

# **SOUTHWEST VIRGINIA COMMITTEE**



▪ In-Person Meeting ▪

## **AGENDA**

### **SOUTHWEST VIRGINIA COMMITTEE**

**Homewood Suites by Hilton, Capital Ballroom**

**700 East Main Street, Richmond, VA 23219**

**Wednesday, January 4, 2023**

**3:45 P.M.**

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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:

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

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<b>Welcome and Call to Order</b>	<i>The Honorable Will Morefield, Chair</i>
<b>Call of the Roll</b>	<i>Mr. Andy Sorrell, Acting Director</i>
<b>Approval of the <u>10/5/22</u> Minutes</b>	<i>(published on website)</i>
<b>Public Comment</b>	
<b>FY 2023 Southwest Va. Applications</b>	<i>Ms. Sara Williams, Southwest Regional Director</i>
<b>Extensions &amp; Modifications</b>	<i>Ms. Sara Williams, Southwest Regional Director</i>
<b>Other Business</b>	<i>Mr. Andy Sorrell, Acting Director</i>
<b>Public Comment</b>	
<b>Adjournment</b>	

**FY23 Southwest Virginia Program  
Staff Summaries and Recommendations  
October 20, 2022**

The Commission received fourteen applications by the October 20, 2022, application deadline of the FY23 Southwest Virginia Program. Two applications were later withdrawn. One project was tabled at the May 2022 meeting. These thirteen applications are grouped below by investment category. The Southwest Virginia Committee will act on these applications at its meeting scheduled for January 4, 2023 at 3:45 p.m.

<b>Agribusiness</b>				
<b>Req #</b>	<b>Organization</b>	<b>Project Title</b>	<b>Request Amount</b>	<b>Recommended Amount</b>
4098	Abingdon Feeder Cattle Association	Improving Genetics, Health, and Management of Small Ruminants in SWVA	\$299,880	\$299,880
4128	Carroll County	Vacuum Cooler-Value Added Project	\$96,000	\$96,000
<b>Site and Infrastructure</b>				
4109	Blue Ridge Crossroads Economic Development Authority	Wildwood Commerce Park Site 1 Due Diligence and Design Services	\$188,750	\$188,750
4127	Washington County	Oak Park, Lot 8 Railway Extension	\$500,000	\$500,000
<b>Regional Economic Development Marketing Initiatives</b>				
4120	LENOWISCO Planning District Commission	LENOWISCO InvestSWVA 3.0 (RMI)	\$400,000	\$400,000
4125	Southwest Regional Recreation Authority	Spearhead Indoor Recreation Complex—Wise County	\$524,153	withdrawn

**Tourism**

4100	The Barter Foundation, Inc.	Barter Theatre Regional Marketing Campaign	\$105,000	\$105,000
4103	Birthplace of Country Music	Birthplace of Country Music Museum Expansion	\$500,000	\$500,000
4101	Town of Haysi	Haysi Trails Center	\$650,206	\$650,206
4116	Song of the Mountains	Song of the Mountains Revitalization	\$240,000 reduced to \$120,000	\$120,000
3975	Sunset Holler, Inc.	Southern Gap Amphitheater Project: Construction Documents & Construction	\$500,000	\$500,000
4102	Town of Tazewell Industrial/Economic Development Authority	Tazewell Sports Center	\$250,000	withdrawn

**Business Development**

4110	Blue Ridge Public Television, Inc.	PBS Appalachia Virginia	\$530,000	\$400,000
4117	Mendota Community Association	Revitalization of Former Mendota School Building and Grounds	\$38,485	table
4097	Virginia Coalfield Coalition	Virginia Coalfields Cell Coverage Assessment Planning Grant	\$40,000	\$40,000
<b>TOTAL (15 requests)</b>			<b>\$4,622,474</b>	<b>\$3,799,836</b>

**Abingdon Feeder Cattle Association**

***Improving Genetics, Health, and Management of Small Ruminants in SWVA (#4098)***

**\$299,880.00 Requested**

***Project Summary:***

TRRC funds will be used to continue a program to provide cost share for small ruminant producers in the entire SW region to assist with genetic improvements to herds as well as equipment and facility needs required for effective herd management. Support for the first round of this program was approved in May 2022.

Improving the genetic quality and health of flocks and herds is important because small ruminants are susceptible to parasites, diseases, and predators. Purchasing genetically superior breeding stock will result in less animal losses, reduced production costs, increased productivity, and generally healthier flocks. The majority of grant funds (\$294,000) will be used for producer cost share payments. A small amount (\$5,880) is allocated for administrative expenses such as printing, postage, and tax form preparation. Grant funds will reimburse 33% of eligible costs up to a \$3,000 limit.

***Matching Funds:***

A minimum of \$890,910 of matching funds will be provided by the program participants.

***Project Outputs:***

This request will support approximately 98 producers assuming each participant receives the maximum allowable cost share payment. These participants will increase their net farm income by at least \$1,312 per year. This figure, an average across a wide range of herd sizes, is based upon the assumption that a 5% increase in weight results in an additional 4 lbs. per lamb sold. At \$4.00/lbs. this will result in an additional \$16 per lamb sold.

***Staff Comments:***

The first grant for this cost share program was approved in May 2022. Due to Staff's concerns about the lack of participation in previous small ruminant cost share programs, only \$215,000 of the original \$428,400 request amount was recommended for approval. Staff felt that a smaller initial award, to gauge the interest of participants, was more appropriate. The recommendation noted that, should demand for the program exceed the approved funding, a future application could be submitted to continue the project for a second round.

The program has been very well received in the region and all available funding was quickly allocated. The first grant allowed for 70 producer awards, assuming each received the maximum cost share amount. At time of application, 76 applications have been approved. An additional 50 applications have been received and are pending until additional funds become available.

***Financial Viability Assessment:***

The popularity of the program in the first round indicates that it was well-received by the targeted farming market, and will generate the necessary transfer payments to fulfill the cost share.

***Staff Recommendation:***

Staff recommends approval a \$299,880 grant award to support a second, and final, round of this cost share program.

**Carroll County**

***Vacuum Cooler Value Added Project (#4128)***

**\$96,000.00 Requested**

***Project Summary:***

Commission funds are requested to assist Virginia Produce Company, a private enterprise located in Carroll County, with costs associated with the purchase of vacuum coolers and related equipment. Commission funds will reimburse 25% of the total cost for the coolers which are significantly more efficient compared to conventional cooling equipment. The total equipment cost for this project is \$384,000 representing the purchase of 2 Vacuum Coolers (\$339,000) and a forklift (\$45,000).

***Matching Funds:***

Virginia Produce Company has committed \$205,000 for the purchase of the vacuum cooling equipment and for related infrastructure improvements required for the project. Funding from Carroll County (\$33,000) is committed to the project and an application to the Virginia Agriculture & Forestry Industries Development Fund (AFID) program (\$50,000) is pending.

***Project Outputs:***

Vacuum cooling equipment will be installed at Virginia Produce Company creating a longer shelf life for produce resulting in an additional \$620,162 increase in revenue for TRRC region producers.

***Staff Comments:***

The installation of vacuum cooling equipment will allow Virginia Produce Company to continue to market produce for regional produce growers. Using a vacuum cooling system rather than a traditional hydro cooling system to chill fresh produces decreases chill time from several hours to only a few minutes. Vacuum cooling also results in more consistent evaporation across vegetable surfaces. These factors increase the shelf life of produce which is important because VPC pays its suppliers (farmers) based on the product that reaches a retailer. When produce must be discarded before it reaches market the farmer loses revenue. Increasing shelf life will allow VPC to hold inventory longer to adjust for supply and demand fluctuations. These equipment upgrades will protect existing market opportunities due to changing retailer guidelines that require very specific temperature measurements. A longer shelf life will also allow VPC to market produce to a larger transportation area to increase sales opportunities for regional producers.

The current RFP for this program allows privately owned value added processing facilities to request support for up to 25% of equipment costs. These awards require a performance agreement which requires repayment of grant funds if performance targets are not met. Due to VPC's 20+ year



history as corporate citizen of the region, and its reputation of providing valuable market opportunities to local produce growers, there appears to be little risk that the proposed equipment upgrades will not result in revenue increases for both the company and its associated growers. Virginia Produce's ability to attract additional growers is somewhat limited by the number of certified (i.e. GAP certified) growers. A cost share program supported by this Committee a year ago is available for produce growers who would like to obtain this certification which is required to market produce to retailers. VPC has been a strong supporter of the cost share program and attempts to increase participation. Because the ability to attract new growers from the SWVA region is somewhat limited for VPC, Staff requests that this Committee allow flexibility for the Executive Director to set performance targets for the project which are achievable for VPC and offer protection for TRRC's investment. The inclusion of AFID funding for the project offers further assurance that this is a viable project resulting in a measurable return on investment for producers. An award by the Commission award should be contingent upon the approval of the AFID funding.

***Financial Viability Assessment:***

Increasing the shelf life of the produce through the use of the vacuum cooling equipment is projected to increase revenues for the growers, and should pay off in terms of the efficiencies created.

***Staff Recommendation:***

Staff recommends approval of a \$96,000 grant award contingent upon the following conditions. 1) The approval of the pending AFID application and 2) The execution of a performance agreement with performance measures to be set by the Executive Director.

**Site and Infrastructure**

**Blue Ridge Crossroads Economic Development Authority  
Wildwood Commerce Park Site 1 Due Diligence and Design Services (#4109)  
\$188,750.00 Requested**

***Project Summary:***

Commission support is requested for 50% of due diligence and design costs for Site 1 of the Wildwood Commerce Park. Site 1 is the final available property at Wildwood. The Park's Tier 5 sites (2 and 4) are currently under an option agreement with a prospect. A concurrent request for the construction portion of Site 1 development has been submitted to VEDP's Virginia Business Ready Site Program and is pending. VBRSP Site Characterization currently classifies the site as Tier 2. Completion of due diligence will allow the site to advance to Tier 3.

***Matching Funds:***

Matching funds (\$188,750) are committed by BRCEDA localities.

***Project Outputs:***

Due diligence, design, and permitting will be completed for the property allowing progression to Tier 3 certification. The following will be completed:

- Geophysical & Geotechnical Exploration & Report Phase I ESA Waters of US Delineation and Determination Waters of the US Permitting Cultural Resources Review Threatened & Endangered Species Review
- Mass Grading & Infrastructure designs and engineering plans
- Permitting for site work, including but not limited to mass grading and infrastructure

***Staff Comments:***

This is a reasonable request for due diligence work for the only remaining site at the Wildwood Commerce Park. Wildwood's attractive location, adjacent to I-77 and only 13 miles from the I-77/I-81 interchange, has made it one of SWVA's most attractive industrial parks. Due diligence is required before construction can proceed. Because an application for construction has already been submitted to VEDP's Virginia Business Ready Site Program, completion of due diligence is critical to the competitiveness of that application. Site 1 is the final available property in the park and requires substantial site development work before it can be marketed to prospects. This appears to be a high priority need for this regional industrial park.

***Financial Viability Assessment:***

The financial viability for the marketing of this property is dependent upon the completion of the due diligence, and supporting a portion of the costs to make progress toward realizing the full potential of the commerce park.

***Staff Recommendation:***

Staff recommends a grant award of \$188,750 for 50% of due diligence and design activities required for Site 1.

**Washington County**

***Oak Park, Lot 8 Railway Extension (#4127)***

**\$500,000.00 Requested**

***Project Summary:***

Funding is requested to support 50% of the cost to design and construct a 1,300 foot rail spur to serve Lot 8 at Oak Park. The lack of rail access has been noted by several prospects as a reason for not selecting the site. The 70 acre pad is rated as Tier 2 under VEDP's Ready Sites Program.

***Matching Funds:***

The applicant has committed \$500,000 to complete the project.

***Project Outputs:***

The project will support the construction of a 1,300 foot rail spur.

***Staff Comments:***

The addition of a rail extension to serve Lot 8 of Oak Park will assist the locality in marketing the property to prospective industries. The application notes that there have been ten declinations from prospective industries over the past three years due to the lack of a rail extension. The Park's readiness is currently certified as Tier 2 under VEDP's Virginia Business Ready Sites Program



however it appears that Tier 4 status can be achieved in fairly short order. Although rail access is not a requirement for Tier 4 status, the lack of service was noted in the VBRSP report. The report states that coordination with Norfolk Southern will be necessary to determine the feasibility and costs of the extension. The estimate provided with the application is from a local engineering firm (the Lane Group). It is unknown if Norfolk Southern was consulted.

Staff recognizes that the lack of rail access has hindered industrial recruitment efforts for Oak Park. While there is little doubt that the addition of a rail spur will make the site more marketable, there is great concern that TRRC has been asked to fund 50% of the estimated cost. Another state program, the VEDP Virginia Rail Industrial Access Program, exists to assist with the development of rail projects. The Oak Park project does not currently qualify for VIRIAP because it is an incentive program intended for projects with active prospects and cannot be used for speculative development. Staff recognizes this constraint however, to provide consistency with TRRC's policy that Commission funds should not be used to supplant other state or federal funds, it is important that all other reasonable sources be utilized first to protect this Committee's limited resources. As an alternative to declining or tabling the application until the project qualifies and can pursue VIRIAP, it is reasonable to recommend support for the project with contingencies that require eventual application to that program. This will allow the applicant to have committed funds for the project that can be used to illustrate to prospects that the rail extension can be added to the property in a timely manner.

***Financial Viability Assessment:***

While staff recognizes the importance of the rail spur to the marketability of the site, it is the Commission's policy not to supplant other existing state funding programs primarily serving the project's purpose.

***Staff Recommendation:***

Staff recommends approval of a grant award of up to \$500,000 for 50% of remaining costs after the following conditions have been met. 1) The identification of a prospect for the site and 2) A successful application to the Virginia Rail Industrial Access Program.

**Regional Economic Development Marketing Initiatives**

**LENOWISCO Planning District Commission**  
***LENOWISCO InvestSWVA 3.0 (RMI) (#4120)***  
**\$400,000.00 Requested**

***Project Summary:***

Funding is requested for a third round of support for the InvestSWVA regional marketing initiative. The grant will fund the initiative for two additional years (July 1, 2023 – June 30, 2025). This phase of the project will focus on accelerating lead generation and project development work in the region. Several projects are currently in the pipeline undergoing due diligence and require additional time for resolution. Commission funds will be used to support contractual services with Coalfield Strategies.

***Matching Funds:***

Commission funds will be matched with requests to Dominion Energy \$200,000 and Appalachian Power \$200,000.

***Project Outputs:***

The application estimates that, at the end of the project period, 4 prospects will have committed to the region.

***Staff Comments:***

The Commission has provided two previous grants totaling \$800,000 to the Lenowisco PDC to support the first four years of this regional marketing project. The InvestSWVA effort has proven to be extremely valuable for the region resulting in the commitment of five companies (SPIG Industry, eHealth Technologies, EarthLink, Coronado Global Resources and Paymerang) will create an estimated 789 jobs. Additional projects are underway at various stages of development and require additional time for completion. The application outlines an ambitious plan to initiate contact with at least 48 new prospects. Of these initial contacts, 36 will request additional information about the region and 20 will follow up with visits. Four prospects will commit to the region. Continuing support allow time to complete projects already under development and provide an opportunity to explore new opportunities for the region.

***Financial Viability Assessment:***

The project has sufficient support to maintain its viability over the two-year project period.

***Staff Recommendation:***

Staff recommends awarding a grant of \$400,000 contingent upon the following conditions to encourage equitable marketing efforts across the region: (1) the Executive Director's approval of the terms of the renewed contract between the applicant and its consultant, and (2) Staff's continued participation in InvestSWVA's leadership and strategy development.

**Tourism**

**The Barter Foundation, Inc.**

***Barter Theatre Regional Marketing Campaign (#4100)***

**\$105,000.00 Requested**

***Project Summary:*** Commission funds will be used for two additional years of contractual support for implementation of the Theatre's regional marketing campaign. Funding will be used to retain the services of Anat Gerstein Inc., the public relations firm selected by Barter in March, 2022. TRRC currently supports the first phase of this project under #3925 (\$70,000) approved in January 2022. During the second phase the campaign will utilize the knowledge gained over the past several months to continue to develop and implement the campaign. Digital and print earned media placements will be generated for targeted markets around the nation.

***Matching Funds:***

Barter will contribute \$65,000 for ad buys in target markets during 2023 and 2024. The Theatre has also committed \$15,000 to match TRRC funds for the cost of the public relations firm. Additionally, in-kind support of \$25,000 representing marketing staff hours dedicated to the project will also be provided.

***Project Outputs:***

Barter will continue to work to restore and eventually exceed pre-pandemic attendance levels. During the grant period, visitation will increase to 17,692 annually (increase of 1608). Annual revenue from these patrons is projected to be \$688,608 (increase of \$62,600). These figures reflect an annual increase of 10%.

***Staff Comments:***

TRRC approved a request in January 2022 to provide funding for the initial phase of this project to assist Barter in its post-Covid recovery by developing a marketing program which appeals to urban theatregoers and cultural tourists from select, densely-populated markets outside the region. The Theater would like to restore attendance to pre-pandemic levels while increasing attendance by 10% each year. Attendance increases will allow Barter to increase revenues and will allow the Theatre assume responsibility for the Anat contract at the end of the grant period and to continue to utilize the firm's services on an ongoing basis.

The campaign described in the previous application focused on markets within a 6 hour drive radius of Abingdon. Anat's research during the first phase helped to refine the target markets and to advise on the best opportunities to pitch nationally. The campaign was also amended to include a focus on targeting the hometowns of the involved artists. These artists change with each production allowing the markets to be adjusted. Additionally, the target market area has been updated to focus on locations closer to Abingdon, These include Charlotte, Asheville, Lexington KY, Roanoke/ Richmond, Atlanta, Knoxville, and Chattanooga. These locations continue to meet this program's requirement that tourism projects result in the attraction of visitors from national and international markets.

***Financial Viability Assessment:***

Initial results from the marketing campaign are positive. Barter's attendance is growing however the Theatre's post-Covid recovery will require multiple years of effort in order to be effective. The approval of continuation funding for this initiative will increase its likelihood of success and protect Barter's position as one of the premier tourism venues in the region.

***Staff Recommendation:***

Staff recommends the approval of a \$105,000 grant award.

**Birthplace of Country Music**  
***Birthplace of Country Music Museum Expansion (#4103)***  
**\$500,000.00 Requested**

***Project Summary:***

Funding is requested by the Birthplace of Country Music, Inc. (BCM) to support construction costs associated with the expansion of the BCM Museum (BCMM). In 2015 BCM completed the purchase of the building adjacent to the Museum. This building, now referred to as the Annex, will allow BCMM to greatly increase the size of the overall property to 41,000 SF. The new space will allow for the expansion and improvement of the areas used to house both core and special exhibits as well as creating an area to stage and house special exhibits when not on display. Archival space, a recording and radio production area, activity space, education space, and additional offices are among the other areas that will be created or improved as a result of the expansion. All new museum spaces will comply with Smithsonian standards for temperature, humidity, and sound in order to maintain our Smithsonian Affiliate status. The estimated cost to complete development of the Annex is \$3,582,397 including furnishings and technology.

***Matching Funds:***

Matching funds are committed from the Cabell Foundation (\$275,000), Community Project Funding (\$500,000), and Genan Foundation (\$50,000). State and Historic Tax Credits totaling \$1,342,250 have also been approved for the project. An application has been submitted to DHCD's Industrial Revitalization Fund (\$1M) to complete funding needs. If this application is successful, and all other match remains available, there will be a small overage of (\$84,853) of required funds.

***Project Outputs:***

The expansion of the Museum footprint will result in the creation of 5 new jobs with an average salary of \$34,000. An additional 8436 visitors are expected each year resulting in \$125,825 of new revenue for the Museum.

***Staff Comments:***

The Commission has provided significant support for the establishment of the BCMM from the earliest stages of its development. Several previous grants totaling \$4,072,943 were awarded to the BCMA between 2004 and 2011 to assist with the planning, design, and construction of the Museum and exhibits. The Annex project received \$250,000 from TRRC in 2015 for Phase 1 renovation expenses including roof replacement and structural improvements. An additional grant (\$250,000) was awarded in 2016 however that grant expired and was eventually denied an extension due to a large deficit in the amount of matching funds required to complete the project. Staff suggested that BCM reapply to the Commission once additional fundraising had been completed and the project was closer to reaching full funding. These efforts appear to have been very successful and Staff is assured that there are sufficient matching funds in place to allow the project to proceed.

As the result of the substantial support provided by the Commission, and other funders, over the years, the BCMM has become a showpiece for Bristol and the region. Its reputation as a premier museum destination has allowed the Museum to become a major economic driver in the region. The marketing plan provided with the application notes that the economic impact of the museum is close to \$2M annually. The expansion, particularly to the exhibit spaces, will allow BCM to attract



both new first time visitors as well as repeat visitors resulting in an additional \$1M of economic impact in the community.

***Financial Viability Assessment:***

Since opening in 2014, thousands of people from all 50 states and 45 foreign countries have visited the Museum. This level of success certainly meets this program's requirement that tourism projects result in the attraction of visitors from national and international markets and provides confidence that the proposed expansion will allow BCM to continue its role as a tourism leader in the region.

***Staff Recommendation:***

Staff recommends a grant award of \$500,000 for last dollar construction costs associated with the redevelopment of the Annex property.

**Town of Haysi**

***Haysi Trails Center (#4101)***

**\$650,206.00 Requested**

***Project Summary:***

Commission funds will be used to complete construction of the Haysi Trails Center in Downtown Haysi. The project, involving the renovation of the former Haysi Theater, was fully funded through grants from ARC and VCEDA however additional floodproofing is now required for the second floor. The Trails Center will serve visitors to the Town of Haysi which is located directly along or adjacent to six major outdoor recreational destinations.

***Matching Funds:***

Matching funds have been committed from the Appalachian Regional Commission (\$788,516) and Virginia Coalfield Economic Development Authority (\$150,000).

***Project Outputs:***

Construction of the Haysi Trails Center will be completed. The facility is expected to serve 1000 new, non-local, visitors each year.

***Staff Comments:***

Commission funds will be used to close an unexpected funding gap in this otherwise fully funded project. Although it is a large request relative to other projects presented to this Committee it represents true "last dollar" support for a project that is nearly construction ready. At this time the project is undergoing final design and plans to begin construction in mid-late Q1 of 2023. The recent discovery of additional floodproofing requirements for the building's second floor created a funding deficit that TRRC support will alleviate.

The Haysi Trails Center is identified in the Town of Haysi's Downton Revitalization Economic Restructuring and Master Plan developed in 2010. The multiphase revitalization project centers on Haysi's location along or adjacent to six major outdoor recreational hotspots including Breaks Interstate Park which welcomes 300k visitors each year. The trailhead of Spearhead Trails' "Ridgeview Trail" is located in Haysi. World class rapids attract hundreds of whitewater rafters to the Town each October. Haysi also attracts numerous cyclists. The Trail Center will provide a multi-

use venue to serve visitors to the Town which is lacking in tourism support businesses and infrastructure. In addition to its role as a visitors center, the facility will house a space for a café as well as space to allow artisans to sell their products.

Commission support for this project will ensure that construction proceeds on schedule and is completed by the end of the 2024 calendar year.

***Financial Viability Assessment:***

The Town of Haysi is already attracting visitors from national and international markets as required for tourism projects submitted to this program. The development of this Center, along with other revitalization efforts underway in Haysi, will create a destination that continues to grow in popularity.

***Staff Recommendation:***

Staff recommends approval of a grant award of \$650,206.00.

**Song of the Mountains**

***Song of the Mountains Revitalization (#4116)***

**\$240,000.00 Requested *reduced to \$120,000***

***Project Summary:***

Commission funds will be used to assist with booking fees for popular bands. Song of the Mountains, and Lincoln Theater, will book large draw acts to entice patrons to return to live performances at the Theater. The amount requested was reduced due to Staff's concerns about the availability of eligible matching funds. The original budget allocated 100% of the booking costs to the TRRC grant. The revised budget limits the Commission's support to 50% of each booking fee. The remainder will be provided by SOTM through sponsorships.

***Matching Funds:***

SOTM will contribute \$120,000 to be used for 50% of the cost of each booking.

***Project Outputs:***

The project will result in an additional 350 visitors to Marion. Current visitation is estimated at 850 and this will increase to an anticipated 1200. Outcomes are focused on recovery of tourist visitation to Marion.

***Staff Comments:***

The Lincoln Theater has hosted Song of the Mountains for 18 years. The program, Virginia's only nationally-syndicated PBS television series, is shown on 139 PBS affiliate stations across the nation. The series, along with the restoration of the Lincoln Theater, is credited for helping to stimulate the redevelopment of the Town of Marion's downtown area. Marion's downtown business vacancy rates are less than 5% while meals tax revenues doubled over the past decade.

This project is similar to the Barter project in that it supports the recovery of one of SWVA's most popular performance venues. Live performance venues suffered tremendously during the pandemic shut downs. These venues were unable to host events, and earn needed revenues, for an extended

period of time. Song of the Mountains is not alone in its quest to reestablish itself as a viable draw for regional tourists. Many potential patrons remain cautious of the risks associated with attending events while others may have moved on to new options. Helping SOTM with booking fees will provide the opportunity for the Theater to entice visitors back to Marion.

***Financial Viability Assessment:***

These fees will provide financial assurance to potential acts and help secure commitments from performers with the highest potential to attract large numbers of attendees. The ticket sales from these visitors, as well as the associated spending at downtown businesses, is critical to the SOTM's (and the Town's) post Covid recovery.

***Staff Recommendation:***

Staff recommends a grant award of \$120,000 to reimburse 50% of booking fees.

**Sunset Holler, Inc. (#3975)**

***Southern Gap Amphitheater Project: Construction Documents & Construction***  
**\$500,000.00 Requested**

***Project Summary:***

The funds requested in this application will assist the development of a commercial-grade amphitheater at Southern Gap in Buchanan County, Virginia. The amphitheater will host a variety of events including live music performances, film screenings, sports events, etc. with a maximum capacity of 4,000 attendees. Commission funds will be used for the purchase of a Stageline SL320 stage (\$450,000) and for amphitheater construction (\$50,000). Upon completion, a professional operator and manager with industry experience will be engaged. Construction of the amphitheater is estimated to cost approximately \$5M. This request was submitted to the spring 2022 round and was tabled at the May meeting.

***Matching Funds:***

Matching funds are available from the Thomson Charitable Foundation (\$200,000), the McGlothlin Foundation (\$50,000), the Ratcliff Foundation (\$20,000), and an anonymous donor (\$30,000). The Appalachian Regional Commission (\$700,000) and the Buchanan County IDA (\$687,320) have each announced recent awards for the project.

***Project Outputs:***

The completed project will result in the development of an amphitheater with a maximum capacity of 4,000 attendees; eight new jobs with average salaries of \$54,165; annual revenue from ticket sales resulting in approximately \$1,500,000 based on 64,000 attendees.

***Staff Comments:***

The Commission provided a \$57,000 award in 2019 through the Southwest Economic Development Program to support 50% of the cost of the Initial Design Phase. Two subsequent requests have been submitted for the project. The January 2021 application was declined. The second, this application, was tabled in May 2022 due to concerns regarding the availability of majority of



matching funds sufficient to complete the project. At the time there were three large applications pending with the Appalachian Regional Commission (\$700,000), US EDA (\$3,949,280), and Virginia Energy AMLER (\$1,000,000). Only the ARC application was successful although Sunset Holler plans to reapply to both the AMLER and US EDA programs. EDA advised the project to reapply once enough funds are committed from other sources to reduce the EDA request to a maximum of \$3M. A commitment of \$500,000 from TRRC would provide leverage for the project and could strengthen the re-application efforts. Regardless, caution must be exercised to protect Commission funds and to prevent obligating this committee's limited resources for any project which is not certain to be underway during the customary 3 year grant period. TRRC's standard letter agreement states requires the grantee to provide satisfactory evidence of the availability of acceptable match within one year of the award date. Staff's funding recommendation must reflect this requirement as a contingency for an approved grant.

Projects considered under the Tourism strategy of this program's RFP must document the ability to attract visitors from national and international markets. The business plan provided for this project indicates that the unique geographical location of the amphitheater will serve as a draw for music tourists. Project updates provided since the project was tabled in May document numerous campsites in close proximity to Southern Gap which could provide lodging options to these visitors who may also take advantage of other opportunities, in particular the outdoor recreation amenities, in the region. Sunset Holler plans to work with other regional tourist organizations and venues to collaborate on cross marketing opportunities.

***Financial Viability Assessment:***

A detailed feasibility study and business plan were provided as part of the proposal, evidencing that much care has been taken to assess the viability of the project. Should the applicant be successful in achieving full project funding, this venue will be a landmark cultural asset for the area.

***Staff Recommendation:***

Staff recommends a grant award of \$500,000 contingent upon the successful reapplication to EDA and/ or the achievement of full project funding within 12 months.

**Business Development**

**Blue Ridge Public Television, Inc.  
PBS Appalachia Virginia (#4110)  
\$530,000.00 Requested**

***Project Summary:***

Commission funds will support the establishment of a fully digital public television station, PBS Appalachia Virginia, to serve the 14 counties and three cities of the SWVA TRRC service area. The station, announced in July, 2022 will be fully region based and will highlight positive stories from the footprint. This content will support other regional branding initiatives to market tourism and business development efforts. Commission funds are requested for a variety of operating expenses over a two year start up period. The station plans to launch on June 10, 2023.



***Matching Funds:***

Matching funds will be provided primarily from current and future state appropriation funding. The project was allocated \$500,000 in FY2022/23 through VA DOE appropriation. These funds have assisted with initial staffing needs and other expenses. The applicant anticipated additional appropriations in the future (\$1.25M). The applicant will also seek support from the Appalachian Regional Commission during that program's next round.

***Project Outputs:***

The project will result in the establishment of PBS Appalachia Virginia and the creation of 5 new jobs.

***Staff Comments:***

Although the establishment of PBS Appalachia Virginia will certainly result in a new opportunity to broadcast content which brands the region in a positive light, exact outcomes are difficult to quantify. The project will provide marketing opportunities for both tourism and business development opportunities in the SWVA region. PBS application is an expansion of work begun under grant #3602 approved in January 2020 which established a digital media channel on Youtube.

Despite potential for this project to have a positive effect on regional marketing efforts, Staff noted some procedural issues with the application that prevent the recommendation of full funding for this request. Although the station is a new endeavor which will expand Blue Ridge PBS's reach throughout the region, the project was announced in July, 2022 and is already underway with existing staff including the Executive Producer, an existing position originally supported under TRRC Grant #3602 and the General Manager whose salary is covered under the Virginia DOE state appropriation. Commission policy states that any expense which is currently listed in an applicant's existing operating budget, may only be presented as in-kind match. Additionally, TRRC's General Non-Eligible Uses of Funds state that Commission funds should not be used to supplant other state or federal funds for which an applicant is eligible. These policies must apply to any expense presented in the grant budget that is currently paid under the DOE appropriation. The Executive Producer's salary is already 100% allocated to match however the General Manager is currently split between TRRC (\$130,000) and match (\$130,000). To comply with TRRC policy this position must be fully paid (\$260,000) with matching funds. Both positions should be listed as "in-kind" match.

Due to the concerns about Commission funds supplanting other state funding, it is necessary to limit the use of TRRC support to only direct new costs associated with the establishment of the station. These expenses include two positions (Corporate Support Territory Manager - \$40,000 and Producer/ Videographer - \$50,000). Contractual Services (\$32,000), and Equipment (\$191,677). The application also requests \$86,323 for Continuous Charges including lease, internet, utilities, insurance, janitorial, sanitation, etc. for a yet to be determined location. These expenses will be new to the project and are eligible for reimbursement however, because no definite location has been selected, no basis for these costs was provided in the application. Staff will continue to work with the applicant during the grant period to ensure that any disbursements under this line item comply with TRRC limits and policies. The budget currently allocates support for all activities on a 1:1 split between TRRC and matching funds. Staff suggests that this split remain with TRRC reimbursing 50% of each eligible expense during the two year grant period. This will allow match to be documented concurrently with grant funds and will simplify reimbursement process.

The disbursement of grant funds for these listed purposes and in the manner described above will enable the Commission to provide critical start up operating support for the new enterprise while preventing any expectation that the Commission will be a source of ongoing operational support for the station.

***Financial Viability Assessment:***

The applicant is expected to be able to qualify for funding for operational expenses from other additional sources once they are beyond the start-up period for the station.

***Staff Recommendation:***

Staff recommends a grant award of \$400,000 to support 50% of direct new costs for establishing the PBS Appalachia Virginia station.

**Mendota Community Association  
*Revitalization of Former Mendota (#4117)*  
\$38,485.00 Requested**

***Project Summary:*** Commission support is requested to assist with planning needs focused on the redevelopment of the former Mendota School Building and Grounds. The building currently serves a variety of purposes in the community of Mendota including housing a local branch of the Washington County Public Library. The facility also contains a cafeteria, theater room and other spaces that could be used for a variety of purposes. The \$38,485 request will be used to determine the best future uses for the building and to develop a prioritized strategy to addressing the structural and aesthetic improvements that will be required for the redevelopment.

***Matching Funds:*** The Washington County BOS recently committed \$38,450 for HVAC upgrades to the facility. No matching funds are presented to assist with the costs of the additional planning activities.

***Project Outputs:*** During review of this proposal, Staff struggled to identify the primary output of this project.

***Staff Comments:*** Former school buildings, such as the one in Mendota, exist all over Southwest Virginia. Several have been re-purposed to meet a variety of needs and continue to serve as anchor points for the communities they are based in. The redevelopment of the former Mendota School Building and Grounds has been a priority for Mendota for several years. A Preliminary Architectural Feasibility Report was completed in 2019 using funding provided by DHCD. This document outlined a number of potential uses for the building and provides general cost estimates for building upgrades. At that time, the estimated cost of renovation was nearly \$2.3M however the report notes that these improvements could be accomplished in phases.

Commission staff commends the efforts of the MCA in not only maintaining the facility as a center point of the Mendota community for over 40 years, but in continuing to explore new uses for the property. The Center's advantageous location along the North Folk of the Holston and the terminus of the Mendota Trail presents an opportunity for the facility to serve as an economic engine of the

Mendota community and to capitalize on the developing outdoor recreation prospects in the area. For this to be accomplished the applicant must narrow the scope of the project to concentrate on the highest use priorities. Although this is a stated goal of the application, Staff struggled to identify how the proposed activities differed from the scope of the 2019 report. The application did not provide a scope of work, or related cost estimate, from an engineering form to justify the \$38,485 request amount. An additional concern is that the matching funds presented in the application are unrelated to the planning efforts. This program limits support for capacity building projects such as this one to up to 50% of third-party professional services. While the HVAC improvements are certainly needed it is important that, to maintain consistency with similar projects under development across the tobacco region, the direct match requirement be enforced.

Despite these concerns, Staff sees tremendous potential for this project and the impact that the facility's redevelopment will have on the Mendota community. Staff suggests that this project be tabled to allow additional time to work with the applicant to identify appropriate matching funds and to develop project outcomes which move the project forward in a clear and measurable manner.

***Financial Viability Assessment:***

The proposal needs additional attention to more adequately present the sustainability of the project.

***Staff Recommendation:***

Staff recommends that this request be tabled to allow additional time to work with the applicant to refine the scope of the project and to identify appropriate matching funds.

## **Virginia Coalfield Coalition**

### ***Virginia Coalfields Cell Coverage Assessment Planning Grant (#4097)***

**\$40,000.00 Requested**

***Project Summary:***

Commission funds will be used to support a planning project to identify the remaining wireless needs in the Coalfields region (Buchanan, Dickenson, Lee, Norton, Russell, Scott, Tazewell, and Wise Counties). It is estimated that 40% of this region lacks wireless service. TRRC will support \$40,000 of the estimated \$140,000 total project cost. The applicant will select a provider through a competitive bid process.

***Matching Funds:***

The applicant has committed \$100,000 to fund the remaining cost of the assessment.

***Project Outputs:***

A report will be produced to identify the highest priority locations as well as the estimated cost to extend service to the identified areas.

***Staff Comments:***

The lack of adequate cell service has been identified as a major barrier to further economic development in these localities as wireless coverage is generally considered as basic infrastructure for business prospects. The lack of coverage also has a significant impact to the region's outdoor recreation tourism efforts. Several popular destinations, including the Clinch River State Park,



Devil's Bath tub, Breaks Interstate Park, the Channels Wildlife Management Area, High Knob State Park, and Spearhead Trails systems around the Towns of Haysi and Pocahontas, etc. lack coverage. The visitors and residents of these areas are at dangerous disadvantage due to the inability to contact first responders and/ or law enforcement in cases of emergency. Many visitors also prefer to have connectivity while visiting the region.

***Financial Viability Assessment:***

The applicant has successfully managed the ownership of 12 cell towers and will soon add an additional six. This experience, along with an established relationship with a major carrier, adds confidence that this study will produce a plan that will guide an effective expansion of service to these communities. Commission investment at this stage will help to facilitate this expansion however the application is clear that no additional funding, to support implementation costs, will be requested. VCC will use the plan, and the cost estimates contained within, to apply to various federal and state funders for construction costs.

***Staff Recommendation:***

Staff recommends approval of a \$40,000 grant award.

**OTHER BUSINESS**

**Blue Ridge Plateau Initiative**

***Meat Processing Facility (#3368)***

**Approved for \$500,000 in January 2019 (\$500,000 balance)**

**Request for fifth year extension**

***Staff Overview & Comments:***

Blue Ridge Plateau Initiative has requested a fifth year extension for this project. Since the approval four years ago there has been little to no progress. Despite a 10+ year planning effort to establish a commercial meat processing facility in Carroll County, the Commission remains the only funder committed to the project. In May 2022 a \$4M request was submitted to the US Transportation, Housing, and Urban Development Community Project Funding (CPF) program by Congressman Griffith's office. It is Staff's understanding that this request was not approved although that has not been verified by BRPI.

The project's fourth year extension, approved administratively but the Executive Director in January 2022, required that the following conditions be met in order for the grant to be extended beyond the January 8, 2023 expiration date. First, that all funding sufficient to complete the project be committed and second, that a site be acquired. Neither of these conditions have been met. No matching funds are committed at this time and the total development cost remains unknown as it is dependent upon the site selected. BRPI's first choice is located just off of exit 14 on I77. This site is already developed for industrial use and is large enough to provide space for both current and future development plans. The federal appropriation would have provided funding needed to purchase this site. If funding cannot be raised to allow for the acquisition of this property there are alternative sites already owned by Carroll County that are suitable for the project. These sites are less desirable due to size restraints and the lack of existing infrastructure.



Given this committee's intent to conduct a special funding round to focus solely on increasing meat processing capacity in the region it is important that this project be vetted alongside similar projects that may be under development. Despite the decade + planning effort Staff is concerned by the grantee's failure to move the project forward in any substantive way over the past four years. The project appears to lack the leadership capacity necessary to not only see it through to completion but also to effectively manage the operation of the facility once open. Staff encourages BRPI to continue to refine its business plan and to pursue matching funds necessary to meet TRRC's match requirement. A new application, based upon the current status and needs of the project, may be submitted to the upcoming deadline.

**Staff recommends no additional extension for this project. The grant will be deobligated and added to the \$2M previously set aside for the meat processing funding round.**