

FY12 Special Projects Committee Recommendations – September 15, 2011

Staff received 20 proposals for FY12 Special Projects funding by the July 15 application deadline and an additional late-filed proposal (#2442 – Longwood University). The majority of projects were received using the Commission’s new online application forms, and the Project Descriptions provided below were submitted by the Applicants. Staff evaluations and recommendations follow for each proposal.

The Committee met September 15 and adopted the following funding recommendations from an available balance of just over \$7 million (a budgeted balance of \$5 million, in addition to a carried-forward amount of \$265,022 and \$1.75 million from a grant award that was subsequently declined by the grantee). Please note that Committee recommendation for proposal #2368 (Liberty University) is contingent on a budget transfer to the Committee from unbudgeted corpus invasion funds.

Req #	Organization Name	Project Title	Request Amount	Committee recommendation
2352	Breaks Interstate Park	Splash in the Park	\$1,176,743	\$500,000
2395	Halifax County IDA	Completion of the Center for Coatings Application Research and Education (C-CARE)	\$1,466,015	\$845,000
2368	Liberty University	Liberty University Center for Medical and Health Sciences	\$12,000,000	\$12,000,000
2442	Longwood University	Southside Community Scholars Program	\$1,100,000	Refer to Education
2350	Martinsville-Henry County Economic Development Corporation	Patriot Centre Lot 2 Site Grading	\$700,000	\$442,182
2358	Mecklenburg County	Commonwealth "TransTech" Marketing Alliance	\$200,000	\$200,000
2366	Olde Dominion Agricultural Foundation, Inc.	Olde Dominion Agriculture Complex - Arena Build-out	\$1,000,000	Refer to Agribusiness
2381	People Incorporated Financial Services	Commonwealth Enterprise Fund	\$750,000	\$300,000
2396	Prince Edward County	Virginia's Retreat Overall Strategic Plan and Organizational Expansion	\$508,500	\$125,500
2377	Region 2000 Research Institute	Expansion of CAER Capability to Support Development of 4G LTE Wireless Technology	\$348,000	\$348,000
2414	Roanoke River Basin Association - Upper Reach	Lake County, Bannister River, Staunton River Blueways Initiative	\$299,858	\$180,250

2369	Robert Russa Moton Museum	Moton 2011: the Permanent Exhibition - Galleries II-IV, Final Fabrication and Installation	\$1,600,000	\$400,000
2357	Southwest Regional Recreation Authority	Adventure Tourism, Playground of the East - An Enterprising Pathway to Economic Diversification and a Locally Sustainable Economic Engine for Southwest Virginia	\$1,118,350	\$200,000
2336	The University of Virginia's College at Wise Foundation	Appalachian Community Scholars Program	\$900,000	Refer to Education
2382	Wilderness Road	Wilderness Road Regional Asset Inventory	\$101,000	\$101,000

Total (21 requests/12 recommendations)	\$27,560,517	\$15,641,932
Balance available before/after recommendations	\$7,015,022	(\$8,626,910)

Breaks Interstate Park
Splash in the Park - #2352
\$1,176,743.00 requested

Project Description provided by applicant: The funds will be used as a matching grant to secure funds from the Coalfield Economic Development Authority to construct a water park themed aquatics facility at Breaks Interstate Park. This tourists facility would replace an existing antiquated rectangular pool that is scheduled for demolition in the fall of 2011. The facility would include a lazy river, zero depth entry that would be ADA accessible, slides for toddlers, families and thrill seekers, toddler area, spray features, a modern bath house, shade structures, modern concessions area and equipment needed for the operation of the facility (i.e., sidewalks, landscaping, safety devices and equipment normally associated with the operation of such facility).

Staff evaluation: The request includes cost to demolish an existing pool built in 1969 (\$340,000) and replacement with a multi-feature waterpark and related structures and improvements such as a bath house/concession building. The project will reportedly create seven new seasonal jobs. New visitation is estimated at 4,700-5,800 annually. New annual Park revenues are estimated at an additional \$270,000-\$390,000 per year, primarily from additional weekend lodging rentals and presumably limited to three summer months. Indirect spending by new visitors in the area are estimated at \$300,000-\$440,000 annually. The proposal acknowledges that the facility will be a regional recreation resource for area residents ("a substantial quality of life amenity for all of the surrounding communities that do not have swimming pools of their own") as well as tourists, though the breakdown of local versus out-of-area visitors for this specific aquatic facility is not provided (the Park's overall visitor numbers are reportedly 70% tourists). The applicant states that debt financing is not feasible, but provides no quantitative evidence that this long-lived asset could not be partially financed (in addition to a VACEDA \$1 million grant commitment which requires an equal match from another source).

Committee recommends award of \$500,000.

Halifax County IDA

Completion of the Center for Coatings Application Research and Education (C-CARE) - #2395

\$1,466,015.00 requested

Project Description provided by applicant: This application by the Halifax IDA is to complete Phase II of the Center for Coatings Application Research and Education (C-CARE), a unique state-of-the-art facility and program for work-force training, research, and education that serves to position the entire Commission's service region ("the footprint") for new economic development activity and regional work-force readiness. In January of 2011, the Tobacco Commission made an award to the Halifax IDA for Phase I, and recommended submission of a second proposal to complete the facility. Due to limited funds, a portion of the original request was funded. As it stands, the laboratory is not fully operational without certain key pieces of equipment. With a \$805,275 match and C-CAM as a partner, Phase II funding totaling \$1.46 million is now sought to acquire:

- 1) A robotic hang-line capable of advanced coating technologies to finish metal, plastic, wood, composite, and ceramic parts.
- 2) A spray booth that can accommodate large objects.
- 3) Surface preparation equipment that can prepare metal and wood parts prior to coating.
- 4) Other general mechanical and electrical upgrades to the facility.
- 5) A virtual-reality spray training system that is used throughout the industry to train spray operators.
- 6) Seed funding to start a non-profit entity that will partner with C-CAM, the Southern Virginia Higher Education Center, the Riverstone Energy Center, the Southern Virginia Regional Alliance, and other industrial organizations that establishes a national certification body for coating technologies and curriculum resource development for industrial manufacturers.

Staff evaluation: TICR Southside funds of just over \$1 million were approved in January 2011 for Phase 1 buildout and equipment at the Riverstone 1 building that houses C-CARE. This request is submitted to Special Projects under the premise that the Center will serve the larger tobacco region and beyond as an affiliate of the Special Projects-funded Riverstone R&D center, a case which is reasonably supported by letters from major employers in Lynchburg, Martinsville, Danville, etc. A concern is that HIDA will sublease the complete control of the equipment and facility to the private American Wood Finishing Institute that is housed at Riverstone. Any funding consideration should relieve tobacco region companies of some reasonable portion of the cost to access TICR-funded equipment that is managed by AWF (a model similar to the High Performance Computing Center the Commission funded in Danville). There will be an available balance of more than \$1.7 million in the upcoming Southside Economic Development round for projects in Halifax County, and staff proposes that equipment and contracted services requested in this proposal will benefit industries across the larger tobacco region and should arguably be funded from Special Projects (\$845,000) while physical improvements to the Riverstone building owned by Halifax IDA in order to accommodate this equipment should be funded from the Southside allocation (\$621,000).

Committee recommends award of \$845,000 of Special Projects funds for equipment and contracted services in this proposal, contingent on Southside Committee approval of the use of SSED allocation for the Plant & Improvements component of this proposal, and to be combined with SSED funds as one consolidated grant award, and furthermore contingent

on a discounted pricing plan (to be approved by the TICR Executive Director) for tobacco region entities to access the TICR-funded equipment and facility.

Liberty University

Liberty University Center for Medical and Health Sciences - #2368

\$12,000,000.00 requested

Project Description provided by applicant: The Liberty University Center for Medical and Health Sciences will house the Liberty University School of Osteopathic Medicine and the Liberty University School of Health Sciences. This Center will contribute to the revitalization of the Tobacco region by (1) providing education to residents of the Tobacco region, (2) creating hundreds of jobs in the Center, and (3) providing qualified medical personnel to Medically Underserved Areas. As a corollary to this, the Liberty University Schools of Health Sciences and Osteopathic Medicine will add significant taxable assets to the region. Commission funding will be used to partially finance construction of the building and will be matched by an investment of from Liberty University.

Staff Summary: The proposal initially sought 90% of building construction costs (\$18 million) and 88% of the costs to fully equip (\$15 million) a 105,000 square foot Center for Medical and Health Sciences on campus property that is within Campbell County (the majority of Liberty's educational facilities are adjacent within the City of Lynchburg). The proposed programs include: Doctor of Osteopathic Medicine; Masters in Nursing, Biomedical Science and Public Health; Bachelors in Nursing, Chemistry and Clinical Lab Science; as well as family nurse practitioner and associates-level technical programs. The programs are estimated to have enrollment of more than 2,400 in the third year and more than 4,000 by year five when all are fully operational. Of those students Liberty estimates nearly half will take advantage of a "2+2" path through community colleges and then on to Liberty, and that as much as one-fourth of the new in-state students may come from tobacco region localities. An economic impact assessment commissioned by the university estimates net new annual spending of \$19 million in tobacco localities when all proposed programs are fully operational in year five, as well as 219 direct new faculty and staff jobs and \$1.2 million of new state and local tax revenues. Through this direct economic activity from the Center and the tobacco region graduates that can be anticipated, the proposed programs could have one of the most transformative effects on the regional economy and preparing tobacco region residents for employment in allied health fields that TICR has funded to date. The requested amount clearly exceeds the budgeted funding capability of the FY12 Special Projects program, and would represent one of the largest single grants ever made by the Commission, though closely paralleled by the \$25 million grant offer to King College to establish its school of medicine. In the case of King College the TICR offer is contingent on a dollar-for-dollar match for capital construction costs, which is a potential strategy for assisting this request. Based on this precedent, TICR leadership contacted the University to determine if the university is agreeable to a dollar-for-dollar matching approach for building construction in the current year and equipment in a second year, which equates to a \$12 million TICR share for building construction in this current cycle and a subsequent commitment of \$8.5 million to equip the building next year. Liberty's leadership has amended its proposal in agreement with this funding strategy, and now requests \$500,000 of legal expenses to plan the project and gain accreditation, \$1.5 million for site development costs, and \$10 million for building construction. The university has recently sold \$120 million of low-interest tax-exempt bonds for campus construction projects, which would presumably be a committed source of matching funds. This funding strategy will require the

shifting of unbudgeted funds that are available from corpus invasion in the current year. While this is an extraordinary request, staff finds it to be highly consistent with TICR objectives and transformative in its impact.

Committee recommends award of \$12,000,000 for building construction contingent on a dollar-for-dollar match on capital costs, subject to approval of a budget transfer to the Special Projects Committee that is sufficient to fund this award from unbudgeted corpus funds.

Martinsville-Henry County Economic Development Corporation

Patriot Centre Lot 2 Site Grading - #2350

\$700,000.00 requested

Project Description provided by applicant: Home to 17 industries that employ over 2,500 workers, the Patriot Centre is currently Martinsville-Henry County's premier non-rail served Industrial Park. Recent announcements of RTI International Metals (150 jobs, \$120M capital investment) and ICF International (539 jobs, \$15M capital investment), both of which located to greenfield sites at the Patriot Centre, have left the park with only two graded sites available: Lot 4 and Lot 8. The pad for Lot 8 is only 11 acres, and while the pad for Lot 4 is a bit larger (18 acres), it is a long, narrow tract of land which has proven to be challenging especially when a square building configuration is necessary. Over the past twelve months, the Martinsville-Henry County Economic Development Corporation has lost two potential projects (totaling 520 jobs and \$142 million in capital investment) due to the lack of a larger 20+ acre pad site in the Patriot Centre Industrial Park. Lot 2 in the Patriot Centre Industrial Park is a 32 acre site which, when graded, will yield a 26 acre pad. Roughly square in shape, this tract will allow much more flexibility in the type of building that will be able to fit on the pad. Funding from the Tobacco Commission will be leveraged with local funds to fully grade Lot 2 in the Patriot Centre Industrial Park. Based on detailed engineering plans conducted by Wiley&Wilson, the cost to grade Lot 2 is estimated at \$950,000. We are requesting \$700,000 from the Tobacco Commission, which will be matched with \$125,000 from Henry County and \$125,000 from the Martinsville-Henry County Economic Development Corporation (totaling a local match of more than 26%). The grading plan includes clearing and grubbing, excavation, erosion control, and entrance construction.(copied from attachment for Project Description).

Staff evaluation: The request is highly consistent with TICR's objective of preparing shovel-ready utility-served sites for job creation and private capital investment, as well Martinsville-Henry's track record of successfully attracting employers to Patriot Centre. The project is eligible for Special Projects by virtue of three factors: 1) Patriot Centre is a revenue-sharing facility for the two localities; 2) Martinsville receives no Southside Economic Development allocation, and; 3) Henry County does not have sufficient Southside allocation to complete this project. The County will have an available allocation of \$257,818 in the upcoming Southside Economic Development cycle, which should be used as a source of funds for this project, which leaves a balance of \$442,182 to be considered in Special Projects.

Committee recommends award of \$442,182 of Special Projects funds for this proposal, contingent on Southside Committee approval of the use of SSED allocation for the balance of requested funds, and to be combined with SSED funds as one consolidated grant award.

Mecklenburg County

Commonwealth "TransTech" Marketing Alliance - #2358

\$200,000.00 requested

Project Description provided by applicant: The project is to establish a regional multi-functional economic development organization, Commonwealth "TransTech" Marketing Alliance, which aggressively markets the six localities of Brunswick County, Charlotte County, City of Emporia, Greensville County, Lunenburg, County and Mecklenburg County. The Commission funds requested will be used to support the initial start-up costs and first year's marketing efforts of the Southeastern Virginia Marketing Council.

Staff evaluation: A related proposal is being submitted to DHCD's Collaborative Communities program to fund organizational development costs (\$100,000) while TICR funds are requested to initiate marketing activities (\$73,000 for marketing materials, trade show exhibits, marketing missions etc), the initial six months of an executive director position (\$50,000 salary, \$17,000 equipment) and business development studies and services (\$10,000 location consultants, \$50,000 entrepreneurship study). A target industry sector study is underway with \$25,000 of VEDP funds, and details on the scope of the proposed entrepreneur study have been requested. This effort has been encouraged by the Lieutenant Governor's office and is modelled on the Southern Virginia Regional Alliance that has been established in localities immediately west of this region with support from TICR and General Assembly. No other current regional marketing efforts or organizations of this nature exist in the participating localities, which are planning to provide annual local funding support of \$1 per capita of population to fund future operating and marketing expenses (\$93,831 annually). Nottoway County has subsequently agreed to participate in the partnership, and preliminary discussions are underway regarding potential regional revenue sharing mechanisms for these localities that may wish to participate on a project-by-project basis. The proposed multi-locality partnership is highly consistent with TICR strategic goals of encouraging regional economic development recruitment efforts that result in measurable new jobs and private capital investment.

Committee recommends award of \$200,000.

People Incorporated Financial Services

Commonwealth Enterprise Fund - #2381

\$750,000.00 requested

Project Description provided by applicant: People Incorporated Financial Services is requesting \$750,000 from Special Projects to provide loan funds for small businesses throughout Southwest Virginia. Entrepreneurs are the driving force behind small businesses -- and small businesses are the driving force behind local economies. People Incorporated Financial Services levels the lending playing field for small business owners to access affordable capital in a rural setting and strives to be the means by which small businesses can find the support they need to launch a successful business. Funding from the Tobacco Commission has played a major role in providing incipient loan funds for this program. Since 2003, loan funds from the Tobacco Commission and, in tandem with services and due diligence provided by People Incorporated, have been directly responsible for 238.5 jobs being created and 237.5 jobs being retained in Southwest Virginia; a total of 476 full-time jobs! Resources received from the Tobacco Commission will be used specifically as loan funds to start or expand existing businesses, and may be applied toward working capital, equipment, inventory, real

estate and improvements; flexible underwriting will be offered at an interest rate not to exceed prime plus 3%, with repayment terms not to exceed 10 years. Additionally, having this source of non-federal loan funds strengthens our application for funding from the U.S. Treasury, which requires a 1:1 non-federal match. Please see attached "Additional Description" for additional background information about People Incorporated.

Staff evaluation: TICR has provided \$2 million to People Inc. for loan pool capital since 2003 which has funded 74 loans that helped create or retain a reported 476 jobs in SWVA localities. Of those loans, 22 have been paid off and 11 charged off (a reported 4.6% chargeoff rate). The organization states that only \$40,000 remains available for assisting future loan requests until such time as current loans are paid off. Staff observes that many of the businesses assisted with these loan funds serve local retail and service needs, and hence do not meet the test for businesses that grow the regional economic base by primarily exporting goods or services. One consideration for additional funding would be to limit future TICR-funded loans to those businesses that meet the export test. Supplemental information requested by staff indicates loan repayments will increase within 3-5 years as more loans made in recent years mature. Some amount of additional capital to fund loans over the next two years may be justifiable.

Committee recommends award of \$300,000, with priority on assisting businesses that export goods or services beyond the tobacco region.

Prince Edward County

Virginia's Retreat Overall Strategic Plan and Organizational Expansion - #2396

\$508,500.00 requested

Project Description provided by applicant: Prince Edward County is the applicant sponsoring the Virginia's Retreat organization, who will be the recipient of the funds requested. Virginia's Retreat is requesting \$508,000 in funding for 1) the development of an Overall Strategic Plan; 2) the development of an Overall Marketing Plan focused on the critical period commemorating the Sesquicentennial of the American Civil War, and 3) start-up monies to hire an Executive Director to continue to create and oversee the region's tourism product. Virginia's Retreat and Prince Edward County will contribute \$61,000 total in cash and in-kind matching funds towards the project. The total project cost is \$569,500. *Please see the Attachment: Additional Project Description for detailed information on the project.

Staff evaluation: This coalition of localities should be commended for looking comprehensively at more than 100 regional tourism attractions across a wide swath of Southern Virginia, including Civil War and Civil Rights destinations, outdoor recreation, agri-tourism and more. Hiring of staff is an objective that has merit to take the organization to the next level of professional marketing and management. However, the fourteen localities (which includes two non-TICR localities) have successfully partnered for 18 years as an unincorporated coalition without staff, and the immediate need for staff (\$178,500 requested) and marketing plan implementation (\$204,500 requested) is not apparent until the strategic planning process is completed, options for a corporate structure are considered, and new activities and strategies are defined. The strategic planning element of this request (\$125,500) appears to be the most urgent and fundable priority for the coalition. The project leaders have alternatively requested that a portion of funds (\$7,500) be approved - subject to a dollar-for-dollar match - to contract with a project coordinator to manage the strategic planning

process on behalf of the localities. While this may be construed as providing grant management funds, it can also be viewed as a defensible first step toward creating a staff position to ensure a sound planning process and coordinate the 14-locality partnership. The aspects of this proposal to update existing marketing materials and create new materials should be deferred until the strategic plan identifies a preferred organizational structure and additional visitor destinations, marketing themes and partnerships.

Committee recommends award of \$125,500 for strategic planning and contracted project coordination.

Region 2000 Research Institute

Expansion of CAER Capability to Support Development of 4G LTE Wireless Technology - #2377

\$348,000.00 requested

Project Description provided by applicant: This project will provide for equipment that will expand the R&D infrastructure of the Center for Advanced Engineering and Research for the wireless industry cluster in the region, specifically in the areas of P25 interoperability, transitioning traditional Land Mobile Radio (LMR) systems to commercial networks and Digital Mobile Radio (DMR) products. Furthermore this project will position wireless providers in the region for the emerging 4G LTE market. The new capabilities created through this equipment will open up new markets for regional companies both nationally and later internationally as the LTE standard continues to be adopted in numerous countries. Commission funds will be used to purchase laboratory and test equipment for the CAER that will support collaboration with multiple companies in the region for product development and enhancements to LMR interfaces in the areas of Session Initiation Protocol (SIP), Digital Mobile Radio (DMR) and Project 25 Interoperability (P25).

Staff evaluation: The proposal further strengthens the capacity of CAER - one of the TICR-supported R&D centers - to conduct wireless telecom research in partnership with local businesses in one of the Center's two core areas (nuclear is the other focus for CAER). The project was considered for the TICR R&D fund but did not meet that program's minimum project budget threshold. This equipment will primarily be used by one Bedford-based company (Catalyst) that has a research agreement for "push to talk" products with Verizon, but the proposal is also well-supported by other local telecom companies such as Harris and IWT that expressed interest in accessing the equipment to test interoperability of their products. The equipment will also be a resource for providing hands-on access to next generation technologies for students in the UVA-CVCC Engineers Produced program. Although commercialization outcomes from this investment are unknown at this time, the request does further TICR's objectives of developing the capacity of the tobacco region R&D centers and their partners in business, research and education.

Committee recommends award of \$348,000.

**Roanoke River Basin Association - Upper Reach
Lake Country . Bannister River . Staunton River Blueways Initiative - #2414
\$299,858.00 requested**

Project Description provided by applicant: The RRBA-Upper Reach program is a regional initiative needed to foster a sustainable eco-tourism industry in Southside Virginia. It is designed to attract and inspire paddlers from neighboring markets to participate in canoeing and kayaking along an enhanced system of regional blueways. Special event and contest promotions will build awareness within the regional markets, targeting paddlers in the Richmond-Petersburg and Raleigh-Durham metro areas. This increase in paddling activity will generate increased demand for local businesses to provide lodging, dining, and related traveler services. Job opportunities for local entrepreneurs will develop with the need to provide shuttles, lessons, guided excursions, and equipment rentals and sales. Coupled with awareness building within the Southside community a new mindset will evolve to help transform our region into an eco-tourism destination. Upper Reach activities will primarily benefit the counties of Mecklenburg, Halifax, Pittsylvania, Campbell, Lunenburg and Charlotte. Prince Edward County with its existing kayak and canoe sales business will benefit to a lesser degree. A Project Location Map identifying the proposed blueways and their primary zone of impact has been attached for reference. Having begun its Phase-1 Program and Master Planning in December 2010, Upper Reach is now requesting funding for Phase-2 blueway development. Phase-2 includes 1) the development/enhancement of seven blueway trails (two of which are ADA accessible), 2) awareness building within the market place through display ads, rack cards, public service announcements, etc. 3) promotional paddling events and Explorer contests and 4) the development of a metrics program for assessing the impact.

Staff evaluation: This wide-ranging proposal by a nonprofit applicant is based on a recent master plan for a region that spans the North Carolina border, and builds on an existing paddling resources and a web-based marketing presence. Capital improvements that provide visitors greater access to tobacco region blueways is the arguable priority here over operational costs to manage grant funds and build community awareness and support. Capital projects include several canoe launches in Southern VA (\$81,000), easements and legal fees (\$10,200), interpretive and wayfinding signage (\$45,000), assistance developing a metrics system (\$45,000 to be contracted to a university-based center), and website enhancements (\$7,100). Other requested activities that are less appropriate for TICR funds include staffing, grant administration and promotional contests, events and products. The proposal estimates attracting an additional 31,000 paddlers annually (a 50% increase), although other baseline outcome measures appear inflated (\$235 million in spending, \$20 million in taxes and 150 direct new jobs). However, the applicant is planning to gather primary data (intercept and mail surveys) so that more reliable tracking data can be gathered. The effort is solidly aligned with DCR's Outdoor Plan and VA Tourism Corporation's outdoor recreation marketing efforts, and cross-promotes the Tobacco Heritage hiking/biking trails funded by TICR. A future partner should also include the TICR-funded Fish Virginia First marketing partnership. Activities that support the two-state region such as the website development and metrics analysis should be cost-shared at a 50:50 rate.

Committee recommends award of \$180,250 for tobacco region capital improvements and related professional costs, contingent on use of competitive bidding best practices for all procurement and 50/50 cost-share of contracted metrics analysis and website enhancements that promote and measure activity in the two-state region.

Robert Russa Moton Museum

Moton 2011: the Permanent Exhibition - Galleries II-VI, Final Fabrication and Installation - #2369

\$1,600,000.00 requested

Project Description provided by applicant: The Robert Russa Moton Museum requests \$1,600,000 in Virginia Tobacco Indemnification and Community Revitalization Commission, Special Projects Funding for Moton 2011: the Permanent Exhibition, Galleries, II-VI, Final Fabrication and Installation. Funds will be used toward exhibits, interpretive panels, exhibit lighting, and audiovisual components chronicling Virginia's transition from segregated to integrated public education. Total project cost is \$1,785,883.

Staff evaluation: TICR has provided nearly \$937,000 to date for renovations to the Moton building and exhibit design. Moton's request for NEH funds was declined this year but resubmitted last month for \$395,000. This request would increase TICR's share of the overall project to more than 76%. TICR staff has requested funding elements for a phased construction approach and the applicant remains hopeful for full award so that all exhibits can be completed at one time and at a lower cost. The applicant's economic impact study estimates that visitation would increase seven-fold from the current 5,000 annually to more than 35,000 a year, with a corresponding increase from the current \$75,573 of annual visitor spending to more than a half million dollars of direct visitor spending annually. It is the opinion of TICR staff that substantial fundraising can still be accomplished for this nationally-important facility, reducing the need for TICR to be the primary museum funder.

Committee recommends award of \$400,000, to be matched on a dollar-for-dollar basis.

Southwest Regional Recreation Authority

Adventure Tourism, Playground of the East - An Enterprising Pathway to Economic Diversification and a Locally Sustainable Economic Engine for Southwest Virginia - #2357

\$1,118,350.00 requested

Project Description provided by applicant: On March 13, 2008, the Virginia General Assembly passed legislation creating the Southwest Regional Recreation Authority (SRRA), a public corporation and governmental instrumentality with the ability to exercise the public powers of the state. Its mandate is to establish and maintain "...a system of recreational trails and appurtenant facilities, including trail-head centers, parking areas, camping facilities, picnic areas, recreational areas, historic or cultural interpretive sites, and other facilities..." in the Southwest Regional Recreation Area. In this capacity, SRRA serves/supports all jurisdictions within the LENOWISCO and Cumberland Plateau Planning District Commissions, an area encompassing Tazewell, Buchanan, Russell, Dickenson, Wise, Scott and Lee Counties, and the City of Norton. SRRA's stated Mission is to "...create and manage multi-use trails in the Southwest Regional Recreation Area to stimulate, enhance and sustain economic development and job creation in Southwest Virginia." The initiative is known as Spearhead Trails. Achieving the intent of its Charter and implementing its Mission will be accomplished by developing an international recreational multi-use trail destination for adventure tourists throughout the Eastern United States and beyond.

Staff evaluation: TICR has previously supported Spearhead Trails with Special Projects grants totaling nearly \$334,000 for feasibility and implementation planning, in addition to two Southwest Economic Development grants totaling \$350,000 for trail construction in two counties. The requested funds would fully fund start-up operations including trails management, marketing and maintenance for a three year period. Spearhead has received no General Assembly funding since that body created the Recreation Authority. A business/operations plan is being completed using a current Special Projects grant, and is due for completion in the next three months. A portion of that most recent grant is also being rebudgeted to establish an executive director position. Given state budget surpluses in the current year and the potential to identify other funding mechanisms through the business plan, staff is supportive of partial funding to guarantee adequate funds for core staff to be hired.

Committee recommends award of \$200,000.

Wilderness Road

Wilderness Road Regional Asset Inventory - #2382

\$101,000.00 requested

Project Description provided by applicant: This project is to fulfill VA & US Byway Designation:

1. Implement an Asset Inventory to identify existing premier heritage sites along Wilderness Road, Fincastle Turnpike and Carolina Road and all counties of SWVA
2. Provide detailed Byway heritage information that will provide exhibits for existing museums and create a foundation for new exhibits and projects.
3. Develop a Byway Corridor Management Plan required for State/ National Byways designation.
4. Provide historical accuracy to create narratives for interpretive panels to display at visitors in all Southwest Virginia
5. Create interpretive panels for each community at the Visitor Centers. The panels will provide historical significance of the community in regards to the pioneer settlement and migration.
6. Develop an historical guide that will be printed and added as downloadable documents on the web site.

How will Commission funds be used:

1. match funds awarded by ARC, VTC, and communities. A professional contract will be issued to hire a person or company for the Asset Inventory. Maps/journals/testimonies, paintings, drawings and historical writings from the local Universities, Colleges and historians will be studied to create a list of the premier assets
2. Develop interpretive panels dedicated to the historical significance the community played in the early settlement/migration.
3. Develop a Pioneer Journal with maps, testimonies, premier historical sites and directions.
4. Funds will be spent to promote the SWVA heritage and the Pioneer Journal.

Staff evaluation: The request by the 501C3 designated nonprofit partnership of localities stretching from Winchester to the Cumberland Gap and down the "Carolina Road" (Route 220) is well-matched by approved funds from a Virginia Tourism Corporation marketing grant and the Appalachian Regional Commission. TICR funds for capital costs such as interpretive panels will be limited to tobacco region localities. The Wilderness Road is clearly a national migration story and embodiment of Special Projects regional participation that connects several existing tourism venues

and communities in both Southern and Southwest Virginia, while appealing to international visitors and complementing other regional cultural heritage tourism partnerships including Crooked Road and Round the Mountain. Outcome figures provided appear extremely inflated (e.g. a current baseline of 260 million visitors and spending of \$780 million) but the projected three percent increase in visitation appears achievable in light of the planned marketing efforts and national byway designation. However, refined outcome tracking measures are necessary to reliably report on outcomes of this modest investment. Web-based tools and fulfillment of requests for print material should provide a basis for that reporting, in conjunction with follow-up visitor surveys.

Committee recommends award of \$101,000 contingent on revised reporting metrics and baselines for assessing net new visitor impacts. ■