

FY10 Special Projects

Staff Summaries and Recommendations

July 2009

The Commission received 26 requests for Special Projects grant funds by the announced deadline of June 15, 2009, requesting \$35.5 million (these are listed and described below). The Committee has an available balance of \$7,321,326 including FY10 budget and carried-forward balances.

| Request # | Organization Name | Project Title | Request Amount | Staff recommendation |
|-----------|--|--|----------------|----------------------|
| 1821 | Bedford, County of | Agribusiness Curriculum Implementation (Phase III) | \$1,776,025 | \$600,000 |
| 1835 | Birthplace of Country Music Alliance | Birthplace of Country Music Cultural Heritage Center (Phase III) | \$4,196,120 | \$1,700,000 |
| 1825 | Blue Ridge Foundation | Enhancement of the Easternmost Stop on The Crooked Road | \$422,963 | 0 |
| 1811 | Bristol Virginia Utilities | Southwest Virginia Diverse Route to Mid Atlantic Broadband (MBC) | \$3,900,000 | Refer to SWED |
| 1849 | Buckingham County | Design New Wastewater Treatment Plant | \$700,000 | \$350,000 |
| 1847 | Charlotte County | Project Prison Sewer and Water Enhancement | \$1,500,000 | \$1,500,000 |
| 1822 | Clean Energy Alliance, Inc. | Clean Energy Alliance Headquarters | \$519,000 | 0 |
| 1848 | Danville-Pittsylvania Regional Industrial Facility Authority | Project Pharma | \$1,000,000 | Refer to SSED |
| 1843 | Farmville, Town of | Town of Farmville Water System Improvements To Support Economic Growth In the Area | \$2,500,000* | 0 |
| 1823 | Fish Virginia First | Fish Virginia First - Tourism Economic Development Initiative | \$235,000 | \$100,000 |
| 1846 | Greensville County | Economic Suitability Assessments | \$50,150 | Refer to SSED |
| 1838 | Konnarock Retreat House | Konnarock Retreat House: Phase I | \$368,545 | Refer to SWED |
| 1844 | Longwood University Foundation | Longwood University's Clinical Simulation Learning Center | \$4,000,000 | \$325,800 |
| 1834 | Pennington Gap, Town of | Lee Theatre/Learning Center | \$465,630 | Refer to SWED |
| 1836 | People Incorporated Financial Services | Commonwealth Enterprise Fund | withdrawn | Withdrawn |
| 1833 | Robert Russa Moton Museum | Moton 2011: the Permanent Exhibition | \$1,500,000 | \$520,000 |

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|------|---|---|--------------------|----------------------|
| 1803 | Russell County Industrial Development Authority | CGI Expansion | withdrawn | withdrawn |
| 1826 | Scott County Economic Development Authority | Southwest Virginia Health Department Phase 1 EMR Deployment | \$3,125,354 | \$1,360,591 |
| 1820 | Smyth-Washington Regional Industrial Facilities Authority (SWIFA) | Highlands Business Park Fiber Installation Project | \$75,700 | Refer to SWED |
| 1828 | Southern Virginia Higher Education Center | USA-TSI at SVHEC | \$285,000 | \$257,200 |
| 1830 | Southern Virginia Higher Education Center | R&D Advanced Manufacturing Innovation Center at SVHEC | To be heard in R&D | R&D |
| 1839 | Southwest Virginia Community Foundation, Inc. | Clinch Mountain Performing Arts Center | \$3,819,706 | 0 |
| 1841 | The Crooked Road, Virginia's Heritage Music Trail | Listen to the Music: Visit Virginia's Heritage Music Trail | \$245,400 | \$122,000 |
| 1837 | Virginia Foundation for Community College Education | VFCCE's Great Expectations Initiative for Foster Youth | \$300,000* | \$300,000 |
| 1832 | Virginia Maritime Association | Port Trucking and trade Expansion Project Phase II | \$355,000 | \$185,735 |
| 1827 | VNA Horticulture Research Foundation, Inc. | Development of In-vitro Based Ornamental Plant Propagation and Liner Production Prototype in Southside Virginia | \$60,025 | 0 |

Grand Totals (23 items) \$31,399,618 \$7,321,326

Amount available \$7,321,326 0

*** revised request amounts**

County of Bedford

Agribusiness Curriculum Implementation (Phase III) (#1821)

\$1,776,025

Funds are requested by Bedford County on behalf of the Virginia Agricultural Community College Consortium to expand implementation of a new associates degree-level program in agricultural technologies to all community colleges located in the tobacco region. This phase will expand the curriculum to five colleges that wish to join the three colleges currently taking part in the initial rollout phase that was funded in the FY09 Agribusiness round. TICR funds would be used for a faculty position and adjunct instructor(s) at each college, plus compressed video equipment to connect colleges for shared classes. The proposed phase also seeks funds for student internships, marketing and recruitment, contracted technical support, a limited amount of demonstration equipment and special projects. This expanded phase would enroll a projected 208 new students in a two year period starting in fall 2010, bringing total enrollment at all eight schools to 223 students in fall 2012. The proposal anticipates graduating more than 700 students in the first ten years, with 100% moving into agribusiness careers or further education.

Total project cost is \$2,769,505. Other funds include: \$400,000 farm and agribusiness owners/managers to match TICR investment in internship students (pending student internship contracts during summers); \$593,480 participating community colleges from tuition, for faculty and adjunct hires, office space, computer, and supplies (approved).

Staff comments and recommendation: Previous TICR grants to initiate the program have totaled more than \$476,000 from the past two Agribusiness rounds. Internship program totaling \$400,000 of the request does not begin until 2010/11, so funding consideration on that element can be postponed at this time. Other requested activities such as special projects are a lower priority. Given that the initial cohorts of classes will begin next month and provide evidence of true demand staff suggests a phased approach to bringing additional colleges on board. Faculty and equipment costs per college total approximately \$143,000, though the first three colleges beginning classes next month have partial funding from the FY09 Agribusiness grant for these expenses. **Staff recommends award of \$600,000 to assist colleges with faculty and equipment costs to begin offering classes, with funds to be awarded on a pro rata basis to current participating colleges and a reduced number of additional colleges, as approved by the Consortium's Oversight Committee.**

Birthplace of Country Music Alliance

Birthplace of County Music Cultural Heritage Center (Phase III) (#1835)

\$4,196,120

Funds are requested for Phase III of the Cultural Heritage Center project to be located in an existing structure in downtown Bristol. This is the final phase of the project and will involve the completion of the physical renovation/construction of the building, which was acquired by the Alliance in 2004. Commission funds are requested specifically for the fabrication and installation of the permanent exhibits. According to an economic impact study by UVA's Weldon Cooper Center, the Center should draw at least 75,000 visitors annually resulting in an economic impact of \$43,232,806 over five years to the region and will generate \$1,041,253 in direct tax revenue which will sustain 162 jobs.

Total project cost is \$8,783,650. Other funds include: \$4,391,500 USDA Rural Development for project development (loan application in process); \$25,000 City of Bristol CDBG funds to support design services (awarded); \$138,980 capital campaign pledges to support project development (pledges on hand); \$32,050 cash on hand restricted for capital purposes/project development (available).

Staff comments and recommendation: The BOCM project has been supported with grants totaling nearly \$405,000 since 2003 for start-up operating support, museum/exhibit design and preliminary site work. BOCM staff and board members have implemented a thorough planning and fundraising process, including assessment of economic impact and diligent pursuit of all appropriate funding sources. However, this request exceeds the ability of this committee to fully fund without curtailing funding of other critical projects. Applicant has indicated that immediate priorities include A/V production (\$450,000), A/V software and hardware (\$1,250,000) and artifacts/figures (\$350,000). Assistance would build on previous Commission investments in this and other tourism sites with national and international name recognition, including the Ralph Stanley Museum, Jefferson's Poplar Forest and the RR Moton Museum. **Staff recommends award of \$1,700,000 for A/V production, software and hardware, and balance of the request be referred to Southwest Economic Development for funding consideration.**

Blue Ridge Foundation

Enhancement of the Easternmost Stop on The Crooked Road (#1825)

\$422,963

Funds are requested to enhance The Blue Ridge Institute & Museum in western Franklin County as a tourist destination. The site serves as the Center for Blue Ridge Folklore in Virginia, a resource for the region and the state. The project includes general construction and furnishings for a permanent Crooked Road exhibit and a hands-on learning space in the visitor center, completing renovations to the Farm Museum, and construction and improvements for an outdoor music/drama performance stage.

Total project cost is \$1,100,463. Other funds include: \$250,000-Department of Housing and Urban Development to support visitor center expansion (received); \$427,500-Department of Housing and Urban Development to support Blue Ridge Institute Projects (funding is available upon project commencement).

Staff comments and recommendation: There is recognized value in having a permanent exhibit given the Blue Ridge Institute's role as an anchor location on the Crooked Road. Annual visitation at the visitor center averages ~ 12,800 people and the Institute's annual festival attracts 20,000. The museum received \$300,000 in a FY06 Special projects award that supported initial renovation costs for the Farm Museum. Additional information received by staff indicated that TICR funding would be used to fill the funding gap for construction of the half-million dollar outdoor performance stage. If these projects are viewed to be tourism development priorities for the Commission there are sufficient Southside Economic Development funds within the Franklin County allocation to assist the project. However, the stage appears to equally serve as an amenity for college and community events – which should be a Low Priority – as it might be for tourism. Estimates for an increase in visitation resulting from the stage is not available and it is difficult to quantify the economic benefit. **Staff recommends no award.**

Bristol Virginia Utilities

Southwest Virginia Diverse Route to Mid Atlantic Broadband (MBC) (#1811) **\$3,900,000**

Funds are requested to install 49 miles of fiber backbone creating an alternate connection between the networks of Bristol Virginia Utilities and Mid Atlantic Broadband to provide additional diversity for the overall network. When complete, the route will connect existing facilities at Independence to BVU facilities in Marion and west a long the Route 11 corridor. This will create a ring that will reinforce the existing fiber route that now connects BVU and MBC.

Total project cost is \$3,900,000. Other funds include: None provided.

Staff comments and recommendation: This request is strongly supported by all TICR-funded broadband providers in both regions due to the stated need for redundant interconnectivity for the long-haul traffic carrying capacity of the networks. However, it is not eligible for Special Project since it is 100% Commission-funded and does not meet match requirement for this program (15-25% match from non-Commission sources). Furthermore, this request exceeds the ability of this committee to fully fund without curtailing funding of other critical projects. Project may also be a candidate for the recently-announced federal ARRA broadband grant and loan programs. **Staff recommends project be referred to Southwest Economic Development and be revised in advance of that program cycle to include appropriate matching funds.**

Buckingham County

Design New Wastewater Treatment Plant (#1849) **\$700,000**

Funds are requested to support engineering costs to design upgrades for the Buckingham County Wastewater Plant. The increased capacity will provide adequate sewer availability and treatment to offer to new industrial and business prospects and respond to DEQ notices of violations for exceeding effluents such as copper, zinc, nitrogen and phosphorus (DEQ is currently drafting a consent order to require these upgrades). The wastewater treatment plan is currently permitted to discharge 100,000 gallons per day, while the proposed engineering upgrades will increase the capacity to 200,000 gallons per day.

Total project cost is \$1,039,460. Other funds include: \$339,460 from Buckingham County for wastewater plant design (available).

Staff comments and recommendation: The project is considered eligible for Special Projects solely due to the lack of adequate Southside Economic Development allocation to advance the project. Applicant applied for stimulus money through DEQ but was unsuccessful in securing funding. Updates to the facility will be required to meet a DEQ consent order that is currently being drafted. The current average residential rate for sewer is relatively high at \$39.39 per month, demonstrating significant local effort to generate revenue from users. The engineering costs include meeting requirements for an application to the USDA Rural Development. Business customers are approximately one-third of total customers. Total past TICR funding awards to Buckingham County is \$44,233. Proportionate to the business customer base, **Staff recommends an award of \$350,000.**

Charlotte County

Project Prison Sewer and Water Enhancement (#1847)

\$1,500,000

Funds will be used for finalizing engineering, permitting and construction of a water treatment plant for the Town of Drakes Branch and an upgrade to the Drakes Branch wastewater treatment facility. Providing increased water and sewer capacity is necessary in order to serve the proposed 2000+ bed correction center. New jobs created at the prison are estimated at 500+ with an additional 100+ in support positions. Private capital investment is expected to exceed one hundred million dollars. The water and sewer facilities constructed to serve the new prison will have adequate reserve capacities to serve commercial growth potential from prison support services and other industry.

Total project cost is \$18,133,800. Other funds include: \$12,000,000 earmarked as portion of State costs to serve the site of the correctional facility, \$4,000,000 application to USDA, and \$500,000 pending request to the VDHCD Southern Rivers. \$500,000 DHCD-Southern Rivers for correction of wastewater violations (pending); \$1,500,000 DEQ Stimulus Money for construction of water treatment plant and sewer upgrade (pending); \$4,000,000 USDA for construction of water treatment plant and sewer upgrade (pending); \$820,906 Charlotte County's FY08 SSED allocation for preliminary engineering, permitting, and final design (active); \$9,812,894 Town of Drakes Branch for engineering, legal, and construction expenses (pending project approval).

Staff comments and recommendation: The project is considered eligible for Special Projects due to the lack of adequate Southside Economic Development allocation to advance the project. An FY08 Southside grant award of \$820,906 is assisting in engineering design for this project. The economic impact from job creation, capital investment, and purchasing from local sources that will result from construction of the prison will have substantial regional impacts similar to that expected of the Grayson County prison site funded by this Committee in FY08 (in that case, the Commission awarded \$2.5 million for a water treatment plant and lines). The cash flow analysis indicates an approximately three fold proposed increase to residential water and sewer rates to meet debt obligations, providing evidence of substantial local effort to generate sustainable revenues (in-town rates will rise from \$10/month to \$32, and out-of-town rates will rise from \$15 to \$40). The funding request represents 9% of total costs, further demonstrating significant leveraging and fundraising efforts. Given that the \$1,500,000 request to DEQ for federal stimulus funds is no longer an option it is anticipated, in addition to this funding request, that the county's Southside allocation will be needed to support the project. **Staff recommends award of \$1,500,000.**

Clean Energy Alliance, Inc.

Clean Energy Alliance Headquarters (#1822)

\$519,000

CEA proposes relating its headquarters from Golden, Colorado, to the Riverstone Energy Center in South Boston (Halifax County). CEA is a nonprofit national association of business incubators dedicated to assisting in the growth of startup and developmental clean energy related businesses. The Riverstone Energy Center is one of seventeen (17) energy incubators throughout the nation. Funds would be used to support the operating budget for the first year of CEA's presence in Virginia, the majority of which is personnel funding for an executive director, administrative assistant, and a research analyst.

Total project cost \$649,000. Other funds include: \$35,000 in-kind equivalent value US DOE-National Renewable Energy Laboratory for research and administrative intern; NREL/CEA liaison (committed); 95,000 cash and in-kind equivalent value CEA Members to support CEA operations; mentoring of CEA member clients (committed-membership dues and support).

Staff comments and recommendation: While there is little question that the region could benefit from the presence of CEA, the proposed budget includes funding for operating costs to support incubators outside the tobacco region and Virginia. Grant funds are requested for CEA staff to serve innovation centers throughout the nation, contractual funds include travel to member innovation centers, and \$18,000 is requested in rent and utilities for space at Riverstone which was built with Commission funds. All matching funds are in-kind and it is not clear that any significant portion of the match would be spent in Virginia. Sustainability of the project is not clear. Assuming these issues are addressed, this project could alternatively be funded from Halifax's upcoming Southside allocation of more than \$2.6 million. **Staff recommends no award.**

Danville-Pittsylvania Regional Industrial Facility Authority

Project Pharma (#1848)

\$1,000,000

Regional authority requests \$1 million of the \$4.2 million costs to construct the first 38,000 square foot, multi-suite building for pharmaceutical processing and packaging in the Cyber park. A prospect company interested in leasing a majority of the building specializes in innovative technologies to offer solid protein and peptide based pharmaceuticals and diagnostics. Private capital investment in equipment is estimated at \$7 million, and the job creation potential at start-up is 50-60 jobs averaging \$50,000 annually, with potential to ramp up to 150 jobs within three years. Through a least purchase agreement, revenues from the first building would be used to finance subsequent buildings.

Total project cost is \$11,200,000. Other funds include: \$1,600,000 each Danville and Pittsylvania Counties (approved in principle by both boards); \$7,000,000 private company equity funds to equip and operate facility (committed).

Staff comments and recommendation: The project involves a significant local investment toward a highly desirable target industry that could develop a new high wage and skill sector of the local economy. The City of Danville and Pittsylvania County have a combined allocation of \$8.2 million available this October under the Southside Economic Development program. Local funds can be used to start design now without delaying construction and continued negotiation with the prospect. **Staff recommends project be referred to Southside Economic Development.**

Town of Farmville

Town of Farmville Water System Improvements To Support Economic Growth In the Area (#1843)

~~\$3,641,134~~ revised to \$2,500,000

Funds are requested to construct water system improvements in order to meet current and future commercial and industrial growth demands in the Farmville area. The current water treatment plan has the capacity to treat 3 million gallons per day; however, due to sizing of a section of pipes that delivers water from the water plant to the town's system, it can only deliver 1.7 million gpd. This

project will increase the system capacity by 1.3 million to 3 million gallons per day through improvements including adding a 1,000,000 gallon elevated tank, installing 15,200 linear feet of eighteen inch water main in the bottleneck section, and replacement of water plant finish pumps.

Total project cost is \$4,283,687. Other funds include: \$???-Virginia Department of Health for construction (application pending for the State Revolving Fund Program); \$??-Rural Development for construction (applying); \$???-Town of Farmville for engineering and construction (amount depends on amounts awarded by various funding agencies).

Staff comments and recommendation: The project is considered eligible for Special Projects solely due to the lack of adequate Southside Economic Development allocation to advance the project. The Town provided a revised funding request to staff for \$2,500,000. An application for the same project to the Reserve Fund identified a \$1,656,906 request to the VDH State Revolving Fund Program that is no longer included in this project budget. The application indicates that the project sponsor is applying to USDA Rural Development for construction costs, although a preliminary engineering report has not been completed and would be a requirement of the Rural Development application. A cash flow analysis provided by the applicant reveals average monthly residential rates for < 5,000 gallons at \$22.63, a relatively low rate in comparison to other Virginia localities, with only modest increases proposed over the next six years to \$26.39, suggesting an opportunity for the Town to further increase rates to cover a portion of the construction costs. **Staff recommends no award.**

Fish Virginia First

Fish Virginia First - Tourism Economic Development Initiative (#1823)

\$235,000

Funds are requested by an unincorporated coalition of localities, state/regional agencies and tourism organizations to assist with several start-up operating expenses to promote the recently-unveiled “Fish Virginia First” marketing campaign. The targeted area includes nearly all tobacco region localities, plus 13 non-TICR cities and counties. The coalition is promoting Virginia fishing destinations including streams, rivers, lakes and reservoirs through an interim website (www.fishvirginiafirst.com) that has exceeded 250,000 hits since April, and events such as the annual ESPN Bassmasters tournament at Smith Mountain Lake. Requested project expenses include website development, brochure printing, advertising and tradeshow costs, sponsorship for tournaments, design services, and contracting a research firm to evaluate economic impact.

Total project cost is \$348,300. Other funds include: \$5,000 VA Tourism Corp to support the marketing initiative (awarded); Appalachian Regional Commission for the promotion of outdoor sports and recreation (\$50,000 is anticipated to be requested); \$20,000 multiple localities (detailed list provided) for the marketing initiative (received/committed); \$15,000 plus (estimated) in-kind VTC, DGIF, DCR, Roanoke Regional Partnership in the form of technical support and professional guidance (ongoing).

Staff comments and recommendation: The FVF coalition is a parallel to the Crooked Road regional tourism marketing partnership that has been meeting regularly for more than a year to assess opportunities and coordinate the rollout of the program. FVF has financial commitments (albeit in small amounts) and active participation from more than two dozen localities and regional tourism marketing groups such as chambers of commerce. However, it remains an unincorporated coalition that operates under terms of an MOU signed by participating organizations. The public

launch of the program at the Bassmasters event at Smith Mountain Lake in April demonstrated the ability to attract substantial web visitation by connecting with major media opportunities. No detailed strategies for tracking visitor spending are proposed but professional assistance is requested. The applicant has indicated that the start-up operating priorities include web design and programming, brochure design and distribution, advertising and sponsorship of one tournament (staff suggests that should be a new event rather than an existing one). **Staff recommends award of \$100,000 for these priority start-up operating expenses to Franklin County as the named grantee and fiscal agent.**

Greensville County ***Economic Suitability Assessments (#1846)*** **\$50,150**

Funds are requested to perform a suitability assessment for two potential development sites: the Mega Site, a 1500 acre industrial site and the abandoned Perdue Facility. The assessment will evaluate the Mega Site for a photovoltaic panel and/or battery manufacture. The Perdue facility will be evaluated for its use as a data center.

Total project cost is \$59,000. Other funds include: \$2,950 County of Greensville; \$2,950 City of Emporia; \$2,950 Town of Jarratt (all three committed by resolution).

Staff comments and recommendation: The targeted sectors offer tremendous potential for private capital investment and job creation for the area, and better understanding of the suitability of these sites is a positive use of TICR funds. However, while there is a relatively small level of financial participation from three localities that meets the regional participation and matching fund requirements for Special Projects, there is also sufficient Southside Economic Development allocation available in the Greensville County FY10 Southside allocation (\$128,595) to accomplish this project. The upcoming Southside Economic Development cycle in the next ninety days should not be an onerous delay for this worthwhile project. **Staff recommends request be referred to Southside Economic Development.**

Konnarock Retreat House ***Konnarock Retreat House: Phase I (#1838)*** **\$368,545**

Funds are requested for Phase I renovations to the Konnarock Retreat House, a circa-1924 former Lutheran school located in the southeastern corner of Smyth County and obtained by the nonprofit applicant from the US Forest Service in 2007. In this phase, the facility will be stabilized and preliminary reconstruction work will be performed. The structure, and the adjacent cottage, will be reconfigured to enable a variety of uses including meeting rooms and lodging for up to 30 guests.

Total project cost is \$3,462,000. Other funds include: \$175,000 US Forest Service five acres of land including the former Konnarock Training School building and cottage.

Staff comments and recommendation: The nonprofit applicant has demonstrated aggressive planning and fundraising for this historic site that is listed as a state and national landmark. However, the project does not meet the regional participation test for Special Projects eligibility, nor

provide innovations that are replicable to the broader region. Staff suggests applicant explore historic and New Market tax credits as funding options, and consider the possibility of the TICR Reserve Fund request if match is required for congressional appropriation. Application could be resubmitted to the Southwest Economic Development round this fall. **Staff recommends project be referred to Southwest Economic Development Committee.**

Longwood University Foundation

Longwood University's Clinical Simulation Learning Center (#1844)

\$4,000,000

Funds are requested to renovate the second floor of Stevens Hall as a nursing clinical simulation laboratory (\$2.7 million), and to purchase and install the simulation laboratory equipment (\$1.3 million). The renovations and equipment are needed for a new residential Bachelor of Science in Nursing Program scheduled to begin this fall. Longwood plans to hire at least ten (10) new positions to staff the nursing program. Statistics continue to show an increasing demand for workers in the healthcare sector.

Total project cost is \$6,360,657. Other funds include: \$1,697,922 Longwood University for prelim renovation of bldg/design of bldg and lab/feasibility study (committed); \$240,442 Commonwealth of Virginia for general operating and personnel funds (committed); \$392,293 FY08 TICR Education grant to support development of curriculum/initiate program development (committed); \$30,000 Centra Southside Virginia Community Hospital to conduct feasibility study for establishing new BSN program (spent).

Staff comments and recommendation: The project is considered eligible for Special Projects due to the lack of adequate Southside Economic Development allocation to advance the project (staff advised the applicant this project is also a candidate for Education funds, and may be further eligible for Reserve Funds depending on matching requirements from private donors/foundations). Most matching funds have already been spent (the FY08 Education grant that assisted the university in planning and receiving accreditation of the program has a substantial remaining balance), but Longwood has used \$1.4 million of its own funds to date to begin renovation of the building for classes that begin next month, and is pursuing several prospective donors for additional private contributions. The proposal as originally submitted requests all costs to renovate and equip space for completion prior to fall 2012. However, the University has provided supplemental information that uses a phased approach requesting \$1.5 million for renovations and \$325,800 for equipment to prepare labs and classrooms for classes that will begin in fall 2010. Partnerships with at least ten organizations to provide on-site clinical experiences are confirmed. The applicant indicates that it expects to graduate 30 to 35 nurses each year beginning in 2013, however 25 percent (or 8 students) in the first cohort of ~35 students are residents of the tobacco region. While helping to alleviate the nursing shortage is important, justifying the level of funding requested as critical to our revitalization mission is difficult given the number and percentage of students from the tobacco region expected to be enrolled. Furthermore, this request exceeds the ability of this committee to fully fund without curtailing funding of other critical projects. Supporting the equipment needs would be more consistent with numerous Commission grants in recent years to support nursing education across the region, rather than to provide funds for renovation of state-supported university facilities that serve a statewide student population. **Staff recommends award of \$325,800 for acquisition of nursing simulation clinic equipment needed for fall 2010 classes.**

Town of Pennington Gap
Lee Theatre/Learning Center (#1834)
\$465,630

Funds are requested to continue the restoration/renovation of the Lee Theatre/Learning Center. Commission funds will be used for upgrades to the HVAC and electrical components of the building as well as for small items such as ceiling tiles and doors and for related engineering and administration costs. Funding for ten learning stations is also requested. The Theatre/Learning Center will be a multi-purpose facility providing space for performances as well as educational opportunities including GED classes, adult literacy, ESL classes digital literacy classes, post secondary college classes and satellite cohorts.

Total project cost is \$1,345,950. Other funds include: \$200,000 TICRC for acquisition, A/E studies, Phase I Renovations design/construction (completed); \$8,250 Town of Pennington Gap prior to Phase I Renovation (completed); \$220,000 TICRC for structural repairs (completed); \$31,600 Town of Pennington Gap for acquisition and structural repair design complete (completed); \$431,789 Appalachian Regional Commission (ARC) for structural improvements, internet sta., seating, signage, furnishings, projection screen, etc. (letter of tentative award received April 18, 2009); \$25,000 USDA-RD for seating (contract pending); \$204,108 Slemp Foundation for wall drapery, projection console, sound system, lighting, sprinkler system, etc. (awarded); \$25,562 Theater Committee local fund raising campaign for marquee and refinish stage floor (collected over \$25,000 to-date).

Staff comments and recommendation: Project has previously received TICR grants totaling \$450,000 for acquisition (complete) and structural work (not yet underway). The Town has a Memo of Understanding with education program providers to provide a wide array of training opportunities, in addition to other tourism-related uses. However, the request does not meet requirements for Special Projects (three local governments with financial participation, or provide innovations that are replicable to the broader region) and could be reconsidered in the upcoming Southwest Economic Development round, with evidence that construction work is underway. **Staff recommends be referred to Southwest Economic Development Committee.**

People Incorporated Financial Services
Commonwealth Enterprise Fund (#1836) – withdrawn by applicant in lieu of Reserve Fund request

Robert Russa Moton Museum
Moton 2011: the Permanent Exhibition (#1833)
\$1,500,000

Funds are requested to support costs associated with the installation of a series of permanent exhibit galleries at the former R. R. Moton High School in Farmville (Prince Edward County). The exhibits to be installed within the auditorium and five classrooms will chronicle the county's thirteen-year struggle and its role in the national movement for Civil Rights in Education and the landmark *Brown vs. Board of Education* Supreme Court ruling. The Moton Museum will serve as an anchor on the Virginia's Civil Rights in Education Heritage Trail. The museum is expected to attract 35,000 visitors

annually producing an estimated annual economic impact of \$2,000,000, according to an economic impact assessment completed by Chmura Economics & Analytics.

Total project cost is \$5,490,000. Other funds include: \$1,000,000 USDA-RD for A/E, renovation, equipment for common area of the building (loan application and feasibility report have been completed); \$500,000-\$900,000 federal Institute of Museum & Library Services (IMLS) for fabrication and installation (FY10 request by Sens. Webb & Warner, and Rep. Perriello); \$400,000 - \$800,000 National Endowment for the Humanities (NEH) for fabrication and installation (received \$40,000 planning grant 3/09, next application date 8/09); \$90,000-\$250,000 Prince Edward County for capital needs (\$28,500 contributed annually, amount could increase); \$500,000-\$750,000 National Education Association (NEA) for fabrication and installation (referred to the national office, board action in 7/09); \$1,500,000-\$2,000,000 corporate/foundation/individual for capital needs (over \$1,000,000 raised between 1/08 and 6/09).

Staff comments and recommendation: The project is considered eligible for Special Projects due to the lack of adequate Southside Economic Development allocation to advance the project. Nonetheless, this nationally significant landmark has demonstrated a track record of successful planning, fundraising and capital improvements to the site. A past TICR SSED award for \$116,679 is currently under contract for building renovations, and \$2,000,000 listed as part of the Museum's project budget is for completed and nearly-complete museum restoration activities. The Museum is anticipating favorable news on several pending funding sources for construction activities. In the meantime, Museum staff identified an immediate need for \$250,000 video production and \$520,000 for exhibit design. **Staff recommends award of \$520,000 for exhibit design.**

Russell County Industrial Development Authority ***CGI Expansion (#1803) – withdrawn by applicant in lieu of TROF award***

Scott County Economic Development Authority ***Southwest Virginia Health Department Phase 1 EMR Deployment (#1826)*** **\$3,125,354**

Funds are requested by the EDA to assist OnePartner, a private for-profit organization, located in the Scott County Regional Business and Technology Park, with costs associated with deploying Electronic Medical Records Technology for two health departments in Southwest Virginia. This represents the first phase of an approximately \$30,000,000 total project during which OnePartner will deploy this technology to all 37 health departments in Southwest and Southside Virginia and will also create a Center for Health Analytics and an Open Analytics Community. Although 70 jobs will be created as a result of the total project, only 2 will be created during this preliminary phase.

Total project cost is \$4,715,678. Other funds include: \$1,590,325 from OnePartner LLC data center.

Staff comments and recommendation: Project appears eligible for Special Projects due to the intention of eventually serving public health agencies across the tobacco region with innovative electronic medical record technologies. However, this request exceeds the ability of this committee to fully fund without curtailing funding of other critical projects. One Partner has shown a three year, three phase project totaling nearly \$30 million. In future years and phases the project appears

to be eligible for TROF funding, and is actively pursuing ARRA federal funds for health IT that are expected to be available this fall. Supplemental information provided by OnePartner indicates a required need for \$1,360,591 of software and hardware to equip its data center to initiate this project (Scott County EDA and OnePartner are agreeable to the EDA retaining ownership of all equipment purchased with TICR funds). Per additional correspondence provided from VA Department of Health, the public health agencies that will participate in this program will be selected by VDH and is contingent on VITA approval of interoperability of data systems. Public benefits include the advancement of electronic medical recordkeeping in public health agencies across the tobacco region, positioning this project to access ARRA federal grants for the tobacco region, and the development of an EMR and IT employment cluster in Southwest VA. **Staff recommends award of \$1,360,591 for data center equipment to be owned by the Scott County Economic Development Authority.**

Smyth-Washington Regional Industrial Facilities Authority (SWIFA)
Highlands Business Park Fiber Installation Project (#1820)
\$75,700

Funds are requested to continue fiber installation in the regional industrial park. When the park was initially developed, 1,500 linear feet of conduit was installed and this project will extend the conduit an additional 3,000 feet to available lots that have been considered for data center projects. The applicant will also install dark fiber for the entire 4,500 linear feet of conduit. This project will be coordinated with Bristol Virginia Utilities pending funding of the Southwest Virginia Diverse Route to Mid-Atlantic Broadband project which will bring fiber in front of the park along US Route 11.

Total project cost is \$75,700. Other funds include: none indicated.

Staff comments and recommendation: Project adds needed infrastructure in an outstanding regional business park that has hosted prospect visits due to its graded lots and proximity to I-81. However, this request is ineligible as it does not meet the matching fund requirement for Special Projects (minimum 15-25% match), nor the Commission's General Funding Policies stating we shall not make grants for 100% of project costs. Staff suggest project be resubmitted in conjunction with the BVU Diverse Route project in the upcoming Southwest Economic Development round. **Staff recommends project be referred to Southwest Economic Development Committee.**

Southern Virginia Higher Education Center
USA-TSI at SVHEC (#1828)
\$285,000

Funds are requested for a 30-month period to begin operation of a computer-aided design and manufacturing training institute for wood products at the Higher Education Center in South Boston, using France-based Missler Corporation's TopSolid product design software that is unavailable elsewhere in the US. The institute would be a resource for manufacturing employees from across North America who might be attracted to training programs held in Southside, as well as the foundation of degree programs at the dual enrollment, associates and BS levels for area residents. TICR funds would be used to purchase 24 stationary desktop computers and furniture, as well as a 16-laptop mobile computer lab for training inside and outside the Center. Salary support for a TopSolid instructor and part-time administrative support specialist are also requested along with

contractual costs to utilize TopSolid experts and rent computer lab space at SVHEC. The project estimates graduating 20-30 area residents from the Product Design and Development program annually, in addition to training up to 80 industry workers from across the nation annually and providing capability to assist area industries by providing “proof of concept” services.

Total project cost is \$1,432,850. Other funds include: \$1,025,000 donated software from Missler Corp.; \$97,628 SVHEC in-kind program operations; \$25,222 Halifax County for program operations.

Staff comments and recommendation: Supplemental info provided by the applicant indicates that \$27,800 of equipment could be purchased with an existing TICR grant (#1274) to provide computers for classes scheduled to begin this August, thereby reducing the need in this proposal to \$257,200. Project has additionally been leveraged with the recent announcement of a \$700,000 CDBG grant for establishing the Advanced Manufacturing Center. **Staff recommends award of \$257,200.**

Southern Virginia Higher Education Center
R&D Advanced Manufacturing Innovation Center at SVHEC (#1830) - to be considered by R&D Committee

Southwest Virginia Community Foundation, Inc.
Clinch Mountain Performing Arts Center (#1839)
\$3,819,706

Funds are requested by the nonprofit applicant to construct a 500-seat center for the performing arts in downtown Gate City (Scott County). The center will provide a venue for performances, broadcasting, videoconferencing and distance learning. According to the application, it will serve Southwest Virginia, Tri Cities and a larger geographic area with a population greater than 2,525,863. Five full time jobs and seven part time jobs are projected for operation of the center.

Total project cost is \$5,069,706. Other funds include: \$1,250,000 private funds (\$550,000 pledged to date).

Staff comments and recommendation: Project will draw from the region and has a well-crafted business plan, but does not meet eligibility requirements for Special Projects (e.g. three participating localities, or provide innovations that are replicable to the broader region). Applicant is requesting 76% funding from the Commission and states no intention of pursuing other state or federal grant opportunities (e.g. ARC, ARRA stimulus etc.) aside from private fundraising. Furthermore, this request exceeds the ability of this committee to fully fund without curtailing funding of other critical projects. Need for the facility is debatable as there are several existing venues within easy driving distance (e.g. Carter Fold, UVA-Wise etc.) and could set a precedent for funding numerous similar new facilities when efforts to date have been focused on finding viable uses for historic theater properties. There is no evidence provided of local performing arts groups who support this initiative, and a primary use of the facility appears to be for films/movies, which should not be a TICR funding priority. **Staff recommends no award.**

The Crooked Road, Virginia's Heritage Music Trail
Listen to the Music: Visit Virginia's Heritage Music Trail (#1841)
\$245,400

Funds are requested by the nonprofit organization to continue the promotion of The Crooked Road, Virginia's Heritage Music Trail. The project outlined in this application includes a three week tour to 13 Eastern US cities and the creation of videos featuring musicians and major venues for use in Heartwood (Artisan's Center) as well as on The Crooked Road's website. Funds are also requested for expansion of marketing activities including ad placement and website enhancement. Funding will also be utilized to record live performances at 12 locations along the Trail to be aired during the nationally syndicated radio show "Main Street Bluegrass". An economic impact study estimated that The Crooked Road has produced \$12.9 million in direct spending from visitation and a total economic impact to the region of \$23 million per year.

Total project cost is \$561,900. Other funds include: \$190,000 NCTA for East Coast tour; \$48,000 ARC and NEA for video production and EC tour; \$25,000 VTC pending, for media placements; \$53,500 applicant and private company in-kind for staffing, video and marketing.

Staff comments and recommendation: Funding for marketing, concert tours and other operational support has been previously granted by Special Projects Committee over the past five years, totaling nearly \$569,000 for this nonprofit partnership of multiple localities, performance venues, museums and other organizations. The video production component of the request is arguably the new "value-added" element that would create a long-lived physical asset for marketing the Road at the Heartwood Artisan Center as well as online. Video concepts and footage would also be consistent with those that have been created for tobacco region artisans under a grant to Round the Mountain. **Staff recommends award of \$122,000 for video production.**

Virginia Foundation for Community College Education
VFCCE's Great Expectations Initiative for Foster Youth (#1837)
~~\$539,380~~ revised to \$300,000

Funds are requested by the non-profit applicant to expand the Great Expectations program targeting the higher education of foster care youth to four additional tobacco region community colleges (Mountain Empire, Patrick Henry, Southwest and Wytheville) and enhance the programs that were initiated at three tobacco colleges in the past year (Danville, Southside and VA Highlands). Funds would be used over a two-year period for tobacco region-based part-time program coordinator and part-time career coaches at all colleges, plus travel expenses, supplies and materials. The estimated pool of current and emancipated foster youth ages 16-24 in the tobacco region is 1,700. Supplemental info provided by the applicant estimates serving 190 tobacco region students in year one and increasing 30% to 250 students in year two (a range of 20-35 students at each college). The program addresses the significant barriers in transitioning emancipated youth to higher education (statistics show these youth are far more likely to end up homeless or incarcerated than to attend college).

Total project cost is revised to \$400,000. Other funds include: \$100,000 VFCCE and a variety of public and private resources for the tobacco region and statewide efforts.

Staff comments and recommendation: Eligible for Special Projects by virtue of serving the entire tobacco region with an innovative new program. The applicant has reduced the requested amount to

\$300,000 in order to focus services specifically on an 18-24 year-old audience, which is more consistent with the TICR Strategic Plan than the components of the program that target 13-17 year-olds. The applicant has confirmed that the program coordinator will reside and be located in the tobacco region. Early results from GE programs in the first pilot group initiated in fall 2008 show retention rates of approx. 60%, and in one program 100% enrollment of graduates at the local community college. The proposed programs will serve a significant number of residents who currently have an estimated 2% college graduation rate (that rate is a national average). Fundraising is underway to endow the long term operation of the program. **Staff recommends award of \$300,000.**

Virginia Maritime Association

Port Trucking and Trade Expansion Project Phase II (#1832)

\$355,000

Funds are requested to continue support of the VMA truck driver recruitment and training effort by offering online owner-operator course and seminars, develop curricula to initiate a pilot class in refresher training at tobacco region sites; conduct Port awareness activities including presentations and tours; continue student driver recruitment and employment referrals, examine opportunities to initiate new training programs in Danville and Smyth County, and develop programs for driver insurance, equipment financing and retrofitting of truck emission controls. This phase proposes training 180+ drivers through these programs.

Total project cost is \$445,300. Other funds include: \$50,100 VMA and Inland Transportation Consortium for program oversight/administration; \$40,200 ITC in-kind for materials and program development.

Staff comments and recommendation: An FY06 Special Projects grant of \$320,000 has supported initial phases of this work, resulting in more than 100 new graduates (all of whom are now employed) from the expansion of training sites in the region and recruitment of students. This request estimates a significant increase in driver training graduates, along with payments to contractors for continuation of existing recruitment efforts and pre-development of additional programs. There is an expressed intent by the applicant to work toward creating new training sites in Danville/Pittsylvania and Smyth County, and applicant has focused on additional priority activities to expand driver graduates within the region. **Staff recommends award of \$185,735 for activities to be conducted within tobacco region, including owner-operator training, Port awareness events, training and employment referrals and expansion to new community college sites.**

VNA Horticulture Research Foundation, Inc.

Development of In-vitro Based Ornamental Plant Propagation and Liner Production Prototype in southside Virginia (#1827)

\$60,025

Funds are requested to continue support for the Beautiful Gardens Plant Introduction Program. In this phase of the project, Commission funds are requested to contract research at the Institute for Advanced Learning and Research in Danville and to cover the Blacksburg-based Program Coordinator's travel expenses to IALR and to test sites in the tobacco region. Funds will also be

used to purchase plant material for test sites in the tobacco region and for maintenance of these sites. As a result of this grant, 2 farmers will be moved into ornamental liner production by retrofitting their greenhouses, funds will be spent to cost share production and propagation materials and 100 additional farmers will be trained in all aspects for liner production.

Total project cost is \$342,135. Other funds include: \$58,000 VNLA cash and in-kind; \$45,000 VDACS grant and in-kind; \$24,500 proposed cost-share by tobacco greenhouse growers; \$197,609 in-kind ongoing (IALR, VMGA, Halifax County, VA Tech, CNSG, NBG).

Staff comments and recommendation: Contracted research, travel expenses, site materials and maintenance, and weather line are on-going operations supported over the past four years by previous TICR grants totaling \$416,000. A balance in the current grant will carry the program until it can potentially be considered in the FY10 Agribusiness cycle, although the BG website shows that the large majority of participating nurseries are located outside the tobacco region. **Staff recommends no award. ■**