

FY09 Special Projects

Staff Summaries and Recommendations

July 2008

The Commission received 26 requests for Special Projects grant funds by the announced deadline of June 2, 2008, requesting \$18.6 million (these are listed and described below). An additional eight proposals to establish research and development centers were received by July 1, requesting \$45.1 million (list and summaries will be sent separately). The Committee has an available balance of \$49,799,333, of which \$40 million is reserved for the research and development center projects and \$9,799,333 is available for projects described below.

Request #	Organization Name	Project Title	Request Amount	Staff Recommendation
1618	Art Museum of Western Virginia	Distance Learning and Web-based Education Programs	\$339,919	\$0
1620	Blue Ridge Crossroads Economic Development Authority	Regional Tourism Initiative	\$27,800	\$27,800
1613	Center for Rural Virginia	Return to Roots - Finding Your Roots - Southern Virginia	\$287,000	\$287,000
1604	Confederate Memorial Literary Society	Museum of the Confederacy – Appomattox	\$300,000	\$300,000
1610	Corporation for Jefferson's Poplar Forest	Marketing and Developing Thomas Jefferson's Retreat as a National Tourist Destination	\$417,300	\$175,600
1623	Council for Rural Virginia	Financial Resource Directory - Access to Capital for Rural Areas of Virginia - Southside & Southwest	\$260,000	<i>withdrawn by applicant</i>
1619	Danville Science Center	Large Format Theater (LFT)	\$1,265,210	\$0
1505	Duffield DR Operations, Inc.	3 Strides - Regional Research Partnership	\$2,892,054	\$0
1627	Town of Farmville (Prince Edwards County)	High Bridge Trail Test Area, Kiosk and Amenities	\$377,200	\$0
1624	Greensville County	Southside Virginia Workforce Development Center	\$135,800	\$135,800
1625	Henry County	Project Mainstream	\$3,250,000	Refer to SSED
1646	Lincoln Theatre, Inc.	Song of the Mountain - A nationally syndicated television project ...	\$115,500	\$ 49,000

1622	Martinsville-Henry County Economic Development Corporation	The Academy of Motorsports	\$60,000	\$60,000
1649	Mount Rogers Regional Adult Education Program	Transition Classes for GED Recipients	\$52,283	Resubmit to Education
1614	Museums of Appalachia, Inc.	Southwest Virginia Solar Victory Garden Project (SVSVGP) Research Center	\$140,000	\$0
1621	Old Dominion University Research Foundation	VIPER Dynamometer and Engine Instrumentation Laboratory, VIPER Phase II(b)	\$432,470	\$432,470
1606	Olde Dominion Agricultural Foundation, Inc.	Olde Dominion Agriculture Complex - Phase II	\$2,000,000	Refer to Agribusiness
1617	People Incorporated Financial Services	Commonwealth Enterprise Fund	\$500,000	\$500,000
1609	(Southwest) Regional Recreation Authority	Southwest Virginia Multi-Use Trail System Feasibility Study	\$70,000	\$70,000
1591	Russell County Industrial Development Authority	Russell County Governmental Center	\$850,000	\$0
1362	Tazewell County	Bluestone Regional Business & Technology Center, Phase 1B	\$2,000,000	<i>withdrawn by applicant</i>
1612	The Virginia Electronic Commerce Technology Center at Christopher Newport University (VECTEC)	Expanding Electronic Commerce Technology to the Southwest, Southcentral and Southside Tobacco Commission Regions of Virginia	\$280,000	\$186,000
1616	University of Virginia	Healthy Appalachia Works	\$995,602	\$995,602
1615	Virginia Commonwealth University	Cancer Research Rural Outreach Program Southside Cancer Clinical Trials and Prevention and Control Research	\$1,000,000	Table
1626	Virginia Community Capital, Inc.	Rural Small Business Loan Fund	\$500,000	\$0
1628	VNA Horticulture Research Foundation, Inc.	Beautiful Gardens Plant Introduction Program	\$47,450	Refer to Agribusiness
26 Requests		Total	\$18,595,588	\$3,219,272
		Balance available (<i>after recommendations</i>)	\$9,799,333	<i>\$6,580,061</i>

Art Museum of Western Virginia
Distance Learning and Web-based Education Programs
(#1618 – requesting \$339,919)

Funds requested by a Roanoke-based non-profit organization for the purchase of videoconferencing equipment and technology to enable the delivery of web-based programs to the schools in the museum's forty county service area, of which 24 are located in the tobacco region. Programming will provide students with access to American art, contemporary art, photography, design, and new media art experiences. Additionally, the technology will allow the museum to provide professional development programs via videoconferencing and the internet to teachers in Southside and Southwest. The facilities will be based in the Center's new museum, which is scheduled to open in November 2008 in downtown Roanoke. The applicant cites studies which conclude that arts education enhances students' success on SOLs and general academic achievement.

Total project cost is \$1,267,000. Other funds include: \$64,000 Commonwealth of Virginia for construction (expended); \$16,000 U.S. Federal Government for construction (expended); \$78,000 City of Roanoke and Roanoke County for education programs (78% expended); \$513,000 from corporations, foundations, and donors for construction and programs (75% of pledges received); \$227,000 in-kind from Virginia Tech for implementation and equipment needs assessment (work performed); \$30,000 in asset earnings for personal services.

Prior funding history: none specific to this project or this applicant.

Staff comments and recommendation: Request is well-supported and leveraged but would improve facilities outside tobacco region and serve education needs that are not TICR priorities (e.g. K-12 and art education). Economic outcomes will be difficult to measure for TICR region. **Staff recommends no award.**

Blue Ridge Crossroads Economic Development Authority
Regional Tourism Initiative
(#1620 – requesting \$27,800)

Newly formed 501(c)(6) nonprofit organization comprised of eight local governments in Southwest Virginia (Carroll County, City of Galax, and Grayson County) and Northwest N.C. are requesting funds for the Virginia partners share in hiring a consultant to oversee the coordination and marketing efforts of the Regional Tourism Initiative (<http://ncvarti.org>), which includes identity packaging, logo development, branding strategy, media press kit, information brochure, tourism guide map, design and develop 15 tourism information kiosks, advertising campaign, tourism academy, tourism business survey, value-added product differentiation, and business plan implementation.

Total project cost is \$27,800. Other funds include: \$128,500 awarded from EDA; \$75,000 awarded from North Carolina Rural Economic Development Center, Inc.; \$25,700 committed by the Southwest VA and Northwest NC partner localities.

Prior funding history: none specific to this project.

Staff comments and recommendation: Organizational documents (articles, bylaws), five-year business plan and scope of consulting services have been completed and provided. This request

would enable a dollar-for-dollar drawdown of the full EDA grant. **Staff recommends award of \$27,800.**

Center for Rural Virginia

Return to Roots - Finding Your Roots - Southern Virginia

(#1613 – requesting \$287,000)

Funds requested for a two-year period to replicate Southwest Virginia’s “Return to Roots” program in the Southern tobacco region in an effort to attract former residents of Southside VA home to fill job openings in targeted employment sectors such as education, medical, professional and manufacturing. Initially the project will focus on five counties and two cities in Southside, and will be implemented by the staff of Virginia’s Economic Bridge (VEB is contracted to operate RTR-SW). Funds requested for personnel (a Southside-based project coordinator, administrative support and data interns), outreach (advertising and marketing, website, data management and travel), continuous charges and materials. Applicant estimates 80 recruits placed with area companies within one year. Matching funds of \$75,000 are also requested on a dollar-for-dollar matching basis for the transition of the Southwest Return to Roots project to its sustainability model. Additional future funding has been noted by the applicant in terms of the Southern region becoming self-sustained.

Total project cost is \$480,200. Other funds include: \$100,000 pending from the Harvest Foundation and the Danville Regional Foundation for project development and marketing; \$18,200 in-kind from Southern Virginia Higher Education Development Center for project support; \$75,000 matching grant pending from SWVA business/corporate partners for Return to Roots – SWVA project operations.

Prior funding history: two grants totaling \$361,550 for RTR-SW in FY06-07 to a separate grantee, none to this applicant.

Staff comments and recommendation: In less than two years, RTR-SW has registered 435 businesses and 1,225 job candidates. The site has hosted 623 jobs (70 currently), received 393 applications from 112 individuals, and cites the filling of ten jobs as a result. Success in attracting advanced manufacturing employers such as RTI (Martinsville-Henry), Swedwood (Danville-Pittsylvania) and other companies has created hundreds of job openings in the target area. **Staff recommends award of \$287,000.**

Confederate Memorial Literary Society

Museum of the Confederacy - Appomattox

(#1604 – requesting \$300,000)

The Museum of the Confederacy (MOC), currently based in Richmond, is in the planning phase of building a museum system with new locations in Appomattox, Fort Monroe (Hampton), and Spotsylvania County/Fredericksburg. Funds are currently requested to assist with interpretive planning, site analysis and design, building design, and exhibit design for the proposed 6,000 square foot Appomattox museum which will house \$50-75 million worth of MOC’s extensive Civil War artifacts. MOC procured Chmura Economic & Analytics to perform an economic impact study on the proposed Appomattox museum, which conservatively estimates 50,000 annual visitors and \$950,000 in operational revenue with a total economic impact (direct and ripple effects) of \$1.5

million and 26 jobs. Additionally, visitor spending outside the MOC-Appomattox is estimated to produce \$1.4 million and 18 jobs. The fiscal benefits (taxes from sales, meal, lodging, etc) for local government are expected to be \$28,414 per year based on 50,000 annual visitors.

Total project cost is \$338,500 for current phase. Other funds include: \$88,500 cash match from MOC for planning of MOC-Appomattox.

Prior funding history: none specific to this project or this applicant.

Staff comments and recommendation: The Town of Appomattox has obtained an option on the chosen site on Route 24 in close proximity to the Appomattox Courthouse National Historic Site and the purchase is expected to close in September. The site should create extensive synergies between the two similarly-focused attractions, in addition to nearby Civil War battle sites at Sailor's Creek and High Bridge. Project is targeted for opening in advance of the Sesquicentennial of the war in 2011-2015. **Staff recommends award of \$300,000 contingent on acquisition of the site.**

Corporation for Jefferson's Poplar Forest

Marketing and Developing Thomas Jefferson's Retreat as a National Tourist Destination

(#1610 – requesting \$417,300)

Funds requested for the development of facilities to expand visitor attraction, which includes the construction of gateway features, adding GIS to electronic tour devices, development of Jefferson's landscape trail, remodel start-of-the-tour building, and renovation of open-air pavilion for year-round multi-purpose events. Additionally, marketing funds for a new website, multi-media marketing film, billboards, and ads are requested to launch the 2009 unveiling of the completed exterior restoration of Thomas Jefferson's private retreat in Bedford County. The initial goal is to double the attraction's visitation (omitting school groups) to 39,000 within 3-4 years, with a majority of visitors coming from outside the region (60% of visitors in 2007 were out-of-state).

Total project cost is \$766,728. Other funds include: \$191,593 granted by the Institute of Museum & Library Services for reconstructing Jefferson's landscape and purchase of tour devices; \$70,000 pledged by English Construction for website; \$87,835 to be raised by Poplar Forest Annual Fund for marketing.

Prior funding history: \$300,000 FY06 Special Projects award for the purchase and protection of a 72-acre property (Jefferson's "Lower Field").

Staff comments and recommendation: The request will assist in measurably expanding visitor attraction to this nationally-recognized historic site. Improvements are coordinated with a new branding ad campaign and completed reconstruction of Jefferson's 100-foot wing of offices that is attached to the historic home. **Staff recommends award of \$175,600 for one-time capital improvements to facilities (excluding marketing initiative).**

Council for Rural Virginia

Financial Resource Directory - Access to Capital for Rural Areas of Virginia - Southside & Southwest

(#1623 – Withdrawn by Applicant)

Danville Science Center
Large Format Theater (LFT)
(#1619 – requesting \$1,265,210)

Construction funds requested for a 2,500 square foot large format theater with high-definition video playback and digital surround sound with a seating capacity of 90-120 (comparable to an I-MAX theater) to be located at the Danville Science Center. The facility would provide K-12 and community educational opportunities, host science demonstrations, support VA SOLs, offer teacher education, and serve as a tourism asset. The Center estimates 36,000 annual visitors (25% of attendees drawn from outside the region) and annual operating revenues of \$344,744.

Total project cost is \$5,000,000. Other funds include: \$2,226,000 state appropriation approved from the Science Museum of Virginia for construction; \$1,200,000 approved from the Danville Regional Foundation for LFT operating endowment.

Prior funding history: none specific to this project or this applicant.

Staff comments and recommendation: Project is well-planned and funded for construction and operating purposes, would be the only facility of its type in the tobacco region, and will have some measurable tourism impact in the region. However, it appears to be primarily a community educational and entertainment facility (75% attendees from within the region) and targets a low-priority use (K-12 and science education). **Staff recommends no award.**

Duffield DR Operations, Inc.
3 Strides - Regional Research Partnership
(#1505 – requesting \$2,892,054, referred from Technology Committee)

Funds requested by a newly-established Virginia non-stock corporation to create a grant fund that provides equipment to allow tracking of electronic health records (EHR) for 500 small medical practices (1-5 physicians practices, plus any public health agencies) in Southwest and Southside VA. EHRs would be used by the applicant and a private corporation (OnePartner) to compile patient data for proposed clinical research studies on management of diabetes. The applicant is a spin-off of the Holston Medical Group that is building a health data center in Duffield, and proposes to use CGI in Lebanon for central management of data. HER grant selection guidelines will be developed, and it is anticipated that grantees would receive equipment, licensing, training and technical support for a three year period. Revenues generated by the applicant will be shared with physicians who are selected to participate.

Total project cost is \$3,784,054. Other funds include: \$355,880 OnePartner, \$500,000 participating physicians.

Prior funding history: none specific to this project or this applicant.

Staff comments & recommendation: Application referred from Technology given project's focus on drug research. Applicant has not yet provided an IRS determination of non-profit status, and therefore alternatively proposes to designate LENOWISCO PDC as fiscal agent. The TICR General Funding Policies state that funds "should not be used to establish endowments" which has been interpreted to discourage the use of grant funds to create local/regional grant programs (although regional small business financing programs have been capitalized with Special Projects funds). Economic outcomes accrue to private doctors and research partners and are difficult to measure and

confirm. If as proposed the private revenues total more than \$20 million over five years, it is challenging to make an argument supporting public funding. **Staff recommends no award.**

Town of Farmville

High Bridge Trail Test Area, Kiosk and Amenities

(#1627 – requesting \$377,200)

Funds requested for the construction of a rest area with bathrooms and kiosk, as well as the installation of period lighting, benches, bike racks, and landscaping along the High Bridge Trail at Main Street in Farmville. The High Bridge Trail is a 35-mile long linear state park spanning from Pamplin to Burkeville with 3.5 miles of trail through the Town of Farmville. Trail segment from Farmville to the historic High Bridge will be completed in 2008 with the entire trail estimated for completion in Summer of 2009. Chmura Economics & Analytics completed a TICR-funded economic impact study of the High Bridge Rail-Trail State Park which projects trail user spending of \$10.40 per visit with 67,941 visits annually. The Bridge Trail project is the number one priority economic development project per the Commonwealth Regional Council's Legislative Priorities report.

Total project cost is \$9,620,200. Other funds include: \$1 million committed by the General Assembly for trail construction; \$1,358,000 (\$808,00 expended) anticipate from VDOT Enhancement for Main St. streetscape and \$743,000 for trail construction; \$7.5 million committed by VA Public Building Authority Bond Sales for trail construction.

Prior funding history: \$18,250 FY04 SSED to Prince Edward County for High-Bridge Rails-to-Trails economic impact analysis.

Staff comments and recommendation: Requested improvements equate to aesthetic streetscape improvements for a local recreational amenity, as opposed to enabling the creation of the actual trail as a regional visitor destination. Activities appear to be eligible for VDOT enhancement program grant. **Staff recommends no award.**

Greensville County

Southside Virginia Workforce Development Center

(#1624 – requesting \$135,800)

Funds requested for building finishes, classroom dividers, and resource center equipment to complete the construction of the 15,000 square foot regional facility in the County Government Office Park on U.S. Route 301. The facility will open in September 2008 and provide programs for adult continuing education, Workforce Investment program and Southside VA Community College. The facility will be run by a 501(c)(3) nonprofit with operating support and board representation from the County, the City of Emporia, the neighboring Counties of Brunswick and Sussex, local industries and educational institutions. Projected impacts include 50-70 GEDs earned per year, 270 job seekers receiving employment assistance, and 200 industry employees receiving training.

Total project cost: \$3,540,858. Other funds: \$864,140 TICR Economic Development & Education for A/E and construction; \$1,407,256 loan obtained by Center partners for construction; \$700,000 DHCD CDBG for construction; \$150,000 USDA Rural Enterprise grant for A/E; \$50,000

Greensville Memorial Hospital Foundation for health science lab; \$125,000 Greensville County for legal fees and A/E; \$108,662 SVCC for furniture.

Prior funding history: \$344,952 FY05 SSED; \$120,022 FY06 SSED; \$94,063 FY07 SSED; \$115,699 FY07 Education; \$189,404 FY08 SSED.

Staff comments & recommendation: Project has been supported by TICR in past rounds as a well-planned and funded facility that will serve regional workforce training needs. Construction of facility began March 2007 and the County has fully expended all of its previous awards (TICR's share of the overall project cost is approximately 28%). New award would reduce long-term debt and enable start-up of classes and resource center services. **Staff recommends award of \$135,800.**

Henry County

Project Mainstream

(#1625 – requesting \$3,250,000)

Funds requested to be transferred to the TROF program for deal-closing funds for a currently active economic development prospect (“Project Mainstream”). Funds would be used for site development of a 100 acre pad located in Ridgeway, one of the Tobacco Mega Site study locations. Initially, the company will invest \$43.5 million and create 321 new jobs at an average age of \$38,186 plus a fringe benefit package estimated at 38 percent.

Total project cost is \$13,800,000. Other funds include: \$1,150,000 committed from TROF; \$1.5 million committed from GOF; \$3,350,000 committed from Henry County; \$3,250,000 committed from Harvest Foundation.

Prior funding history: none specific to this applicant or location.

Staff comments and recommendation: Project was previously examining a Southwest VA site and TICR funds were held in reserve for a potential incentive package (prospect eliminated SWVA site a year ago, and is now focused on the Henry location. Henry County has insufficient Southside Economic Development allocation to address this project. The SSED Committee chairman has been briefed and is prepared to receive this project for discussion, given the Committee's recommendation to suspend the Southside allocation formula. **Staff recommends request be referred to Southside Economic Development.**

Lincoln Theatre, Inc.

Song of the Mountain - A nationally syndicated television project to promote economic development in Southwestern Virginia

(#1646 – requesting \$115,500)

Funds requested by the nonprofit applicant for production costs and to purchase additional audio and video equipment to produce a fourth season of “Song of the Mountain” which will feature 12 stage shows and 24 television shows (100% increase from last season) of bluegrass music performances in Marion's historic Lincoln Theatre. Previous TICR grants assisted in start-up of the series, and purchase of core audio and video equipment to tape, edit and produce its own shows. The current requested equipment would move towards high-definition production, optimize use of existing equipment, and would eliminate borrowing and renting of production devices. Through the

series' third season, shows have been syndicated by Blue Ridge Public Television and have been seen in 157 markets in 25 states and the District of Columbia, reaching 22 million households.

Total project cost is \$530,250. Other funds include: \$25,000 committed by the Towns of Marion, Chilhowie, and Saltville for coordinator; \$16,000 requested from Smyth County for promoter; \$47,500 committed and \$42,500 pending/requested from local foundation, regional hospital, bank, etc. for operation expenses.

Prior funding history: \$75,000 FY04 SWED for start-up operating support of the Lincoln Theatre; \$95,000 FY06 SWED for production of first year shows; \$125,000 FY06 SP for second year show production; \$175,000 FY07 SP for equipment purchases to produce in-house its third year shows.

Staff comments and recommendation: Results to date show tremendous growth in market syndication, matching support and website hits. **Staff recommends award of \$49,000 for equipment purchases, conditioned on development of a tracking system to document attendance and revenues from visitors and e-commerce customers from outside the tobacco region.**

Martinsville-Henry County Economic Development Corporation ***The Academy of Motorsports*** **(#1622 – requesting \$60,000)**

Funds requested by the Martinsville-Henry EDC to continue support to establish the Carlisle International Motorsports Academy (CIMA - see www.theacademyofmotorsports.org), a proposed nonprofit high school at Virginia International Raceway (VIR), by contracting with motorsports consultants to conduct market research with parents and prospective students, and to enroll industry partners as potential sponsors of funds, speakers, field trips, and equipment. A proposed curriculum will be refined and additional marketing materials produced based on market response. Additionally, funds would be used to extend the current business plan from ten students in Fall '09 to a program with 100 students in later school years. Construction funds are anticipated to come from a \$12.9 million USDA loan.

Total project cost is \$75,000. Other funds include: \$10,000 committed by VIR and \$5,000 from Carlisle School for development support.

Prior funding history: \$107,000 FY08 SP (\$16,959 balance) for contracted services to develop curriculum/boarding plans, business plan and marketing materials.

Staff comments and recommendation: Project is integrated with several Southern VA motorsports resources including the Patrick Henry Community College and New College Institute motorsports degree programs, the IALR/ODU VIPER research and education facilities, race tracks and private partners (e.g. Bobby Hamilton Racing and Arrington Manufacturing). Economic impact of school at full operation would add \$7.7 million to the local economy annually. **Staff recommends award of \$60,000.**

Mount Rogers Regional Adult Education Program
Transition Classes for GED Recipients
(#1649 – requesting \$52,283)

Transition classes were implemented in 2007-2008 as a pilot project in the Mount Rogers region at Virginia Highlands CC and Wytheville CC for GED recipients, which resulted in 13 students enrolling in post-secondary education. TCR funds are requested for a second year of teacher salaries, materials and supplies, marketing, professional development, and teacher travel expenses. MRRRAEP will provide free remedial courses in reading, writing, math and computers, and Virginia Highlands and Wytheville Community Colleges will provide courses in study skills, educational and career counseling, and mentoring. It is anticipated that 40 GED recipients will enroll in postsecondary education after completing the transition class.

Total project cost is \$92,283. Other funds include: \$10,000 in-kind from Mount Rogers Regional Adult Education Program; \$15,000 in-kind from Virginia Highlands CC; \$15,000 in-kind from Wytheville CC.

Prior funding history: \$57,402 FY07 SP (\$16,901 balance) for program start-up; \$457,040 FY04-07 Education grants for regional GED scholarships, testing and marketing (\$86,624 balance).

Staff Comments and recommendations: This region and the two school service areas lack a Middle College approach to steer GED grads to community college, so this program is filling that role with modest initial success. Balances remain on previous grants. **Staff recommends applicant resubmit to Education round as part of a comprehensive coordinated regional GED program.**

Museums of Appalachia, Inc.
Southwest Virginia Solar Victory Garden Project (SVSVG) Research Center
(#1614 – requesting \$140,000)

Funds requested to contract research staff to determine the best-fit photovoltaic solar systems for residential and commercial use based on availability, quality, scalability, performance and affordability, and to publish research results via website for the consumer. Additionally, funds would be used to purchase and install systems for 3 residential and 3 commercial demonstration sites that would be used for monitoring of performance and ease of system use. Comparison data and demonstration sites would allow the consumer to make educated purchasing decisions, save consumers' money on electric bills, encourage clean energy, and spur transitional business start-ups.

Total project cost is \$200,000. Other funds include: \$60,000 unsecured from private homeowners and local businesses for demonstration sites.

Prior funding history: none specific to this project.

Staff comments and recommendation: Need for the project is unclear given the current body of knowledge and experience on use of solar photovoltaic panels. Benefits and outcomes would accrue well beyond tobacco region and TCR's economic development priorities. **Staff recommends no award.**

Old Dominion University Research Foundation
VIPER Dynamometer and Engine Instrumentation Laboratory, VIPER Phase II(b)
(#1621 – requesting \$432,470)

Phase II funds are requested to continue the establishment and start-up of the Dynamometer and Engine Instrumentation Laboratory (opened April 2008) in connection with VIPER, a partnership between the Institute for Advanced Learning and Research (IALR), Virginia Tech, Old Dominion University, and Virginia International Raceway for research, development and engineering services related to vehicle performance. Current request will complete the acquisition of instrumentation of the laboratory, provide one year of salary support for 1 faculty and 2 technician/engineer positions, and for marketing and engineering studies for a possible VIPER wind tunnel. The overall VIPER facility near-term steady-state business level is projected to exceed \$500,000 annually with an economic impact of 8 direct jobs plus 8-9 additional per year with local expenditures totaling around \$1 million annually. The economic development potential of the wind tunnel has the potential to generate \$5 million annually in direct revenues, using equipment components assembled cost effectively from a de-commissioned tunnel at NASA Langley.

Total project cost is \$595,151. Other funds include: \$66,681 for ongoing development support and \$96,000 for lab equipment from ODU.

Prior funding history: \$14,111 FY04 SP to Halifax IDA for VIPER business plan and marketing; \$1,305,250 FY05 SP (current balance of \$15,884) to IALR for 8-post shaker rig, equipment, site prep, salaries, marketing and operating expenses; \$1,362,500 FY06 SP (current balance of \$848,300) to IALR/ODU for establish engine performance and driver performance laboratories at VIR, to purchase chassis dynamometer facility and engine instrumentation laboratory, facility costs, personnel to operate the equipment, and deployment of ODU motorsports engineering teaching and research faculty at IALR; \$1,009,300 FY08 SSED to IALR (current balance of \$960,300) for purchase of a multi-discipline driving simulator, salaries, track mapping services, construction of graphical simulation environments, and equipment installation.

Staff comments and recommendation: Large balance on previous ODU VIPER grant is largely spent for installed equipment but not yet reimbursed. Applicant has submitted supplemental information indicating that Phases I encountered design/construction and hiring delays but salary support is expected to be completed by December 2008 and the expenditure of Phase II funds would start approximately in January 2009 and run for one year. Request continues to build a critical mass of equipment resources and expertise for research and education in conjunction with Southern VA motorsports partners, with significant economic impact on regional economy and reasonable potential for sustainability through commercial revenues and tuition. **Staff recommends award of \$432,470.**

Olde Dominion Agricultural Foundation, Inc.
Olde Dominion Agriculture Complex - Phase II
(#1606 – requesting \$2,000,000)

Funds are requested for the construction of a 100,000 square foot multi-use agriculture complex on a 15 acre tract on U.S. Route 29, two miles north of Chatham, with facilities for a farmers market, livestock center, educational and meeting spaces, as well as a covered arena for events such as equine

and viticulture shows and competitions. The site is owned by the Pittsylvania Farm Bureau, which used a previous Agribusiness grant for site preparation, and will be turned over to the applicant when construction commences (the applicant's 501(c)(5) application has been submitted and a determination is pending). Funds are currently requested to order steel components to be used in complex construction as a means to offset the anticipated 10% increase in material cost. Any remaining funds would be used to purchase additional building materials and/or for engineering costs. According to a business plan an economic impact study, the applicant anticipates that the facility will attract 2,800 visitors per year and will generate \$428,814 annually in direct spending.

Total project cost is \$5,200,000. Other funds include: \$1 million to be requested from the 2009 General Assembly for construction; \$1 million to be requested from the U.S. Government; \$771,982 committed/received from private donors and businesses for farmer's market, construction, legal council, and brochures; \$460,221 in-kind from private donors and businesses for supplies, materials, site prep, stumping, tree removal, business plan assistance and economic impact study.

Prior funding history: \$84,000 FY08 Agribusiness (full balance remains) for demolition of existing structures, preliminary site grading, and Phase 1 engineering.

Staff comments and recommendation: Majority of other construction has not yet been committed. When additional funding commitments appear imminent, the project could be re-submitted to Agribusiness Committee, which funded the site preparation and has outcomes measures that are more directly aligned with this project's objectives. **Staff recommends project be referred to Agribusiness.**

People Incorporated Financial Services

Commonwealth Enterprise Fund

(#1617 – requesting \$500,000)

Funds requested to recapitalize the unrestricted loan fund previously funded by TICR in 2003 in order to meet the needs of 36 applicants in the pipeline for a small business loan. The pending loans exceed \$1 million in requests and would create and/or retain 125 jobs in the region. People Inc. currently does not have the funds to meet the needs of all applicants given the repayment schedules of initial and revolved loans made. Of the \$1 million previously granted, \$401,416 has been revolved back into the region from the initial loan repayments and 219 jobs have been created/retained in the southwest region. It is projected the TICR funds would be leveraged with \$500,000 from other sources and would attract \$250,000 in additional private/public investment from banks and private investors.

Total project cost is \$637,644. Other funds include: \$75,000 committed by People Incorporated Financial Services for loan funds; \$31,544 received from U.S. Treasury CDIF Fund for operating funds; \$31,544 awarded from Federal SBA for operating funds.

Prior funding history: \$75,000 FY01 SWED for capital and operating funds for cardinal ventures; \$1 million FY03 SP to Southwest Virginia Community Development Financing, Inc. to create a small business revolving loan fund.

Staff comments and recommendation: Applicant has met its objectives in initiating and then recycling TICR's \$1 million grant from five years ago. Request would serve additional demonstrated demand for small business financing in the region using established staffing, tracking systems and

technical assistance, with no administrative costs charged against the grant funds. **Staff recommends award of \$500,000.**

(Southwest) Regional Recreation Authority
Southwest Virginia Multi-Use Trail System Feasibility Study
(#1609 – requesting \$70,000)

Newly formed state authority is requesting funds to study the feasibility of a multi-use, public accessible trail system that would span the counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, Wise and the City of Norton. The trail is modeled after existing trails in West Virginia (Hatfield-McCoy Trail) and Kentucky (sKYward trails) and could be used by ATV and off-highway motorcycle riders, hikers, mountain bikers, equestrian enthusiast, and waterway users. The study would include an inventory of properties that could be utilized for the trail system, an evaluation of local project related infrastructure, and an economic impact analysis.

Total project cost is \$98,250. Other funds include: \$1,000 committed by Tazewell County and \$5,000 anticipated from Wise County; \$10,000 approved by the Motorcycle Industry Council; \$10,000 applied for from the Polaris Foundation; \$2,500 to be submitted to Kodak American Greenways Grant.

Prior funding history: none specific to this project or this applicant.

Staff comments and recommendation: The project is supported by resolutions from a majority of the impacted local governments, Chambers of Commerce, the regional tourism authority and Virginia Tourism Corporation. Impact studies of the West Virginia trail show economic output of \$7.7 million and local tax revenues of \$622,752 annually, with 80% of trail users coming from other states. **Staff recommends an award of \$70,000.**

Russell County Industrial Development Authority
Russell County Governmental Center
(#1591 – requesting \$850,000)

Funds requested to complete Phase II renovations of the Southwest Virginia Technology Development Center (SVTDC) and the Russell County Governmental Center (RCGC), which includes paving, landscaping, completion of the SVTDC conference center, kitchen equipment for a conference center, and furnishing/equipping SVTD classrooms for distance learning with UVA-Wise and training of CGI and Northrop Grumman employees. The Center anticipates that up to 200 individuals will receive training per year.

Total project cost is \$850,000. Other funds include: \$5,544,295 expended by Russell County for construction.

Prior funding history: \$475,000 FY07 SWED and \$500,000 FY07 SP for facility refurbishing.

Staff comments and recommendation: Paving, landscaping and kitchen costs are low priorities that have little direct effect on TICR-targeted outcomes. Equipment costs that directly and measurably affect the ability to offer workforce training could be re-submitted to the upcoming Education grant competition. **Staff recommends no award.**

Tazewell County

Bluestone Regional Business & Technology Center, Phase 1B

(#1362 – Withdrawn by Applicant)

The Virginia Electronic Commerce Technology Center at Christopher Newport University (VECTEC)

Expanding Electronic Commerce Technology to the Southwest, Southcentral and Southside Tobacco Commission Regions of Virginia

(#1612 – requesting \$280,000)

Two year funding requested to establish and support a VECTEC office in Galax to provide e-commerce support to Galax, Carroll County and Grayson County, as well as a 100 mile radius of Galax to include the Counties of Floyd, Henry Pittsylvania and Campbell and the City of Danville. VECTEC would provide e-commerce technical assistance to private firms and entrepreneurs for activities to include web site design & development, online shopping systems and search engine optimization. Additionally, funds would be used to continue support of existing offices in Abingdon and South Boston that were established with a FY06 Technology grant. VECTEC proposes to assist 25 businesses, complete 12 website projects, provide technical assistance to 30 businesses, and conduct 30 e-commerce short courses in 2009-2010. Through these activities it is anticipated that a 15-20 jobs will be created/retained within the South Central region. Outcomes will be specifically tracked using surveys of clients.

Total project cost is \$385,000. Other funds include: \$30,000 received from ARC for training in Grayson, Carroll and Galax; \$30,000 received from Blue Ridge Crossroads Economic Development Authority for small business assistance; \$10,000 received from Town of Abingdon for Main Street business training; \$15,000 received from Verizon Foundation for e-commerce classes; \$20,000 expected in fees from participating businesses.

Prior funding history: \$400,000 FY06 Technology (\$46,218 balance) for expansion of VECTEC presence in Southwest VA and start-up of VECTEC office in Southern VA; \$150,000 FY08 Special Projects (full balance) for matching grants of up to \$2,500 per business for e-commerce technical assistance.

Staff comments and recommendation: The request provides a regional solution to assist small business development and e-commerce through an experienced service provider with a record of demonstrated success from VECTEC regional offices that were established with the previous TICR grant (the offices have assisted 452 small businesses in tobacco region during 2006-08). Galax office would be co-located in Crossroads Entrepreneurial Institute, providing synergies with existing Small Business Development Center, incubator and Wytheville Community College classes. **Staff recommends award of \$186,000 (deleting second year of operations funding for the two established offices).**

University of Virginia
Healthy Appalachia Works
(#1616 – requesting \$995,602)

Funding requested for a 2-year period to support improved access to cancer education, screening services, early detection, clinical trials, and links to hospital-based cancer care for residents in Southwest Virginia with specific concentration initially on females in the workforce. Activities would also include improving distance learning opportunities for nurses and Nurse Practitioners in clinical oncology, establish NP preceptor training sites, and offer practicum in cancer nursing, pharmacology, clinical trials nursing, and pathology. The initiative additionally includes implementing a strategic health plan for the region (in partnership with the Healthy Appalachia Coordinating Committee and SWVA Graduate Medical Education Consortium) that would ensure continuous quality improvements in regional planning, screening, and workforce health through data collection and analysis, program evaluation and the development of program sustainability. Program outcomes would include reducing lost productivity due to cancer through the screening of 250 residents and advancing the skill set and earning potential of healthcare employees through training 60 healthcare professionals. Indirect outcomes projected include the creation of new healthcare jobs in the region and aiding the recruitment of businesses into the region.

Total project cost is \$1,538,221. Other funds include: \$231,869 from UVA Office of Economic Development and Cancer Center for program operations; \$2.7 million received from USDA for telemedicine and electronic medical record development with Johnston Memorial Hospital; \$134,250 awarded from Health Resources and Services Administration for program operations, equipment, telemedicine sites, and training; \$10,000 available from ARC for Healthy Appalachia Planning; \$80,000 available from American Cancer Society for patient navigator.

Prior funding history: none specific to this project. \$750,000 FY07 Technology grant to expand telemedicine capabilities in tobacco region; \$248,848 FY05 Education for educating nurse leaders in SS/SW.

Staff Comments and recommendations: This request, along with one from VCU, was invited by the Executive Committee at its April meeting (in that meeting Committee members expressed a clear preference to see a request for one-time capital expenses to improve healthcare services in the tobacco region). While this request is predominantly for operating expenses (84% of request, a relatively small percentage of which would pay for project costs in Charlottesville) it would provide significant measurable outreach for treating several forms of cancer to tobacco region residents at multiple current and proposed clinic/hospital locations (e.g. Abingdon, Big Stone Gap, Clinchco, Grundy, Meadowview, Tazewell, Bassett/Henry etc.) and expand education opportunities for nurses. **Staff recommends award of \$995,602.**

Virginia Commonwealth University
Cancer Research Rural Outreach Program Southside Cancer Clinical Trials and Prevention and Control Research
(#1615 – requesting \$1,000,000)

Two-year funding is requested to extend a five year clinical research study and trials on breast cancer prevention & control for working women to VCU's existing satellite site at Southern Virginia Regional Medical Center in Emporia, along with research sites to be established in South Hill and Petersburg. Massey Cancer Center will use its Richmond base as the administrative site for

designing, customizing, implementing and monitoring a new state-of-the-art research delivery system for each Southside site. Funds would be used to hire and train clinical trial outreach staff, assess patients, and collect and analyze data. The project proposes in the first year to enroll at least 20 patients focusing on the workforce and in the second year to enroll a total of 50 patients on clinical trials or prevention & control research studies.

Total project cost is \$12,137,000. Other funds include: \$3,117,000 from VCU for outreach and research support; \$3.6 million pending for NCI-designated cancer center support; \$2,420,000 awarded from National Cancer Institute for research support; \$2 million received from donors for clinical trials and research support.

Prior funding history: none specific to this project. \$128,000 FY04 Education grant to VCU to establish nurse anesthesia program in Abingdon.

Staff Comments and recommendations: This request, along with one from UVA, was invited by the Executive Committee at its April meeting (in that meeting Committee members expressed a clear preference to see a request for one-time capital expenses to improve healthcare services in the tobacco region). This request is predominantly for operating expenses (94% of request), a relatively large percentage of which would pay for project costs in Richmond. **Staff recommends project be tabled and revised for future consideration with expanded study sites and services.**

Virginia Community Capital, Inc.
Rural Small Business Loan Fund
(#1626 – requesting \$500,000)

VCCI proposes to develop, launch, market and deliver a new Rural Small Business Loan Fund for Southside and Southwest Virginia that will serve ongoing small business debt capital needs. Funds are requested to provide a loan loss reserve for the loan program that, leveraged with other VCC's resources, will create a \$1.5 million loan fund. Initial project outcomes include the creation of 25 new loans over three years and 75 new jobs with 25 new jobs thereafter.

Total project cost is \$2,150,000. Other funds include: \$1,650,000 in capital from VCCI to create \$1.5 million dollar loan fund.

Prior funding history: \$2 million FY06 Technology grant to VCCI for Mid-Atlantic Broadband operating loan.

Staff comments and recommendation: Technology grant of \$2 million to VCCI in FY06 was made with the expectation that it would eventually be “re-purposed” as a revolving loan fund for economic development. In August MBC will begin repayment of principal at a rate of approximately \$22,000 per month, and staff therefore suggests VCCI approach the Technology Committee with a specific proposal to re-focus those repayments as a combination of loan loss reserve and revolving loan fund. **Staff recommends no award.**

VNA Horticulture Research Foundation, Inc.
Beautiful Gardens Plant Introduction Program
(#1628 – requesting \$47,450)

Funds are requested to continue the Virginia Plant Introduction Program (PIP) for a fifth year of operations (August 2008 thru July 2009). Commission funds will be used for maintaining test evaluation sites, new plant acquisitions, gathering initial data, developing recommendations for propagation and production, developing tissue culture protocols for propagation, promoting spin-off enterprises for TC plant propagation, and planning and executing a marketing campaign. A brand and logo, "Beautiful Gardens," has been developed.

Total project cost is \$427,034. Other funds include: \$10,000 VDACS cash for marketing; \$38,500 VNLA case for operations; \$331,084 in-kind from VNLA, ISRR, VDACS, VMGA, VT, CNSC, NBG and Halifax County for labor, land, maintenance, materials, service and other operating support.

Prior funding history: \$271,000 FY05 Agribusiness for project start-up, \$145,000 FY06 Special Projects for project continuation.

Staff comments and recommendation: Balances remain available from previous grant. **Staff recommends project be referred to AgriBusiness. ■**