line for Columbia Gas to service Megasite
- (If funded) Construction of 9,500 linear feet of 12" water line along Beef Steak Road to provide a 320,000 cubic feet per day increase in water capacity to service the Sussex Megasite.

Staff Comments:

The Commission has invested \$10,234,956 in the Sussex Megasite, with all five previous grants awarded from the Megasite Program. The Commission has invested \$315,277 in the Route 602 Industrial Park which is included in the scope of this request. Sussex Megasite has a total of 1,130 acres, with the two largest contiguous developable acreages identified as 595 acres, and 112 acres, both of which are considered to have a Tier 4 site characterization. The focus of the proposed work is primarily driven by the inability of Sussex County to attract Project Glove, who ultimately selected Wythe County. Staff has concerns about wanting to make the Megasite property to be even bigger (adding another 700 acres, and combining this with the 156 acre Route 602 Industrial Park property); when it is known that there is very limited water supply available in the region. The total \$4,199,000 project budget includes \$3,100,000 for construction of the water line, and \$740,000 for purchase option agreement on the additional 704 acres; with the balance \$395,000 for engineering, including \$200,000 for natural gas line planning feasibility and preliminary engineering. The County is committing an equal match to the amount requested from the Commission. Staff recommends the TRRC approval align with VEDP VBRSP award for this project with funding support limited to up to 50% of the required match. The VEDP Review Committee is recommending funding support for the \$199,000 due diligence and master planning costs, which will require \$64,530 match; however, final awards will be determined by the Governor and his administration.

Financial Viability Assessment:

There is concern about the financial viability of the proposed expansion of the acreage of the Sussex Megasite, recognizing the site limitations related to water supply. This will be addressed through the identification of the industrial users with highest and best use of the property, within manufacturing and distribution sectors. A decision to expand the site will be further vetted by VEDP staff involved in administering the VBRSP funding.

Staff Recommendation:

Staff recommends approval for up to \$250,000 grant award, contingent on the final amount being limited to 50% of the required match for the VEDP VBRSP award.

Tourism

Brunswick County

Herman Road Lake Gaston Day Use Park - Kayak and Canoe Launch (#4112)

\$230,400 Requested

Project Summary:

Lake Gaston is a major tourist attraction for the Southern Virginia region, and public access to Lake Gaston is very limited as much of the shoreline is privately owned. Brunswick County acquired roughly 14 acres of waterfront property on Lake Gaston with the intent to develop and maintain a free and safe public outdoor recreation day-use facility. The county's goal is to provide the community and tourists with free and safe access to the waters of Lake Gaston for an expansion of outdoor recreational opportunities. Grant funding from the Tobacco Commission is requested to support \$230,400 towards the \$1,298,200 estimate from Timmons (\$140K engineering services, and \$1,158,200 construction cost estimate) for the Phase 1 park construction which includes the kayak and canoe launch access, a fishing/ observation pier, parking for 8-12 vehicles, picnic area and pavilion and the access road to the facility.

Matching Funds:

A total of \$1,480,000 match including:

- \$681,270 Dominion Energy FERC Funds (\$473,120 used for acquisition; \$208,100 construction).
- \$150,000 award from Virginia Outdoors Foundation Preservation Trust Fund Grant
- \$450,000 application to VDOT's Recreational Access Program.
- \$198,734 from Brunswick County including \$50,000 ARPA funds

Project Outputs:

- Kayak and canoe access and surrounding park space constructed for Phase 1 of the Herman Road Lake Gaston Day Use Park in Brunswick County.
- Expansion of the Southern Virginia Wild Blueways trails to include Brunswick County.

Staff Comments:

Grant funding of \$230,400 is requested toward the \$1,158,200 Phase One construction costs for development of the Herman Road Lake Gaston Day Use Park in Bracey, VA. Brunswick County is one of the largest localities in Virginia by land area (566 square miles), with one of the smallest population with less than 17,000 residents. The tourism economy in the County is expanding evidenced by a 14.7% increase in total visitor spending reported at \$10.1 million for 2021, and providing \$579,200 in state and local tax revenues. Lake Gaston is located downstream of Buggs Island Lake an anchor destination for visitors to Southern Virginia. Public access on the eastern side of Lake Gaston is very limited, which is a barrier for attracting visitors interested in exploring its many miles of blueways opportunities. This new park facility will expand the current footprint of the Southern Virginia Wild Blueways, over 100 miles of navigable water providing access to the natural beauty of Southern Virginia's waterways. The application is well matched with over \$1,530,005 Match, more than six times the TRRC request, for both the acquisition phase and the Phase one construction costs.

Financial Viability Assessment:

The Phase One construction contract will be initiated by the County after all project funding is secured.

Staff Recommendation: Staff recommends approval of a \$230,400 grant to support construction costs for the kayak and Canoe Launch, and other Phase 1 development costs for establishing the park.

Cumberland County
Operation Connect-The-Dots (#4108)
\$218,667 Requested; Revised to \$218,000

Project Summary:

The Cumberland Courthouse/Bear Creek Lake State Park Connector Trail Project is currently a local trail that connects Cumberland Courthouse Village to Bear Creek Lake State Park Trail. This 0.7-mile trail is a 6-foot-wide grass trail built in 2004 and is maintained by Cumberland County (mowed 2-4 times a month depending on season and weather). Due to the current condition, the grassed walking path is not easily accessible for visitors and is prone to erosion. The goal of this project is to provide major improvements to the current trail by paving the 6-foot-wide trail in asphalt to enhance the walkability and accessibility for all users. If funded these much-needed improvements will link the visitor to the nearby Cumberland State Forest which connects to Bear Creek Lake State Park as well as Cumberland Courthouse Historic District. This project will allow for state park and state forest visitors from around the country to access Cumberland Courthouse encouraging them to spend more money supporting the local tourism economy.

Matching Funds:

- \$218,000 Match from Cumberland County including \$6,000 In-Kind and \$212,000 Cash Match

Project Outputs:

- 0.7-mile of asphalt trail constructed connecting Bear Creek State Park with the Cumberland Courthouse Village, allowing visitors to walk from the state park to antique stores and restaurants.
- Cumberland County will track visitation metrics in collaboration with the state park, and through the use of cameras, car counters, and surveys.
- Increase in Bear Creek State Park attendance by + 10%, from 80,730 to 88,803 annually (+8,073).

Staff Comments:

Grant funds are requested for a portion of the \$430,000 estimated costs to pave an existing 0.7-mile grass pathway segment to connect the Cumberland Courthouse Historic District to Bear Creek Lake State Park. This will connect with an existing trail allowing state park visitors the option to walk ~ 2.5 miles to the Cumberland Courthouse Village area, where they can visit antique stores and restaurants.

Current visitor attendance at Bear Creek Lake State Park was 80,730 in 2021. This figure is used to estimate an increase of 10% for 8,073 net new visitors following completion of this connector trail. The Economic and Fiscal Impacts of Virginia State Parks 2021, identifies \$3.6 million total visitor spending at Bear Creek Lake State Park, of which \$1.3 million in from non-Virginia residents; and the park employs 37 persons annually providing \$1.2 million in labor income for the region. This project will expand recreational trail access connecting two existing state natural resource assets to an area where tourism related businesses are concentrated. The county agreed to a revised budget of \$436,000 includes the \$100K estimate for A&E design services, \$330,000 for trail construction, and \$6,000 in-kind allocated for project management and administration. The Commission has received very few funding requests from Cumberland County over the past decade; and this project reflects a practical opportunity for this community to expand impact of tourism on the local economy.

Financial Viability Assessment:

The partnership and connection to the Bear Creek State Park provides a clear ability to attract visitors and visitor spending to the region, extending their stay and attracting more visitors annual to this community.

Staff Recommendation: Staff recommends approval of a \$218,000 grant award, with approval of disbursement of grant funds for up to 50% of the \$436,000 approved project costs.

National D-DAY Memorial Foundation LTD
National D-Day Memorial Motor Pool Museum and Courtyard (#4113)
\$350,000 Requested

Project Summary:

The National D-Day Memorial Foundation is seeking funding toward the construction of an indoor museum space (specifically for the excavation, grading and site preparation work for the museum Motor Pool building and adjacent courtyard to the Motor Pool.) The 1940s inspired Motor Pool building will serve as the Memorial's first truly indoor museum space featuring armored and transport vehicles and the stories of the Allied armies that battled an entrenched foe to liberate Europe. Additionally, a rare amphibious tank recovered from Omaha Beach in Normandy has been committed to the Foundation once display and curation space is complete. The proposed Motor Pool addition will highlight these unique artifacts and in turn broaden visitation to the Commonwealth while also increasing visitor expenditures in lodging, food, recreation, and other sectors of the regional economy. The Motor Pool will improve visitor experiences to the monument, increase national and international tourism figures to the site (and the Commonwealth), and transform the Memorial into a true year-round destination.

Matching Funds:

- \$350,000 private donations toward final design and site development.
- Over \$3 million match has been committed towards the larger capital improvement plan, which includes the addition of walking trails, an outdoor amphitheater and the Motor Pool building.

Project Outputs:

- Two level structure constructed on sloping site with 6000-7000 square feet; and replicating a 1940s WWII Era Motor Pool with an adjacent courtyard and outdoor exhibit space
- Display of vehicles from the Lee Holland Collection to be donated.
- Total annual visitation at the Memorial is expected to increase by 31,680 annually, a 77% increase from the 2021 visitation of 41,188. The total visitation estimate would be 71,868 annually.

Staff Comments:

This is a very well leveraged project that expands facilities at the National D-Day Memorial in Bedford County. The Memorial's Foundation plans to complete design and have the Motor Pool constructed by May 2025. An estimate of \$447,185 was provided by Glave & Homes for total design service taking the project from design through construction administration for the new structure. An additional \$500,000 is estimated for the site work. A schematic with Amphitheatre, motor pool and nature trails was provided and total costs to complete construction is estimated at \$4 million. A Marketing Plan and Operating Budget were provided as required in the Commission's RFP for this funding.

Financial Viability Assessment:

The National D-DAY Memorial Foundations has a proven track record attracting ~ 41,188 visitors annually. Fundraising is nearly complete to cover capital costs for next phase of development at the site.

Staff Recommendation: Staff recommends a \$350,000 grant award towards site work, contingent on disbursement of grant funds being limited to no more than 50% of documented project expenses (including design services and construction to be paid from match).

Town of Blackstone
Operation Swedish Chef (#4106)
\$581,000 Requested

Project Summary:

Grant funds are requested for the final portion of the \$3,781,000 total project costs for rehabilitation and renovations to the Harris Memorial Armory Center. The building will be used as a multi-purpose facility including training programs for hospitality students and an event center. The job training would consist of hospitality training to support the tourism business sector for the new lodging that has opened and that is planned for the area to serve the recently opened Foreign Affairs Security Training Center (FASTC) facility at Fort Pickett. Part of the building would be used by Virginia State University for job training programs to provide skilled workers for support industries needed for the FASTC facility at Fort Pickett – namely hospitality (four new hotels are planned for the area to service users of FASTC). The other parts of the building would be used as rental space for banquets and receptions. Students in the job training programs would work at these events as part of their hospitality training, to gain experience working in the hospitality industry.

Matching Funds:

A total of \$3,482,500 match including:

- \$2,200,000 federal ARPA funds available
- \$1,000,000 application submitted to DHCD's Industrial Revitalization Fund program
- \$250,000 award from VEDP's Brownfield Fund
- \$32,500 contributed by Town of Blackstone toward architectural and engineering costs

Project Outputs:

- Renovations of the 16,400 sq. ft. Harris Memorial Armory building to allow building to be repurposed for job training and to support the business development for the tourism sector.
- Virginia State University and Transition Solutions Enterprises will deliver hospitality job training, and will document number of students enrolled and graduating from training programs.

Staff Comments:

Blackstone is committed to revitalization of the Harris Memorial Armory building constructed in 1936. The building consists of 16,400 sq. ft. providing two main floors and a basement level; and a balcony on the west end of the building. A construction and operational feasibility study was completed in August 2016 by Community Planning Partners. The highest ranked uses was for a Learning Center & Multipurpose Event Place. Supporting tourism outcomes the market research indicated a moderate capture rate for visitors within a 60-minute drive for Education, Entertainment and Tourism interests.. The allocation of ARPA funding towards the project included a commitment for final uses of the building to support hospitality, tourism and training. The Town provided a Scope of Work description updated in November 2022, for the Harris Memorial Multi-Purpose & Hospitality Training Center. An MOU with the Town and Virginia State University identifies plans for an Armory Hospitality Training Institute to train workforce for hotel operations. Transition Solutions Enterprises is identified for delivering short-term hospitality job training programs for inmates. A third potential education partner, Virginia Union University may become a partner for short-term and 2-year certification training programs. Letters of support were provided from Waukeshaw Development and Blackstone Academy Square.

Financial Viability Assessment:

The building will be supported primarily by revenues generated from event rentals and community activities.

Staff Recommendation: Staff recommends a \$581,000 grant award.

West Piedmont Planning District Commission
Southern Virginia Regional Branding and Marketing Plan (#4099)
\$50,000 Requested

Project Summary:

Grant funds are requested for 50% of \$100,000 consultant services for a Southern Virginia regional branding and marketing plan development. This initiative is modeled after the Friends of Southwest Virginia which has successfully branded their region as a distinct cultural area and destination, and expanded microenterprise, tourism and business development opportunities throughout the region. A need/opportunity has been identified for the region of Southern Virginia which does not have a regional identity for branding like Southwest Virginia. Nevertheless, the Southern Virginia region is undergoing and anticipating major economic and tourism-related developments and needs a united brand to market and promote the region. The time is right for the region to come together for this branding initiative. This project led by the three southern Virginia Planning District Commissions: the Commonwealth Regional Council, Southside PDC, and West Piedmont PDC; will establish a regional brand, inventory the region's tourism assets, establish key anchor attractions that link the region together, and develop a promotion and marketing plan to implement the regional brand.

Matching Funds:

- \$50,000 planning grant to be requested from DHCD

Project Outputs:

- Invite localities in the selected geographic area to participating in a regional branding to better market the region to future workforce participants and to visitors to increase tourism spending.
- Establish a regional brand for the alliance of Southern localities; inventory the region's tourism assets and establish anchor destinations that can be used to tie the region together.
- Develop a marketing plan to move the regional alliance's interests forward.

Staff Comments:

The project is modeled after the success of the Friends of Southwest Virginia. The focus will be on increasing the number of visitors to the region's anchor destinations, outdoor recreation assets, and sharing with them the small town culture. This effort is being led by the three PDCs whose service footprint is entirely within the Tobacco Region's Southern Virginia area (West Piedmont PDC, Commonwealth Regional Council and Southside PDC). Staff recommends the PDC leadership team evaluate including all counties and cities located in the Southern Piedmont topographic region of Virginia to focus on an area that is geographically defined. Commission staff has requested that the Central Virginia PDC and their counties within the Tobacco Region that are south of the James River be considered for the region alliance (Appomattox, Bedford and Campbell Counties). This provides for a proposed area of the Southern Piedmont targeted to 17 counties, 2 cities within the Southern area of the Tobacco Region. The final area for the alliance will be determined by the project team.

Financial Viability Assessment:

This is a planning grant. DHCD will vet the project for their commitment of matching funds.

Staff Recommendation:

Staff recommends approval of a \$50,000 grant award for 50% of consultant fees.

OTHER BUSINESS:

Sussex County

***Three Brothers Access Road (#3504) – Current Project End Date: 1/31/2023
5th Year Extension Requested***

Staff Comments: The Commission approved a small out-of-cycle grant request to assist a small local business (a distillery) with a new access road. Three Brothers Distillery, a Sussex County business, makes spirits from locally sourced ingredients. The distillery is accessible to the public by a single lane private road in Prince George County; and the proposed project would provide for a one-and-a-half-lane access road off Cabin Point Road in Sussex County. The new access road would provide for a 50' wide road, that is 2,869 linear feet and which will support the creation of two new jobs at the distillery. \$12,500 from VDACS AFID program combined with \$6,250 match from Sussex County with \$6,250 of TRRC funding was to be used toward the \$25,000 costs.

Several months after the original three year grant term had passed staff received a request from Sussex County for a fourth year extension due to turnover in county staff positions. The fourth year extension was approved in June 2022, extending the grant to January 31, 2023. The business has indicated initial delays were related to the pandemic; while current delays are associated with multiple lawsuits related to the new access road. The private business owner indicates that lawsuits are estimated to require 120 days (4 months); and then the construction contract would require another 3-5 months. Staff suggests that when this project was presented to the Commission for approval, it was inappropriately presented as being ready to begin. The business has had four years to complete the access road with the grant incentive offered by the Commission. Recognizing that the project did not proceed in this time including the previous extension, staff recommends no further action.

Staff Recommendation: Staff recommends no further action.

City of Danville

***Industrial Shell Building (# 3360) – Current Project End Date: 1/31/2023
Six-Month Extension into 6th Year Requested***

Staff Comments: This \$1,000,000 grants is providing ~ 35% towards the \$2,875,000 contract for construction of a new 30,000 square foot shell building in the City of Danville's Cyber Park. This project was initially delayed as the Danville evaluated options for location of the building and assessed needs of companies interested in the region. A fifth year extension was approved by the Commission in May 2022. While the construction contract is well underway and the City is submitting regular reimbursement requests, there remains a balance of \$507,758.20 on the TRRC project account. This funding is needed for completion of the building. The City has indicated that the most recent delays have been related to the financing process, with legal teams associated with the financing institutions having required multiple changes to the contract documents, causing delays in the release of funding to support construction. The City is requesting a six month extension through July 31, 2023, and staff is recommending a full final year through January 31, 2024.

Staff Recommendation: Staff recommends approval of a one year extension to January 31, 2024.

Danville-Pittsylvania Regional Industrial Facility Authority
Berry Hill Industrial Park – Site Improvements (#3358)
Current Project End Date: 1/31/2023 – 6th Year Extension Requested

Staff Comments: This \$2,624,8000 grant was approved in January 2018, from the Southside Economic Development program to support site development costs for a 80-90 acre pad site on lot 8 at the Southern Virginia Mega Site at Berry Hill. The Commission approved an extension and scope revision in January 2020, to reallocate the project funding toward grading a 65-acre pad site on Lots 1 & 2 at the Mega Site. Commission staff approved a revised project budget in January 2021, with an equal amount of Match being provided toward the \$4,834,296 revised total project costs. While a majority (\$2,262,443) of the grant remains available in the TRRC project account, the construction contract is underway. The Danville-Pittsylvania RIFA indicates that the construction of the pad side will require approximately three months to be completed. A full sixth year extension is requested to provide sufficient time for the remaining work to be completed.

Staff Recommendation: Staff recommends approval of a sixth year extension to July 31, 2024.