

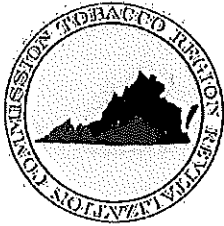
The seal is circular with a dotted background. The outer ring contains the text "COMMISSION ON TOBACCO REGENERATION" in a serif font. In the center of the seal is a silhouette of the state of Virginia.

**Virginia Tobacco Region
Revitalization Commission**

**Winter 2023
Committee & Commission Meetings**

January 4 - 5, 2023

**Homewood Suites by Hilton
Capital Ballroom
700 East Main Street
Richmond, VA**



ITINERARY

Virginia Tobacco Region Revitalization Commission
Winter 2023 Tobacco Commission Meetings
January 4 - 5, 2023
Homewood Suites by Hilton - Richmond Downtown

WEDNESDAY, JANUARY 4, 2023

ABINGDON GROUP TRAVEL BY RICHMOND STATE PLAN
(arrive at airport 30 minutes early)

10:50 am - Depart Virginia Highlands Airport (KVJI) - 18521 Lee Highway, Abingdon
11:57 am - Arrive Richmond Airport (RIC) - Virginia Department of Aviation (KRIC)
5702 Gulfstream Road, Richmond
12:00 pm - Pick up @ Richmond Airport by Virginia Airlink Shuttle Service. Transport to Hampton
Inn & Suites by Hilton - Richmond Downtown 700 East Main Street, Richmond (drop
off on 7th & Franklin Street side)

~~~ LUNCH ON YOUR OWN ~~~

2:00 - 3:30 PM SOUTHERN VIRGINIA COMMITTEE

3:30 - 3:45 PM ~~~ BREAK ~~~

3:45 - 5:15 PM SOUTHWEST VIRGINIA COMMITTEE

3:00 P.M. - HOTEL CHECK-IN TIME

Hampton Inn & Suites by Hilton - Richmond Downtown  
700 East Main Street, Richmond (enter on 7<sup>th</sup> & Franklin Street side)

6:30 - 9:00 PM - RECEPTION @ CAPITAL ALE HOUSE, MUSIC HALL ROOM  
623 East Main Street, Richmond

### **THURSDAY, JANUARY 5, 2023**

9:00 - 9:45 AM EXECUTIVE COMMITTEE

9:45 - 10:45 AM STRATEGIC PLANNING COMMITTEE

10:45 - 11:00 AM ~~~ BREAK ~~~

11:00 AM BOX LUNCH SERVED (Eat During Orientation Presentation)

11:00 AM - HOTEL CHECK-IN TIME

11:00 - 12:15 PM ORIENTATION FOR FULL COMMISSION

12:15 - 1:15 PM REGULAR FULL COMMISSION MEETING

**ABINGDON GROUP TRAVEL BY RICHMOND STATE PLAN**

1:45 pm - Pick up from hotel by Virginia Airlink Shuttle Service. Transport to Richmond  
Airport (Virginia Department of Aviation) - 5702 Gulfstream Road, Richmond

2:30 pm - Depart Richmond Airport (RIC) by Virginia Department of Aviation

4:00 pm - Arrive Abingdon - Virginia Highlands Airport (KVJI)



**TABLE OF CONTENTS**

**Virginia Tobacco Region Revitalization Commission  
Winter 2023 Committee & Commission Meetings  
Homewood Suites by Hilton - Richmond Downtown  
Capital Ballroom  
Richmond, Virginia**

**January 4 - 5, 2023**

**MEETING LOGISTICS**

|                                                     |            |
|-----------------------------------------------------|------------|
| Itinerary .....                                     | 1          |
| <b>SOUTHERN VIRGINIA COMMITTEE .....</b>            | <b>3</b>   |
| Agenda .....                                        | 4          |
| Staff Summaries & Recommendations .....             | 5          |
| Extensions & Modifications .....                    | 28         |
| FY2023 Guidelines & Request for Proposals .....     | 30         |
| <b>SOUTHWEST VIRGINIA COMMITTEE .....</b>           | <b>52</b>  |
| Agenda .....                                        | 53         |
| Staff Summaries & Recommendations .....             | 54         |
| Extensions and Modifications .....                  | 71         |
| FY2023 Guidelines & Request for Proposals .....     | 73         |
| <b>EXECUTIVE COMMITTEE .....</b>                    | <b>95</b>  |
| Agenda .....                                        | 96         |
| <b>STRATEGIC PLANNING COMMITTEE .....</b>           | <b>97</b>  |
| Agenda .....                                        | 98         |
| Memo .....                                          | 99         |
| Strategic Plan 2023-2025 .....                      | 100        |
| Feedback Summary .....                              | 127        |
| <b>FULL COMMISSION .....</b>                        | <b>131</b> |
| Agenda .....                                        | 132        |
| Orientation                                         |            |
| TROF & CBL Loan Update .....                        | 133        |
| Financial Summary .....                             | 140        |
| Statement of Revenues, Expenditures & Changes ..... | 141        |
| Current Committee Membership .....                  | 142        |

# **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.**

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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:

<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](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>Mr. Buddy Shelton, 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 Southern Va. Applications</b>      | <i>Ms. Sarah Capps, Southern Regional Director</i> |
| <b>Extensions &amp; Modifications</b>         | <i>Ms. Sarah Capps, Southern Regional Director</i> |
| <b>Other Business</b>                         | <i>Mr. Andy Sorrell, Acting Director</i>           |
| <b>Public Comment</b>                         |                                                    |
| <b>Adjournment</b>                            |                                                    |

**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  |
|---------------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------|------------|
| <b>Agribusiness</b> |                                                   |                                                                                                                         |                  |            |
| 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 |

|                             |                                                   |                                     |            |            |
|-----------------------------|---------------------------------------------------|-------------------------------------|------------|------------|
| <b>Business Development</b> |                                                   |                                     |            |            |
| 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 1<sup>st</sup> 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 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 5<sup>th</sup> 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 6<sup>th</sup> Year Requested***

**Staff Comments:** This \$1,000,000 grant 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 – 6<sup>th</sup> 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.

***Commonwealth of Virginia***  
***Tobacco Region Revitalization Commission***

**FY2023 Southern Virginia Program**

**GUIDELINES & REQUEST FOR PROPOSALS**

***Application Due Date:***  
**Thursday, October 20, 2022**



**Tobacco Region Revitalization Commission  
FY2023 Southern Virginia Program**

**GUIDELINES & REQUEST FOR PROPOSALS**

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>I.</b>   | <b>GENERAL PROGRAM INFORMATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>3</b>  |
|             | <ul style="list-style-type: none"> <li>A. Purpose &amp; Background</li> <li>B. Investment Categories - Funding Priorities</li> <li>C. Eligibility – Eligible Applicants, Matching Funds, Use of Funding</li> <li>D. Application and Submission Information</li> <li>E. Evaluation</li> <li>F. TRRC Staff Contact Information</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |
| <b>II.</b>  | <b>GUIDELINES FOR SPECIFIC INVESTMENT STRATEGIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>6</b>  |
|             | <ul style="list-style-type: none"> <li><b>A. Business Development</b> <span style="float: right;"><b>6</b></span></li> <hr/> <li> <ul style="list-style-type: none"> <li>▪ Regional Economic Development Marketing Initiatives</li> <li>▪ Business District Redevelopment</li> </ul> </li> <li><b>B. Sites &amp; Infrastructure</b> <span style="float: right;"><b>8</b></span></li> <hr/> <li> <ul style="list-style-type: none"> <li>▪ Industrial Sites</li> <li>▪ Infrastructure – Off-site Utility Infrastructure</li> </ul> </li> <li><b>C. Agribusiness</b> <span style="float: right;"><b>10</b></span></li> <hr/> <li> <ul style="list-style-type: none"> <li>▪ Value-Added Processing, Aggregation, and Marketing Facilities</li> <li>▪ Development of Market Opportunities</li> </ul> </li> <li><b>D. Tourism</b> <span style="float: right;"><b>14</b></span></li> <hr/> <li> <ul style="list-style-type: none"> <li>▪ Tourism Destination Infrastructure</li> <li>▪ Regional Marketing Campaigns &amp; Initiatives</li> </ul> </li> </ul> |           |
| <b>III.</b> | <b>REQUIRED DOCUMENTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>17</b> |
| <b>IV.</b>  | <b>REQUIREMENTS OF FUNDING</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>18</b> |
|             | <ul style="list-style-type: none"> <li>A. Grants and Loans</li> <li>B. Award Information</li> <li>C. Payment of Grant Funds</li> <li>D. Reporting</li> <li>E. Assets</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |
| <b>V.</b>   | <b>ATTACHMENTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>20</b> |
|             | <ul style="list-style-type: none"> <li>A. Attachment A – Evaluation Criteria</li> <li>B. Attachment B - Eligible Counties &amp; Cities for Tobacco Commission Funding</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |           |



## I. GENERAL PROGRAM INFORMATION

### A. Purpose & Background

The Tobacco Region Revitalization Commission (“TRRC” or “Commission”) was established by the Virginia General Assembly in 1999, as a political subdivision of the Commonwealth. The Commission makes investments to revitalize and diversify the economy of the region it supports. Projects selected for funding include initiatives that will measurably advance the Commission’s priorities as a direct result of project success.

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

Approximately \$16 million is available for awards from the Southern Virginia Program, in addition to \$15 million of carryforward balances in county allocations from the past Southside Economic Development Program. The application deadline is **Thursday, October 20, 2022**. Award decisions are expected to be made at the Commission’s meeting in January 2023.

### B. Investment Categories – Funding Priorities

Logic models included in the Commission’s Current Strategic Plan identify specific investment strategies for the types of projects that the Commission will consider funding.

Applications submitted in response to this RFP must fall into one of the following categories:

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

Details on priorities and the types of projects to be considered within each investment category are provided in **Section III. Guidelines for Specific Investment Categories** of this RFP. All applicants must clearly articulate how the project relates to the goals of the program. All projects must clearly define outputs that will occur during the project period and directly relate to the use of Commission funds and matching funds. Outputs are specific to each investment category.

The Commission at its discretion may entertain other types of projects provided they meet all other requirements of this RFP, are in alignment with TRRC’s Strategic Plan, and address critical economic development barriers affecting the Tobacco Region. Applicants who wish to bring a project outside of the scope of this RFP must contact TRRC’s grants staff in advance.

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

### Eligible Applicants

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

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

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

### Ineligible / Eligible Uses of Funding

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

### Matching Funds

As required by the Code of Virginia, all requests for grant funds require at least dollar-for-dollar (1:1) matching funds, with no more than 25% of the match requirement from "in-kind" sources. Loan requests do not have a match requirement. *Expenses already included in an annual budget such as personnel and other operating costs will count toward the 25% In-Kind limit.*

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

If the Commission awards a grant to an applicant who has not secured acceptable matching funds at the time of award, the applicant will have up to 12 months from the date of the award to secure matching funds or else the Commission may rescind the award and de-obligate its funds.

## D. Application and Submission Information

Proposals must be submitted by midnight on Thursday, October 20, 2022, through the Commission's online application portal: [https://vtc.smartsimple.com/s\\_Login.jsp](https://vtc.smartsimple.com/s_Login.jsp).

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

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

**All information expressly required by this RFP must be included. Proposals which are substantially incomplete or lack key information, will be considered nonresponsive. These proposals will be declined for review and will not be presented to the committee.**

## E. Evaluation

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

## F. TRRC Staff Contact Information

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

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

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

- Sarah Capps, Southern Regional Director (Rocky Mount, VA)  
(540) 483-0179, ext. 2168, [scapps@revitalizeva.org](mailto:scapps@revitalizeva.org)
- Vicki Humphreys, Grant Programs Director (Richmond, VA)  
(804) 894-9658, [vhumphreys@revitalizeva.org](mailto:vhumphreys@revitalizeva.org)

## II. GUIDELINES FOR SPECIFIC INVESTMENT CATEGORIES

### A. Business Development

#### Investment Category: Business Development

The Commission will consider awarding grants and loans to facilitate the development of new industry and employment clusters, to support traditional economies, and to grow entrepreneurial systems that result in a diversified regional economy. Priorities in this area include support for regional marketing organizations for marketing the region's industrial sites; and projects that focus on implementation of strategies for the creation of higher paying jobs and the attraction of skilled workers to rural localities. Priority will be given to projects targeted for downtown commercial districts.

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

- (i) Regional Economic Development Marketing Initiatives
- (ii) Other Economic Development (*for Business District Redevelopment*)

#### Eligible Investments

##### **A1. Regional Economic Development Marketing Initiatives**

Support for up to 50% of the costs to conduct targeted marketing strategies to recruit new employers to the region. This includes the recruitment of traditional industries and the recruitment of satellite offices and back office locations to the region. Eligible applicants include regional marketing organizations or other regional partnerships.

Funding may be used to contract with third party consultants to assist with marketing available sites and buildings, recruitment of small job creators, and promotion of targeted downtown spaces for satellite business operations and back offices.

Support for regional marketing organizations should be focused on critical lead generation activities including expenses related to prospect and consultant trips or visits, contracts with lead generation firms/ consultants, and marketing materials used for prospect recruitment. Expenses related to trade show attendance or conference expenses will not be considered.

##### **A2. Business District Redevelopment**

The Commission will make grants and loans to support capital investments in properties, and in entrepreneurial and business support strategies, with the goal of encouraging the occupancy of vacant, underutilized buildings and creation/expansion of technology and business service sector jobs. Development of shared work spaces and small scale manufacturing spaces focused on businesses which produce traded products and services are a priority. Projects could include, but are not limited to:

- ***Planning and capacity building***

Funding may be requested for up to 50% of third-party professional services to support critical planning activities focused on the redevelopment of commercial business districts. This may include feasibility studies and market assessments, architectural and engineering/design services, and professional project development support.

- ***Publicly or nonprofit owned property for collaborative business development***

Funding may be used for up to 50% of the costs for renovations/up-fit of publicly or nonprofit organization owned buildings to be used as professional office space for individuals and small businesses, for technology or business services sector satellite offices, and for small scale production/manufacturing businesses. Funding consideration for property intended as a mixed-use development, will be given for the portion of the property that is targeted for the Commission's priority interests.

Applicants are required to submit a feasibility study, or similar analysis, that demonstrates market demand and feasibility of the facility operations to be sustainable. A business plan and operating pro-forma must be provided showing how the facility will become revenue positive within a reasonable period after construction is complete.

- ***Small business development incentive***

The Commission may provide a private business incentive for a project which clearly demonstrates the potential to act as a catalyst for additional business development, for an underdeveloped and underutilized downtown commercial business district. The application must describe how the proposed project aligns with the community's comprehensive business district planning efforts. Such incentive will require a performance agreement with the locality, and will be limited to up to \$30,000 and no more than 25% of the capital costs for construction or equipping costs for the new business enterprise.

### Requirements

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

- Service Area and Project Location Map (*required for all*)
- Feasibility Study or similar analysis (*required for business development facilities*)
- Cost Estimate from Engineer or Construction Contractor (*required for construction*)
- Detailed Equipment List and Equipment Quotes (*required for equipment purchases*)
- Business Plan or Operating Plan (*required for business development facilities, and for small business development incentives*)
- Operating Budget and Pro Forma (*required with Business Plan or Operating Plan*)
- Operating Agreement (*required for public-private partnerships*)
- Marketing Plan (*required for regional marketing initiatives*)

### Outputs / Metrics – Business Development

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

- Number of existing businesses recruited to region or strengthened by project activities
- Increase in revenues from sale and export of traded products or services
- Number and salaries/wages of jobs created by new or expanding businesses
- Advancement of targeted sector-based or cluster development recruitment strategies
- Increase in bona fide prospect activity, realistic for available workforce
- Number of new businesses started as a result of project activities
- Number of individuals assisted with entrepreneurial training and business development
- Number of new or expanding businesses benefiting from lending, or access to financing
- Increase in taxable private capital investment

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

## **B. Sites and Infrastructure**

### Investment Category: Sites and Infrastructure

The Commission will consider awarding grants and loans to support the development of critical infrastructure necessary to provide a competitive environment for the recruitment of new jobs and investment to the Tobacco Region. Projects that will enhance the marketability and site readiness of existing publicly-owned economic development sites are of particular interest to the Commission. Priority will be given to projects that bring existing properties to a higher level of business ready site certification rather than acquiring and developing new sites.

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

- (i) Industrial Sites
- (ii) Infrastructure

### Eligible Investments

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

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

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

Priority will be given to projects that improve the readiness of sites already under development within the region as opposed to the acquisition and development of new sites. Development of new sites will only be considered when the applicant provides compelling evidence of a deficit of competitive sites in the locality *and* surrounding region.

The redevelopment of brownfield sites is a funding interest for the Commission. A Phase 1 Environmental Site Assessment must be provided for brownfield site applications.

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

The Commission will only consider requests for off-site utility infrastructure that will predominantly serve existing, clearly-defined economic development sites. The Commission will only consider awarding grants for planning, engineering, and design associated with necessary off-site utility infrastructure to serve the site; and the Commission will only consider awarding loans for construction of off-site utility infrastructure.

## Requirements

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

- Service Area and Project Location Map *(required for all)*
- Master Plan with Targeted Sectors *(required for all)*
- Fee Estimate or Proposal from Engineer *(required for A&E and/or construction)*
- Construction Cost Estimate from Contractor *(required for construction, if cost estimate is not provided by A&E)*
- Phase 1 Environmental Assessment Report *(required for brownfield sites)*
- Virginia Business Ready Site Assessment Report *(required for sites assessed by VEDP)*
- Cash Flow Analysis with Rate Structure *(required for utility infrastructure)*
- Inventory of available sites in locality and surrounding region *(for new industrial sites)*

## Outputs / Metrics – Sites and Infrastructure

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

- Change in the site's business ready tier characterization to improve marketability to specific targeted sectors
- Acres (and available lots) of graded or improved sites or sites served with necessary infrastructure
- Square footage of building constructed or renovated for new economic activity
- Linear feet of access road constructed
- Capacity increase and/or linear feet of water or sewer infrastructure improvements
- Number and average salaries of new jobs created
- Increase in taxable private capital investment

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



## C. Agribusiness

### Investment Category: Agribusiness

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

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

### Eligible Investments

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

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

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

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

#### Private Ownership:

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

#### Public or Non-Profit Ownership:

- Grants for Capital Projects - Value-added facilities owned by a government entity or a non-profit organization may apply for grants of up to 50% of total capital costs.
- Grants for Start-Up Operations - Governmental entities and non-profit organizations may request grant support for start-up operating costs associated with new or expanding value-added processing and aggregation facilities. Applicants must provide a sound operating plan that shows decreasing reliance on Commission funds.

### Loans

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

## **C2. Development of Market Opportunities**

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

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

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

***Crop Demonstrations Projects*** - Projects that assist producers in the development and demonstration of high-value, low acreage crops (defined as those that have a higher net return per acre compared to conventional commodity crops) will be considered. Projects seeking funds for basic research activities will not be considered.

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

All cost share program proposals must include the following:

- Education component with requirements for participation,
- Proposed cost-share program guidelines with eligible costs and evaluation criteria,
- Analysis of the return on investment to producers for implementing the practice(s),
- Demonstration of need and/or evidence of producer interest, and
- A defined plan for monitoring and measuring outcomes.

## Requirements

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

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

Depending on the nature of the project, applications for Agribusiness funding will require the following information (refer to the **Required Documents** section of this RFP):

- Service Area and Project Location Map *(required for all)*
- Feasibility Study or similar analysis *(required for publically owned value-added facilities)*
- Business Plan or Operating Plan *(required for value-added facilities)*
- Operating Budget and Pro Forma *(required with Business Plan or Operating Plan)*
- Cost Estimate from Engineer or Construction Contractor *(required for construction)*
- Detailed Equipment List and Equipment Quote *(required for equipment purchases)*
- Marketing Plan *(required for wholesale and retail cooperative marketing projects)*
- Operating Agreements *(required for public-private partnerships)*
- Program Guidelines & Sub-Awards *(required for cost-share programs)*

## Outputs / Metrics – Agribusiness

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

- Number of agricultural producers benefitting
- Total dollar value of Tobacco Region agricultural products to be used annually
- Increase in annual sales revenue for value-added agriculture products
- Average (per farm), and aggregate annual increase to net farm income
- Sales revenue for value-added agriculture products resulting from the project
- Number of new jobs created by new or expanding agriculture based business
- Increase in taxable private capital investment

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

## D. Tourism

### Investment Category: Tourism

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

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

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

### Eligible Investments

#### **D1. Tourism Destination Infrastructure**

(Heritage Tourism Sites and Outdoor Recreation Tourism)

Infrastructure investments in tourism destinations will only be considered for sites of documented ***national or international interest***. Heritage tourism sites or outdoor recreation tourism destinations must demonstrate the ability to attract a measureable increase in visitors and visitor spending from outside the Tobacco Region. The significance and connection of these sites to larger regional, state, or national tourism initiatives must be documented.

The development of local recreational and cultural amenities such as trails, theaters, and historic sites primarily serving a local market will not be considered. Tourism destination projects that do not demonstrate the ability to attract significant visitor spending from outside the region will not be considered for funding.

#### **D2. Regional Tourism Marketing Campaigns and Initiatives**

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

## Requirements

All applications must include economic impact projections as well as a description of the data collection or visitor tracking mechanism that will be used to document the number of new visitors to the region and associated spending resulting from the project.

Depending on the nature of the project, applications for Tourism funding will require the following information (refer to the **Required Documents** section of this RFP):

- Service Area and Project Location Map *(required for all)*
- Feasibility Study or similar analysis *(required for new tourism infrastructure and initiatives)*
- Economic Impact Study *(required for new or expanded tourism infrastructure)*
- Cost Estimate from Engineer or Contractor *(required for construction)*
- Business Plan or Operating Plan *(required for tourism infrastructure and initiatives)*
- Marketing Plan *(required for marketing requests)*

## Outputs / Metrics - Tourism

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

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

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

### III. REQUIRED DOCUMENTS

Depending on the nature of the project, applicants may be required to submit several other documents so the Commission and its staff are fully informed about all pertinent aspects of the project. As these will vary by project type, this list is not exhaustive and applicants should submit any other documents they believe will assist during the review process.

- A. Service Area and Project Location Map** – Maps of the project’s service area should be provided for projects where more than one specific area is served.
- B. Line Item Detailed Budget** - All requests must include a line item detailed budget with supporting details on proposed project costs, including how Commission resources and matching funds will be used. A template available in the online application may be used to provide this information. Other line item detail formats will be accepted provided they contain all pertinent information.
- C. Cost Estimate from Engineer or Construction Contractor** – Requests for construction expenses must provide a current written cost estimate from a licensed architect, engineer or contractor, as appropriate for the project. In addition, applicants must provide additional supporting documents including preliminary engineering reports, other relevant A&E documents, building plans, etc. with the application.
- D. Detailed Equipment List and Equipment Quotes** – Requests for the purchase of equipment, must provide a detailed equipment list and quotes from product vendors.
- E. Business Plan or Operating Plan** - A Business Plan or Operating Plan that describes the operational requirements for the project and how those requirements will be met should be submitted, if applicable.
- F. Operating Budget and Pro Forma** - All requests for projects that will have ongoing operating costs must demonstrate how operation of the new or expanded program or facility is expected to be sustained beyond a start-up period of no more than three years. An operating budget or pro forma with revenues and expenses must be provided showing projections for how the program/facilities will be supported.
- G. Feasibility Study** - A feasibility study or similar analysis that demonstrates that the proposed business concept is technically and economically feasible should be submitted, if applicable. This analysis evaluates the practicality and viability of an idea and should answer the question “should we proceed with the proposed project idea”.
- H. Economic Impact Study** - The potential economic impact of the project to the region must be documented. While the Commission is primarily interested in the direct impact, estimates of the indirect and induced impacts may be provided.

- I. **Marketing Plan** - A marketing plan to describe the project's target market and the plan to capture that market must be described in the application, if applicable.
- J. **Performance Agreements** – Provide terms for private sector performance agreements.
- K. **Phase 1 Environmental Site Assessment** – Required for brownfield site applications.
- L. **Virginia Business Ready Sites Program Assessment Report** – A copy of the Virginia Business Ready Site Assessment for industrial site properties; with the most recent Tier characterization certification letter, if Tier level has been updated since the assessment.
- M. **Inventory of Available Sites** – A complete listing of all publically owned sites located in the applicant locality and the surrounding region *must* be provided for new industrial site funding requests.
- N. **Operating Agreements** - Agreements (Memoranda of Understanding, contracts, or similar documents) between project partners are required whenever there are multiple beneficiaries of the project.
- O. **Program Guidelines & Sub-Awards** - Applications requesting support for incentive programs (e.g., agriculture cost share or business development community business launch programs) must provide a copy of the proposed Program Guidelines. This will describe the governance of the program including its eligibility criteria, funding limitations, and program requirements. When the project will result in sub-awarding of TRRC funding to other recipients, the details of the sub-award arrangements including a draft of the proposed contract agreement must be provided.
- P. **Cash Flow Analysis with Rate Structure** - For projects that will generate revenues, applicants must provide (i) a detailed cash flow analysis that shows a baseline of current operations and expected changes to revenues and expenditures if an award is approved, and (ii) a proposed or currently adopted rate structure for new and/or existing customers. Proposed or planned changes to the rate structure that will result from and/or is necessary to support the project requested for support from the Commission must be identified.
- Q. **Letters of Support** - Applicants are encouraged to provide letters from project partners, beneficiaries and others that demonstrate the commitment of resources to the project or document demand for the project. ***Redundant form letters of support are discouraged and do not add value to an application.***

## **IV. REQUIREMENTS OF FUNDING**

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

This RFP seeks applications for both grants and loans. Staff will typically recommend that loans be awarded to projects that are expected to generate sufficient revenues to service debt even when the application sought a grant. TRRC offers competitive interest rates and will entertain flexible loan terms, such as forbearance periods during construction or startup periods and interest only payments. In addition, the Commission will also entertain applications for a combination of a grant and loan as part of the same award.

The Virginia Resources Authority (VRA) administers TRRC loans and applicants to which loans are awarded must provide any additional documentation that VRA or TRRC requests.

### **B. Award Information**

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

The Commission will typically use its standard restricted or unrestricted grant agreements for selected projects. All grantees are required to follow the Commission's Funding Policies as a condition of the award. The standard grant agreement and the Funding Policies are available on the Commission's webpage. The Commission reserves the right to update its standard grant agreement and Funding Policies at any time.

### **C. Payment of Grant Funds**

Payment of grant funds will be subject to the terms of the grant agreement and will be disbursed on a reimbursement basis. Expenses incurred prior to the award date are not eligible for reimbursement. The standard reimbursement period is quarterly, unless otherwise agreed to by Commission staff. The grantee is required to provide appropriate documentation of the expenditures and use of required matching funds for the project. The Commission's Funding Policies contain additional information that applicants should review closely.

### **D. Reporting**

Grantees must provide annual reports on the financial and quantitative progress made toward completion of the project's milestones and outputs and provide a narrative discussion of progress. A final report including a narrative on the success of the project, attainment of proposed outputs, and a description of the long-term expectations and achievements for the



project is required at the close of the project. The Commission will not process the final payment request until all the grantee has satisfied all reporting requirements.

Additionally, grantees must provide any additional or interim reporting information the Commission may request to ensure the provisions of the grant agreement are properly carried out, administered and enforced.

#### **E. Assets**

As a condition of awarding a grant, the Commission will have a claim to all property and assets in which Commission grant funds were invested and the Commission must approve any conveyances of such property and assets. This applies to investments in real property, intellectual property, and equipment purchases greater than \$5,000. The details of these requirements are included in the grant agreement and the Commission's Funding Policies.

### **V. ATTACHMENTS**

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

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

**OVERALL PROJECT EVALUATION (70 POINTS)**

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

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

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

Assessment of Need & Planning - Significance and strategic fit of project to the community, as demonstrated by assessment of need or opportunity, and evidence of stakeholder input and support in project design. (5)

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

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

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

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

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

Feasibility - Focus of project planning, and feasibility to accomplish direct outcomes benefiting economic revitalization in the Tobacco Region. (5)

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

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

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

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

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

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

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

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

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

**A. AGRIBUSINESS**

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

**B. BUSINESS DEVELOPMENT**

Ability to recruit or expand business development opportunities, thereby leading to an increase in jobs, incomes, and revenues in the region.

**C. INDUSTRIAL SITES & INFRASTRUCTURE**

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

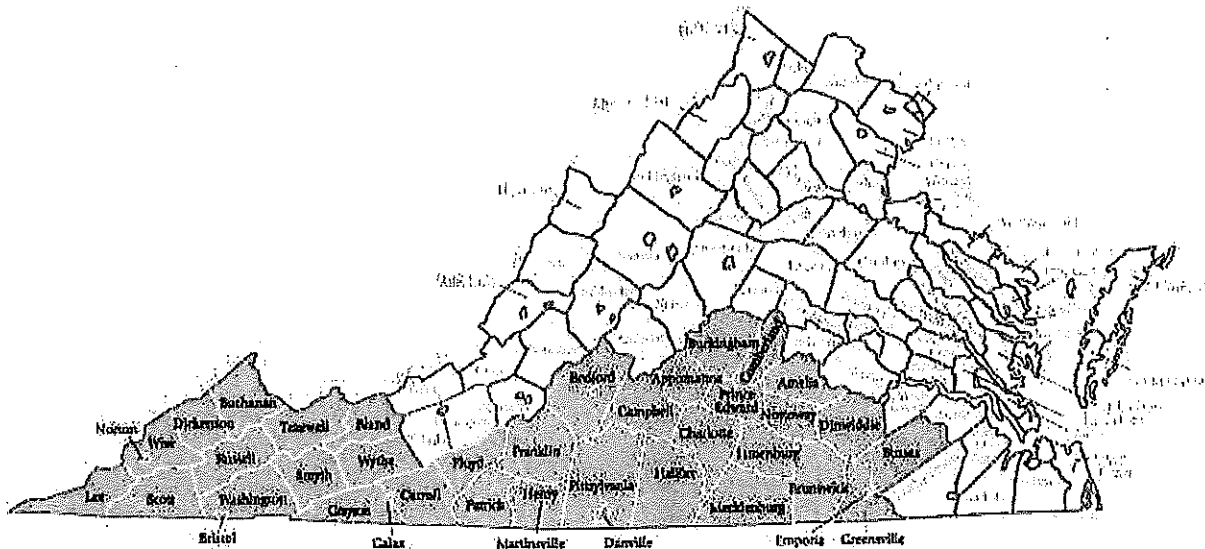
**D. TOURISM**

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

**Total Score = Overall Project Evaluation plus Investment Outcomes = ≤ 100 Points**

## Counties & Cities Eligible for Tobacco Commission Funding

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



### SOUTHWEST AREA

#### Counties:

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

#### Cities:

Bristol  
Galax  
Norton

### SOUTHERN AREA

#### Counties:

Amelia  
Appomattox  
Bedford  
Brunswick  
Buckingham  
Campbell  
Charlotte  
Cumberland  
Dinwiddie  
Franklin  
Greensville

Halifax  
Henry  
Lunenburg  
Mecklenburg Nottoway  
Patrick  
Pittsylvania  
Prince Edward

#### Cities

Danville  
Emporia  
Martinsville

# **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:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m4c19bbea837293b683eb494fdfe9eab1>

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](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<br>reduced to<br>\$120,000 | \$120,000 |
| 3975 | Sunset Holler, Inc.                                              | Southern Gap Amphitheater Project: Construction Documents & Construction | \$500,000                            | \$500,000 |
| 4102 | Town of Tazewell<br>Industrial/Economic<br>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 Bathtub, 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.

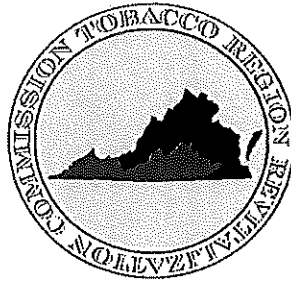
**Staff recommends no additional extension for this project. The grant will be deobligated and added to the \$2M previously set aside for the meat processing funding round.**

**Commonwealth of Virginia  
Tobacco Region Revitalization Commission**

**FY2023 Southwest Virginia Program**

**GUIDELINES & REQUEST FOR PROPOSALS**

***Application Due Date:***  
**Thursday, October 20, 2022**



**Tobacco Region Revitalization Commission  
FY2023 Southwest Virginia Program**

**GUIDELINES & REQUEST FOR PROPOSALS**

|             |                                                                             |           |
|-------------|-----------------------------------------------------------------------------|-----------|
| <b>I.</b>   | <b>GENERAL PROGRAM INFORMATION</b>                                          | <b>3</b>  |
|             | A. Purpose & Background                                                     |           |
|             | B. Investment Categories - Funding Priorities                               |           |
|             | C. Eligibility – Eligible Applicants, Matching Funds, Use of Funding        |           |
|             | D. Application and Submission Information                                   |           |
|             | E. Evaluation                                                               |           |
|             | F. TRRC Staff Contact Information                                           |           |
| <b>II.</b>  | <b>GUIDELINES FOR SPECIFIC INVESTMENT STRATEGIES</b>                        | <b>6</b>  |
|             | <b>A. Business Development</b>                                              | <b>6</b>  |
|             | ▪ Regional Economic Development Marketing Initiatives                       |           |
|             | ▪ Business District Redevelopment                                           |           |
|             | <b>B. Sites &amp; Infrastructure</b>                                        | <b>8</b>  |
|             | ▪ Industrial Sites                                                          |           |
|             | ▪ Infrastructure – Off-site Utility Infrastructure                          |           |
|             | <b>C. Agribusiness</b>                                                      | <b>10</b> |
|             | ▪ Value-Added Processing, Aggregation, and Marketing Facilities             |           |
|             | ▪ Development of Market Opportunities                                       |           |
|             | <b>D. Tourism</b>                                                           | <b>14</b> |
|             | ▪ Tourism Destination Infrastructure                                        |           |
|             | ▪ Regional Marketing Campaigns & Initiatives                                |           |
| <b>III.</b> | <b>REQUIRED DOCUMENTS</b>                                                   | <b>17</b> |
| <b>IV.</b>  | <b>REQUIREMENTS OF FUNDING</b>                                              | <b>18</b> |
|             | A. Grants and Loans                                                         |           |
|             | B. Award Information                                                        |           |
|             | C. Payment of Grant Funds                                                   |           |
|             | D. Reporting                                                                |           |
|             | E. Assets                                                                   |           |
| <b>V.</b>   | <b>ATTACHMENTS</b>                                                          | <b>20</b> |
|             | A. Attachment A – Evaluation Criteria                                       |           |
|             | B. Attachment B - Eligible Counties & Cities for Tobacco Commission Funding |           |

## I. GENERAL PROGRAM INFORMATION

### A. Purpose & Background

The Tobacco Region Revitalization Commission ("TRRC" or "Commission") was established by the Virginia General Assembly in 1999, as a political subdivision of the Commonwealth. The Commission makes investments to revitalize and diversify the economy of the region it supports. Projects selected for funding include initiatives that will measurably advance the Commission's priorities as a direct result of project success.

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

Approximately \$7 million is available for awards from the Southwest Virginia Program. The application deadline is **Thursday, October 20, 2022**. Award decisions are expected to be made at the Commission's meeting in January 2023.

### B. Investment Categories – Funding Priorities

Logic models included in the Commission's Current Strategic Plan identify specific investment strategies for the types of projects that the Commission will consider funding.

Applications submitted in response to this RFP must fall into one of the following categories:

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

Details on priorities and the types of projects to be considered within each investment category are provided in **Section III. Guidelines for Specific Investment Categories** of this RFP. All applicants must clearly articulate how the project relates to the goals of the program. All projects must clearly define outputs that will occur during the project period and directly relate to the use of Commission funds and matching funds. Outputs are specific to each investment category.

The Commission at its discretion may entertain other types of projects provided they meet all other requirements of this RFP, are in alignment with TRRC's Strategic Plan, and address critical economic development barriers affecting the Tobacco Region. Applicants who wish to bring a project outside of the scope of this RFP must contact TRRC's grants staff in advance.

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

### Eligible Applicants

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

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

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

### Ineligible / Eligible Uses of Funding

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

### Matching Funds

As required by the Code of Virginia, all requests for grant funds require at least dollar-for-dollar (1:1) matching funds, with no more than 25% of the match requirement from "in-kind" sources. Loan requests do not have a match requirement. *Expenses already included in an annual budget such as personnel and other operating costs will count toward the 25% In-Kind limit.*

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

If the Commission awards a grant to an applicant who has not secured acceptable matching funds at the time of award, the applicant will have up to 12 months from the date of the award to secure matching funds or else the Commission may rescind the award and de-obligate its funds.

#### **D. Application and Submission Information**

Proposals must be submitted by midnight on Thursday, October 20, 2022, through the Commission's online application portal: [https://vtc.smartsimple.com/s\\_Login.jsp](https://vtc.smartsimple.com/s_Login.jsp).

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

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

**All information expressly required by this RFP must be included. Proposals which are substantially incomplete, or lack key information, will be considered nonresponsive. These proposals will be declined for review and will not be presented to the committee.**

#### **E. Evaluation**

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

#### **F. TRRC Staff Contact Information**

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

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

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

- Sara Williams, Southwest Regional Director (Abingdon, VA)  
(276) 619-4235, [swilliams@revitalizeva.org](mailto:swilliams@revitalizeva.org)
- Vicki Humphreys, Grant Programs Director (Richmond, VA)  
(804) 894-9658, [vhumphreys@revitalizeva.org](mailto:vhumphreys@revitalizeva.org)

## II. GUIDELINES FOR SPECIFIC INVESTMENT CATEGORIES

### A. Business Development

#### Investment Category: Business Development

The Commission will consider awarding grants and loans to facilitate the development of new industry and employment clusters, to support traditional economies, and to grow entrepreneurial systems that result in a diversified regional economy. Priorities in this area include support for regional marketing organizations for marketing the region's industrial sites; and projects that focus on implementation of strategies for the creation of higher paying jobs and the attraction of skilled workers to rural localities. Priority will be given to projects targeted for downtown commercial districts.

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

- (i) Regional Economic Development Marketing Initiatives
- (ii) Other Economic Development (*for Business District Redevelopment*)

#### Eligible Investments

##### **A1. Regional Economic Development Marketing Initiatives**

Support for up to 50% of the costs to conduct targeted marketing strategies to recruit new employers to the region. This includes the recruitment of traditional industries and the recruitment of satellite offices and back office locations to the region. Eligible applicants include regional marketing organizations or other regional partnerships.

Funding may be used to contract with third party consultants to assist with marketing available sites and buildings, recruitment of small job creators, and promotion of targeted downtown spaces for satellite business operations and back offices.

Support for regional marketing organizations should be focused on critical lead generation activities including expenses related to prospect and consultant trips or visits, contracts with lead generation firms/ consultants, and marketing materials used for prospect recruitment. Expenses related to trade show attendance or conference expenses will not be considered.

##### **A2. Business District Redevelopment**

The Commission will make grants and loans to support capital investments in properties, and in entrepreneurial and business support strategies, with the goal of encouraging the occupancy of vacant, underutilized buildings and creation/expansion of technology and business service sector jobs. Development of shared work spaces and small scale manufacturing spaces focused on businesses which produce traded products and services are a priority. Projects could include, but are not limited to:

- ***Planning and capacity building***

Funding may be requested for up to 50% of third-party professional services to support critical planning activities focused on the redevelopment of commercial business districts. This may include feasibility studies and market assessments, architectural and engineering/design services, and professional project development support.

- ***Publicly or nonprofit owned property for collaborative business development***

Funding may be used for up to 50% of the costs for renovations/up-fit of publicly or nonprofit organization owned buildings to be used as professional office space for individuals and small businesses, for technology or business services sector satellite offices, and for small scale production/manufacturing businesses. Funding consideration for property intended as a mixed-use development, will be given for the portion of the property that is targeted for the Commission's priority interests.

Applicants are required to submit a feasibility study, or similar analysis, that demonstrates market demand and feasibility of the facility operations to be sustainable. A business plan and operating pro-forma must be provided showing how the facility will become revenue positive within a reasonable period after construction is complete.

- ***Small business development incentive***

The Commission may provide a private business incentive for a project which clearly demonstrates the potential to act as a catalyst for additional business development, for an underdeveloped and underutilized downtown commercial business district. The application must describe how the proposed project aligns with the community's comprehensive business district planning efforts. Such incentive will require a performance agreement with the locality, and will be limited to up to \$30,000 and no more than 25% of the capital costs for construction or equipping costs for the new business enterprise.

## Requirements

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

- Service Area and Project Location Map (*required for all*)
- Feasibility Study or similar analysis (*required for business development facilities*)
- Cost Estimate from Engineer or Construction Contractor (*required for construction*)
- Detailed Equipment List and Equipment Quotes (*required for equipment purchases*)
- Business Plan or Operating Plan (*required for business development facilities*)
- Operating Budget and Pro Forma (*required with Business Plan or Operating Plan*)
- Operating Agreement (*required for public-private partnerships*)
- Marketing Plan (*required for regional marketing initiatives*)



### Outputs / Metrics – Business Development

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

- Number of existing businesses recruited to region or strengthened by project activities
- Increase in revenues from sale and export of traded products or services
- Number and salaries/wages of jobs created by new or expanding businesses
- Advancement of targeted sector-based or cluster development recruitment strategies
- Increase in bona fide prospect activity, realistic for available workforce
- Number of new businesses started as a result of project activities
- Number of individuals assisted with entrepreneurial training and business development
- Number of new or expanding businesses benefiting from lending, or access to financing
- Increase in taxable private capital investment

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

## **B. Sites and Infrastructure**

### Investment Category: Sites and Infrastructure

The Commission will consider awarding grants and loans to support the development of critical infrastructure necessary to provide a competitive environment for the recruitment of new jobs and investment to the Tobacco Region. Projects that will enhance the marketability and site readiness of existing publicly-owned economic development sites are of particular interest to the Commission. Priority will be given to projects that bring existing properties to a higher level of business ready site certification rather than acquiring and developing new sites.

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

- (i) Industrial Sites
- (ii) Infrastructure

### Eligible Investments

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

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

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

Priority will be given to projects that improve the readiness of sites already under development within the region as opposed to the acquisition and development of new sites. Development of new sites will only be considered when the applicant provides compelling evidence of a deficit of competitive sites in the locality *and* surrounding region.

The redevelopment of brownfield sites is a funding interest for the Commission. A Phase 1 Environmental Site Assessment must be provided for brownfield site applications.

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

The Commission will only consider requests for off-site utility infrastructure that will predominantly serve existing, clearly-defined economic development sites. The Commission will only consider awarding grants for planning, engineering, and design associated with necessary off-site utility infrastructure to serve the site; and the Commission will only consider awarding loans for construction of off-site utility infrastructure.

## Requirements

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

- Service Area and Project Location Map *(required for all)*
- Master Plan with Targeted Sectors *(required for all)*
- Fee Estimate or Proposal from Engineer *(required for A&E and/or construction)*
- Construction Cost Estimate from Contractor *(required for construction, if cost estimate is not provided by A&E)*
- Phase 1 Environmental Assessment Report *(required for brownfield sites)*
- Virginia Business Ready Site Assessment Report *(required for sites assessed by VEDP)*
- Cash Flow Analysis with Rate Structure *(required for utility infrastructure)*
- Inventory of available sites in locality and surrounding region *(for new industrial sites)*

## Outputs / Metrics – Sites and Infrastructure

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

- Change in the site's business ready tier characterization to improve marketability to specific targeted sectors
- Acres (and available lots) of graded or improved sites or sites served with necessary infrastructure
- Square footage of building constructed or renovated for new economic activity
- Linear feet of access road constructed
- Capacity increase and/or linear feet of water or sewer infrastructure improvements
- Number and average salaries of new jobs created
- Increase in taxable private capital investment

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

## C. Agribusiness

### Investment Category: Agribusiness

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

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

### Eligible Investments

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

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

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

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

#### Private Ownership:

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

#### Public or Non-Profit Ownership:

- Grants for Capital Projects - Value-added facilities owned by a government entity or a non-profit organization may apply for grants of up to 50% of total capital costs.
- Grants for Start-Up Operations - Governmental entities and non-profit organizations may request grant support for start-up operating costs associated with new or expanding value-added processing and aggregation facilities. Applicants must provide a sound operating plan that shows decreasing reliance on Commission funds.

### Loans

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

## **C2. Development of Market Opportunities**

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

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

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

***Crop Demonstrations Projects*** - Projects that assist producers in the development and demonstration of high-value, low acreage crops (defined as those that have a higher net return per acre compared to conventional commodity crops) will be considered. Projects seeking funds for basic research activities will not be considered.

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

All cost share program proposals must include the following:

- Education component with requirements for participation,
- Proposed cost-share program guidelines with eligible costs and evaluation criteria,
- Analysis of the return on investment to producers for implementing the practice(s),
- Demonstration of need and/or evidence of producer interest, and
- A defined plan for monitoring and measuring outcomes.

## Requirements

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

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

Depending on the nature of the project, applications for Agribusiness funding will require the following information (refer to the **Required Documents** section of this RFP):

- Service Area and Project Location Map *(required for all)*
- Feasibility Study or similar analysis *(required for publically owned value-added facilities)*
- Business Plan or Operating Plan *(required for value-added facilities)*
- Operating Budget and Pro Forma *(required with Business Plan or Operating Plan)*
- Cost Estimate from Engineer or Construction Contractor *(required for construction)*
- Detailed Equipment List and Equipment Quote *(required for equipment purchases)*
- Marketing Plan *(required for wholesale and retail cooperative marketing projects)*
- Operating Agreements *(required for public-private partnerships)*
- Program Guidelines & Sub-Awards *(required for cost-share programs)*

## Outputs / Metrics – Agribusiness

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

- Number of agricultural producers benefitting
- Total dollar value of Tobacco Region agricultural products to be used annually
- Increase in annual sales revenue for value-added agriculture products
- Average (per farm), and aggregate annual increase to net farm income
- Sales revenue for value-added agriculture products resulting from the project
- Number of new jobs created by new or expanding agriculture based business
- Increase in taxable private capital investment

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

## D. Tourism

### Investment Category: Tourism

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

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

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

### Eligible Investments

#### **D1. Tourism Destination Infrastructure**

(Heritage Tourism Sites and Outdoor Recreation Tourism)

Infrastructure investments in tourism destinations will only be considered for sites of documented ***national or international interest***. Heritage tourism sites or outdoor recreation tourism destinations must demonstrate the ability to attract a measurable increase in visitors and visitor spending from outside the Tobacco Region. The significance and connection of these sites to larger regional, state, or national tourism initiatives must be documented.

The development of local recreational and cultural amenities such as trails, theaters, and historic sites primarily serving a local market will not be considered. Tourism destination projects that do not demonstrate the ability to attract significant visitor spending from outside the region will not be considered for funding.

#### **D2. Regional Tourism Marketing Campaigns and Initiatives**

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

## Requirements

All applications must include economic impact projections as well as a description of the data collection or visitor tracking mechanism that will be used to document the number of new visitors to the region and associated spending resulting from the project.

Depending on the nature of the project, applications for Tourism funding will require the following information (refer to the **Required Documents** section of this RFP):

- Service Area and Project Location Map (*required for all*)
- Feasibility Study or similar analysis (*required for new tourism infrastructure and initiatives*)
- Economic Impact Study (*required for new or expanded tourism infrastructure*)
- Cost Estimate from Engineer or Contractor (*required for construction*)
- Business Plan or Operating Plan (*required for tourism infrastructure and initiatives*)
- Marketing Plan (*required for marketing requests*)

## Outputs / Metrics - Tourism

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

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

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



### III. REQUIRED DOCUMENTS

Depending on the nature of the project, applicants may be required to submit several other documents so the Commission and its staff are fully informed about all pertinent aspects of the project. As these will vary by project type, this list is not exhaustive and applicants should submit any other documents they believe will assist during the review process.

- A. Service Area and Project Location Map** – Maps of the project’s service area should be provided for projects where more than one specific area is served.
- B. Line Item Detailed Budget** - All requests must include a line item detailed budget with supporting details on proposed project costs, including how Commission resources and matching funds will be used. A template available in the online application may be used to provide this information. Other line item detail formats will be accepted provided they contain all pertinent information.
- C. Cost Estimate from Engineer or Construction Contractor** – Requests for construction expenses must provide a current written cost estimate from a licensed architect, engineer or contractor, as appropriate for the project. In addition, applicants must provide additional supporting documents including preliminary engineering reports, other relevant A&E documents, building plans, etc. with the application.
- D. Detailed Equipment List and Equipment Quotes** – Requests for the purchase of equipment, must provide a detailed equipment list and quotes from product vendors.
- E. Business Plan or Operating Plan** - A Business Plan or Operating Plan that describes the operational requirements for the project and how those requirements will be met should be submitted, if applicable.
- F. Operating Budget and Pro Forma** - All requests for projects that will have ongoing operating costs must demonstrate how operation of the new or expanded program or facility is expected to be sustained beyond a start-up period of no more than three years. An operating budget or pro forma with revenues and expenses must be provided showing projections for how the program/facilities will be supported.
- G. Feasibility Study** - A feasibility study or similar analysis that demonstrates that the proposed business concept is technically and economically feasible should be submitted, if applicable. This analysis evaluates the practicality and viability of an idea and should answer the question “should we proceed with the proposed project idea”.
- H. Economic Impact Study** - The potential economic impact of the project to the region must be documented. While the Commission is primarily interested in the direct impact, estimates of the indirect and induced impacts may be provided.

- I. **Marketing Plan** - A marketing plan to describe the project's target market and the plan to capture that market must be described in the application, if applicable.
- J. **Performance Agreements** – Provide terms for private sector performance agreements.
- K. **Phase 1 Environmental Site Assessment** – Required for brownfield site applications.
- L. **Virginia Business Ready Sites Program Assessment Report** – A copy of the Virginia Business Ready Site Assessment for industrial site properties; with the most recent Tier characterization certification letter, if Tier level has been updated since the assessment.
- M. **Inventory of Available Sites** – A complete listing of all publically owned sites located in the applicant locality and the surrounding region *must* be provided for new industrial site funding requests.
- N. **Operating Agreements** - Agreements (Memoranda of Understanding, contracts, or similar documents) between project partners are required whenever there are multiple beneficiaries of the project.
- O. **Program Guidelines & Sub-Awards** - Applications requesting support for incentive programs (e.g., agriculture cost share or business development community business launch programs) must provide a copy of the proposed Program Guidelines. This will describe the governance of the program including its eligibility criteria, funding limitations, and program requirements. When the project will result in sub-awarding of TRRC funding to other recipients, the details of the sub-award arrangements including a draft of the proposed contract agreement must be provided.
- P. **Cash Flow Analysis with Rate Structure** - For projects that will generate revenues, applicants must provide (i) a detailed cash flow analysis that shows a baseline of current operations and expected changes to revenues and expenditures if an award is approved, and (ii) a proposed or currently adopted rate structure for new and/or existing customers. Proposed or planned changes to the rate structure that will result from and/or is necessary to support the project requested for support from the Commission must be identified.
- Q. **Letters of Support** - Applicants are encouraged to provide letters from project partners, beneficiaries and others that demonstrate the commitment of resources to the project or document demand for the project. ***Redundant form letters of support are discouraged and do not add value to an application.***

## **IV. REQUIREMENTS OF FUNDING**

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

This RFP seeks applications for both grants and loans. Staff will typically recommend that loans be awarded to projects that are expected to generate sufficient revenues to service debt even when the application sought a grant. TRRC offers competitive interest rates and will entertain flexible loan terms, such as forbearance periods during construction or startup periods and interest only payments. In addition, the Commission will also entertain applications for a combination of a grant and loan as part of the same award.

The Virginia Resources Authority (VRA) administers TRRC loans and applicants to which loans are awarded must provide any additional documentation that VRA or TRRC requests.

### **B. Award Information**

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

The Commission will typically use its standard restricted or unrestricted grant agreements for selected projects. All grantees are required to follow the Commission's Funding Policies as a condition of the award. The standard grant agreement and the Funding Policies are available on the Commission's webpage. The Commission reserves the right to update its standard grant agreement and Funding Policies at any time.

### **C. Payment of Grant Funds**

Payment of grant funds will be subject to the terms of the grant agreement and will be disbursed on a reimbursement basis. Expenses incurred prior to the award date are not eligible for reimbursement. The standard reimbursement period is quarterly, unless otherwise agreed to by Commission staff. The grantee is required to provide appropriate documentation of the expenditures and use of required matching funds for the project. The Commission's Funding Policies contain additional information that applicants should review closely.

### **D. Reporting**

Grantees must provide annual reports on the financial and quantitative progress made toward completion of the project's milestones and outputs and provide a narrative discussion of progress. A final report including a narrative on the success of the project, attainment of proposed outputs, and a description of the long-term expectations and achievements for the

project is required at the close of the project. The Commission will not process the final payment request until all the grantee has satisfied all reporting requirements.

Additionally, grantees must provide any additional or interim reporting information the Commission may request to ensure the provisions of the grant agreement are properly carried out, administered and enforced.

#### **E. Assets**

As a condition of awarding a grant, the Commission will have a claim to all property and assets in which Commission grant funds were invested and the Commission must approve any conveyances of such property and assets. This applies to investments in real property, intellectual property, and equipment purchases greater than \$5,000. The details of these requirements are included in the grant agreement and the Commission's Funding Policies.

### **V. ATTACHMENTS**

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

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

**OVERALL PROJECT EVALUATION (70 POINTS)**

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

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

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

Assessment of Need & Planning - Significance and strategic fit of project to the community, as demonstrated by assessment of need or opportunity, and evidence of stakeholder input and support in project design. (5)

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

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

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

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

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

Feasibility - Focus of project planning, and feasibility to accomplish direct outcomes benefiting economic revitalization in the Tobacco Region. (5)

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

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

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

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

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

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

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

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

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

**A. AGRIBUSINESS**

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

**B. BUSINESS DEVELOPMENT**

Ability to recruit or expand business development opportunities, thereby leading to an increase in jobs, incomes, and revenues in the region.

**C. INDUSTRIAL SITES & INFRASTRUCTURE**

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

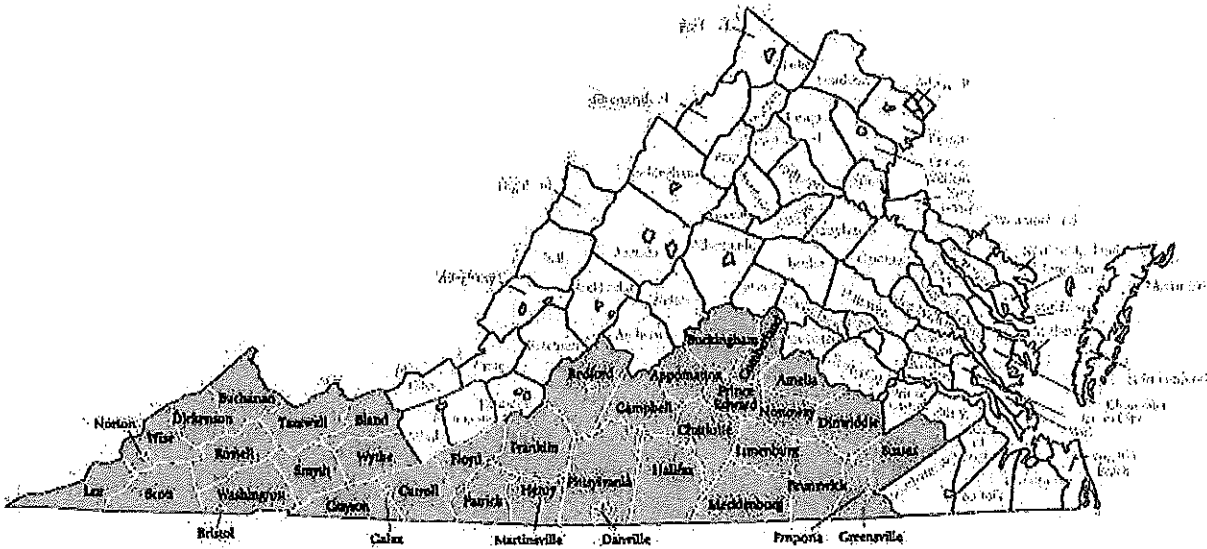
**D. TOURISM**

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

**Total Score = Overall Project Evaluation plus Investment Outcomes =  $\leq$  100 Points**

## Counties & Cities Eligible for Tobacco Commission Funding

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



### SOUTHWEST AREA

**Counties:**

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

**Cities:**

Bristol  
Galax  
Norton

### SOUTHERN AREA

**Counties:**

Amelia  
Appomattox  
Bedford  
Brunswick  
Buckingham  
Campbell  
Charlotte  
Cumberland  
Dinwiddie  
Franklin  
Greensville

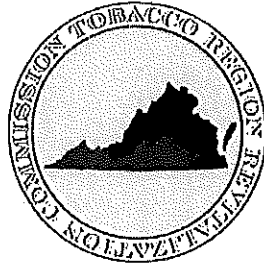
Halifax  
Henry  
Lunenburg  
Mecklenburg Nottoway  
Patrick  
Pittsylvania  
Prince Edward

**Cities**

Danville  
Emporia  
Martinsville

# **EXECUTIVE COMMITTEE**





▪ *In-Person Meeting* ▪

**AGENDA**  
**EXECUTIVE COMMITTEE**  
**Homewood Suites by Hilton, Capital Ballroom**  
**700 East Main Street, Richmond, VA 23219**  
**Thursday, January 5, 2023**  
**9:00 A.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:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m4c19bbea837293b683eb494fdfe9eab1>

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](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 Frank Ruff, 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>Executive Director Compensation</b>        | <i>The Honorable Frank Ruff, Chair</i>   |
| <b>Other Business</b>                         | <i>Mr. Andy Sorrell, Acting Director</i> |
| <b>Public Comment</b>                         |                                          |
| <b>Adjournment</b>                            |                                          |

# **STRATEGIC PLANNING COMMITTEE**



▪ *In-Person Meeting* ▪

**AGENDA**  
**STRATEGIC PLANNING COMMITTEE**  
**Homewood Suites by Hilton, Capital Ballroom**  
**700 East Main Street, Richmond, VA 23219**  
**Thursday, January 5, 2023**  
**9:45 A.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:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m4c19bbea837293b683eb494fdfe9eab1>

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

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|                                                                     |                                          |
|---------------------------------------------------------------------|------------------------------------------|
| <b>Welcome and Call to Order</b>                                    | <i>Mr. Ed Blevins, Chair</i>             |
| <b>Call of the Roll</b>                                             | <i>Mr. Andy Sorrell, Acting Director</i> |
| <b>Approval of the <u>10/4/22</u> Minutes</b>                       | <i>(published on website)</i>            |
| <b>Public Comment</b>                                               |                                          |
| <b>Review Feedback Received<br/>on Draft 2023-25 Strategic Plan</b> | <i>Mr. Andy Sorrell, Acting Director</i> |
| <b>Other Business</b>                                               | <i>Mr. Andy Sorrell, Acting Director</i> |
| <b>Public Comment</b>                                               |                                          |
| <b>Adjournment</b>                                                  |                                          |

# MEMO

TO: TRRC Strategic Planning Committee  
FROM: Andy Sorrell, Acting Director  
DATE: December 21, 2022  
RE: 2023-25 Update to Commission's Strategic Plan

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## Update

§ 3.2-3103, *Code of Virginia* requires the Commission to prepare a strategic plan every two years. The Commission last updated its Strategic plan in May 2020. The Strategic Planning Committee (the "Committee") reviewed and provided feedback to staff on draft 1 of the 2023 -2025 Strategic Plan (the "Plan") at their meeting on October 4, 2022. Based on the Committee's feedback, staff revised the Plan to reflect the Committee's direction. That revised Plan (draft 2) and a comparison document noting changes since the draft 1 were provided to the Committee for review and comment at the beginning of November and then to the full Commission for review and comment in mid-November. No additional feedback was received from the Committee or Commission members on draft 2 of the Plan at that time.

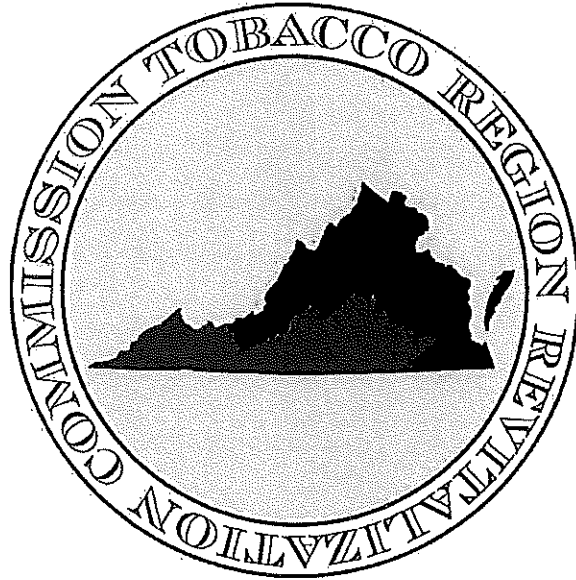
In accordance with § 3.2-3103, *Code of Virginia* Commission staff shall solicit input from over 100 local and regional economic developers, the Va. Dept. of Agriculture & Consumer Services (VDACS), the Va. Economic Development Partnership (VEDP), the Va. Dept. of Housing & Community Development (DHCD), the Va. Tourism Authority, the Va. Resources Authority (VRA) and the Center for Rural Virginia. Staff reached out to these organizations and many more requesting a review and any feedback on the draft. In order to have feedback to share with this Committee in time for the winter meeting, a comment period solicited feedback from Commission partners for three weeks (November 18 – December 9).

The current draft of the Plan (draft 2) and a comparison document summarizing changes between drafts can be found as [Attachments 1 and 2](#) to this memo – this is the version of the draft partners reviewed.

At the conclusion of the comment period, staff had received a total of 22 responses from partners and 14 that provided specific feedback. A summary of that feedback can be found as [Attachment 3](#). The condensed timeframe between our fall meeting in October and the winter meeting in January did not allow for this partner feedback to be reviewed by the Committee prior to the January meeting as has been initially hoped by staff. Staff requests the Committee review the partner feedback attached to this memo and be prepared to discuss with staff and provide direction on how the draft should be revised and a preferred timeline for those revisions. After this review and direction, staff will revise the draft Plan (draft 3) and share with the Committee. Once the Committee is comfortable with the draft, Staff recommends an all-virtual public Committee meeting be held to receive any final input on the revised draft. After this meeting, in consultation with the Committee Blevins and Commission Chairman Ruff, staff will prepare a final draft for the Committee to recommend for adoption at the Commission's spring 2023 meeting.

If a clean copy of the existing 2020 Strategic Plan is desired, a copy can be found on the Commission's website here: <https://www.revitalizeva.org/publications/>

Additionally if earlier copies of the Strategic Plan is desired for review (2016 & 2018) they can also be found on the above website.



A Strategic Plan for the  
Tobacco Region Revitalization Commission  
2023-2025

January 2023

## Table of Contents

|                                       |    |
|---------------------------------------|----|
| About the Commission                  |    |
| • Overview                            | 3  |
| • Mission                             | 4  |
| • Vision                              | 4  |
| Funding & Strategic Priorities        |    |
| • Overview                            | 4  |
| • Key Funding Priorities              | 5  |
| • Strategic Priorities                | 8  |
| • Committee Structure                 | 8  |
| • Fiscal Management                   | 9  |
| • Commission Foundation               | 10 |
| • Investing in the Regions            | 11 |
| • Program Outcomes and Goals          | 11 |
| Operations                            |    |
| • Program Design                      | 15 |
| • Meeting Schedule                    | 17 |
| • Loan Fund – Operational Description | 17 |
| • Data Strategy                       | 18 |
| Appendices                            |    |
| • Appendix A: Organizational Chart    | 19 |

## About the Commission

In 1998, the Attorneys General of 46 states signed the Master Settlement Agreement (MSA) with the four largest tobacco companies in the United States to settle state suits and recover billions of dollars in costs associated with treating smoking-related illnesses. Four states - Florida, Minnesota, Mississippi, and Texas - settled their tobacco cases separately from the MSA states. A portion of the MSA proceeds funded the creation of the Tobacco Region Revitalization Commission.

Chapters [31](#) and [31.1](#) of [Title 3.2](#) of the [Code of Virginia](#) contain statutes governing various aspects of the Commission.<sup>1</sup> Broadly, those serving the Commission may be split into two groups - members (or commissioners) and staff.

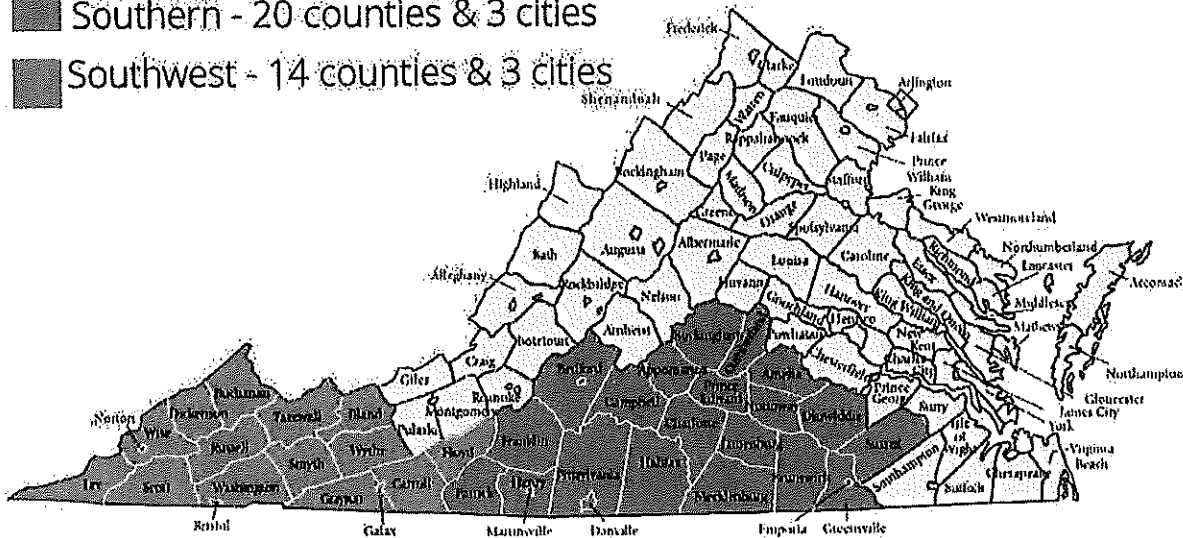
The Commission is composed of 28 members and appoints from its membership a chairperson and vice-chairperson. These and other details on membership are described in [§3.2-3102](#). Members are appointed to one or more committees. Each committee is assigned a chairperson by the Commission chair. Some committees have a vice-chairperson or are structured to have co-chairs.

A current organizational chart of staff may be found on page 18.



## Tobacco Region Revitalization Commission *footprint localities*

- Southern - 20 counties & 3 cities
- Southwest - 14 counties & 3 cities



<sup>1</sup> During the 2015 legislative session, section [§62.1-203](#) of the Code of Virginia was amended to include reference to the Virginia Tobacco Region Revolving Loan Fund ([§3.2-3117](#)). This section describes the powers of the Virginia Resources Authority.

## **Mission**

The Tobacco Region Revitalization Commission is created as a body corporate and a political subdivision of the Commonwealth and as such shall have, and is vested with, all of the political and corporate powers as are set forth in this chapter. The Commission is established for the purposes of determining the appropriate recipients of moneys in the Tobacco Indemnification and Community Revitalization Fund and causing distribution of such moneys for the purposes provided in this chapter, including using moneys in the Fund to ... revitalize tobacco-dependent communities.<sup>2</sup>

*Section 3.2-3101, Code of Virginia<sup>3</sup>*

## **Vision**

In today's environment – where markets are largely global and employment is increasingly knowledge-based – the Commission seeks to accelerate regional transformation, giving citizens expansive opportunities for education and employment, and providing communities the benefits of economic stability, diversification, and enhanced prosperity. In particular, the Commission seeks to meet the region's specific challenges related to a historic dependence on tobacco production, textile and furniture manufacturing, and coal production.<sup>4</sup>

As a result, the Commission also recognizes that investments should reflect and directly advance local, regional and state priorities as established by elected and appointed officials, representatives from institutions of higher education, and other community leaders. The Commission views economic development as a partnership and will - as often as practicable - seek input from regional stakeholders to ensure its priorities align with those of the region.

The Commission's work is grounded in an objective and quantifiable economic base analysis. In general, directly productive industries, and the workforce training and development which supports them, do more to further this goal and should be favored over an increase in service industries primarily serving local markets.

Finally, the Commission must focus on ensuring the maximum impact of its expenditures, both as they relate to creating economic growth and as they relate to maintaining the Commission's fiscal sustainability as a critical source of capital to the region the Commission serves.

## **Priorities**

The Commission must continue to adapt to meet the challenges of reduced budgets and a changing economic landscape over the next decade and beyond, if it is to continue being a catalyst for growth and increased prosperity across Southern and Southwest Virginia.

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<sup>2</sup> The statute also contains a section referring to the Commission's mission to indemnify tobacco farmers through direct payments. That portion of the mission was deemed completed and is omitted here for clarity.

<sup>3</sup> The full section of the code can be accessed at: <http://law.lis.virginia.gov/vacode/title3.2/chapter31/section3.2-3101/>

<sup>4</sup> The most updated survey economic data (and links to regional and MSA data) are available from the Bureau of Labor Statistics, accessible at: <http://www.bls.gov/eag/eag.va.htm>



Specifically, this means that the Commission will continue to prioritize lending activities over grantmaking, be more efficient in the way it conducts business, seek to create new funding avenues through the creation of an outside nonprofit, and make the best use of staff expertise and regional marketing initiatives.

Ultimately, the Commission will transition into an organization engaged in significant business and community lending, increasing access to capital and continuing its workforce and infrastructure missions through targeted grants made from interest on the corpus, earnings on lending, and other development activities such as receipt of grants and donations.

### **Funding & Strategic Priorities**

The Commission receives hundreds of grant and loan applications each year and must determine how to allocate its limited annual budgets to best serve the needs of the Tobacco Region. This will become even more important as the Commission enters its third decade with a diminished corpus and reduced earnings on that corpus. While the Commission will retain the ability to fund large scale, regionally transformative projects at a high level, individual grant awards will be lower than in prior years and the bar that must be cleared to acquire funding will be higher. Further, the Commission will continue to transition away from grants as the primary mechanism for funding projects and towards low or no interest loans.

The three mechanisms that inform staff recommendations and Commission decisions regarding which projects to fund, whether by loan or grant, are: 1) our Key Funding Priorities, which describe the sorts of project categories that will receive preference over all others, even those that follow our General Funding Policies; 2) our Committee Structure and Program Outcomes and Goals metrics; and 3) our General Funding Policies, which describe specific policies related to uses of funds and preferred overall project finance rules.

### **Funding Priorities**

The Commission has narrowed its focus to areas in which it can make the highest impact while remaining a strong steward of its resources. This includes a continuation of business and community lending, while preserving some traditional areas of effort for the Commission like traditional economic development, agribusiness support, and education/workforce development. In no particular order of preference, the Commission's funding priorities shall include:

- 1. Business and community lending:** The Commission's largest budget line is directed toward community and business lending. This approach increases access to capital in the region while also contributing to the Commission's financial sustainability. This program is funded via a full annual corpus invasion of 15%, less any budgeted funds for grant making and administration. This invasion improves the Commission's fiscal position rather than harm it, as loans are usually made at interest rates greater than the yield on the Commission's assets within the State Treasury. This increased lending activity will, in many cases, result in awards consisting solely of loans whereas past guidelines may have resulted in a grant award. The Commission does not intend for its lending program to compete against local community banks, but to provide an alternative means of capital to projects that may not otherwise be a good fit for a local private lender.

2. **Education and workforce development:** As the national and global economies increase focus on human capital, the Commission must continue to support the region's efforts to address economic competitiveness factors and ensure employers can hire top-flight talent. This will remain a focus for the Commission as we believe it presents opportunity for high return on investment and supports long-term economic growth.

The program will continue to be broken out into three categories:

- a. Competitive education grant-making, in which the Commission provides capital to post-secondary institutions for the creation of new programs or to expand existing, in-demand programs.
  - b. The Talent Attraction Program (TAP), in which the Commission offers to pay student loans for people who have specific, desired credentials, contribute meaningfully to their communities, and work in occupations for which there is currently a workforce shortage with the goal of incentivizing people to change their career plan and locate in the Tobacco Region.
  - c. Workforce financial aid, in which the Commission reduces the cost of credential or degree attainment at the region's community colleges and higher education centers.
3. **Agribusiness:** The purpose of the Commission's Agribusiness funding strategy is to promote agricultural and agribusiness growth, development and diversification, as well as reducing dependence on tobacco and tobacco-related business. Even with the transition away from tobacco, agriculture remains the largest economic sector in the Commonwealth and the largest economic sector – by far – in the footprint. The Commission will continue to make support for the agribusiness sector a priority. However, in keeping with the renewed focus on high-impact investments, emphasis will be given to value-added, aggregation, and systemic improvements, rather than research or programs for individual producers.
  4. **TROF:** The purpose of the Tobacco Region Opportunity Fund (TROF) is to provide performance-based monetary grants and loans to localities in the footprint to assist in the creation of new jobs and investments, whether through new business attraction or existing business expansion. Grants and loans, awarded at the Commission's discretion, are evaluated in a manner consistent with the goals of the Commission and amounts are awarded commensurate with the project's impact on the community and/or region in which the project is locating. Evaluation of award amounts are consistent throughout the region and based on the following criteria: prevailing wage rates, number of new jobs, taxable capital investment, industry type, and the possibility of related economic multiplier effect. While the TROF program has been successful in drawing new businesses to the region and creating tens of thousands of jobs, the region remains at a disadvantage relative to more-populous regions with deeper reservoirs of medium and high skill workers. As a result, the added competitive advantage the TROF offers remains important to landing transformative projects.

Incremental improvements to the TROF program have been made over time and these should continue. The program should remain discretionary, reserved for projects the staff are persuaded are truly competitive, and which might not develop absent TROF

funds. Projects eligible for TROF funding must enjoy the support of economic development staff in the locality and region, and the Commission's regional marketing team (when they've been involved). TROF will be reserved for projects in traded sectors that promise to increase the locality's prevailing wage and significant preference should be given to projects that enjoy the support of sister state agency programs like the Commonwealth Opportunity Fund, Agriculture and Forestry Industries Development (AFID) grants, or similar programs.

5. **Industrial and business infrastructure:** Footprint localities (and the Commonwealth as a whole) continue to have a shortage of available and desirable locations in which to place industrial and business facilities. This shortage of both building stock and infrastructure assets puts the region at a competitive disadvantage when competing with other states to attract top employers along with the jobs and investment they bring. The Commission will continue to make grants and loans to support the creation and improvement of industrial sites, business locations, shell buildings, and telecommunications infrastructure to close this gap and ensure that localities within the Commission footprint can compete successfully for projects. Priority will be given to projects that improve the readiness of sites already under development within the region as opposed to the acquisition and development of new sites.
6. **Small Towns Initiative:** The rural small towns in the Tobacco Region serve as important community focal points and economic centers. Due to changing transportation and economic patterns, these rural communities have faced acute challenges that are often reflected in extremely low-to-medium household incomes, lack of well-paying job opportunities, high rates of out-commuting by the workforce and high building vacancy rates. The Commission desires to support projects that focus attention on revitalizing the footprints rural small towns in a manner that supports local and regional economic revitalization efforts that will attract outside capital investment in rural small towns.
7. **Community Assets and Opportunities:** Many rural areas in the Tobacco Region are fortunate to have local natural resources and cultural assets with the potential to develop into tourist destinations. The Commission supports natural and cultural asset projects that are regionally-impactful and have the demonstrated potential to attract outside investments and visitors to the region.

## Strategic Priorities

Along with changes in funding priorities it is necessary to make changes to the way in which the Commission conducts business and seek out ways to utilize existing resources more effectively.

### Committee Structure

The Commission has five standing committees, with the option to create new committees on an ad-hoc basis for special purposes. All committees meet at the call of their respective committee chairpersons.

Most committees evaluate grant and loan proposals from eligible applicants, as specified by each Request for Proposal. These committees make recommendations to the overall Commission as to what projects should be funded, in what amounts, and whether said funding should be in the form of a grant or loan. Some committees are operational in nature and recommend policy or process changes to the Commission. The overall purpose and objectives of each committee is described below.

1. Executive - The Executive Committee is the Commission's rulemaking and administrative committee. The chair and vice-chair of the Commission serve as the chair and vice-chair of this committee.
2. Southern Virginia Committee - The Southern Virginia Committee hears proposals from applicants for grants or loans to support economic development in Southern Virginia. Previously allocated funds will continue to be assigned to specific counties, but future program funds will be available to all southern counties, cities, towns and nonprofits within the region.
3. Southwest Virginia Committee - The Southwest Virginia Committee hears proposals from applicants for grants or loans to support economic development in Southwest Virginia. Program funds are available to all southwest counties, cities, towns and nonprofits within the region, without regard to any specific tobacco-related local data, historic or current.
4. Education - The Education Committee oversees the Commission's Talent Attraction Program (TAP) and hears proposals for grants or loans for competitive education funding as well as financial aid support at community colleges and higher education centers throughout the footprint.
5. Incentives and Loans - This committee will oversee both TROF and Community and Business lending policy and awards.
6. Such ad-hoc committees as may be necessary to accomplish specific tasks. A good example is the strategic planning committee tasked with the production of this report.

## **Improved Fiscal Management**

The Commission's efforts toward sustainability have slowed the decline in Commission finances, but they have not stopped it. It is imperative that the Commission take further steps to reduce and reverse the decline in Commission assets and ensure that the Commission will remain a viable and impactful entity for change until the communities the Commission serves are at least as economically successful as the Commonwealth as a whole.

**Sustainability:** During, and upon completion of the transition to sustainability, the Commission will only reduce its overall financial position in instances of truly game-changing economic development opportunities, meaning facilities with many hundreds or thousands of jobs at or above the prevailing wage and investment in excess of \$250 million. Otherwise, the Commission's focus on sustainability will require that, moving forward, the Commission only grant from earnings on the Commission's corpus, interest on loans, and assets created by the new development team. With this approach, by 2025 the lending portfolio should be generating significant returns, as should the development team, meaning that there is the potential for maintenance and eventual slow expansion of grant-making efforts in the second half of the 2020s. In the next iteration of the Commission's strategic planning process, this fiscal transition will be evaluated, and the Strategic Planning Committee will recommend continuing, pausing, or reversing this transition based on documented financial changes.

**Asset management.** The Commission's grant agreements require that any grantee deliver, to the Commission, a security interest in any real, tangible, or intellectual property that is purchased with non-TROF grant funds. For many years these assets existed and would occasionally be transferred to the private sector and trigger a clawback, but there has only recently been a systematic approach to cataloguing our property and recording our interest in that property. This means that the Commission is the partial owner of millions of dollars of land, buildings, and high-value equipment across the footprint. Moving forward, the Commission will complete the cataloguing of this portfolio of equipment and real property that has already begun in the field offices and record right to reimbursement notices against all assets over a specific value. Once properly catalogued and right to reimbursement notices have been recorded, the Commission will also explore potential uses of this portfolio and determine if it represents something that could be leveraged to support future activities.

**Fund development.** (See: Commission Foundation) A transition to better fiscal management, coupled with increased lending and decreased grant activity, means that the Commission has the potential to grow in the years ahead and improve its financial position. However, the Commission also does work – especially in education and workforce development – that could be supported by charitable contributions and grants from other entities, which would take further pressure off of the current corpus. This entity would not be a recipient of Commission funds, rather it would be a new vehicle for bringing funding to support Commission projects.

To facilitate this move to outside funding, the Commission plans to create a non-governmental nonprofit to oversee the acquisition and allocation of funds for the purpose of grant making. This will require the hiring of development staff who will seek grants

from the government and charitable foundations as well as individual contributions from donors that care about the success of Commission-supported communities.

### **Commission Foundation**

Much of the work the Commission undertakes in its largest budget area, education, which includes workforce development and talent attraction, is eminently eligible for funding via other grant-makers and donors. It makes good fiscal sense for the Commission to pursue the creation of an outside nonprofit, which should, once it has built up a portfolio of donors and grants, be able to fund the Commission's education and talent attraction work without requiring significant inputs from the Commission's corpus.

**Bring in outside funds.** By creating a foundation or nonprofit that resembles those operated by the Foundation for Healthy Youth or any Virginia public university, the Commission will have a vehicle to receive funds from other organizations and individuals. This Commission foundation will seek both private and public sector grants as a means of continuing to fund Commission programs, particularly in education and workforce development.

**Management.** This outside entity will be managed by a board composed of current and former members and staff of the Commission in an effort to prevent any divide between the two organizations, and the Commission's Executive Director will also be director of the nonprofit. The Executive Committee will appoint the membership of the board of the nonprofit, and those members will serve short terms with the opportunity for multiple reappointments.

**Initial funding and staff.** The Commission will make the initial investment in this nonprofit for the purposes of hiring a development staffer who will work out of the Richmond office and report to the Executive Director. It will be the job of this staffer to seek grant and donation opportunities that align with the goals of the Commission's education and workforce development programs and, in consultation with the Executive Director, pursue those opportunities. This staffer will also be responsible for overseeing the day-to-day operations of the fund.

**Legislation.** Creation of this nonprofit will require legislation. A bill has been drafted and requires a sponsor in the General Assembly. Members of the Commission should engage in outreach to the General Assembly in favor of this plan's strategic direction, generally, and a change in the Commission's enabling statute to permit the creation of the foundation, specifically.

## Investing in the Regions

**Regional Marketing and Development Efforts.** The Commission will implement measures to assess the value and productivity of its regional marketing efforts, Invest Southern Virginia and Invest Southwest Virginia. The Commission will also continue to seek partners to support funding of these efforts to expand promotion of economic development opportunities in its geographical footprint.

## Program Outcomes and Goals

Each programmatic committee of the Commission does its work in pursuit of specific “project outputs,” each of which supports one or more of the “targeted outcomes,” the long-term goals of the program. Below, each committee’s work is broken out into one or more logic models that display the specific outputs supporting each programmatic goal. It is the goal of Commission staff to evaluate projects, both before awards are given and in follow-up, on how well they meet the clear metrics laid out in project outputs when grants or loans are awarded. For more detail on specific metrics, please contact Commission staff.

## **Inputs, Activities and Participants**

Broadly, TRRC has five different programs, each with one or more investment strategies. Each program and strategy has specific outputs, or deliverables from the project, which target specific outcomes in the region. Below is a comprehensive representation of the Inputs, Activities and Participants, though some may vary by program.

### **Inputs**

#### Contributions:

- Core Funding
- Matching Funding (State, Federal, Local and Private Partners)
- Central Staff
- Regional Staff
- Software
- Offices & Equipment
- Commission & Committees
- Website

#### Partners:

- Investors
- Workforce
- Policy Makers
- Other Partners

### **Activities**

- Pre-application assistance, workshops, program marketing
- Review and Evaluate Proposals
- Staff Recommendations
- Committee Recommendations
- Commission Decisions
- Grant Agreements
- Process Grant Payments (Reimbursements)
- Site Visits
- Troubleshoot Grantees
- Progress Reports
- Set Policy
- Evaluate Programs

### **Participants**

- Government Entities
- For-profit Organizations
- Non-profit Organizations
- Educational Institutions
- Regional Partnerships

## Investment Strategies, Project Outputs, and Targeted Outcomes

### **Investment Strategies**

- Investment Strategies are the "tracks" selected by the grant applicant.
- Each investment strategy has a specific set of associated outputs and outcome(s).

### **Project Outputs**

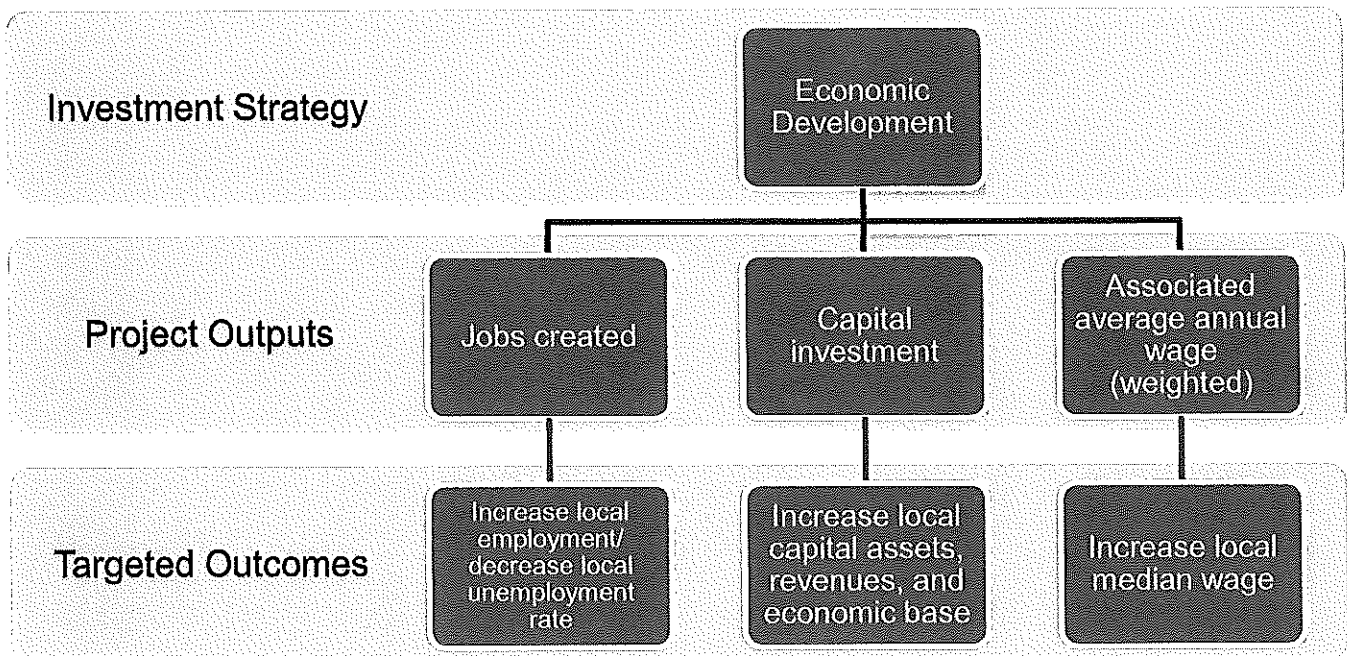
- Outputs are the legally-binding, contractual obligations specified in the grant agreement.
- Outputs may vary by program, by investment strategy, or they may be the same.
- Outputs are synonymous with "deliverables."
- *Outputs are projected, anticipated, or estimated in the application, and updated with actuals during and at the close of the project*
- For a more intuitive reference, TRRC refers to outputs as "project outputs."

### **Targeted Outcomes**

- Outcomes are the measures being targeted by the program.
- Outcomes are difficult to directly target on a project basis
  - For example, it is unreasonable to put as an output in the grant agreement that a project must decrease the unemployment rate in the locality which it is based.
  - Instead, the output is to create new jobs, which should have a positive effect on decreasing the unemployment rate.
- For a more intuitive reference, TRRC refers to outcomes as "targeted outcomes."



## TOBACCO REGION OPPORTUNITY FUND (TROF) LOGIC MODEL

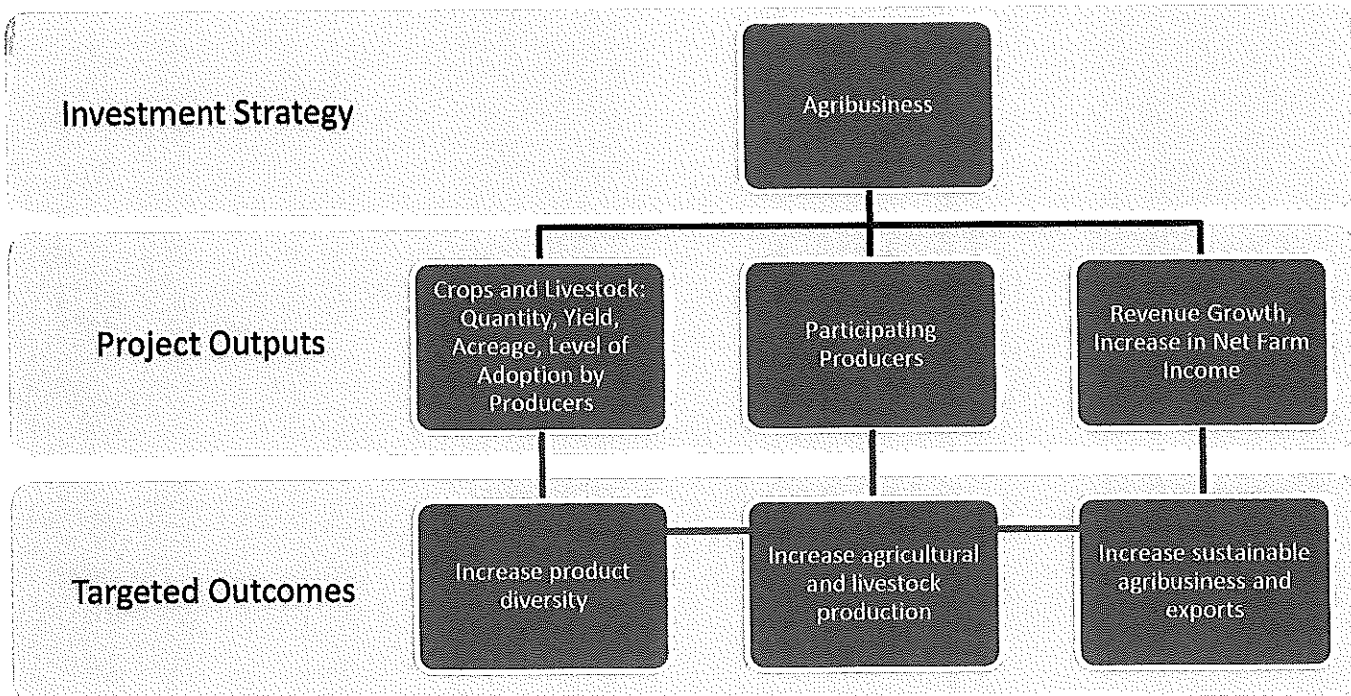


## SOUTHERN & SOUTHWEST VIRGINIA ECONOMIC DEVELOPMENT PROGRAM LOGIC MODEL

### Agribusiness

Agriculture is the dominant industry in the Commission footprint. The Commission strives to grow and diversify agribusiness in the region through investment in the following types of projects:

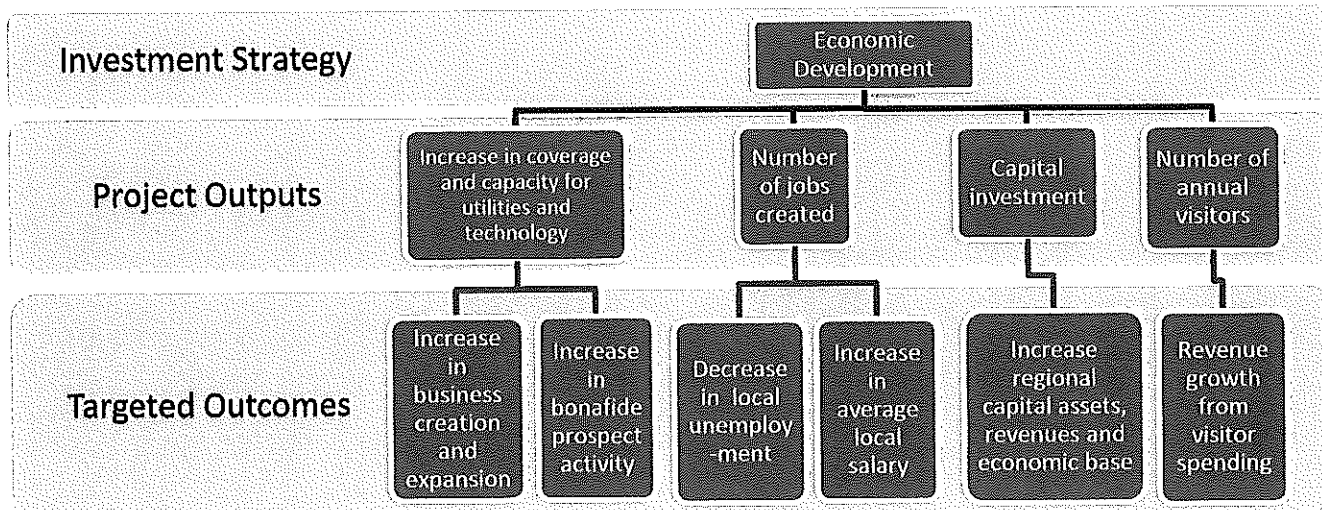
- Commercial Agriculture Product and Food Processing Facilities
- Cost Share Programs
- Crop and Livestock Demonstration
- Local Farmers Markets
- Multipurpose Agriculture Centers
- Wholesale & Retail Cooperative Marketing



**Economic Development**

The Commission supports investment to increase capacity for economic development opportunities within the region through the following types of projects:

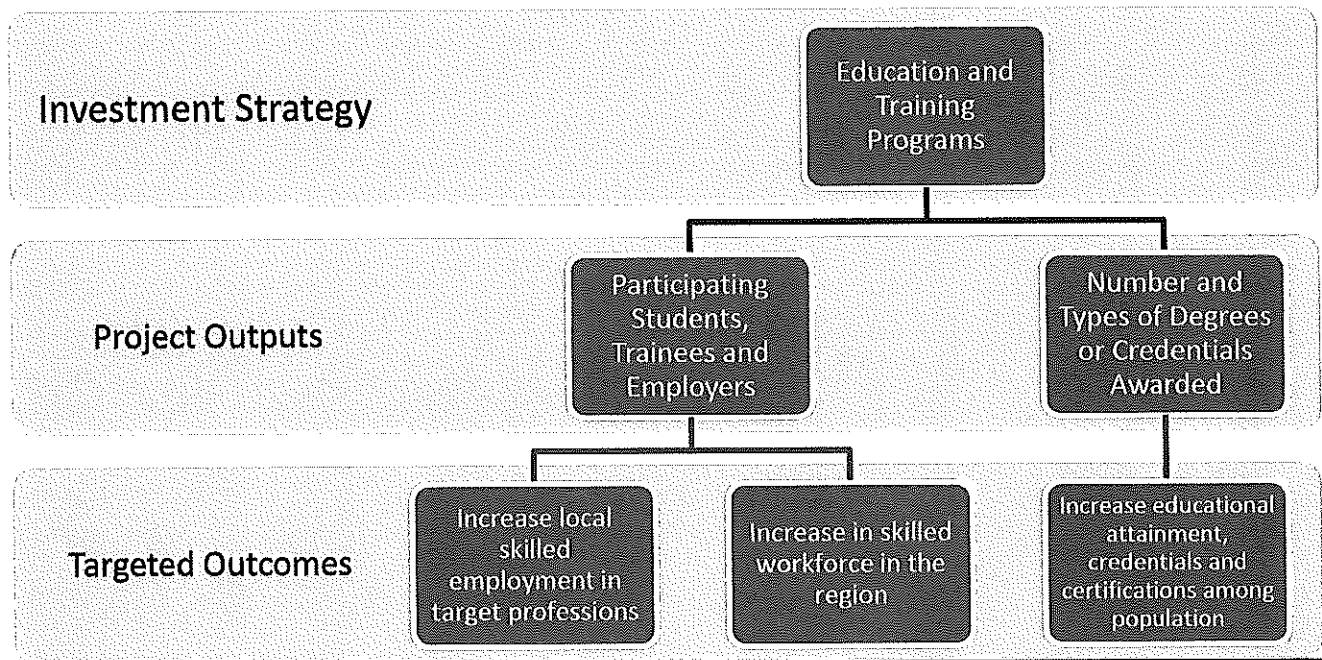
- Physical infrastructure improvements (industrial site development, shell buildings, water/sewer)
- Tourism creation and expansion
- Technology infrastructure and connectivity improvements



**EDUCATION PROGRAM LOGIC MODEL**

Through its education programs, the Commission seeks to prepare citizens for new-economy employment opportunities through workforce development, higher education scholarship and loan programs for the two regions and competitive grants to community colleges and other post-secondary educational entities. These types of projects include:

- Advanced Manufacturing Workforce Training Programs
- High School Equivalency (GED) Programs
- Post-Secondary Programs, with a focus on STEM-H
- Workforce Training Programs
- Community College Financial Aid
- Four-year scholarships to attract graduates to the Tobacco Region



**Operations**

This section describes the internal operations of the Commission. Five areas are covered: Program Design, Meeting Schedule, Loan Fund Operational Description, Data Strategy, and Organization Chart.

**Program Design.** Each program has specific outputs and outcomes that are directly tied to the goals of each program. The duration of these goals can vary between programs.

- Outputs are specific deliverables required from a project by an awarded applicant (or grantee) to satisfy the obligations of the grant agreement.
- Outcomes are the measures a program targets for effecting change.

A small but important distinction is that unlike outputs, outcomes cannot be targeted directly. Program specific outputs vary because program-specific outcomes vary. Project success is judged on delivered outputs, while program success is judged on effected

outcomes.<sup>5</sup>

**Every applicant to a program must clearly articulate and demonstrate how the specific project relates to the goals of the program, what outputs shall be delivered, when such outputs are delivered, and the anticipated effect of these outputs on the outcomes targeted by the program.**

Commission staff review and score submitted applications. The criteria used to score an application are pre-established and program-specific, and have remained consistent over the life of the Commission.

Commission staff prepare a report containing background information, an evaluation of the financial viability of the proposed projects, and recommendations on each application in the current pool and distribute the report to the appropriate committee for review in advance of the next committee meeting. Although staff are neither members of the Commission nor members of any committee, they are available before, during, and after committee meetings to answer questions from applicants or members or the public.

If an applicant is awarded a grant, a grant agreement must be signed between the Commission as the grantor, the awarded applicant as the grantee, and the final recipient of the grant funds. Depending on the outputs of a project, the deliverables in the grant agreement may vary within or between programs. Grant agreements are legally enforceable contractual obligations between the signed parties. **Every grant agreement contains clauses that provide legal remedies, including in certain cases a clawback provision, which may be exercised in the event of any unapproved use or misuse of Commission funds, and/or outputs specified in the signed grant agreement not being met by a specified point in time.**

The grantee responds to interim assessments (surveys) on progress made toward achieving the obligated outputs. Interim assessments are program specific. The assessments are intended to provide the Commission with useful quantitative data on the progress of the project toward completion. The Commission or Commission staff may, at any time, request additional information from grantees.

A final assessment is done once a project is completed within the duration specified in the grant agreement. A project is considered complete when the obligated outputs are met or exceeded, or when the obligated outputs either have not or will not be met. In the event of the latter, a clawback may be initiated by the Commission. **Under no circumstances will a final disbursement of funds be made to any grantee before Commission staff have received, reviewed, and validated the final assessment from the grantee.**

A project is closed once all documentation is received by the Commission and all obligations are considered satisfied.

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<sup>5</sup> In practice, it is often difficult to judge a program's success on effected outcomes because of other exogenous effects on that same outcome (e.g. lowering the unemployment rate). Examining the realized outputs of a program over time is another way to judge program success. However, this approach provides no information on the outcomes the program was intentionally and specifically designed to effect.

**Meeting Schedule.** The Commission meets regularly three times each year, with various committees having met in the weeks leading up to a full Commission meeting:

1. The Commission's winter meeting shall be held in January, prior to the convening of the General Assembly.
2. The Commission's spring meeting shall be held in May or early June.
3. The Commission's fall meeting shall be held in September or early October.

Any additional meetings may be called at the request of the chair, but the Commission has a goal of accomplishing all of its annual business in its three regular meetings. Should an unforeseen event like a global pandemic occur, meetings may be rescheduled at the discretion of the Commission's chair.

With the passage of HB444 (regarding electronic meetings by public bodies) into law during the 2022 General Assembly session, the Commission will evaluate the incorporation of meeting via electronic means for some functions such as called meetings outside of the regular meeting schedule.

**Revolving Loan Fund – Operational Description.** The Tobacco Commission was authorized during the 2015 session of the General Assembly to set up a revolving loan fund in partnership with the Virginia Resources Authority (VRA).<sup>6</sup>

This loan fund is the preferred funding option for any grant applications in support of projects that are likely to generate sufficient recurring revenue to service loans. This fund is distinct from the Commission's business and community lending portfolio.

When grant or loan requests are made by localities, they are routed to the relevant committee, and evaluated by Commission staff. Commission staff recommend to the committee that the applicant receive no award, receive a grant in some amount, or be reviewed for a loan up to some amount. Should the relevant committee, and then the full Commission, choose to extend a loan, the applicant will be directed to VRA for a creditworthiness evaluation. Upon completion of that evaluation, a loan will be extended from the revolving loan fund in an amount equal to the lesser of the applicants' creditworthiness or their loan offer from the Commission. Upon notice from VRA that a loan will be extended, the amount of the loan will be deducted from the relevant committee budget and transferred to VRA. In future years, when the revolving loan fund has adequate resources from repayments, its funds will be allocated for the use of various committees during the budget process.

When loan requests are made directly by businesses, Commission staff, in partnership with VRA, shall determine the eligibility of the applicant business for a loan. If the applicant is eligible and Commission staff support the making of a loan, VRA staff shall extend a loan directly to the relevant business, and Commission staff shall take any measures necessary to secure pledged collateral or other security necessary to protect the taxpayers.

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<sup>6</sup> The full statute and details can be found in the Virginia Code at § 3.2-3112 et seq.

**Data strategy.** Data are an integral part of the Commission's work. The Commission shall view and treat data as an asset, and data are leveraged to create value for all stakeholders. Through the collection of detailed grant and loan applications and ongoing grant and loan assessments, the Commission acquires tremendous amounts of data about projects, the region, and grantees within the region.

By making use of modern data analytics, the Commission can ensure strong ROI on its activities while gaining and disseminating new insights into best practices and solutions to region-specific challenges. As the Commission gains better insight into those investments that yield the most return for the region, it will revise grant and loan funding policies to reflect a preference for higher return projects.

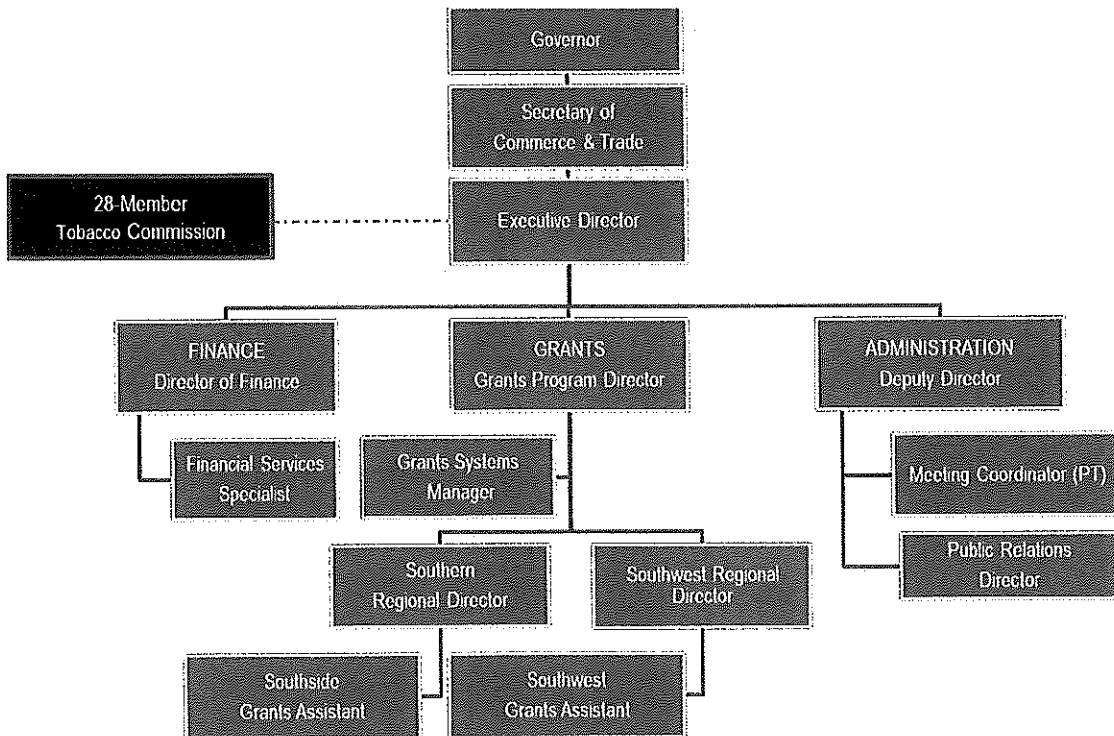
The Commission shall create a clear, consistent, and objective set of criteria for what constitutes successful projects in any funding area and apply these concepts throughout the life of each grant or loan: application, management, and closeout.

The Commission is committed to objective metrics that are consistently recorded throughout the life of any grant or loan.

The Commission shall document comprehensive data management processes and policies. The Commission shall establish a recurring review of these policies for accuracy and workflow improvements.

Appendix A:

## Tobacco Region Revitalization Commission Organizational Chart



Comparison Document  
2020-2022 and 2023-2025 Strategic Plans

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



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

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

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

slow drawdown of Commission funds to the point that the Commission risks not being a financially viable entity within a short number of years. That said, the Commission still retains a significant amount of capital. It is critical that the Commission use this capital in the most efficient manner possible, and that will largely mean lending. The Commission has the authority to invade its corpus for more than \$20 million annually for the next several years – rather than use these funds to make further grants, which would dramatically deplete the corpus, the funds will be set aside for making low, fixed-rate loans. At 4% return, each year's corpus invasion would yield at least \$800,000 new dollars per year, meaning millions of new dollars coming into the Commission per-year by year four. At the same time the Commission will expand lending activity beyond its current stakeholders to include business lending, when that business or its principals have sufficient assets to guarantee a loan or the business's locality or IDA/EDA will guarantee the loan. In the past year, multiple businesses have approached the Commission with purchase orders in hand, but without access to capital sufficient to fill those purchase orders. These businesses will be ideal candidates for lending, and will make the business climate in the Commission's footprint even more competitive relative to the rest of the Commonwealth. Focus on lending. In the past the Commission has relied on grants as the primary means of supporting and incentivizing projects across the region. While this has resulted in positive impacts for the localities we serve, it has also resulted in the slow drawdown of Commission funds to the point that the Commission risks not being a financially viable entity within a short number of years. That said, the Commission still retains a significant amount of capital. It is critical that the Commission use this capital in the most efficient manner possible, and that will largely mean lending. The Commission has the authority to invade its corpus for more than \$20 million annually for the next several years – rather than use these funds to make further grants, which would dramatically deplete the corpus, the funds will be set aside for making low, fixed-rate loans. At 4% return, each year's corpus invasion would yield at least \$800,000 new dollars per year, meaning millions of new dollars coming into the Commission per-year by year four. At the same time the Commission will expand lending activity beyond its current stakeholders to include business lending, when that business or its principals have sufficient assets to guarantee a loan or the business's locality or IDA/EDA will guarantee the loan. In the past year, multiple businesses have approached the Commission with purchase orders in hand, but without access to capital sufficient to fill those purchase orders. These businesses will be ideal candidates for lending, and will make the business climate in the Commission's footprint even

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|                          | more competitive relative to the rest of the Commonwealth.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Commission Foundation    | No changes to either draft.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Investing in the Regions | <p><b>First Draft:</b><br/> Eliminated due to strategy implementation: “Field offices. The Commission’s field office staff has multiple responsibilities including grant management, metric tracking and grant oversight, project development of prospective grant applications, advising regional leaders on economic and community development initiatives, and recently, tracking of Commission assets. Moving forward, the Commission will better utilize the field offices by increasing the focus of field staff on project development and regional leadership. Field office directors have seen more economic and community development efforts in their respective regions than almost anyone in Virginia. Field staff have long been engaged in this activity on an ad-hoc basis, but making these efforts a stated job duty – and allocating a specific percentage of field office directors’ time for it – will bring them more closely into alignment with local and regional economic development staff and yield greater results. Along with this new focus on project development, field staff will continue to evaluate projects as they arrive and during performance periods. This core mission of the grants team will continue with an increased emphasis on thorough tracking of project metrics throughout the life of the grants and ensuring that all relevant data are not just recorded, but entered into the database in a manner that permits more-detailed analysis. Field staff will also directly monitor Commission assets in the field. The Commission possesses millions in physical assets throughout the footprint and with an increased concentration on cataloguing and potentially leveraging these assets good stewardship will be even more important than it has been previously. Field staff will serve as conduits to other state programs (VEDP, Port, DHCD, etc.) or federal programs (EDA, ARC, SBIR, etc.) that may be beneficial to projects, but this has been ad-hoc. By training field staff in other programmatic offerings, and setting aside staff time for advising partner organizations, communities, and business prospects, we can leverage our field staff expertise to bring more resources into the region without expending Commission funds.”</p> <p>Replaced “Regional Marketing and Development Efforts. The Commission’s regional marketing efforts, Invest Southern Virginia and Invest Southwest Virginia, while distinct in character, are both producing significant return for the Commission. Moving forward, the Commission will continue to support these efforts, and will ensure continuity by transitioning from a grantor/grantee relationship to a contract</p> |

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

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

Note: Changes are listed by the comment number and name of organization providing feedback.

| Section                              | Page | Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overview, Mission, Vision            | 3-4  | No comments received.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Funding & Strategic Priorities       | 4-5  | <p><b>12) SOVA REGIONAL ALLIANCE:</b> Is the TRRCs role as laid out in state code to sustain itself or is it to get its funds in the footprint for positive impact? TRRC should reconsider whether loans should serve as the Commission’s primary means of sustainability. Metrics for review of loan program success by addressing whether grants decrease and loans reduced is not supported by localities – localities are responsible for grant and loan losses. Look at alternative revenue streams from grants and other funding sources that could be leveraged to TRRC funded projects vs. using existing commission funds that should be used on the footprint localities and limit grants that are already matched by localities– TRRC staff is has excellent expertise to seek other alternative funding that could be leveraged.</p> <p><b>(14) SEC OF COMMERCE &amp; TRADE:</b> TRRC should consider all options for financial sustainability – not just a heavy focus on lending over grant making</p> |
| 1. Business & Community Lending      | 5    | <p><b>(9) SCOTT CO. EDA:</b> Lending program competes with local banks and other lenders public &amp; private lenders)</p> <p><b>14) SEC OF COMMERCE &amp; TRADE:</b> In note about lending program intent, consider revising to focus on expanding access to capital, not crowding out private market sources.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2. Education & Workforce Development | 6    | <p><b>1) VDACS / SEC OF AG. &amp; FORESTRY:</b> often hear from livestock farmers that there is a shortage of food animal ambulatory veterinarians - could TAP funding be utilized to help attract vets to help with shortage of vets in footprint?</p> <p><b>(2) SVHEC:</b> If childcare and housing are to be supported, it should be made clearer.</p> <p><b>(3) FRANKLIN CO. WORKFORCE DEVELOPMENT:</b> keep the first draft version of this that specifically referenced childcare and housing</p> <p><b>(11) VEDP:</b> local and regional partners find very favorable – TRRC ability to inject capital into post-secondary institutions is critical and allows flexibility that it not possible through other state grants or the traditional state budgeting process.</p> <p><b>14) SEC OF COMMERCE &amp; TRADE:</b> wording edits to TAP goal – revise to read: “...with the goal of incentivizing growth and attraction of a qualified labor force and attraction of talent to the Tobacco Region.”</p>    |
| 3. Agribusiness                      | 6    | <b>(1) VDACS / SEC OF AG &amp; FORESTRY:</b> see agribusiness logic model comment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 4. TROF                              | 6    | <b>(9) SCOTT CO. EDA:</b> added competitive advantage of TROF remains important to rural localities – grant portion is helpful, but the TROF loan portion is not as helpful and is not being utilized as much as                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

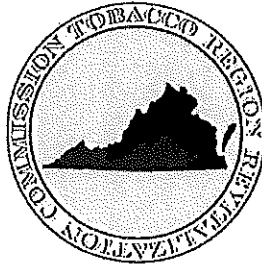


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|-----------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         |   | <p>intended. go back to just offering TROF grants (i.e. not splitting the TROF incentive between ½ grant and ½ loan)</p> <p><b>(12) SOVA REGIONAL ALLIANCE:</b> Evaluation of private taxable assets by local Commissioners of Revenue is done different by localities – TRRC should have a better process for evaluating capital assets (real estate, M&amp;T TPP) than solely relying upon CORs for final valuation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 5. Industrial & Business Infrastructure | 7 | <p><b>(11) VEDP:</b> VEDP is playing a larger role in funding the big sites of 100+ acres (and 50+ acre sites in GO Virginia regions 1 &amp; 2) – TRRCs should consider focus on funding smaller (under 50 acre) sites to complement VEDPs focus on big sites. Additional, VEDP could also collaborate with TRRC on co-investing in larger, high potential sites to maximize impact</p> <p><b>(12) SOVA REGIONAL ALLIANCE:</b> industrial sites across region are depleted and will limit future industry attraction – ensure funds are available for assessing new sites as an important funding mechanism and that the development of new sites be considered – if not, it will impact regional competitiveness.</p> <p><b>(13) DANVILLE:</b> Are you moving away from developing new industrial sites? What happens if a locality has needs for additional sites because the stock is depleted? Localities are looking at compiling more land for new industrial sites/parks because we could run out of available sites before we can get new ones prepared to market.</p> |
| 6. Small Towns Initiatives              | 7 | <p><b>(2) SVHEC:</b> Preference for the earlier description of the small town initiative from the first draft that was more specific. Also concerns about the note about requiring outside capital investment in rural small towns may not always be applicable.</p> <p><b>10) VA DHCD:</b> good compliment to the Va. Main Street program – good opportunity for VMS to consult and work with TRRC staff on development of program guidelines</p> <p><b>(11) VEDP:</b> TRRC’s focus on small town revitalization is critical to enhancing quality of life in the Commission’s rural footprint - long-term investments improve the region &amp; are essential for attracting development projects</p>                                                                                                                                                                                                                                                                                                                                                                          |
| 7. Community Assets and Opportunities   | 7 | <p><b>(2) SVHEC:</b> Concerns about the note about having demonstrated potential to attract outside investments and visitors to the region may not always be applicable and limit TRRC support</p> <p><b>(11) VEDP:</b> TRRC’s focus on natural / cultural assets is critical to enhancing quality of life in the Commission rural footprint – long-term investments improve the region &amp; are essential for attracting development projects</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|                                                                                                                           |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic factors affecting regional competitiveness                                                                       | struck | <b>(2) SVHEC:</b> prefers Commission keep the more detailed description of this from Draft 1 that specifically called out childcare and housing. Not clear how childcare & housing will be addressed now.<br><b>(3) FRANKLIN CO. WORKFORCE DEVELOPMENT:</b> keep the first draft version of this that specifically referenced childcare and housing<br><b>(4) VA HOUSING:</b> Current draft of Plan does not address workforce housing – economic transformation cannot occur with places to live and adding housing as a necessary component to mission and strategy seems to be where other state economic development entities are going.                                                                  |
| Committee Structure                                                                                                       | 8      | <b>(2) SVHEC:</b> make sure committee names are clearly stated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Improved Fiscal Management                                                                                                | 9      | <b>(2) SVHEC:</b> If eliminating this portion may want to consider including wording for ongoing data collection, analysis and impact of the implementation over the next 2-5 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Sustainability                                                                                                            | 9      | <b>(12) SOVA REGIONAL ALLIANCE:</b> Is the TRRCs role as laid out in state code to sustain itself or is it to get its funds in the footprint for positive impact? TRRC should reconsider whether loans should serve as the Commission’s primary means of sustainability.                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Asset Management                                                                                                          | 10     | No comments received.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Fund Development & Commission Foundation                                                                                  | 10     | <b>14) SEC OF COMMERCE &amp; TRADE:</b> Options such as this for bringing in outside funding is worth exploring further.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Investing in the Regions: Regional Marketing & Development Efforts                                                        | 11     | <b>(2) SVHEC:</b> wording like this should be added to the improved fiscal management section on page 9.<br><b>(12) SOVA REGIONAL ALLIANCE:</b> make sure to consider regional economic development offices for this. They would be more effective to do this especially in conjunction with VEDP and site selection groups.                                                                                                                                                                                                                                                                                                                                                                                  |
| Program Outcomes and Goals; Inputs, Activities & Participants; Investment Strategies, Project Outputs & Targeted Outcomes | 11-12  | <b>14) SEC OF COMMERCE &amp; TRADE:</b> Overall in inputs, activities and participant boxes, make sure to include data, data analytics and entrepreneurs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Program Logic Models                                                                                                      | 13-15  | <b>(1) VDACS / SEC OF AG &amp; FORESTRY: P. 13 agribusiness logic model:</b> in first bullet of growing food processing facilities – consider adding encouragement for utilizing Virginia-grown agricultural products. Providing value-added processing to agricultural products is a worthy investment for the area, but even more worthwhile when the processing includes Virginia products in particular and especially those from the tobacco commission regions.<br>Controlled Environment Agriculture is an important administration priority – adding a bullet referring to CEA facilities is encouraged. Aerofarms investment in Danville is a great example of the impact CEA can have in the region |
| Operations, Meeting Schedule                                                                                              | 15-17  | No comments received.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Revolving Loan Fund – Operational Description                                                                             | 17     | <b>(6) Virginia Resources Authority:</b> to ensure no conflict with 32.3113 C, TRRC should consider revising the last paragraph of this section to note that When loan requests are intended for private businesses, Commission staff, in partnership with VRA, shall                                                                                                                                                                                                                                                                                                                                                                                                                                         |

|                         |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                         |    | determine the eligibility and may extend a loan through a conduit economic or industrial development authority. Commission staff shall take any measures necessary to secure pledged collateral or other security necessary to protect taxpayers.                                                                                                                                                                                                                                                                            |
| Data Strategy           | 18 | No comments received.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Appendix A: Org Chart   | 19 | (2) SVHEC: consider including a version of the org chart with staff names and on without. The dotted line showing the executive director reporting to the Commission and a solid line to the governor makes it unclear who the position reports to.                                                                                                                                                                                                                                                                          |
|                         |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>General Comments</b> |    | (1) VDACS / SEC OF AG. FOESTRY: mostly in keeping with the administration priorities. If not specifically, at least in general in creating investment and jobs in Southside and Southwest Virginia. no-interest or low-interest loans is one way to provide for long-term sustainability of the funds.                                                                                                                                                                                                                       |
|                         |    | (5) GENEDGE ALLIANCE: TRRC may be better served by concentrating its core mission, rather than continuing to expand services which could result in a diminished set of returns.<br>With the transition in capital assets and business model, the plan should show the historical and projected return on investing activities as outlined.<br>Important to analyze the ROI and market potential and consider a plan that is focused on where the greatest opportunities for return on investment are, and concentrate there. |
|                         |    | (7) LUNENBURG CO.: retain prior southern Va locality allocation amounts                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                         |    | (8) USDA RURAL DEVELOPMENT: TRRC orientation for partners would be helpful                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                         |    | (9) SCOTT CO. EDA: use core southern & southwest focus group to solicit plan feedback in future                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                         |    | (9) SCOTT CO. EDA: Dollar for Dollar match requirement for grants is burdensome for rural localities should be less – look at what other funding agencies do for match requirements for rural places                                                                                                                                                                                                                                                                                                                         |
|                         |    | (10) VA DHCD: Plan seems to align well with DHCD programs                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                         |    | (11) VEDP: Interested in understanding how TRRC collaborates with other state partners when considering strategic investments in the footprint region. Lots of overlap with other VEDP, DHCD SBSB and other programs that can continue to be tightened up to maximize overall impact of state investments to generate greater economic growth.                                                                                                                                                                               |

# **FULL COMMISSION**



▪ *In-Person Meeting* ▪

**AGENDA**  
**FULL COMMISSION**  
**Homewood Suites by Hilton, Capital Ballroom**  
**700 East Main Street, Richmond, VA 23219**  
**Thursday, January 5, 2023**  
**11:00 A.M. - 12:15 P.M. – Orientation**  
**12:15 P.M. – Regular Meeting**

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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:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m4c19bbea837293b683eb494fdfe9eab1>

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](mailto:jbutler@revitalizeva.org). If alerted to a transmission failure, the Commission shall recess until public access is restored.

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|-----------------------------------------------|--------------------------------------------|
| <b>Welcome and Call to Order</b>              | <i>The Honorable Frank Ruff, Chair</i>     |
| <b>Call of the Roll</b>                       | <i>Mr. Andy Sorrell, Acting Director</i>   |
| <b>Orientation (11 am – 12:15 pm)</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>Education Committee</b>                    | <i>The Honorable Kathy Byron, Chair</i>    |
| <b>Strategic Planning Committee</b>           | <i>Mr. Ed Blevins, Chair</i>               |
| <b>Southern Virginia Committee</b>            | <i>Mr. Walter “Buddy” Shelton, Chair</i>   |
| <b>Southwest Virginia Committee</b>           | <i>The Honorable Will Morefield, Chair</i> |
| <b>Executive Committee</b>                    | <i>The Honorable Frank Ruff, Chair</i>     |
| <b>TROF &amp; CBL Loan Updates</b>            | <i>Mr. Andy Sorrell, Acting Director</i>   |
| <b>Other Business</b>                         | <i>Mr. Andy Sorrell, Acting Director</i>   |
| <b>Public Comment</b>                         |                                            |
| <b>Adjournment</b>                            |                                            |

TROF Awards  
FY 2019 - FY 2023 to date

| Project # | Date Approved     | Status                             | Organization                                                 | Project Title                    | Jobs Promised | Capital Investment Promised | Approved Grant Amount | Approved Loan Amount | Total Approved Amount |
|-----------|-------------------|------------------------------------|--------------------------------------------------------------|----------------------------------|---------------|-----------------------------|-----------------------|----------------------|-----------------------|
| 4078      | 09/24/22          | Approved - Pending Award Documents | Halifax County IDA                                           | IperonX Technology LLC           | 108           | \$ 82,135,431.00            | \$ 573,000.00         | \$ -                 | \$ 573,000.00         |
| 3965      | 09/19/22          | Approved - Pending Award Documents | Halifax County IDA                                           | Skip Barber Racing School        | 24            | \$ 8,900,000.00             | \$ 32,500.00          | \$ -                 | \$ 32,500.00          |
| 3976      | 08/11/22          | Approved - Pending Award Documents | Dinwiddle County                                             | DronelUp, LLC                    | 145           | \$ 18,850.00                | \$ 111,000.00         | \$ -                 | \$ 111,000.00         |
| 3943      | 07/18/22          | Approved - Pending Award Documents | Halifax County IDA                                           | Hitachi Energy USA               | 165           | \$ 37,000,000.00            | \$ 220,000.00         | \$ -                 | \$ 220,000.00         |
|           | FY 2023 (to date) |                                    | # of Projects                                                | 4                                | 442           | \$128,054,281               | \$936,500             | \$0                  | \$936,500             |
| 3892      | 9/22/2021         | Approved - pending award documents | Wythe County Joint IDA                                       | Blue Star LLC                    | 1,044         | \$446,074,578               | \$1,044,000           | \$0                  | \$1,044,000           |
| 3912      | 9/22/2021         | Approved - active                  | Danville-Pittsylvania Regional Industrial Facility Authority | Tyson Foods, Inc.                | 376           | \$295,452,718               | \$707,500             | \$821,500            | \$1,529,000           |
| 3734      | 7/28/2021         | Approved - pending award documents | City of Danville                                             | Kegerreis Digital Marketing, LLC | 62            | \$1,500,000                 | \$45,500              | \$45,500             | \$91,000              |
|           | FY 2022           |                                    | # of Projects                                                | 3                                | 1,482         | \$743,027,296               | \$1,797,000           | \$867,000            | \$2,664,000           |
|           | FY 2021           |                                    | # of Projects                                                | 11                               | 892           | \$174,242,825               | \$1,146,000           | \$450,000            | \$1,596,000           |
|           | FY 2020           |                                    | # of Projects                                                | 9                                | 1,309         | \$245,184,219               | \$4,106,000           | \$2,516,000          | \$6,622,000           |
|           | FY 2019           |                                    | # of Projects                                                | 20                               | 1,334         | \$215,915,399               | \$4,490,000           | \$2,665,000          | \$7,155,000           |

# TROF Loans Dec. 2022

| Project # | Date Approved | Organization                                                 | Project Title                    | Status              | Loan Amount Approved | Remaining Loan Amount to be Repaid |
|-----------|---------------|--------------------------------------------------------------|----------------------------------|---------------------|----------------------|------------------------------------|
| 3769      | 6/15/2022     | Patrick County EDA                                           | Project Save                     | Deobligated.        | \$ 40,500            | \$ -                               |
| 3917      | 9/9/2021      | Norton, City of                                              | EarthLink, LLC                   | To be disbursed     | \$ 62,500            | \$ 62,500                          |
| 3754      | 4/30/2021     | Danville-Pittsylvania Regional Industrial Facility Authority | Walraven, Inc.                   | To be disbursed     | \$ 48,000            | \$ 48,000                          |
| 3734      | 7/28/2021     | Danville, City of                                            | Kegerreis Digital Marketing, LLC | To be disbursed     | \$ 45,500            | \$ 45,500                          |
| 3674      | 5/3/2021      | Blackstone, Town of                                          | Blackstone Hotel Partners, LLC   | Disbursed - 8/27/21 | \$ 44,500            | \$ 35,600                          |
| 3556      | 8/6/2019      | Danville-Pittsylvania Regional Industrial Facility Authority | MEP, Ltd.                        | Disbursed - 9/28/21 | \$ 270,000           | \$ 270,000                         |
| 3545      | 4/30/2019     | Carroll County                                               | Blue Ridge Designs, LLC          | Disbursed - 7/10/19 | \$ 50,000            | \$ 20,000                          |
| 3544      | 4/30/2019     | Joint IDA of Wythe County, VA                                | Seven Sisters Brewery, LLC       | Disbursed - 4/1/20  | \$ 15,000            | \$ 9,000                           |
| 3507      | 6/6/2019      | Russell County Industrial Development Authority              | Polycap LLC                      | Disbursed - 8/30/19 | \$ 140,000           | \$ 98,000                          |
| 3501      | 12/12/2018    | Danville, City of                                            | Essel Propack                    | To be deobligated.  | \$ 330,000           | \$ -                               |
| 3482      | 10/15/2018    | Danville-Pittsylvania Regional Industrial Facility Authority | Harlow Fastech LLC               | To be disbursed     | \$ 630,000           | \$ 630,000                         |
| 3481      | 10/9/2018     | Franklin County                                              | Empire Bakery Commissary         | Disbursed - 6/18/19 | \$ 140,000           | \$ 56,000                          |
| 3448      | 6/6/2018      | Nottoway County                                              | UAV Pro, Inc.                    | To be disbursed     | \$ 159,900           | \$ 144,000                         |

# TROF Loans Dec. 2022

| Project #     | Date Approved | Organization                                               | Project Title                                                   | Status              | Loan Amount Approved | Remaining Loan Amount to be Repaid |
|---------------|---------------|------------------------------------------------------------|-----------------------------------------------------------------|---------------------|----------------------|------------------------------------|
| 3393          | 12/7/2017     | Buchanan County Industrial Development Authority           | Trina Health of Pounding Mill, LLC DBA Trina Health Town Center | Disbursed - 6/27/18 | \$ 27,500            | \$ 5,500                           |
| 3300          | 5/31/2017     | Town of Tazewell Industrial/Economic Development Authority | Sunset Digital Communications Incorporated                      | Disbursed - 4/10/18 | \$ 680,000           | \$ 136,000                         |
| 3296          | 4/27/2017     | Tazewell County Industrial Development Authority           | Trina Health of Pounding Mill, LLC                              | Disbursed - 9/22/17 | \$ 45,000            | \$ 4,500                           |
| <b>TOTALS</b> |               |                                                            |                                                                 |                     | <b>\$ 2,728,400</b>  | <b>\$ 1,564,600</b>                |



# Community Business Lending Program Loans

Dec. 2022

| Project # | Approved On | Primary Applicant/<br>Beneficiary | Project Sector     | Requested Loan Amount | Project Term / Interest Rate | Status                             | Approved Loan Award | Available Balance  | Notes (as of 12/20/22)                                                                                     |
|-----------|-------------|-----------------------------------|--------------------|-----------------------|------------------------------|------------------------------------|---------------------|--------------------|------------------------------------------------------------------------------------------------------------|
| 4093      | 8/23/2022   | Local gov't/ private company      | Infrastructure     | \$280,000             | TBD                          | Approved - Pending Award Documents | \$280,000           | \$280,000          | Underwriting in process by VRA                                                                             |
| 4079      | 10/5/2022   | Local gov't/ private company      | Hospitality        | \$5,985,000           | TBD                          | Approved - Pending Award Documents | \$5,985,000         | \$5,985,000        | Commission approved 10/5/22. Loan Term sheet provided to locality & applicant 11/19/22. Awaiting response. |
| 3933      | 11/1/2021   | private company/ private company/ | Automotive         | \$500,000             | TBD                          | Approved - Pending Award Documents | \$500,000           | \$500,000          | Underwriting in process - Draft loan terms under development by VRA                                        |
| 3913      | 08/02/2021  | Local gov't/ private company      | Telecommunications | \$4,000,000           | 10 years/<br>4.24%           | Approved - Pending Award Documents | \$4,000,000         | \$0                | Loan disbursed to VRA Feb 2022. VRA disbursed to local Gov't when closing occurred in May 2022             |
|           |             |                                   | <b>TOTALS</b>      | <b>\$10,765,000</b>   |                              |                                    | <b>\$10,765,000</b> | <b>\$6,765,000</b> |                                                                                                            |

Active TROFs with Concluded Performance Periods Dec. 2022

| Project Number | Date Approved | Start Date | End Date   | Organization                                     | Project Title                                                                             | Performance Period Status | Status 1                                                 | Status 2                                                                                   | Clawback Amount    | Clawback Repaid | Clawback Remaining |
|----------------|---------------|------------|------------|--------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------|-----------------|--------------------|
| 2724           | 8/23/2013     | 6/30/2013  | 6/30/2018  | Danville                                         | North American Mold Technology, LLC                                                       | Performance Period Ended  | Full performance not met                                 | Repayment plan executed                                                                    | \$130,000.00       | \$86,667.00     | \$43,333.00        |
| 2845           | 1/14/2014     | 12/31/2013 | 12/31/2017 | Scott                                            | Secure Mountain LLC.                                                                      | Performance Period Ended  | Full performance not met                                 | Negotiating repayment terms                                                                | \$460,000.00       | \$417,408.00    | \$42,592.00        |
| 2850           | 2/25/2014     | 12/31/2013 | 12/31/2021 | Bristol                                          | CBH Bristol, LLC.(aka Creative Boutique Hotels/The Sessions Hotel)                        | Performance Period Ended  | Gathering Performance Data                               | Gathering Performance Data                                                                 | TBD                |                 |                    |
| 2892           | 5/5/2014      | 3/31/2014  | 3/31/2018  | Lunenburg                                        | Coast 2 Coast Trucking, Inc. (This is a sister company to ABC Recycling)                  | Performance Period Ended  | Full performance not met                                 | Repayment plan executed                                                                    | \$100,000.00       | \$50,000.00     | \$50,000.00        |
| 2941           | 8/1/2014      | 6/30/2014  | 6/30/2017  | Russell                                          | APPALACHIAN BIOFUELS, LLC                                                                 | Performance Period Ended  | Full performance not met                                 | Negotiated repayment plan - monitoring performance of negotiated revised performance terms | TBD                |                 |                    |
| 2994           | 12/19/2014    | 9/30/2014  | 9/30/2017  | Martinsville                                     | Integrative Centers for Science and Medicine & College of Henricopolis School of Medicine | Performance Period Ended  | Repayment Plan Executed                                  | Repayment Plan Executed                                                                    | \$780,000.00       | \$780,000.00    | \$0.00             |
| 2999           | 1/15/2015     | 12/31/2014 | 6/30/2022  | Grayson County Economic Development Authority    |                                                                                           |                           |                                                          |                                                                                            |                    |                 |                    |
| 3002           | 2/6/2015      | 12/31/2014 | 12/31/2017 | Grayson                                          | Oak Hall Industries (Oak Hall Cap & Gown)<br>McAllister Mills, Inc.                       | Performance Period Ended  | Gathering Performance Data<br>Reviewing Performance Data | Gathering Performance Data<br>Repayment Plan Execution in process                          | TBD<br>\$35,893.36 | \$0.00          | \$35,893.36        |
| 3101           | 10/8/2015     | 9/30/2015  | 9/30/2022  | Tazewell County Industrial Development Authority |                                                                                           |                           |                                                          |                                                                                            |                    |                 |                    |
| 3177           | 5/4/2016      | 3/31/2016  | 3/31/2021  | Henry                                            | Blue Wolf Sales and Service<br>RTI Martinsville, Inc. (Project LID)                       | Performance Period Ended  | Gathering Performance Data<br>Gathering Performance Data | Gathering Performance Data<br>Gathering Performance Data                                   | TBD<br>TBD         |                 |                    |
| 3214           | 8/30/2016     | 6/30/2016  | 6/30/2019  | Prince Edward                                    | Hotel Weyanoke, LLC                                                                       | Performance Period Ended  | Full performance not met                                 | Repayment plan executed                                                                    | \$16,778.90        | \$5,592.90      | \$11,186.00        |
| 3245           | 12/7/2016     | 9/30/2016  | 12/31/2021 | Henry                                            | Novatech USA Inc.                                                                         | Performance Period Ended  | Full performance not met                                 | lump sump payment                                                                          | \$37,017.29        | 0               | \$37,017.29        |
| 3266           | 3/6/2017      | 12/31/2016 | 12/31/2019 | Wise                                             | DP Facilities, Inc.                                                                       | Performance Period Ended  | Gathering Performance Data                               | Reviewing Performance Data                                                                 | TBD                |                 |                    |

Active TROFs with Concluded Performance Periods Dec. 2022

| Project Number | Date Approved | Start Date | End Date   | Organization                                | Project Title                                                                                     | Performance Period Status | Status 1                   | Status 2                           | Clawback Amount | Clawback Repaid | Clawback Remaining |
|----------------|---------------|------------|------------|---------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------|----------------------------|------------------------------------|-----------------|-----------------|--------------------|
| 3292           | 4/24/2017     | 3/31/2017  | 3/31/2020  | Boones Mill (Town of)                       | Liquid Performance of America, Inc.                                                               | Performance Period Ended  | Repayment plan executed.   | Repayment plan executed.           | \$10,000.00     | \$10,000.00     | \$0.00             |
| 3296           | 4/27/2017     | 3/31/2017  | 3/31/2020  | Tazewell                                    | Trina Health of Pounding Mill, LLC                                                                | Performance Period Ended  | Gathering Performance Data | Reviewing Performance Data         | TBD             |                 |                    |
| 3300           | 5/31/2017     | 3/31/2017  | 3/31/2020  | Tazewell                                    | Sunset Digital Communications Incorporated                                                        | Performance Period Ended  | Reviewing Performance Data | Confirmed full performance         | \$0.00          | \$0.00          | \$0.00             |
| 3340           | 9/12/2017     | 6/30/2017  | 6/30/2020  | Appomattox                                  | Innovatio Sealing Technologies, LLC                                                               | Performance Period Ended  | Full performance not met   | Repayment due                      | \$92,000.00     | \$2,555.50      | \$89,444.50        |
| 3341           | 8/25/2017     | 9/30/2017  | 9/30/2022  | Danville-Regional Industrial Authority      |                                                                                                   |                           |                            |                                    |                 |                 |                    |
| 3375           | 12/7/2017     | 9/30/2017  | 9/30/2022  |                                             | Unison Tube L.L.C.                                                                                | Performance Period Ended  | Full performance met       | working on post-performance payout | \$ -            | \$ -            | \$ -               |
| 3393           | 12/7/2017     | 9/30/2017  | 9/30/2020  | St. Paul, Town of Buchanan                  | Willis LLC c/o St. Paul IDA<br>Trina Health of Pounding Mill, LLC<br>DBA Trina Health Town Center | Performance Period Ended  | Gathering Performance Data | Gathering Performance Data         | TBD             |                 |                    |
| 3394           | 12/28/2017    | 9/30/2017  | 9/30/2022  | Pittsylvania County                         |                                                                                                   | Performance Period Ended  | Gathering Performance Data | Gathering Performance Data         | TBD             |                 |                    |
| 3395           | 1/29/2018     | 12/31/2017 | 12/31/2021 | Beeford, County of                          | Amthor International, Inc.<br>KMR Aviation Services Inc.                                          | Performance Period Ended  | Gathering Performance Data | Reviewing Performance Data         | TBD             |                 |                    |
| 3405           | 2/21/2018     | 12/31/2017 | 12/31/2020 | Franklin County                             | DuPont Credit Union                                                                               | Performance Period Ended  | Gathering Performance Data | Reviewing Performance Data         | TBD             |                 |                    |
| 3406           | 2/22/2018     | 12/31/2017 | 12/31/2021 | Floyd County                                | Daley Acquisitions, LLC                                                                           | Performance Period Ended  | Gathering Performance Data | Reviewing Performance Data         | TBD             |                 |                    |
| 3428           | 3/27/2018     | 12/31/2017 | 12/31/2020 | Scott                                       | Mountain Top Timber Products, LLC                                                                 | Performance Period Ended  | Repayment Plan Executed    | Default - bankruptcy               | \$250,000.00    | \$125,000.00    | \$125,000.00       |
| 3447           | 5/29/2018     | 3/31/2018  | 3/31/2021  | Carroll IDA                                 | New River Polymers                                                                                | Performance Period Ended  | Gathering Performance Data | Reviewing Performance Data         | \$12,500.00     | \$12,500.00     | \$0.00             |
| 3451           | 7/17/2018     | 6/30/2018  | 6/30/2022  | Smyth County Economic Development Authority |                                                                                                   | Performance Period Ended  | Gathering Performance Data | Gathering Performance Data         | \$ -            | \$ -            | \$ -               |

Active TROFs with Concluded Performance Periods Dec. 2022

| Project Number | Date Approved | Start Date | End Date   | Organization                                                      | Project Title                            | Performance Period Status | Status 1                | Status 2             | Clawback Amount | Clawback Repaid | Clawback Remaining |
|----------------|---------------|------------|------------|-------------------------------------------------------------------|------------------------------------------|---------------------------|-------------------------|----------------------|-----------------|-----------------|--------------------|
| 3452           | 7/17/2018     | 6/30/2018  | 6/30/2021  | Smyth-Washington Regional Industrial Facilities Authority (SWIFA) | Speyside Bourbon Cooperage, Inc. Aquatic | Performance Period Ended  | Full performance met    | Revenue Sharing Only | \$0.00          | \$0.00          | \$0.00             |
| 3455           | 7/25/2018     | 12/31/2017 | 12/31/2020 | Haitfax IDA                                                       |                                          | Performance Period Ended  | Processing disbursement | Revenue Sharing Only | \$0.00          | \$0.00          | \$0.00             |
| 3456           | 7/25/2018     | 6/30/2018  | 6/30/2023  | Henry                                                             | Press Glass, Inc.                        | Extension Approved        | n/a                     | n/a                  | TBD             |                 |                    |

**Tobacco Region Revitalization Commission**  
 Financial Summary  
 As of October 31, 2022

|                                       |                       |
|---------------------------------------|-----------------------|
| TICR Fund Balance                     | \$ 237,289,259        |
| Restricted Endowment Balance          | \$ 75,976,441         |
| Unrestricted Endowment Balance        | \$ 46,109,311         |
| Restricted Endowment Accum Interest   | \$ 2,546,903          |
| Unrestricted Endowment Accum Interest | \$ 262,231            |
| <b>Total Cash &amp; Investments</b>   | <b>\$ 362,184,143</b> |

|                                 |              |
|---------------------------------|--------------|
| Cash Disbursements - this month | \$ 1,123,268 |
| Cash Disbursements - FYTD       | \$ 6,193,032 |

| Fund                           | Unobligated Balances |
|--------------------------------|----------------------|
| Education                      | \$ 1,820,708         |
| Education-Workforce Training   | \$ 2,432,953         |
| Education-TAP                  | \$ 3,600,000         |
| TROF (Deal Closing)            | \$ 20,062,518        |
| Southside Economic Development | \$ 15,991,623        |
| Southern Va Committee          | \$ 16,161,863        |
| Southwest Va Committee         | \$ 7,278,736         |
| Agribusiness                   | \$ 192,893           |
| R&D/Broadband                  | \$ 1,400,854         |
| Megasite Prospect Incentive    | \$ 17,375,889        |
| Lending Program                | \$ 74,438,458        |
| Administration                 | \$ 2,091,659         |
| TICRC General Account          | \$ 2,702,307         |
| FY2023 Budget Balance          | \$ 165,550,462       |

**Tobacco Region Revitalization Commission**  
Statement of Revenues, Expenditures, and Changes in Fund Balance (Cash Basis)  
As of October 31, 2022

|                                              | <u>FY23 Budget</u>     | <u>YTD Actual</u>        | <u>YTD Actual<br/>as % of<br/>Budget</u> | <u>Variance Favorable<br/>(Unfavorable)</u> |
|----------------------------------------------|------------------------|--------------------------|------------------------------------------|---------------------------------------------|
| <b><u>REVENUES</u></b>                       |                        |                          |                                          |                                             |
| Other Revenue (all cost codes)               | \$ -                   | \$ 499,962.36            |                                          | 499,962.36                                  |
| <b>Total Revenues</b>                        | <b>\$ -</b>            | <b>\$ 499,962.36</b>     |                                          | <b>\$ 499,962.36</b>                        |
| <b><u>EXPENDITURES</u></b>                   |                        |                          |                                          |                                             |
| <b>Administration</b>                        |                        |                          |                                          |                                             |
| Salaries, Fringe Benefits, Per Diems         | \$ 1,523,050           | \$ 412,824.45            | 27.1%                                    | \$ 1,110,225.55                             |
| Contractual Services                         | 514,900                | 161,169.57               | 31.3%                                    | 353,730.43                                  |
| Supplies and Materials                       | 4,500                  | 947.92                   | 21.1%                                    | 3,552.08                                    |
| Transfer Payments                            | 416,680                | 5,235.24                 | 1.3%                                     | 411,444.76                                  |
| Rent, Insurance, Agency Svc Charges          | 208,300                | 42,299.34                | 20.3%                                    | 166,000.66                                  |
| Furniture and Equipment                      | 10,500                 | 922.75                   | 8.8%                                     | 9,577.25                                    |
| Subtotal - Administration                    | \$ 2,677,930           | \$ 623,399.27            | 23.3%                                    | \$ 2,054,530.73                             |
| <b>Community Revitalization</b>              | <b>33,075,889</b>      | <b>5,569,632.67</b>      |                                          |                                             |
| <b>Total Expenditures</b>                    | <b>\$ 35,753,819</b>   | <b>\$ 6,193,031.94</b>   |                                          |                                             |
| <b>Revenues Over (Under) Expenditures</b>    | <b>\$ (35,753,819)</b> | <b>\$ (5,693,069.58)</b> |                                          |                                             |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b> |                        |                          |                                          |                                             |
| Transfers In (endowment and earnings)        | \$ 37,699,350          | \$ -                     |                                          |                                             |
| CASH BALANCE, June 30, 2022                  | \$ 242,982,328         | \$ 242,982,328.28        |                                          |                                             |
| CASH BALANCE, October 31, 2022               | \$ 244,927,859         | \$ 237,289,258.70        |                                          |                                             |

# **VIRGINIA TOBACCO COMMISSION**

## **STANDING COMMITTEES**

**VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION**  
**Commission Committees**  
*(rev. 11/1/2022)*

**EDUCATION COMMITTEE**

*The Hon. Kathy Byron, Chair*  
*The Hon. L. Louise Lucas, Vice Chair*  
Ms. Gretchen Clark  
Ms. Amanda Cox  
Mr. Joel Cunningham, Jr.  
Ms. Sandy Ratliff  
The Hon. Frank Ruff, Jr.  
The Hon. Gary D. Walker  
The Hon. William C. "Will" Wampler, III

**EXECUTIVE COMMITTEE**

*The Hon. Frank Ruff, Jr., Chair*  
*The Hon. James "Will" Morefield, Vice Chair*  
The Hon. Leslie R. "Les" Adams  
Mr. Edward "Ed" Blevins  
The Hon. Kathy Byron  
Ms. Julianne D. "Julie" Hensley  
The Hon. Terry G. Kilgore  
The Hon. L. Louise Lucas  
The Hon. Daniel "Danny" Marshall  
The Hon. T. Jordan Miles, III  
Mr. Walter H. "Buddy" Shelton

**INCENTIVES AND LOANS COMMITTEE**

*The Hon. Daniel "Danny" Marshall, Chair*  
*The Hon. Terry G. Kilgore, Vice Chair*  
The Hon. Leslie R. "Les" Adams  
Mr. Edward "Ed" Blevins  
Ms. Gretchen B. Clark  
The Honorable Stephen Cummings  
Ms. Coley Jones Drinkwater  
The Hon. T. Jordan Miles, III  
The Hon. Joseph D. "Joe" Morrissey  
The Hon. William A. "Will" Pace  
The Hon. Frank Ruff, Jr.

**SOUTHERN VIRGINIA COMMITTEE**

*Mr. Walter H. "Buddy" Shelton, Chair*  
*The Hon. T. Jordan Miles, III, Vice Chair*  
The Hon. Leslie R. "Les" Adams  
The Hon. Kathy Byron  
Mr. Joel Cunningham, Jr.  
Ms. Coley Jones Drinkwater  
Mr. Watt R. Foster, Jr.  
Mr. Richard T. Hite, Jr.  
Mr. Jay D. Jennings  
The Hon. L. Louise Lucas  
The Hon. Daniel "Danny" Marshall  
The Hon. Caren Merrick  
The Hon. Joseph D. "Joe" Morrissey  
The Hon. William A. "Will" Pace  
The Hon. Frank Ruff, Jr.

**SOUTHWEST VIRGINIA COMMITTEE**

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*Ms. Julianne D. "Julie" Hensley, Vice Chair*  
Mr. Edward "Ed" Blevins  
Ms. Gretchen B. Clark  
Ms. Amanda Cox  
The Hon. John S. Edwards  
The Hon. Terry G. Kilgore  
The Hon. Matthew Lohr  
The Hon. William A. "Will" Pace  
Ms. Sandy Ratliff  
The Hon. William C. "Will" Wampler, III  
Ms. Sarah L. Wilson

**STRATEGIC PLANNING COMMITTEE**

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*The Hon. Leslie R. "Les" Adams, Vice Chair*  
The Hon. Kathy Byron  
Ms. Gretchen B. Clark  
Ms. Julianne D. "Julie" Hensley  
The Hon. Matthew Lohr  
Mr. T. Jordan Miles, III  
The Hon. William C. "Will" Wampler, III