

# FY2017 Southwest Economic Development

## Summaries and Staff Recommendations

### September 2016

*The Southwest Economic Development Committee will meet on September 20<sup>th</sup> to consider proposals that were received by the July deadline for FY17 SWED funding. Staff has highlighted requests that are seeking federal POWER funding for coal-impacted communities. Other Business re: existing projects is included at the end of this report.*

<b>Grant #</b>	<b>Organization</b>	<b>Project Title</b>	<b>Requested Amount</b>	<b>Recommended Amount (yellow = POWER request)</b>
3185	Appalachian Agency for Senior Citizens	Falls Mills Adult Day Care	\$500,000	\$0
3196	Birthplace of Country Music	Birthplace of Country Music Museum and WBCM Expansion	\$310,000	\$250,000
3191	Floyd County EDA	Floyd Regional Commerce Center Phase II Development	\$420,696	Table
3198	Friends of Southwest Virginia	Building Appalachian Spring: Growing the Economy of SWVA through Developing Outdoor Recreation Destinations	\$500,000	\$500,000
3189	Heart of Appalachia Tourism Authority	Coalfield Regional Tourism Marketing Initiative, Training and Visitor Center Expansion	\$217,000	\$217,000
3202	Historic Crab Orchard Museum and Pioneer Park	Capital Expansion Phase III - Design	\$50,000	\$50,000
3192	LENOWISCO Planning District Commission	LENOWISCO Project Intersection	\$1,250,000	\$1,250,000
3188	Marion, Town of	Song of the Mountains Equipment Upgrade	\$45,000	\$45,000
3190	Ninth District Development Financing Inc	Capitalization of Revolving Loan Fund for Ninth District Development Financing Inc	\$1,000,000	\$0
3186	Raven Theater And Coal Museum, Inc.	Raven Theater and Coal Museum	\$250,000	\$0
3200	Scott County Economic Development Authority	Riverside Development Phase III - Site Development	\$500,000	table
3194	Scott County Telephone Cooperative	Scott County Telephone Cooperative Regional Broadband Initiative	\$500,000	\$0

3195	Southwest Regional Recreation Authority	Continued Growth for Spearhead Trails thru Expansion of Services	\$500,000	<b>VRA</b>
3193	Southwest Virginia Alliance for Manufacturing	Manufacturers Training Initiative	\$200,000	<b>withdrawn by applicant</b>
3203	Southwest Virginia Alliance for Manufacturing	Heart of Appalachia Collaborative Economic Transition (Heart)	\$450,000	<b>\$0</b>
3187	Southwest Virginia Community College	SWVA Regional Cybersecurity Initiative	\$258,790	<b>\$258,790</b>
3197	University of Virginia	UVa-Wise Oxbow Center for Technology & Innovation	\$272,109.94	<b>\$0</b>
3199	William King Museum of Art	Gallery Development: Appalachian Cultural Heritage Arts Along The Great Road	\$60,130	<b>\$60,130</b>
3201	Wythe County	Appalachian Regional Exposition Center - Arena & Spectator Development	\$750,000	<b>VRA</b>
	Total requests/recommendations		\$8,033,725.94	<b>\$2,630,920</b>
	available balance before/after recommendations		\$3,577,246	<b>\$946,326</b>

**Appalachian Agency for Senior Citizens  
Falls Mills Adult Day Care (#3185)  
\$500,000 Requested**

**Project Description Provided by Applicant:** Appalachian Agency for Senior Citizens (AASC) has been private non-profit Area Agency on Aging since 1975. In the last 5 years, the agency's revenue has grown by 50% and the number of staff has been increased by 35%. The growth is due to the increased population of older adults in the four county area served by AASC and the growth of programs such as PACE (AllCARE). To meet the demand, AASC is planning to construct a facility for the adult day care program, the nutrition program, AllCARE, and Care Coordination that will provide 15 new jobs within three years. As the number of participants increase, the number of employees will also increase as mandated by state and federal regulations. By 2020, the number of persons age 60+ are projected to double in Tazewell County, while industries to address their needs are inadequate. This project will support both issues.

**Staff Comments and Recommendation:** This request for assistance with construction expenses associated with relocating services to a newly constructed facility on the site of a former elementary school reflects a very solid planning effort on the part of the applicant. The application shows outcomes of 15 new jobs with an average salary of \$24,000 however the majority of those are

positions that pay less than \$20,000 annually. Planning documents submitted with the application show that initially the Commission would be asked for \$100,000, and correspondence with the application revealed that the larger ask is the result of unsuccessful fundraising from other sources including VCEDA. The increased revenues from new or expanded services in the facility indicate an ability to take on debt service that was not reflected in the budget. Only approximately \$300k is committed toward a \$2 million project, while the majority of funding is uncommitted and will be sought from ARC (\$470k), CDBG/ CSBG (\$700k), USDA-RD (\$27k), and Tazewell County (\$230k). While this adult day care project results in modest job creation, it is essentially a social services project similar to childcare centers, which are listed as a "Low Priority" under the Commission's Strategic Plan, and is not basic economic development that measurably grows the regional economy by exporting goods or services. The project was among the lower scoring requests due to lack of alignment with the TRRC Strategic Plan. **Staff recommends no award.**

## **Birthplace of Country Music**

### ***Birthplace of Country Music Museum and WBCM Expansion (#3196)***

#### **\$310,000 Requested**

***Project Description Provided by Applicant:*** The Birthplace of Country Music (BCM) seeks funding to complete the expansion of the Birthplace of Country Music Museum (Museum) and expand coverage of WBCM Radio Bristol through a new translator. BCM acquired the building adjoining the Museum for future growth. In the expansion we will relocate offices to one location, relocate special exhibit space, increase event space and educational space, archival space and radio station capacity through additional edit rooms and studio space. The expansion will enable us to accommodate larger group meetings in our event space, bringing in rentals that we have had to turn down previously due to lack of space. Working alongside two hotels currently under construction, we will grow our capacity to bring outside visitors who spend new tourism and business dollars in our region. The expansion of WBCM enables us to reach a wider audience, grow our revenue, and work toward program syndication.

***Staff Comments and Recommendation:*** This is the second request for funding to renovate The Annex, a building located adjacent to The Birthplace of Country Music Museum. The building was purchased in May 2014 by the BCMA and the project received \$250,000 from TRRC in FY16 for Phase 1 renovation expenses including roof replacement and structural improvements. 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 current project is estimated to have a total cost of \$4,700,000 and will result in the relocation of all BCMA offices from Tennessee to Virginia as well as the relocation of special exhibit space enabling the creation of event space for rentals to outside groups. In addition, educational space and archival space will be increased and the capacity of the radio station will be expanded through additional edit rooms and studio space that will also serve as a recording studio. The application projects the creation of six new jobs (from a baseline of 14) related to the relocation of all staff from the current offices in Bristol TN. It is estimated that 19,000 net new visitors will visit the museum during the first year resulting in \$237,000 of new revenue for the Museum, although how much of that growth can be directly attributed to this expansion is unclear. Fundraising to complete the Annex renovation is ongoing with Phase 1 Federal and State Tax Credits already approved and Phase 2 credits are pending. The total expected from tax credits is \$1.2M Federal and \$950,000 State. Additionally,

BCMA plans to apply for \$1M of New Market Tax Credits. The project was allocated \$500,000 in the Commonwealth's 2016-17 Budget (administered through DHCD) and \$500,000 will be requested from ARC. The application indicates that this request will be the final ask of TRRC for the project. The application also requests \$60,000 for three years support of the Museum's WBCM radio station. Funds would be used on a declining basis (\$30,000 year 1, \$20,000 year 2, and \$10,000 year 3) for use (lease) of a new translator on towers owned by Holston Broadcasting. The increased coverage area will allow WBCM to extend its reach and market the Museum, events, and programming to a larger audience. Matching funds for WBCM are provided through radio crowdfunding and underwriting. While extending BCMA outreach through the WBCM station is an important part of the Museum's marketing strategy, the renovation of The Annex building appeared to be the highest priority use of funds and the purpose that best aligned with the Commission's Strategic Plan and the interests of multiple state entities that are participating in the project funding for this signature tourism destination in Southwest Virginia. This proposal was among the top five in scoring. **Staff recommends an award of \$250,000 for renovation of The Annex.**

## **Floyd County EDA**

### ***Floyd Regional Commerce Center Phase II Development (#3191)***

**\$420,696 Requested**

***Project Description Provided by Applicant:*** The project will begin Phase II development of the Floyd Regional Commerce Center, which has only two small pads available in Phase I. More sites are needed to both attract new industry and provide expansion space for existing industry. This project will build and complete road access and utilities to a 51-acre greenfield site, which is adjacent to an Appalachian Power substation and across the road from Citizen's Telephone's 200-Gbps open access network; and it will complete a small building pad (3 acres) from road-cut materials. Ultimately this 51-acre will net about 27 acres of building sites (including one that is about 17-acres), though this project will primarily cover road development (Appalachian Regional Commission Access program request) and utilities (TRRC funds requested to pay for water, sewer, last-mile fiber and stormwater.) We anticipate seeking federal Economic Development Administration funds in the future to help with additional building pad development.

***Staff Comments and Recommendation:*** The Floyd EDA is seeking funds for contractual and construction of utilities to create access to additional building pads. When completed the new phase of the County industrial park will have an additional six parcels, a total of 27 buildable acres with the largest parcel being 17 acres with room to accommodate a 125k square foot building, The EDA estimates this additional property could result in an estimated 130 jobs and \$30 million of new private investment. The proposal includes very thorough feasibility studies with target industries, transportation alternatives, and preliminary engineering. The project will be well-leveraged if an ARC Access Road request for \$946k is approved in 2017 (it will be submitted in October). Any funding consideration should be conditioned on that approval, as it represents the entire match for this phase of construction. The EDA states it intends to pursue federal EDA funds for \$2 million of pad grading for the proposed lots. ARC road doesn't require match so consider utility engin only at this point? (1/2 of \$73k) **Staff recommends this project be tabled until the likelihood of ARC and EDA funding is better known, and the outcome of other funds committed in this round - contingent on successful POWER applications - is known.**

## Friends of Southwest Virginia

### *Building Appalachian Spring: Growing the Economy of Southwest Virginia through Developing Outdoor Recreation Destinations (#3198)*

**\$500,000 Requested**

***Project Description Provided by Applicant:*** The Appalachian Spring Initiative was started in 2012 to promote community and economic development through outdoor recreation by developing outdoor assets, uniting them under a common brand, supporting downtown revitalization, and cross promoting assets and their communities. This project seeks to leverage funds from the Tobacco Region Revitalization Commission, the federal POWER initiative, and other state and local sources to take the next step in the development and enhancement of these assets. This project will support the construction of an Appalachian Trail destination center in Damascus, a High Knob destination center in the City of Norton, and the development of a multiuse trail between the Town of Haysi and Breaks Interstate Park. Each of these projects will move their localities and the overall region toward becoming an even better known and attractive outdoor recreation destination.

***Staff Comments and Recommendation:*** This extremely well leveraged request combines three separate construction projects as well as funding to retain three positions for two years for a total TRRC ask of \$500,000. Commission funding is matched by a \$1,563,510 pending application for ARC POWER funding and a \$180,000 EDA POWER application as well as matching funds from the impacted localities. The project furthers the work of the Appalachian Spring Initiative and focuses on outdoor recreation tourism. The total project reflects strong partnerships with several regional tourism organizations and destinations which are reflected in the individual projects. A mutually beneficial collaboration has been established with Spearhead Trails for the ARC POWER application reflected in the Breaks to Haysi Trail portion of this application. Commission funds (\$125k) will be used for construction of a trail connecting Breaks Interstate Park, and its nearly 300,000 annual visitors, to the downtown area of Haysi. Matching funds will be provided from \$313,510 of the ARC POWER request. Previous investments to the Town of Haysi include CDBG block grant funding and a portion of the trail to downtown which was funded by VCEDA. In Damascus an Appalachian Trail Center will be constructed. The 2,400 sq. ft. center will feature maps and information about the AT and the building will also contain office space for tourism staff and public restrooms for visitors. The center will be staffed by Town of Damascus and Appalachian Trail personnel. The site where the building will be located will be purchased using \$25,600 from the Town and \$223,500 of CDBG Block Grant funding. Construction of the building be paid for using \$150,000 of TRRC funding and \$650,000 of ARC POWER funding. The City of Norton and the Norton IDA are in the process of acquiring land (\$250,000) for the construction of a High Knob Destination Center focused at driving visitors to the High Knob area and the multiple recreation opportunities available there. ARC POWER funding (\$1.1M) will be used for construction and TRRC funds (\$50k) will be used for equipment. The ongoing work of Appalachian Spring will be funded for two years for the current Policy Analyst, Community Development Facilitator, and Project Developer positions using \$175k of the \$500k TRRC request and will be matched by \$180,000 EDA POWER funding (application intended). The proposal shows modest outcomes of 8 new jobs with average salaries of \$30,000. The real impact of the project will come from the estimated 80,000 new visitors and the increased spending associated with these visits. Considerable support has been provided over several years for Friends of SWVA and related organizations. In FY15 \$108,000 was awarded to Friends for construction of the Heartwood Festival Marketplace, The Commission has provided \$750k since 2011 to support the Appalachian Spring

Initiative. Due to strong leveraging from several agencies and localities, as well as the POWER requests (if approved) and mutually beneficial partnerships with existing localities and tourism organizations serving multiple locations across Southwest Virginia, this was the second highest scoring proposal. **Staff recommends an award of \$500,000 contingent on approval of the ARC POWER and EDA POWER applications as match to their respective projects.**

## **Heart of Appalachia Tourism Authority**

### ***Coalfield Regional Tourism Marketing Initiative, Training and Visitor Center Expansion (#3189)***

**\$217,000 Requested**

***Project Description Provided by Applicant:*** The purpose of the Coalfield Regional Tourism Authority is to increase the number of visitors crossing the threshold and the amount of dollars spent for tourism industry in the region. 1. Creating a one-stop-shop Visitor Center for trip planning, reservation booking services, group tour guide services and planning. Enables on line store and visitor center gift shop. 2. Implement a Destination Marketing Training Program to provide training for each Tourism Director and stakeholders and create a Regional Marketing Plan for HOA and localities within. 3. Create a position of Technology Coordinator to offer technical assistance to small entrepreneurial tourism businesses, implement digital/internet marketing, banner ads, Social Media 4. Create a position of Business Assistance Coordinator to build partnerships with the tourism industry and leaders. 5. Launch enhanced marketing campaigns for Spearhead Trails off road, equestrian, and mountain bike trails. Increase Appalachian Backroads Motorcycle/Sports Car campaign. Increase group tour marketing.

***Staff Comments and Recommendation:*** This is a multifaceted application focused on making Heart of Appalachia a more sustainable and effective tourism organization. HOA provides services to 628 tourism entities located in Lee, Scott, Wise, Tazewell and Russell Counties and the City of Norton. TRRC funds (\$52k) are requested for regional and local destination planning for each locality. A marketing campaign (\$125k) to promote atv, motorcycle, sportscar and group tours via radio, print and digital media will be launched. Two current part time positions will be restructured into a full time Technology Coordinator position (\$22k) and a full time Business Coordinator position (\$18k). Matching funds are committed from the Virginia Tourism Corporation Marketing Leverage Program (\$50k), Virginia DMME funds (\$60k), and from the applicant (\$107k). Throughout the project period HOA will also launch a Regional Investment Program directed at securing a minimum of \$150k in funding commitments each year from the localities and associated organizations it serves. Heart of Appalachia has received \$318k of Commission funds including \$250k for Crooked Road startup. No additional TRRC funding has been provided to the organization since 2004. The application estimates that 553 net new jobs will be created as a result of this project with an estimated 3.5M net new visitors to the region in the first year. These numbers seem overly ambitious, but the annual reporting of local tourism revenues will provide an accurate reflection of actual performance as the impact of the broad array of marketing efforts reach visitor audiences. Annual revenue from ticket sales is estimated to increase by \$326,850. While these outcomes are likely exaggerated there is no doubt that Heart of Appalachia is an important marketing asset to the localities and venues it serves, and that the applicant has presented a thorough and aggressive multi-faceted planning and marketing campaign. This proposal was among the top five in scoring. **Staff recommends an award of \$217,000.**

**Historic Crab Orchard Museum and Pioneer Park**  
***Capital Expansion Phase III - Design (#3202)***  
**\$50,000 Requested**

***Project Description Provided by Applicant:*** Crab Orchard Museum's visitation has increased exponentially from 17,000 to 24,500 visitors annually over the last three years. Capital Expansion Phase III-Design focuses on areas that are in dire need of facilities expansion and technology upgrades. The Design Phase will help us identify the scope of the work and anticipated preliminary costs for construction and materials. Once we determine the cost of the overall project, we will organize and launch a capital campaign including grants, government funds and private gifts to fund construction. We ask that any unexpended funds committed by the Va Tobacco Commission for the Design Phase be continued over to the Construction Phase. Capital Expansion Phase III addresses six critical needs: Museum Center Permanent Exhibit Upgrade; Museum Center Visitor Bathrooms Upgrade; Museum Center Collections and Storage Expansion; Outdoor Bathroom Conversion; Red Barn Transportation Exhibit Building Expansion; Walkways, Signage, Security and Outdoor Lighting.

***Staff Comments and Recommendation:*** While the design of the Museum's Capital Expansion Phase III does not itself result in any increases in visitation or related spending, it is a critical step in Crab Orchard's efforts to continue to serve as a viable and long-standing tourism destination for Tazewell County and the surrounding region. The Museum received \$330k of previous TRRC funding in 2003-06 for earlier expansions and upgrades, and visitation to Crab Orchard Museum has increased from 17,000 to 24,000 annually over the past three years. The proposed expansion will provide both facilities and technology upgrades needed for future growth in facilities and visitation. Tazewell County has committed \$50,000 for the project however it appears that additional funds will need to be raised to meet the estimated cost of the design. The Museum provided proposals from three design firms to TRRC Staff as supplemental information to the application. These proposals show a total design cost ranging from \$110k to \$139k. Communication from the applicant indicates that they have \$20,000 on hand that could be used for design but may need to raise an additional \$20,000 for this phase. The application indicates that future funding, presumably for the construction phase, may be requested from the Commission. The construction phase of the project may also be a candidate for ARC or VCEDA funding. This modest investment, though likely to be followed by a larger construction request, will assist with design of needed upgrades to a museum with a long, demonstrated track record of attracting visitors to the region. **Staff recommends an award of \$50,000 for no more than 50% of design costs related to Phase III expansion.**

**LENOWISCO Planning District Commission**  
***LENOWISCO Project Intersection (#3192)***  
**\$1,250,000 Requested**

***Project Description Provided by Applicant:*** The requested TRRC investment will provide dollar-for-dollar match for a federal POWER investment, and serve as leverage for a larger package of local, state and federal dollars. The Applicant seeks to acquire and initiate development of a highly desirable, previously unavailable regional industrial/business site. The site must be acquired within a tight timeframe. Over a phased development, this site should provide 200 acres of

developable, pad-ready acreage, with all supporting infrastructure already adjacent to the site. This site will be developed to attract prospective, targeted downstream supply chain clusters and other TRRC- and POWER-focused areas. This site, the top-ranked property in a TRRC-funded regional site study, is situated at the intersection of U.S. Highways 23 and 58, with the highest cumulative non-Interstate traffic volume in far southwestern Virginia. The access provided at the site by this transportation infrastructure is a critical component in the attraction of desired industries.

**Staff Comments and Recommendation:** TRRC staff has been discussing POWER and SWED funding for development of this 200 acre site with the project leaders for several months, and have visited the site, which is the top-rated site in a selection study conducted for Lenowisco, and reportedly the second-ranked site in a recently-completed study by Timmons Group for VCEDA. This request would cover half of the \$2.5 million acquisition cost, with POWER funds for the balance of acquisition and a portion of initial development costs of a 48 acre pad. The proposal estimates the first phase pad would be capable of attracting 350 new jobs and a \$10M private capital investment. The overall development cost has dropped from \$14M (without acquisition) in a PER completed in 2014, to \$6.55M including acquisition, using a phased development approach that anticipates applying for federal RECLAIM funding for formerly mined sites. Other as-yet uncommitted funders include VCEDA (\$2.3M), ARC POWER (\$1.5M) and EDA POWER (\$1.5M). The contiguous acreage does not appear to qualify for VEDP's new Business Ready Sites program, although that is a potential funding source that should be explored for subsequent development costs. A significant attribute of the site is the proximity of utilities, which are immediately adjacent to the property lines. Other competing sites available in region include the Lonesome Pine and Wise County parks, Duffield, Russell and Lee (Constitution Oaks), though few if any rival this site for a variety of characteristics including size, access to major highways, utility infrastructure, etc. The project leaders have initiated discussions with neighboring localities about the prospects of cooperating for revenue-sharing purposes, and initial indications of interest have been shown. Staff strongly supports this regional concept as a possible condition of funding, along with the approval of the proposed POWER grants, without which the project can not be initiated. **Staff recommends award of \$1,250,000 for one-half of site acquisition costs, contingent on approval of POWER grant(s) sufficient to complete acquisition and initiate site readiness activities.**

## **Town of Marion**

### ***Song of the Mountains Equipment Upgrade (#3188)***

**\$45,000 Requested**

***Project Description Provided by Applicant:*** Grant funds will be used to purchase two (2) Hitachi Z-HD5000 HDTV cameras and related video equipment, supplementing the two matching units purchased by the Town of Marion/Appalachian Heritage Music Foundation funds, to provide full video capabilities for production of the future seasons of Song of the Mountains and keep the show in compliance with the requirements of the PBS stations to allow us to continue the program.

**Staff Comments and Recommendation:** This request to upgrade video equipment for Song of the Mountains, Virginia's only nationally syndicated television series with a potential audience of over 122 million viewers monthly, will allow the program to continue production. Without the conversion to Hi-Def capability the program will no longer comply with the production

requirements of the PBS Stations who will cease to offer SOTM after this season. The program is now available on 139 PBS stations serving 74 markets in 24 states. The initial studio equipment is 10 years old and was purchased using Commission grants which have provided \$444,000 since 2006 for the program. The upgraded equipment will also allow SOTM to be streamed online, opening the program up to increased national and international audiences. Matching funds have been provided by the Town of Marion for the purchase of two Hi-Def cameras in May 2016. All equipment upgrades must be in place for the 2017 season. This project will not result in any new jobs, however an increase of 600 new visitors and an increase of \$15,000 in net new revenue are projected. Due to the extensive reach and associated marketing opportunities for the region provided through the Song of the Mountain program it is important that production be able to continue and that this modest additional investment be made to ensure a longer-lived return on the Commission's previous investments. **Staff recommends an award of \$45,000.**

**Ninth District Development Financing Inc**  
***Capitalization of Revolving Loan Fund for Ninth District Development***  
***Financing Inc (#3190)***  
**\$1,000,000 Requested**

***Project Description Provided by Applicant:*** This request aligns with the Southwest Regional Recreation Authority's (SRRA) strategy to become an outdoor recreation destination. Ninth District Development Financing Inc (NDDF) will capitalize its revolving loan fund, a tourism development loan fund established in 1995, to serve the Ninth Congressional District of Virginia. This initiative was established to revitalize southwest Virginia's economies due to the loss of coal- and tobacco-related industries. Through low cost financing and business development services, this strategy provides resources to augment current regional economic development initiatives including Spearhead Trails, The Crooked Road, Heartwood, Round the Mountain, and the Virginia Creeper Trail. Additional resources are needed to capitalize the revolving loan fund; the balance is currently at \$20,000 after two loans were made this year totaling \$983,860. With resources from VTRRC and associated match, NDDF proposes to make 7 loans within the three year project period and create/retain at least 70 FTE jobs.

***Staff Comments and Recommendation:*** TRRC has previously provided \$2.4 million to People Inc., which administers the NDDF, and its related small business financing entities dating back to 2003. There is no debating that the NDDF loan fund has had a positive impact in financing tourism-dependent private businesses in Southwest VA (24 loans for \$6.4M with no defaults since 1998) and is witnessing growing demand from tourism related businesses created in part by the successes of TRRC-funded tourism destinations such as The Crooked Road and Spearhead Trails. However, it can also be argued that TRRC's finite resources can be more impactful in the regional tourism economy by focusing on helping create the destinations that attract visitors (such as Crooked Road venues, Birthplace of Country Music Museum, etc.) while leaving it to other small business lenders (such as the applicant, Virginia Community Capital, SBA, VSBFA and others) to provide this private sector financing. This proposal estimates 70 new jobs but a previous TRRC grant #2381 funded 3 businesses with a total of 300k and created 10 jobs (\$30k/job), including a tourism business (a marina). While admittedly a snapshot of the results of the applicant's lending history, if those results are used for extrapolation, at \$30k per job the requested funding might create something closer to 33 jobs for a \$1M investment. The question here is: is this highest and best use

of \$1M in a declining TRRC budget year, to fund 7-8 private businesses. Staff suggests that existing resources at a variety of small business lending entities should be relied on for assisting businesses, while Commission funds remain focused on assisting the creation and expansion of tourism destinations. **Staff recommends no award.**

**Raven Theater And Coal Museum, Inc.**  
***Raven Theater and Coal Museum (#3186)***  
**\$250,000 Requested**

***Project Description Provided by Applicant:*** The Raven Theater, built in the middle of the Great Depression, is indicative of the true entrepreneurial spirit of a coal mining town during the late 1940's - 1960's. This grant application is to show the feasibility and soundness of using grant funding in the amount of \$250,000 to allow the Raven Theater & Coal Museum, Inc., a registered 501 (c) 3 non-profit organization, to complete the renovation and restoration of the historic Raven Theater building (and other adjacent sites) located in the Raven community of Tazewell County, Virginia. It is believed that upon completion, this project has the capability to generate sufficient revenues to allow the Raven Theater & Coal Museum, Inc. to be a self-sustained operation, providing much needed economic development and creating a number of direct and indirect jobs for the area.

***Staff Comments and Recommendation:*** This is the third request from this 501C3 nonprofit for this project in western Tazewell County (identical requests in the two of the past three years were passed by in Committee). The property was donated to the nonprofit and some site cleanup and repairs have been completed using volunteer labor and donations. To date the applicant has invested \$167,800 to partially renovate the building including the installation of a new floor in the theater and ice cream parlor, installation of a new roof for the ice cream parlor, new floor trusses for the second floor, 200 theater seats have been purchased, all windows have been replaced, installation of new wiring and three-phase power, and a new awning and refurbished marquee have been installed. TRRC funds would be used to complete the renovation through the construction of new walls in the theater and ice cream parlor (including framing, electrical, insulation and plumbing), the purchase and installation of tile for all floors, the purchase and installation of HVAC, an enlarged stage area and new exits, the construction of new ADA restrooms, and the purchase of furniture and equipment for the ice cream parlor. Once again the applicant does not indicate that other potential funders have been approached, including USDA's Community Facilities program and/or DHCD's ARC or CDBG programs. While the business plan shows that the revenue generated will produce the ability to take on some debt it does not appear that any community development lenders such as Virginia Community Capital or People Inc. have been considered either. It appears that matching funds have already been raised and expended, so with no additional funds that are shown to be used during the current project period, this application does not meet the Commission's 1:1 match requirement. The application lists 8 new jobs with an anticipated rate of \$8.50 per hour and projects 800 visitors annually generating \$35,000 of revenue. While the applicants states its intent to seek Affiliate status on The Crooked Road, this appears to be primarily a local community amenity akin to a community center, rather than a tourist destination with broad appeal to visitors from beyond the region. While the applicant is to be commended for their efforts which have brought the project to this point it appears to be principally a community development project that is better suited for other funding agency programs and not a basic economic development project that is aligned to

TRRC objectives. As such, and with modest outcomes and absent required matching funds, this was the lowest scoring project. **The project fails to meet the Commission's 1:1 match requirement and is ineligible for consideration. Staff recommends no further action on this proposal.**

**Scott County Economic Development Authority**  
***Riverside Development Phase III - Site Development (#3200)***  
**\$500,000 Requested**

***Project Description Provided by Applicant:*** The Riverside development has continued at a rapid pace since the initial investment by the Virginia Tobacco Commission on the site. We were able to attract TeleTech, a customer support center, creating 300 jobs and private capital investment of \$1.525 million. We want to create another site with the infrastructure so we will be ready for the next company. The need was recognized soon after the initial company was announced, and we would not have been able to attract that company had we not strategically created a ready to go site.

***Staff Comments and Recommendation:*** Funds are requested to grade a 15 acre pad that already has road and utilities in place due to previous investments. The Commission has supported the development of the Riverside business park with grants totaling more than \$1 million since 2011 for engineering, site prep and access road development costs. The County invested \$1 million to acquire the property in 2011, and ARC Access Road funds of \$497k paid half of the cost to construct the entrance road. The park received its first tenant when Teletech announced a commitment to establish a "customer experience center" on an adjacent building pad and create 300 jobs with a \$1.5 million investment (a \$645k TROF was approved for that project). The application states this proposed pad site has the potential to attract 250+ jobs and \$1.5 million of new private investment, which is validated by the Teletech commitment on the adjacent 7.5 acre pad. The proposal states that local matching funds will be committed, however, Staff has been informed that the EDA is working with Lenowisco PDC to submit a federal POWER application (or alternatively, other matching fund sources) to provide the Commission's required dollar-for-dollar match requirement. Given the previous success at this site, which is in large part due to its location on a well-traveled highway which provides access to the larger Tri-Cities workforce, Staff feels it is reasonable to table this application until more is known about the likelihood of other matching fund sources such as POWER or other agencies, and revisit the request at a later date. **Staff recommends this request be tabled for future consideration.**

**Scott County Telephone Cooperative**  
***Scott County Telephone Cooperative Regional Broadband Initiative (#3194)***  
**\$500,000 Requested**

***Project Description Provided by Applicant:*** The Scott County Telephone Cooperative (SCTC) Regional Broadband Initiative will expand the reach of the existing fiber network managed by SCTC to provide a redundant, reliable, affordable and more robust network to the businesses, schools and medical facilities in the region. This will promote economic development, job retention and expansion. This will attract more businesses to the region and promote business expansion. SCTC plans to use the Tobacco Commissions funds of \$500,000.00 to purchase materials to expand its

fiber network in the region and to purchase the electronics to light this network expansion. SCTC will pay for the labor (\$500,000.00) to construct and install the electronics for this fiber expansion. This fiber project will allow the business customers, medical facilities and schools in the region a reliable, affordable, redundant and more robust broadband connection to the world. This will promote economic development thru businesses attraction and expansion.

**Staff Comments and Recommendation:** The request seeks funds to build eight middle miles of fiber and 62 last miles, to provide (as stated in the application) "more robust, reliable and affordable service" to nearly 800 premises passed. The proposal does not provide a description of where the construction would occur, although in a June meeting with TRRC and SCTC staff it was stated that the project would primarily be in Wise County, including the Towns of Coeburn, Wise and Big Stone Gap. Prior to any consideration of funding the Commission would need to see detailed route maps and engineering quotes for construction, labor etc.. The proposal indicates 25 business subscribers that would be receiving new access, with an additional 259 businesses, healthcare, government and educational facilities receiving improved access via a redundant loop, presumably from upgraded speeds and/or an additional provider to compete for service from potential customers. The estimated construction cost of \$150 per user passed does not correspond to the premises passed in the outcomes, which are not clear but seem to indicate this is upgraded service for most. No financial information was provided that is specific to operating costs and revenues on the proposed routes, making it difficult to determine if this is a potential candidate for a TRRC/VRA loan (SCTC's request from a year ago is still being reviewed for a potential loan). Staff also suggests this could be a candidate for a federal broadband loan or grant, although the low number of customers passed who are currently unserved may limit the likelihood of that funding. This may be a sensible project from an infrastructure standpoint, to provide additional capacity and competition, but the return on investment is not compelling for the costs to connect 25 new unserved business users. **Staff recommends no award.**

## **Southwest Regional Recreation Authority**

### ***Continued Growth for Spearhead Trails thru Expansion of Services (#3195)*** **\$500,000 Requested**

**Project Description Provided by Applicant:** Spearhead Trails was created in 2008 by the Virginia General Assembly to provide economic opportunities in Southwest Virginia by creating outdoor recreation opportunities. To date, Spearhead Trails has created (4) Multi-Use Trail Systems and is currently under construction on our (5th) Trail System. Construction has begun on our first designated Equestrian Trail. Southwest Virginia is becoming a tourist destination for outdoor recreation and Spearhead has become one of the top destinations. Spearhead Trails is asking for funding to create a ATV / OHV rental branch to our trails to provide financial sustainability. With this funding, we will be create (5)five Trail Technician positions, with an average salary of \$25,000.00 per year plus benefits. There is high demand for this service and we anticipate increased visitors to Southwest Virginia from individuals and businesses. This funding will help Spearhead Trails to become a self sustaining entity.

**Staff Comments and Recommendation:** Since 2008 the Commission has provided approximately \$2.3M for start up personnel and operating support to establish the Spearhead Trail System which has become a signature tourism initiative in Southwest Virginia resulting in significant economic

impact in partner communities. A small portion of this amount was also used for trail construction. The FY17 application requests \$200,000 to establish an ATV/OHV rental business to meet the high demand for this service. Although private entrepreneurs have attempted to meet this demand none have been successful due to staffing issues with supervising rental parties and due to the tremendous overhead expenses such as maintenance, labor, and insurance associated with this business. Creating its own rental business allows SRRA to capitalize on lowered overhead (e.g. using personnel in several capacities described below) and to meet rental demand, while generating much needed revenue to sustain its operations. The organizational structure of SRRA along with the current insurance policy that is already carried for the trail system results in substantial savings and with the potential to generate substantial revenue as reflected in the business plan provided with the application. An additional \$300,000 is requested to fund five Trail Technician positions for a three year period. The Trail Technicians will consolidate many functions that are currently being outsourced such as trail security and trail and equipment maintenance. These employees will also conduct tours as part of the rental business and will accompany renters to assure that all equipment is being used safely and not damaged. Outcomes are projected at five new jobs (Trail Technicians) and an increase of 10,000 new visitors annually generating \$993,120 in new revenue. Matching funds are committed from the Commonwealth of Virginia (\$300,000), VCEDA (\$500,000) for construction of the Haysi's Ridgeview Multi Use Trail System. SRRA will partner with Friends of SWVA on a ARC POWER application for \$300,000 for the Haysi to Breaks Interstate Park multi-use trail project (this match is also reflected in the pending Friends of SWVA application #3198). Staff raised the issue of using public funds to compete against potential private operators, SRRA has indicated that businesses have been unable to succeed on their own in this endeavor. With that in mind, this is an attractive project presenting real potential to create a sustainable revenue stream for SRRA, and the significant revenue generating aspect in the business plan makes it a candidate for VRA credit analysis, with an eye toward loan funding. **Staff recommends referring the project to the VRA loan program for additional vetting and loan consideration.**

### **Southwest Virginia Alliance for Manufacturing *Heart of Appalachia Collaborative Economic Transition (Heart) (#3203)* \$450,000 Requested**

***Project Description Provided by Applicant:*** The SVAM COE project, titled the Heart of Appalachia Collaborative Economic Transition (Heart) project, will create sustainable economic growth for the southwest Virginia region by using a data-driven method for targeting investment and business support for the manufacturing sector. The TRRC funded portion of this project targets the coal-field supplier network that now supports the regions manufacturing base. The ARC and EDA funded portions of the project target the manufacturer business and technical capacity respectively. The TRRC funded support includes business assistance, coaching, mentorship and access to capital. This project provides manufacturing supplier owners and entrepreneurs a proven program to enable business growth, a round-table forum to bring the supplier community together as proactive ecosystem members, and direct coaching for the businesses tailored to their specific challenges and opportunities. Our manufacturing suppliers provide the materials and services needed to enable our manufacturing base to compete on the global stage.

***Staff Comments and Recommendation:*** The request from SVAM's TRRC-funded Center for Excellence in advanced manufacturing seeks funds primarily for contractual services, plus personnel

and supplies, as non-required match to two federal POWER requests totaling \$3 million (the two federal requests of approx. \$1.5M to each of ARC and EDA will match each other to meet federal requirements). The project involves supply chain mapping, business assistance, coaching, mentoring and financial assistance, and is based on federal SBA ScaleUp grants that have accomplished similar tasks in the Roanoke Valley and other states. TRRC funds will be pay for SVAM CoE and SWVA Workforce Development Board staff time and travel, and for the two organizations to contract with business trainers and data analysts to work with manufacturing supplier companies across Southwest. The proposal states that the requested TRRC activities rank as the third priority in this project, after the ARC and EDA funded activities. Neither POWER application has been submitted yet, and the majority of federal funds would be contracted to engage Supply Chain Visions, a private firm, to conduct the core project tasks. Outcomes include 40-45 business managers trained in 2016-17, and 100 new jobs created by those companies, although it would be difficult to attribute new job creation solely to these project activities. While the concept of growing business for supply chain companies through coaching appears to have had some success in other regions, Staff's primary concern is that it was not the Commission's intention in funding the creation of the SVAM CoE that this role would be a part of the CoE's core mission of training students and certifying students in precision machining, welding and industrial maintenance. While the CoE has made great strides in getting training sites, instructors and curriculum in place for the three workforce skillsets, it is not yet (for various valid reasons) meeting its intended targets of producing 75 certified mid-skill level students annually. Staff is of the opinion that this proposed project will distract from the CoE's core mission for which TRRC funding of more than \$5.1 million has been provided to date, and that federal funding, is successfully secured, will accomplish the primary outcomes of this project without requiring the requested additional TRRC funds. **Staff recommends no award.**

**Southwest Virginia Community College**  
***SWVA Regional Cybersecurity Initiative (#3187)***  
**\$258,790 Requested**

***Project Description Provided by Applicant:*** A critical shortage in information security skills and industry-recognized credentials exists in Southwest Virginia. The purpose of this project is to build a pool of cybersecurity professionals and bring new jobs to the region, leveraging previous investments of the Tobacco Commission and ARC to build a robust broadband network. At UVA-Wise, students will enroll in individual courses that will be a part of a Software Engineering, Computer Science or other bachelor's degree program. Seven to eight students will complete the program each year. SWCC and MECC will provide cybersecurity career studies certificate training programs in alignment with the National Security Agency's Academic Centers of Excellence. Students will have opportunities to earn 1-4 third-party certifications. In a parallel effort, UVA-Wise seeks to attract start-up companies through an accelerator space (The Oxbow Center) where companies can co-locate their research and development activities in a facility to work closely with faculty and students.

***Staff Comments and Recommendation:*** This application is the result of collaboration between the applicant, Mountain Empire Community College, and UVA-Wise to create a regional cybersecurity workforce. Commission funds are requested for equipment to establish cybersecurity labs at each college (\$258,790) and for student certification exams (\$126,360). With a total project cost of \$2,432,549.31, the TRRC request is extremely well leveraged by a variety of funding sources

including a \$1,517,772.15 application for ARC POWER funds. The three project partners will contribute a total of \$548,258.38 of unrecovered indirect costs on personnel expenses and MECC and SWCC (Perkins) funds (\$60,381.78) will be used to hire adjunct faculty to teach 2 Governor's School courses. The Virginia Department of Education will provide \$45,347 in transfer payments for MECC student tuition for Governor's School strand on cybersecurity. VCEDA and WIOA will each contribute \$1,000 toward conducting familiarization tours for recruiting early stage cybersecurity companies. No information is provided about how the program will be operated once grant funding is complete and there is no indication of how tuition revenues will be used during the start up phase of the program or if they will be adequate to sustain the program. A total of 26 students are expected to be enrolled across the program annually with 16 of those completing credentials and nationally-recognized certifications such as CompTIA (7-8/year at UVA-Wise and 8 at MECC and SWCC). This number of annual graduates, while modest, is likely well aligned with current job demand, and the cumulative effect - assuming the program is sustained beyond the initial term - would increase the outcomes substantially. With the federal leveraging (if approved), the focus on national certifications, and increasing job growth from newly-recruited companies such as Frontier Secure, Native Cloud, Teletech, and others, this request aligns well with Commission objectives for both the Education program and Economic Development (serving the employees training needs of existing companies and prospects). As such, this was the highest scoring proposal in the current grant cycle. **Staff recommends award of \$258,790 contingent on the approval of ARC POWER funds.**

## **University of Virginia**

### ***UVa-Wise Oxbow Center for Technology & Innovation (#3197)***

**\$272,109.94 Requested**

***Project Description Provided by Applicant:*** The emerging cybersecurity industry holds the promise to provide Southwest Virginia with immediate, high-tech jobs at minimal capital investment. This industry is expanding rapidly the SWVA region and its workforce are ideally suited to support this growth. Working with Virginia's Center for Innovative Technology (CIT) and MACH37™ a premier cybersecurity accelerator, The University of Virginia's College at Wise is negotiating with technology start-up companies for co-location in the region. To facilitate this effort, the College is establishing an accelerator for emerging technologies in a \$1 million facility recently donated to the UVa-Wise Foundation. The Oxbow property located in St. Paul, Virginia will provide 14,000 gsf of space for faculty, students, and researchers from start-up companies jointly developing software applications for cybersecurity clients. The request is for funding capital improvements in the facility to meet the needs of our initial cohort of start-up companies.<br>

***Staff Comments and Recommendation:*** The partnership with CIT to pursue a targeted economic growth sector is a strong element of the overall plan for the re-use of the Oxbow Center, and given the recent success in having data and customer care centers committing to nearby sites in Southwest Virginia, the demand for cybersecurity professionals will surely increase significantly. However, the market opportunity for small cybersecurity firms is less known (as opposed to data centers hiring in-house staff), so it is difficult to determine the interest or likelihood of success in job creation by the prospective tenants. Based on that, the outcomes appear to be somewhat modest and speculative (3 startup companies with 30 jobs). The applicant states that the co-location of companies will have multiple benefits by bringing professors, students and entrepreneurs together at

one site. However, it could be conversely argued that the tenant needs could also be met through existing space at business incubators across the region, or even virtually. The largest element of this request is to purchase and install a diesel backup generator (\$158k). While it is understandable that tenants in the cybersecurity field would require backup power, the generator will presumably serve the entire building, and arguably should be cost-shared from other sources. The remainder of the request is for computer networking expenses (\$114k). Matching funds include \$100k of in-kind from donation of the site and donated services, etc, in addition to operating expenditures once the the Center is re-opened, so TRRC funds would effectively be the upfront investment to prepare the building for occupancy. While the request received decent scores for its focus on an emerging growth sector, Staff feels the request would be stronger with committed matching funds from additional sources such as USDA Rural Development RBEG program and/or ARC, and with primary evidence of interest by prospective tenants. **Staff recommends no award.**

### **William King Museum of Art**

#### ***Gallery Development: Appalachian Cultural Heritage Arts Along The Great Road (#3199)***

**\$60,130 Requested**

***Project Description Provided by Applicant:*** The proposed grant funding would support the development of a new gallery at William King Museum of Art (WKMA) that will permanently house the Museum's Cultural Heritage Collection. The Collection, developed by WKMA founder, longtime director, and scholar of Appalachian heritage arts Betsy K. White, consists of over 500 objects representative of 19th and early 20th century Appalachian life, specifically in the Southwest Virginia and Northeast Tennessee region. These items include furniture, pottery, quilts and other textiles, photographs, paintings, kitchen utensils, hunting rifles, and more. Part of WKMA's mission is to preserve and present the cultural heritage of the region; this gallery will serve as a permanent space to display the area's rich history, culture, and arts. It will be an asset to the town of Abingdon and Washington County, as tourists will visit the Museum to experience this unique Collection.

***Staff Comments and Recommendation:*** The expansion of exhibit space will allow the Museum to showcase its Cultural Heritage Collection and to add artifacts formerly housed at Abingdon's Fields Penn House which has been condemned due to structural issues. Commission funds will be used for design and renovation of the 700 sq. feet space (formerly a museum store) which will adhere to American Alliance of Museum accreditation standards. Previous Commission support totaling \$686k in 2002-05 assisted the Museum in upgrading galleries to AAM and Smithsonian standards. Funds will also be used for exhibit installation. Matching funds are shown from private donors (\$18,454) for the remainder of the renovation costs and from a VTC Marketing Leverage Grant funds (\$15,000). WKMA has also committed a portion of its FY17 marketing budget (\$5,260) for promotion of the new gallery and exhibits. An additional \$21,416 needed to meet TRRC's 1:1 match requirement will be raised by WKMA through ongoing fundraising efforts. The project does not result in any new jobs but is estimated to increase visitation to the Museum by 20% (6,200 visitors) in the first year. Given the strong plans to marketing the new exhibit(s), this increase in visitation will be a measurable boost to attracting new visitors to the area and encouraging them to stay longer in the area. **Staff recommends an award of \$60,130.**

## Wythe County

### *Appalachian Regional Exposition Center - Arena & Spectator Development (#3201)*

**\$750,000 Requested**

***Project Description Provided by Applicant:*** Situated in the heart of Southwest Virginia, the Appalachian Regional Exposition Center (AREC) will serve as the Commonwealth's premier civic center for localities west of Roanoke, providing permanent indoor seating for concerts and other entertainment events. In addition to the arena, which will be used for a myriad of activities, including livestock shows, rodeos, indoor soccer, travel shows, motocross, concerts and dozens of other events, AREC will also include outdoor multi-purpose fields, a walking track, an outdoor horse ring, livestock barns, as well as classroom and training facilities. The county is requesting funding to assist in the outfitting of the main arena - these funds will be used to provide permanent and portable seating, installation of necessary audio / visual equipment, score board / marquee and an interior stage area.

***Staff Comments and Recommendation:*** This request for a second phase of funding for the AREC seeks funds to purchase seating, audio/visual equipment, score board/marquee and an interior stage area. In 2015 the Southwest Committee approved \$750k out of the County's \$3 million request for arena construction. The overall project would create five new jobs managing the facility, with an estimated 17,900 visitors annually to a variety of events including agricultural expos, concerts, rodeos, motocross, trade shows, indoor soccer, etc.. The site, which has excellent visibility and access to Interstates 81 and 77 and an abundance of nearby lodging, restaurants etc., was purchased by the County in 2015 at a cost of \$1.3 million. Staff inquired about the construction timeline and financing of the arena to determine the urgency of funding these interior buildout costs. The County responded that it expects to begin grading and receive final A&E design by this September, bid the arena construction this fall, and begin construction in early-2017. Consequently, a total construction budget is not available until designs and bids are received. The County has indicated that it has authorized \$5 million of debt service for the project, so construction financing and required matching funds appear to be committed. The proposal states that a future TRRC request of \$750k is anticipated. While some expected uses such as concerts and soccer do not align with Commission's economic development objectives, a reasonable case can be made that this facility, with attributes such as access to interstates and visitor lodging/dining, few if any competing facilities within a two or more hour radius, and a wide array of expected events that will draw visitors from beyond Wythe and Southwest Virginia, is a well-positioned tourism destination that will attract measurable visitation, capture visitor spending in the locality, and generate local tax revenues. That expectation is supported by economic impact studies completed by UVA's Weldon Cooper Center and Virginia Tech's Office of Economic Development. The necessity of Commission funding is debatable, based on the County Board Chair's statement to the Southwest Committee in 2015 that the County would develop the project even if no Commission funds were awarded (as evidenced by the County's subsequent \$5M debt service authorization). However, in this case, Staff suggests that a TRRC loan that would eventually "revolve" and be available for future projects is a reasonable approach to assisting what would otherwise be grant-funded or loaned from other sources, and that the County has publicly stated its intent to cover debt service for the project. **Staff recommends this project be referred to Virginia Resources Authority's credit analysis process for a potential loan from funds obligated by the Commission for loans in September 2015.**

## OTHER BUSINESS

### Scott County Economic Development Authority

*Scott County Economic Development Authority: Daniel Boone Interpretive Center Exhibits (Grant # 1642)*

**Approved for \$70,000 in July 2008 (\$41,123.60 balance) – request for additional time extension**

This project has received numerous extensions over the past 8 years with the most recent extension awarded in September 2015 and expiring in May 2016. These extensions have been necessary due in large part to delays associated with the review and approval processes for VDOT and federal funding provided for the project. TRRC funds serve as the required 20% match for VDOT which covers 80% of the expenses. An additional extension has been requested for the project in a 8/16/16 letter submitted by the grantee. This request states that they are working with Thompson & Litton to bring the project within budget and are were waiting for VDOT to approve the re-advertisement of bids. Although this grant funds design costs, an additional \$159,600 of TRRC funding was awarded for the project through the Reserve program (#2117) also serving as match for a related VDOT award. **Staff recommends approval of one additional year covering the June 1, 2016 to May 31, 2017 period.**

### Scott County Telephone Cooperative

*Sandy Ridge Regional Tobacco Commission FTTP Project (Grant # 2355)*

**Approved for \$1,000,000 in September 2011 (\$204,344.55 balance) – request for additional time extension**

This grant reached its fourth anniversary in September, 2015. At the September, 2015 Commission meetings the project was granted an extension until January 30, 2016 which at the time seemed sufficient to complete the project. On January 13, 2016 the grantee requested additional time to complete the project and estimated a new end date of June 30, 2016. As of June 30, 2016 the project was not complete. During the time between meetings work has been progressing and a payment request is pending approval of the extension. An Annual Grant Report has been submitted for the project. In September, 2015 the project was eligible for an entire fifth year however the approval only covered through January, 2016. Since the expiration of that extension the SWED Committee has not met to allow the consideration of additional time for the project. **Staff recommends a retroactive approval to cover the period between February 1, 2016 and September 30, 2016. Additionally staff recommends an additional extension through September 30, 2017 to allow for project completion.**

**Southwest Virginia Community Foundation, Inc.**

***Bush Mill Heritage Tourism Project (Grant # 2549)***

**Approved for \$100,000 in September 2012 (\$33,691.22 balance) – request for additional time extension.**

The grantee has requested that this grant be extended for an additional year to allow for completion of construction documents and to conduct the bidding process. This extension is necessary due in large part to delays associated with review and approval processes for the VDOT and federal funding provided for the project. While the grantee estimates the project will be complete by January but felt it was prudent to request the maximum extension to allow for any unanticipated delays. **Staff recommends approval of an extension through September 30, 2017.**