

FY14 Special Projects Summaries & Staff Recommendations September 2013

The Commission received 21 proposals for the FY14 Special Projects cycle, including a project previously tabled. The projects are listed below as either economic development proposals (13) or healthcare projects (8 submitted and one subsequently withdrawn). The Committee has a \$4 million budget line this year, with additional recaptured grant funds boosting that total to more than \$5.9 million.

Req #	Organization Name	Project Title	Request Amount	Recommended Amount
Economic Development Proposals				
2766	Appalachian School Of Law	Natural Resources Law Center & Clinic	\$814,472	0
2712 2790	Center for Rural Virginia	Regional Capacity Development	\$100,000	\$50,000
2760	Franklin County	Franklin County Commerce Center Infrastructure Relocation	\$1,235,016	\$400,000
2765	Friends of Southwest Virginia/SWVA Cultural Heritage Foundation	Strengthening the Craft Economy in Southwest Virginia	\$500,000	0
2763	Helping Overcome Poverty's Existence Inc	HOPE Ministry Center acquisition and renovation	\$250,000	0
2745	Henry County	Henry County Water Filtration Plant Expansion	\$536,860	0
2764	Literacy Interactives, Inc	Stabilization and Reconstruction of the Patrick Robert Sydnor historic log Cabin, Mecklenburg County, VA	\$132,883	0
2748	Mecklenburg County	Virginia's Growth Alliance Marketing	\$200,000	\$100,000
2757	Ninth District Development Financing Inc	Tourism Loan fund	\$500,000	0
2758	REDC Community Capital Group Incorporated	Revolving Loan Fund for Job Creation and Small Business Development in Southside Virginia	\$1,000,000	\$500,000
2761	Robert Russa Moton Museum	Civil Rights in Education Heritage Trail Tourist Center	\$147,000	0
2756	Scott County Economic Development Authority	Secure Mountain/Sunbright Underground Technology Park	\$2,270,000	0

2751	Twin County Airport Commission	Airport Sewer Project	\$75,000	0
Subtotal - Economic Development Proposals (13)			\$7,761,231	\$1,050,000
Healthcare Proposals				
2755	Carilion Franklin Memorial Hospital	Franklin Care Express Telemedicine Initiative: Navigating Health Services to Increase Access in Communities of Virginia's Tobacco Growing Region	\$1,254,003	withdrawn
2759	Region 2000 Research Institute	Advanced Telemedicine Applications Using Broadband Wireless Infrastructure	\$475,552	0
2752	Region 2000 Research Institute	Creating an Internet Based and Access Ready Continuum of Mental Health Care	\$326,000	0
2656	St Marys Health Wagon	Expansion of Primary Health Care and Telemedicine Services	\$137,500	\$85,000
2762	St. Charles Health Council, Inc.	Jonesville Family Health Center	\$845,000	0
2754	University of Virginia	Improving Working Women's Health in the Tobacco Region through Telemedicine	\$927,793	\$927,793
2749	Virginia Commonwealth University	Working to Achieve a Cancer-Free Virginia	\$9,978,909	\$3,000,000
2746	Wellmont Foundation d/b/a Wellmont Health System	Level One Heart Attack Network - SWVA Phase II	\$200,000	\$200,000
Subtotal - Healthcare Proposals (8)			\$14,144,757	\$4,212,793

Total (21 requests/eight recommendations)	\$21,905,988	\$5,262,793
Balance available before/after recommendations	\$5,948,512	\$686,301

Economic Development Proposals

Appalachian School Of Law

Natural Resources Law Center & Clinic (#2766)

\$814,472 requested

Executive summary provided by applicant: ASL proposes to create a Natural Resources Law Center & Clinic to assist in the growth of clean energy alternatives and environmentally responsible use of traditional energy sources, to spur economic development and to support projects previously funded by this Commission. The Center will offer support in various forms (legal, business and policy research and advice in the form of attorney client relationships, short course seminars and symposia on topics related to business start-up and operation, relevant laws and regulations and oversight and compliance) to Tobacco Commission funded entities, beneficiaries of Tobacco Commission R&D grants, and start-up energy companies. Traditional sources of employment and economic opportunity are in decline in Southwest and Southside Virginia due to the reduced production of tobacco, coal and the loss of manufacturing jobs. Opportunities exist to spur economic growth by re-focusing the region's attention on the development and use of clean alternative energy sources and technologies for more environmentally friendly and efficient use of traditional energy sources. This project offers support for the Tobacco Commission's already considerable success in the areas of clean energy and manufacturing research and development and will assist in building on the foundation already built by Commission funds. The Natural Resources Law Center & Clinic will offer support to entities already funded by the Tobacco Commission including (1) start-up energy companies that have located their operations in the region; (2) beneficiaries of Commission R&D grants; and (3) Commission funded R&D Centers. Acting much like a private law firm, The Center will utilize the services of the ASL faculty, staff and students to offer legal, business and policy research and advice in the form of attorney/client relationships, short course seminars and symposia on topics related to business start-up and operation, relevant laws and regulations and oversight and compliance. The project will create new jobs in its own right (to staff and operate the Center) but more significantly will offer support for new and existing entities that show promise for future growth. By partnering with the Clean Energy R&D Center and others if requested (e.g. other Commission funded R&D Centers throughout the Commonwealth), the Center will lend assistance to the Commission's goal of fostering economic growth by supporting research and development done by new/existing entities which ultimately leads to new technologies, more efficient and environmentally friendly use of existing technologies and job creation for residents of the region.

Staff comments and recommendation: This request seeks 20% of the Committee's budgeted funds to establish the NRLC, which has been a principal component of ASL's Strategic Plan and fundraising efforts for the past several years. ALS has taken several steps recently to initiate new curriculum and outreach opportunities in this legal realm. The outcomes identify five new positions created for which the majority of the personnel costs are requested to be supported by TICR for three years (\$612,736 requested). The request also includes equipping and operating two office sites (one on campus in Grundy and one at the TICR-funded R&D center in Bristol). Future funding support for personnel and operating costs beyond the life of grant is stated as being provided within ASL's budget and other grant sources. The vision is to serve as a resource in support of the TICR energy R&D focus and the region's resource extraction economy, however it is unclear how TICR's return on investment for this project would be adequately and reliably measured. Staff inquired if a feasibility study had been done that gives evidence there is sufficient demand and that the applicant could capture a significant portion of this demand, and the supporting information is largely conversational and anecdotal. Absent more detailed feasibility data, there is not yet a compelling case that there is enough demand for these services from these companies to sustain a center, or that demand is cannot be met by existing private sector legal service providers. The application states the Center will be

announced at a legal seminar on September 23rd, prior to a Commission funding decision, leading one to assume this project will move forward in a phased manner over time, regardless of TICR funding, in order to provide real-world experience for ASL students specializing in energy and natural resources law. **Staff recommends no award.**

Center for Rural Virginia

Regional Capacity Development (#2712 – revised to #2790)

\$100,000 requested

Executive summary provided by applicant (revised): The Regions Strategic Plan Assessment grant will be a formal process to conduct and determine the economic development priorities for each of the Planning District regions in the TICR footprint. The process will be to solicit information from each of the nine planning districts in the TICR regions. The purpose will be to determine and document the strategic economic development plans of the regions to submit to the TICR Board for setting its priorities, revise its strategic plan and to develop region-wide economic development strategies. Past studies in the TICR regions point to gaps between the strategic plans by TICR and that of the strategic plans and investment from support organizations that assist the respective regions. The opportunity is to assemble the strategic plans of each region and evaluate those to the TICR Board strategic plans and determine how they are complemented and support each other. The opportunity is to determine how the VTC's existing investments in economic development, provide the necessary underpinning of the regions need while simultaneously responding to the needs of economic development. The project will biennially assemble key leaders in each PDC region and conducts focused evaluations of their respective strategic plans for economic development and identify their plans and actions for development. It will evaluate the findings and areas of the alignment and misalignment for future investments in economic and capacity development with those of the regions within the TICR footprint to provide to the TICR Board of Directors. By evaluating the strategic plans within the region and identifying needs of the regions related to the TICR Strategic Investment Plan, the TICR can better focus their investments to enhanced efficiency and value of economic development facilities and programs in the TICR footprint. Evaluation may highlight the drivers of economic development systems that impact current structural, system and personnel as it impacts the output of investments. The project will utilize the findings and data to submit to the TICR Board for setting priorities and aligning TICR strategic plans and investments to deliver for the TICR regions more competitive economic development.

Staff comments and recommendation: This request was submitted in May 2013 and tabled by the Committee, pending clarification of the Center's budget, use of TICR funds and commitment of matching funds. A revised request was submitted September 5th, seeking funding to conduct the tasks described above. The requested activities are designed to address a JLARC recommendation re: the Commission in June 2011 ("*#15. TICR should develop and implement a formal process for biennially collecting input on the economic development priorities of the tobacco region. Input should be solicited from planning district commissions in the tobacco region, regional economic development marketing organizations, local economic developers ... community colleges and higher education centers. TICR should use this information to set its priorities, revise its strategic plan, and develop region-wide economic development strategies.*"). In effect, the Center would be granted funds to conduct this task as an independent contractor to the Commission, prior to updating the TICR Strategic Plan at some point in 2014 or thereafter (the current plan was adopted in May 2012). While this requests seeks two years of funding to accomplish these tasks, Staff suggests a one year commitment to gauge the process and progress should be a sufficient interim step to build toward a future Strategic Plan update. **Staff recommends award of \$50,000.**

County of Franklin

Franklin County Commerce Center Infrastructure Relocation (#2760)

\$1,235,016 requested

Executive summary provided by applicant: A major industry is looking to develop Site D in the Franklin County Commerce Center for a substantial new project. The site itself is not large enough to accommodate the project and, therefore, requires the relocation of the current access road and all utilities adjacent to that road (Corporate Drive). The industrial project is expected to generate over \$30,000,000 in new private investment and fifty new jobs. This would represent the second highest private investment announcement in Franklin County's history. The relocation project will need to be completed by Spring 2014 to meet the scheduling needs of the firm. This project represents a major opportunity for the locality and the entire Tobacco region. The investment will bring in the needed revenue for the community to continue making significant outlays in the sites, buildings, and infrastructure that will help to attract even more economic development to the region. Additionally, the minimum of fifty new jobs created will be open and available to residents throughout the area; thus helping the region's staggering unemployment issues. The problem that needs to be addressed is simply a financial one as the County does not have the funds to relocate the infrastructure on its own. Through the combination of local funds and a TICRC Special Projects grant, the community can incur the necessary expense to make this project a reality. This project will relocate water, sewer, fiber, phone, electrical, and road infrastructure to the opposite side of Site D to allow the construction of a building over the current infrastructure placements and to continue road and utility service to two existing businesses and a future new business that will locate on the existing graded Site 1 pad. The completion of this project will enable the current project to proceed while continuing service to existing firms. This project will be of major significance to the County and region. When announced, the business project it will enable will represent one of the largest investments in Franklin County and the region's history and will create fifty new, well-paying jobs for the area. The local tax revenue the business project will generate will be reinvested into the County's economic development program to enable the community to increase its capacity to locate additional businesses, investments, and jobs into the Tobacco region. It is also expected that the business project will lead to further jobs and investment in the future.

Staff comments and recommendation: This project, which would create a site for a significant new industry location, exceeds the ability of the Southside Economic Development program to fully fund (a current allocation of \$298,093 exists for projects in Franklin County). The County understands that available SSED funds should be committed to this project, and furthermore proffers to request repurposing of a previous SSED grant (#2627) for \$359,883 that was awarded in January 2012 for water/sewer extension and grading of Lot D. The combination of those two additional sources (assuming approval of the Southside Economic Development Committee) would effectively reduce this request to \$577,035. Furthermore, TROF is a realistic expectation for a project with this job creation (50) and private capital investment (\$30 million). Less the estimated TROF, an apparent need is for approximately \$400,000 to complete the needed utility and road reconfiguration to accommodate this project. **Staff recommends award of \$400,000 contingent on the prospect's commitment to this site.**

Friends of Southwest Virginia
Strengthening the Craft Economy in Southwest Virginia (#2765)
\$500,000 requested

Executive summary provided by applicant: "Strengthening the Craft Economy in Southwest Virginia" is a proposal to bolster economic development through crafts in the Tobacco Commission region of Southwest Virginia. This proposal heightens the ongoing work of 'Round the Mountain and Heartwood: Southwest Virginia's Artisan Gateway through three primary objectives:

1. Expanding the merchandising and marketing infrastructure for craft sales at Heartwood.
2. Broadening the participation of artisans from all parts of the region.
3. Incorporating product lines that are trending in the specialty craft market and support sales for the types of products that engage consumers while enriching the value and culture of SWVA.

While the efforts of RTM and Heartwood have been very successful, three important weaknesses have surfaced:

1. Though the products for sale at Heartwood are of high quality, sales could potentially increase if a more diverse offering of products and pricing were available.
2. The current internal layout of the Heartwood galleries restricts the amount of merchandise that can be shelved, which ultimately limits potential sales.
3. 'Round the Mountain still has a lack of region-wide representation of artisans. Many areas in the region are not receiving the full benefits of Heartwood because they are not being represented effectively.

This project addresses the weaknesses cited above. This project plans to identify and stock more trending craft product lines such as kitchen, home décor, pet, and outdoor recreation products. This project plans for a redesign of the gallery layout to one that is both more attractive to customers and one that can accommodate more merchandise. This proposal will significantly increase the number of artisan members of RTM from the less-represented counties in the region by hiring an Outreach Specialist. The purchasing of \$350,000 of crafts from artisans will address all three weaknesses. This proposed project will have significance throughout the region. This project will increase craft sales at Heartwood, thus increasing income for artisans around the region. This project will especially have an impact on artisan incomes in less-represented counties. More visitors will travel the RTM Artisan Trails, which will spur tourism dollars, adding to tax bases and supports local businesses. A thriving Heartwood will result in a thriving Southwest Virginia. Expanding the customer base of Heartwood will in turn expand the customer base of Southwest Virginia. This will not only increase return trips, but also entice visitors into becoming residents.

Staff comments and recommendation: This proposal returns with essentially the same requested activities that were passed by in the FY13 Special Projects cycle. This latest funding request from the applicant seeks \$350,000 to purchase retail goods from artisans that will then be sold at Heartwood, effectively giving the applicant an unrestricted gift of \$350,000 once those products are sold (Staff recommends that this organization look into line of credit with community development lender for purchase of merchandise). It also seeks \$60,000 to hire an "outreach" specialist to develop additional artisan relationships, though the future source of funding this position is unclear. It seeks \$90,000 to redesign and replace retail sales spaces and fixtures at Heartwood that were just installed just over two years ago. The application identifies outcomes as 25 jobs and \$500K private capital investment but staff did not see additional information in the application to explain how they arrived at these numbers.

The Commission has assisted the applicant with two Reserve and Special Projects grants in the past three years totaling \$1 million for marketing and program development. The Reserve grant served as match for committed grants from ARC (\$500,000) and a USDA/EDA grant for \$815,000. A balance of approximately \$35,000 remains in the Reserve grant. Lastly, no matching funds are indicated, which would make this an ineligible request that does not show evidence of required matching funds. **Absent the required matching funds this is an ineligible request and Staff recommends no award.**

Helping Overcome Poverty's Existence Inc
HOPE Ministry Center acquisition and renovation (#2763)
\$250,000 requested

Executive summary provided by applicant: Acquisition of the innovative, one-stop HOPE Ministry Center in downtown Wytheville, in which seven nonprofits collaborate on housing, medical, disability, education, food security and other special needs for over 3,400 low wealth residents of Wythe, Bland, Smyth, Carroll, Grayson and Galax. Since 2003, HOPE has served as the project manager/landlord of the HOPE Ministry Center, in which seven total nonprofits co-located from scattered sites. HOPE has paid taxes, insurance, utilities and maintenance on the property, but not rent or mortgage, thanks to the benevolence of the property owner, George Keck. After ten years, Mr. Keck informed HOPE in December, 2012 he would like to sell the property, at the appraised value, and would give back a 10% tithe. HOPE applied for and received a grant of \$311,250 from Wythe-Bland Foundation, contingent upon raising a match within one year. Match funding requested from the Commission of \$250,000, along with grants totaling \$85,000 to be submitted to several other regional foundations, and a modest capital campaign of \$75,000 will raise the gap of \$410,250 required to receive the WBF grant of \$311,250. This will enable HOPE and its partner agencies to continue providing innovative and synergistic services to a wide range of low wealth needs for residents of the service area. HOPE's HOPE Ministry Center project is an innovative and replicable solution to providing multiple agency services under one roof with funding provided by private sources. With no debt for the past ten years of occupancy, and as requested for the future, participating agencies are able to focus funding during difficult economic times on client needs and services across a wide range of programs.

Staff comments and recommendation: While this proposal is well-matched with committed foundation grants, the focus is on health and human services and the outcomes are not aligned with Special Projects or Commission objectives. Purchase of the property that currently houses the agencies, as requested herein, would not directly increase agency services, and more importantly, a positive funding recommendation would set a precedent for purchasing facilities for human service agencies. Staff feedback on a pre-application two years ago suggested the applicant pursue Community Development Block Grant funding, and it is again suggested that they pursue CDBG and other agency funding such as USDA Community Facilities that may support health and human services. **Staff recommends no award.**

Henry County
Henry County Water Filtration Plant Expansion (#2745)
\$536,860 requested

Executive summary provided by applicant: The Henry County Public Service Authority has requested to increase the capacity of their Upper Smith River Water Plant from 4 million gallons per day (4 MGD) to 6 MGD. Commission funds will be used for the A/E design of the water expansion project. The Henry County Public Service Authority provides clean, safe drinking water to the Henry County community (and parts of Pittsylvania and Patrick Counties as well) and also provides wastewater treatment and disinfection to protect the community and the environment. Currently, the Philpott Water Filtration Plant has a 4 MGD withdrawal limit, and the demand is at 75%, or 3 MGD. The Virginia Department of Health requires a formal plan when capacity reaches 80%. The Henry County PSA proposes increasing the capacity to 6 MGD. The proposed solution is to increase the water production capacity to 6 MGD for the 20-year planning period. To do this, the pumps and the intake structure at the Upper Smith River Water Plant

would have to be modified, and a smaller screen will need to be installed (1mm screen size) which will greatly reduce the potential for larval fish and egg impingement.

The increased capacity is needed to meet future demand, comply with drinking water regulations, and support continued industrial and commercial development. The Martinsville-Henry County Economic Development Corporation is actively recruiting new and expanded industrial/commercial opportunities, and as these opportunities come to fruition, the demand for water capacity will surely rise. The expansion will also enhance Henry County's ability to keep and attract heavy water users and therefore positively impact our quality of life and economic base.

Staff comments and recommendation: This project, which would design the water expansion project, exceeds the ability of the Southside Economic Development program to fully fund (a current allocation of \$165,008 exists for projects in Henry County). Matching funds would come during the anticipated construction period in 2015. The County is taking a proactive approach to begin design of this expansion before it becomes a critical need to serve prospective new industries. However, this expansion would also serve residential and non-basic industry commercial needs, and Staff has contacted Virginia Resources Authority and confirmed that design costs such as these can be financed in VRA's pooled bond programs. **Staff recommends no award.**

Literacy Interactives, Inc

Stabilization and Reconstruction of the Patrick Robert Sydnor historic log Cabin, Mecklenburg County, VA (#2764)

\$132,883.20 requested

Executive summary provided by applicant: The proposed project will stabilize, rehabilitate and reconstruct the Patrick Robert "Parker" Sydnor Civil War era historic log Cabin located in Mecklenburg County, VA. The Parker Sydnor log cabin is officially listed on the National Register of Historic Places and the Virginia Landmarks Register. The National Park Service and the Virginia Department of Historic Resources confirmed statewide significance on the site in October 2012. Statewide significance designates the site for a Virginia historical highway marker. The site will be open to the public for region-oriented interpretive programming, economic, day-trip and heritage tourism. The state mandate for counties in Virginia to prepare for the commemoration of the Civil War Sesquicentennial presented the exceptional opportunity to showcase a standing Civil War era log cabin in Southside. Mecklenburg CW 150 planning features the Parker Sydnor log cabin site. There is need for a fresh and timely attraction that involves all the players in Civil War home front recognition. The site will showcase the integrity of African-American social dimensions that extended into the twentieth century, and beyond. Opportunity and need adhere to the site's twenty-first century economic and national meaning/brand of economic-based and day-trip tourism. With stabilization and reconstruction, the Sydnor log cabin will be safely open to the public for heritage, day-trip and CW 150 tourism; and will create local partnerships for interpretive programming based on the multi-layered integrity of the site and its 19th-and 20th-century inhabitants. Stabilization provides immediate construction jobs for the completion of the project. Because of the enduring popularity of Civil War interest, the site's appeal will sustain beyond 2015. Significant measurable impact is located in tourist assets with direct economic benefits: Downtown Clarksville, South Hill, Berry Hill, Occoneechee, and popular trails a day-trip distance from the site. In spring 2013, LIA sponsored community meetings for input about the project. The project serves as an immediate attraction for Southside involvement in CW 150 as a "bridging communities" initiative. Interpretive programming aims to impart a good sense of self-worth in order to provide ambition and skills for vital involvement in the workforce. Self-worth is also a development indicator. The project output is measurable with guidelines based on studies that demonstrate

how rural tourism has the power to instill positive identity among local people and to serve as an economic development driver.

Staff comments and recommendation: As a heritage tourism project, this request is eligible for Southside Economic Development program (nearly \$2.7 million is currently available in SSED for projects in Mecklenburg County). It lacks the regional participation eligibility threshold for the Special Projects program of three or more localities with a significant commitment of financial and governance/operational resources in the project). The applicant has succeeded in gaining historic designation for the structure, and has completed a business plan and master site plan with the assistance of Virginia Tech's Community Design Assistance Center. Two subsequent phases are anticipated in the site master plan, including construction of a visitor center and classrooms for education, although costs estimates that might indicate the size and the possibility of future TCR funding requests are not provided. Twenty-five jobs are cited as an outcome, although the majority of those would presumably be created only during the renovation phase, private capital investment is listed as \$45,000, and expectations for specific visitor outcomes attributable to this site are unclear. Matching funds are not yet committed (the application cites requests pending with several private foundations. Significant questions exist surrounding the capacity of this recently formed nonprofit and its small closely-held board (five members, of which three appear to be family members, with the project leader, architect and accountant all based in Arizona) to successfully implement this project, and to make a one-room log cabin a significant tourism destination with measurable new tourism outcomes. **The project does not meet the three-locality eligibility requirement for Special Projects, and Staff thereby recommends no award.**

Mecklenburg County

Virginia's Growth Alliance Marketing (#2748)

\$200,000 requested

Executive summary provided by applicant: This project supports the regional economic development marketing function of Virginia's Growth Alliance (formerly known as TransTech Marketing Alliance) for 2 years. Virginia's Growth Alliance (VGA) is a regional economic development marketing organization approaching in its second year of operation. The mission of VGA is to "grow and diversify the region's (six counties and one city) economy resulting in increased employment for its citizens, higher household incomes and an expanded commercial/industrial investment in the area." VGA promotes the region through traditional marketing methods of website, newsletters, direct mail, advertising, site selection consultant events, etc. This proposed grant will expand those outreach-marketing activities. The VGA has one of the highest unemployment rates in Virginia, averaging over 2% higher than the state average. Recent plant closures have further exasperated this problem. The marketing activities to date have increased the level of prospect interest but more needs to be done to raise awareness of the region as a great place to do business commensurate with competitor regions inside and outside Virginia. The region is blessed with a range of marketable industrial sites and workforce training facilities most receiving funding from the Tobacco Commission. Without aggressive marketing prospective businesses will not know of the opportunities available. VGA will undertake an aggressive marketing campaign to increase the prospect leads by conducting independent out-reach marketing targeted at four target industries, advanced manufacturing, information technology, logistics/distribution and wood products. In addition to those four targets, special marketing will be carried out to attract security training related businesses related to the FAST-C project at Pickett Park and large/mega manufacturers suited to the mega-site in Greenville County. Target industry representatives and site selection consultants will be keenly aware of the advantages of a VGA regional location for their business operations. An increase in prospects ultimately leads to an

increase in business locations that results in increased business investment, increased employment and increased household incomes for our citizens.

Staff comments and recommendation: The Special Projects Committee has previously supported the operational start-up of TransTech/Growth Alliance with a \$200,000 grant awarded in 2011. Much like the neighboring Southern Virginia Regional Alliance, which returned to the Special Projects Committee for continuation funding in May 2013, VGA seeks Commission assistance to leverage the \$1 per capita contributions of the six participating localities (Brunswick, Emporia, Greensville, Lunenburg, Mecklenburg & Nottoway) to retain staff and continue regional economic recruitment marketing efforts for two additional years. Staff would note that the proposal includes \$125,000 (more than half of the requested budget), to contract with a Richmond-based consulting group (310 Ltd) for lead generation and prospect visit services that in part would be expected to be primary responsibilities of the executive director. VGA currently has an available balance in the initial grant awarded for its start-up in 2011, and staff would therefore suggest a partial award to continue organizational support for an additional 12-18 months, at which time the organization's successes and long-term sustainability could be better defined and understood. **Staff recommends award of \$100,000.**

Ninth District Development Financing Inc.

Tourism Loan fund (#2757)

\$500,000 requested

Executive summary provided by applicant: Ninth District Development Financing Inc (NDDF) will capitalize its revolving loan fund, a tourism development loan fund established to serve the Ninth Congressional District of Virginia, to assist in efforts to revitalize Tobacco Commission counties (both Southwest and Southside). Through the provision of low cost financing and business development services, this loan fund will stimulate tourism-related economic development that will create and sustain job opportunities in these localities. Tobacco Commission targeted communities still lag behind the rest of Virginia in regard to poverty and household income. Tourism development is an expedient method to achieve impacts in these areas. While there are other lenders in these localities, many do not target low-income or rural communities. Traditional banks have tighter regulatory standards, rarely lend to start-ups or to individuals with blemished credit or limited credit history, and may be unwilling to completely underwrite a project. As manager for the NDDF loan fund, People Incorporated specializes in capitalizing start-ups and thinly capitalized businesses unable to obtain commercial financing. NDDF offers affordable capital and business development services provided by People Incorporated Financial Services, the financial arm of People Incorporated and a certified Community Development Financial Institution, to support tourism businesses located in the Ninth District. By recapitalizing the loan fund, borrowers will have access to low-cost capital that can be used for working capital and fixed asset financing. The interest rate is set at prime rate minus 2% with a minimum charge of 3%. The rate is fixed for the first three years, and is then reviewed for adjustment each following year. In 2011, Virginia tourism generated more than \$20 billion in domestic travel expenditures, up 8% compared to 2010. It supported 207,000 jobs and contributed \$4.6 billion to the state's payroll. Increased tourism development generated by heightened access to financing capital in the Ninth Congressional District will: increase the quality of local tourism destinations and local economic impact; generate jobs and assist in employee retention; add diversity to tourism experiences; encourage the preservation of traditional customs, artisan work, and festivals; and promote local community pride.

Staff comments and recommendation: This is the first request from this entity that has been managed by People Inc. since its creation nearly twenty years ago; however, the Commission has provided four previous grants totaling \$1,875,000 since 2003 to help capitalize People Inc.'s Commonwealth Enterprise Fund and

Southwest Community Development Financing Inc. entities. This specific program's focus on businesses that primarily serve tourism visitors (see www.nddf.org for examples) aligns well with other regional efforts such as the Crooked Road Music Trail, Round the Mountain artisans trails, The Wilderness Road and other regional cooperative efforts. Since it was established in 1994, NDDF has made 26 loans totaling \$4.5 million, and ten have been repaid with no defaults. The requested amount is expected to assist five new businesses with 20 jobs created, so future requests for additional capital might reasonably be expected. The cost per business and per job presents an "opportunity cost" issue for the Commission, specifically, is there a current and future desire to grant \$100,000 per business that creates four jobs. Albeit the funds will "revolve" into new loan(s) at some point, but the question remains whether the Commission should commit an additional \$500,000 for this program when other entities also exist to serve similar businesses in the region, including People Inc.'s other lending programs, Virginia Tourism Corporation's tourism development loan fund, Virginia Community Capital Inc, and the Virginia Small Business Financing Authority. **Staff recommends no award.**

REDC Community Capital Group Incorporated
Revolving Loan Fund for Job Creation and Small Business Development in Southside Virginia (#2758)
\$1,000,000 requested

Executive summary provided by applicant: REDC requests \$1,000,000 to create a Revolving Economic Development Loan Fund to provide sustainable job creation and small business development opportunities in Southside. This Fund will be targeted to areas identified as low wealth and investment stagnant. REDC developed three platforms to address the needs of the underserved business community: Technical Assistance, Training and Capital Access. Each is critical for small business development, expansion and job creation. REDC differentiates itself from other entities because we leverage the VTC investment with guarantees of up to 85% for two loan programs, the SBA Community Advantage Loans and the USDA Relending Program. Nearly every client of REDC starts out at a traditional banking/financing source and after being declined is referred to us. As big banks and many community banks increase their requirements for financial products, the demand for REDC's products and services continue to increase. The localities in Southside have been among the hardest hit in and those which continue to experience severe and challenging business issues, making it more difficult for them to attract the resources they need. Each locality we serve in Southside has a higher unemployment rate, a higher poverty rate and a lower median household income than Virginia. We have established a sequential platform of activities providing a holistic approach toward small business and economic development resulting in job creation. A designated Revolving Loan Program will allow us to provide the lending capital for three of the loan programs we offer: SBA Microenterprise Loans, Community Advantage Loans and USDA Relending Loans Program. Each loan program is designed to meet a variety of borrowing needs including working capital, equipment, and leasehold improvements. Small businesses will thrive here if given the adequate tools they need to succeed, along with help creating appropriate business plans and on-going mentoring and technical assistance. A Revolving Loan Fund will breathe life back into Southside through job creation and economic development. Through the three-year timeframe of this grant, we will train 95 people through our CWE program, have clients create 60 viable business plans, provide technical assistance to 300 clients, help 120 small businesses start, expand or stay in business, create 50 FTE jobs through started or expanded businesses, award 30 loans totaling \$1 million. Job creation is top priority for local and state government and for business leaders in Southside. REDC provides services and access to capital where traditional sources cannot or will not.

Staff comments and recommendation: This is the first TICR grant request from the Richmond-based nonprofit. It would serve Southern VA with loans and technical assistance, training classes etc. The proposal states the requested amount would provide 30 loans and create 50 jobs. Whereas many of the small business lenders cited in the previous staff comments also serve Southern VA (VSBFA, VA Community Capital etc.) the region lacks an entity that would serve in the role REDC is proposing, much like People Inc. does in Southwest VA. REDC appears to have established partnerships with SBDCs and educational centers in SOVA (IALR, New College etc) to provide sites for entrepreneur development classes. Its use of federal loan guarantees in conjunction with the requested loan funds, will reportedly allow REDC to rapidly sell guaranteed loans and revolve the sales proceeds into new loans. An initial award to REDC would provide a pilot project period to test demand for small business loans in the region and REDC's success in serving that demand. **Staff recommends an award of \$500,000.**

Robert Russa Moton Museum

Civil Rights in Education Heritage Trail Tourist Center (#2761)

\$147,000 requested

Executive summary provided by applicant: The Civil Rights in Education Heritage Trail Tourist Center will be housed in a 2,000 square-foot reconstructed circa 1951 Moton High School tarpaper shack. The facility will include a covered dining area, restrooms, and administrative offices. The tourist center will be located on the grounds of the National Historic Landmark Robert Russa Moton Museum, an icon of the Civil Rights Era. The project, with the major portion of funding provided by the VDOT Enhancement Program, also includes parking lot and landscape improvements. The Robert Russa Moton Museum is Virginia's leading Civil Rights Era museum. That it is located in Southside is a distinct advantage for the region. Its historic significance is on par with other national Civil Rights Era sites in localities such as Atlanta, Birmingham, Greensboro, Jackson, Memphis, and Montgomery. Properly developed Moton allows the Commonwealth to compete with its Southeast Regional neighbors for Civil Rights Era heritage tourism travelers and scholars. The national significance of Moton is evidenced by the wide array of corporate, foundation, and governmental support over the past five years now totaling more than \$5.5 million. The proposed project will complete the creation of the leading Civil Rights Era museum in the Commonwealth. Proximity to the concentration of Civil Rights Era travelers in the Northeast Region will offer a distinct advantage in comparison to Civil Rights Era sites of the Deep South. Moton is a convenient daytrip for a large number of tourists and is a convenient stopover point for those continuing to the Deep South. Moton will accommodate 35,000 visitors annually at completion with a local economic impact of approximately \$1 million annually. Moton is the Commonwealth's Civil Rights Era Museum. What Virginia students learn of the era through site-based historic interpretation they will learn at Moton. They will visit and learn in Southside. The participating localities of the Civil Rights in Education Heritage Trail in 2004 designated Moton the Trail's anchor recognizing the positive impact its development would have on heritage tourism. The project provides positive impact across a substantial portion of the tobacco region; however the Southside Economic Development allocation is insufficient to fund this project.

Staff comments and recommendation: Currently, a Southside Economic Development allocation of \$77,785 exists for projects in Prince Edward County. TICR has previously supported Moton with grants totaling \$1.4 million including a \$76,000 SSED grant for this specific project (pavilion and parking) in May 2012. While the project is well-matched with committed funds, any additional outcomes that could be attributed to this request are minimal. **Staff recommends no award.**

Scott County Economic Development Authority
Secure Mountain/Sunbright Underground Technology Park (#2756)
\$2,270,000 requested

Executive summary provided by applicant: The Applicant looks to aid in site preparation for the development of a first-of-its-kind underground technology park. The park, to be developed in a former limestone mine located near the Town of Duffield in Scott County, will be capable of hosting multiple stand-alone data center buildings, supported by a common power, cooling and communications infrastructure. The former limestone mine at Sunbright offers roughly 22 acres (1 million square feet) of engineered underground space, with structural stability (rock); 6,000 tons of natural cooling (constant 52 degree temperature); a 10 million gallon stable, rechargeable water reservoir; ceiling heights in many areas averaging 30-40+ feet; and an existing series of unimproved circulation roads supporting access throughout the underground areas. Based on initial feasibility analysis, subsequent independent engineering feasibility, master planning and business model analysis, the private entity the EDA plans to assist proposes to develop an underground technology park in the former mine site, capable of hosting multiple freestanding or interconnected buildings housing data storage and support equipment. These buildings, either single- or multi-story, and ranging from several hundred to tens of thousands of square feet, will be supported by a common power, cooling and communications infrastructure. The site delivers significant advantages over comparable above ground technology parks, including security and operating efficiencies. The private entity foresees a multi-year build-out of the site. The entity has hosted more than 20 site visits during the past 18 months, with enthusiastic interest among potential clients. Thus far, two potential tenants have executed Letters of Intent to Occupy, one representing a classified federal government contract and the other a healthcare payment processing firm desiring occupancy in early 2014. Site development will result in 150 construction jobs, the owner expects to create 28 jobs at full capacity, and potential tenants represent many more, plus significant investment. This project represents an incredible opportunity with far-reaching impact.

Staff comments and recommendation: The project was previously supported by a TICR Reserve grant of \$20,000 in 2010 to study the feasibility of establishing data centers operations in this former limestone mine. It presents a unique opportunity to leverage Commission investments in broadband adjacent to the site. TICR funds are requested to install power, lighting and communications infrastructure and construct a second entrance, road networks and site pads. Full buildout is anticipated to include 200,000 square feet of space, involving 28 security, maintenance and operations jobs, and private capital investment of up to \$40 million. However, the current proposal seeks 57% of the available Special Projects budget for FY14 to benefit the private property owners, and does not include the active financial and governance participation of three or more participating localities that is the requirement for Special Projects eligibility. Matching funds are shown as \$3.7 million already expended by the owners to acquire, clean up and prepare the site. Partial funding consideration is an option, assuming performance measures were built into the grant conditions, however that approach would still leave the property well short of the \$2.27 million of tasks needed to make it fully ready to attract data clients. The TROF program is a better candidate, with the appropriate job creation and private capital investment performance provisions, to assist this privately-owned project, in concert with other private and public funding sources that can complete the site preparation. **The project does not meet the three-locality eligibility requirement for Special Projects, and Staff thereby recommends no award.**

Twin County Airport Commission
Airport Sewer Project (#2751)
\$75,000 requested

Executive summary provided by applicant: The Airport Sewer Project involves the construction of approximately 2,680 feet of eight (8) inch sanitary sewer line that will connect the airport facilities to the Carroll County Public Service Authority's sanitary sewer line that runs parallel to Virginia State Route 743 (Airport Road) in Carroll County. The project will allow processing of sewage from a new airport terminal (currently under construction) and up to three existing corporate hangars. The Twin County Airport is a key asset for economic development in the Carroll-Grayson-Galax region. Currently, the airport serves several nationally-based businesses, including Caterpillar, Inc., Love's Travel Stops, Forestry Services and sub-businesses that contract with them. The airport is undergoing a strategic expansion that will allow it to serve more business and industry customers, and the need for public sewer to support the expansion is critical. Without public sewer service, the airport's new terminal facility will not be able to be utilized to full capacity, thus greatly limiting the effectiveness of the entire airport. The solution to the need for public sewer service at the airport is relatively simple. The Twin County Airport Commission partnered with the Carroll County Public Service Authority to design a solution that will connect the airport to the existing public sewer service located along Airport Road. The majority of the construction will occur on airport property, and an easement has already been obtained for the approximately 1,200 feet of sewer line that will cross private property. This project is significant, because the Twin County Airport is a vital tool for economic development in the region. The airport is expanding and currently supports two businesses located on airport property, a new helicopter business and a fixed wing business. The placement of the new sewer line will allow for expansion at those two businesses and further business development along Hangar Road. Furthermore, the Twin County Airport is located in close proximity to Wildwood Commerce Park, which is a regional mega-site that is currently being marketed to prospective industries. The airport is a strategic asset for Wildwood Commerce Park.

Staff comments and recommendation: While there is no debate that airports are an amenities that support economic development, airport projects are specifically included in the list of the Commission's Low Funding Priorities. At this time there are no direct measurable economic outcomes in terms of jobs and private investment. This modest and well-matched funding request appears to be within the capacity of the local government, airport authority and County PSA to complete without Commission assistance (e.g. VRA financing). **Staff recommends no award.**

Healthcare Proposals

Carilion Franklin Memorial Hospital
Franklin Care Express Telemedicine Initiative: Navigating Health Services to Increase Access in Communities of Virginia's Tobacco Growing Region (#2755)
\$1,254,003 requested – WITHDRAWN BY APPLICANT

Region 2000 Research Institute

Advanced Telemedicine Applications Using Broadband Wireless Infrastructure (#2759)

\$475,552 requested

Executive summary provided by applicant: The CAER will partner with Wireless@VT and Centra on a demonstration project to build and pilot open source telemedicine applications that will utilize cost efficient commercial wireless devices to provide improved health care to the Tobacco region. The outcomes of this project will provide the justification for continued medium and long term goals that include a private LTE network for health care services in the Tobacco Region as the next phase. The ultimate goal will be a consortium of health care providers, medical device companies and universities developing and deploying new wireless technologies for health care applications in the region. Despite advances in wireless and communications technologies in healthcare, specialty care or consultation is still nonexistent or grossly underrepresented in many areas of the Tobacco region. Although Virginia ranks 21st in the nation in physician to patient ratio, in rural Virginia the ratio of specialty physician to patient is much lower. Access to care and consultation with specialists and subspecialists could allow rural Virginians better and earlier medical care, lowering costs and unnecessary hospital admissions. It may also help create a network of specialty physicians as an immediate resource for primary care providers in the tobacco region. This proposal will be the initial step in a multi-phase approach to utilize wireless technologies to improve access to health care. This project will build and demonstrate telemedicine applications that utilize commercial smart wireless devices and existing wireless access to provide specialty health care to underserved regions. The results will provide the justification for building dedicated wireless network infrastructure (such as a dedicated LTE network) to expand these capabilities. The ultimate goal is to build a consortium of health care providers, medical device companies and universities to continuously define core needs and develop the technologies to meet those needs. The immediate results of this project will be the demonstration of telemedicine applications that provide specialty care and consultation to underserved regions of Virginia. These results will provide the justification to develop and build wireless infrastructure (such as a private cognitive LTE network) in the Tobacco Region dedicated to health care services. This advanced wireless infrastructure can be used to investigate additional new opportunities for improving patient quality of care, health care operating efficiency, and operating costs throughout the region. Ultimately, the developed technologies can be translated to home health care environments, which will reduce admissions and readmissions through proactive care.

Staff comments and recommendation: This request proposes that CAER will contract with Virginia Tech's Wireless@VT center for nearly \$300,000 to develop software, investigate technologies and build telemed applications for commercial smart devices. CAER would also contract with Centra Health system to collaborate with Wireless@VT for \$161,760 to provide a neurosurgeon as medical liaison, IT services and program coordination. In this demonstration phase, an estimated 56 neuroscience patients in Centra's Farmville facility will be treated via telemedicine links to Centra's main hospitals in Lynchburg. Future phases (no costs estimates are provided) would expand this technology to Centra's entire Southern VA service area. The wireless medical device field is seen as a lucrative market that has attracted significant investment and innovation from companies such as Qualcomm, and significant attention from federal regulators concerned about security of healthcare data. The software and applications VT hopes to develop are intended to be open-source, meaning that TICR is being asked to fund the entire cost of developing technologies that would ultimately be available for free worldwide. Matching funds are entirely in-kind from sources that would also receive grant funds, including waived indirect charges from VT and Centra and donated staff time from Centra and CAER. No mention is made of cash contributions from foundations associated directly with VT and Centra, or with other private foundations or federal grant programs. TICR staff has suggested that if this type of project was successful obtaining public and/or private matching funds, was vetted to assess the current competitive landscape for development of wireless medical

communications, and structured to lead to commercialization of software and applications development by a tobacco region-based private entity, this could be a viable candidate for the Commission's R&D program. **Staff recommends the project be revised and resubmitted to the R&D program.**

Region 2000 Research Institute

Creating an Internet Based and Access Ready Continuum of Mental Health Care (#2752)

\$326,000 requested

Executive summary provided by applicant: The CAER will partner with Theralive to develop a technology-driven, internet based, access-ready continuum of mental health care that increases accessibility by developing a network of professionals, synchronous and asynchronous interventions, a series of best practices, and a client-directed course of care. These programs will improve access to mental health services, initially in the Tobacco Region and ultimately globally, thereby reducing stigmatization, providing time appropriate treatment, and improving treatment outcomes. These programs will engage the mental health population in a new way and build resources for training and education on all mental health matters. The National Alliance for Mental Illness estimates that mental illness affects 1 in 4 Americans, children and adults, the rich and the poor, regardless of race. Closer to home, the statistics from just Lynchburg General Hospital's Emergency Mental Health Department show that in 2012, over 5,000 mental health screenings were performed in acute or emergent settings, resulting in over 1,500 psychiatric hospitalizations. The development of the internet has increased access to information on almost everything. Yet the mental health field has been slow to adopt this technology to increase the access to mental health services needed to address the need. Most Americans are under-informed about mental illness, which contributes to a second factor in not seeking mental health treatment- stigma. Even when people realize they need help, they often do not know how to access a mental health professional. This project will provide an access-ready continuum of synchronous (video conferencing) and asynchronous (self-directed) mental health interventions that are both easy to use and appropriate for the setting. We plan to pilot this program in the Tobacco Region. Through attracting the right talent to the Region, we can produce content and first responders focused on improving the mental health of others. To date, nothing as ambitious, innovative, or comprehensive as the proposed application currently exists on the internet. In being the first to the market with this technology, the significance of funding is twofold. First, it helps people in a real and meaningful way by creating a mental health center online that cares for people across different geographic areas, experiencing the whole range of mental health issues and to reduce the stigmatization. Second, it stakes out a commercial identity for Theralive, giving it a competitive advantage that will promote the growth of this new company in the Tobacco Region.

Staff comments and recommendation: Theralive is intended to be a for-profit entity with aspirations to create a counseling and referral call-center based on the edge of the tobacco region in Bedford County adjacent to Lynchburg. A private line of credit is listed among matching funds, along with in-kind waiving of the company principal's salary and lease costs for space at the proposed call center site that is owned by the principal's family member. The company principal, whose education and work experience is in the mental health field, intends to apply in December for National Institute of Health funding that reportedly has a six-to-twelve month turnaround. Staff suggests NIH vetting may provide validation of the need and demand for these services prior to making a TICR funding decision. Absent that external and independent vetting, this appears to be a somewhat risk-oriented investment akin to venture capital for an early-stage start-up company. Proposed partnership with universities and hospital systems are still in the discussion stage, and Staff further suggests that additional defined commitments by area colleges and healthcare

systems would make a stronger regional collaboration, and could assist in generating additional commitments of funds from regional and national foundations, including potentially the Centra Health and VA Health Care Foundations which have had preliminary discussions with the company principal. If an award is considered at this time, Staff would recommend that CAER hold a secured interest in the company and any proprietary intellectual property, to protect against future sale of the enterprise. With additional project development this could be a candidate for future funding consideration. **Staff recommends no award.**

St Mary's Health Wagon

Expansion of Primary Health Care and Telemedicine Services (#2656)

\$137,500 requested

Executive summary provided by applicant: The Health Wagon is seeking funding to continue to expand access to primary and specialty health care in Southwest Virginia. In order to continue expansion efforts, the Health Wagon must acquire a new mobile unit to continue to bridge the access to care in the mountains of Appalachia. The Health Wagon currently provides primary care and specialty care through telemedicine to over 2,500 patients, and provides outreach medical services to over 10,000 individuals in Southwest Virginia. The Health Wagon is the leading user of telemedicine capabilities to expand access to specialty services in Southwest Virginia. The six counties serviced by the Health Wagon are made up of small communities that are cut into the mountains of Appalachia. These small communities were built around the coal camps that once led these communities into prosperity. The coal camps have since cleared out, however, the communities remain. Typically, these communities lack access to any type of primary health care professional, and must drive over an hour to the nearest medical provider. All counties serviced by the Health Wagon are designated as Medically Underserved Areas. Lack of access to health care has created a high incidence of chronic disease. The Health Wagon will bridge the gaps created by health care shortages through the use of mobile health unit and telemedicine capabilities. For over thirty years the Health Wagon has been connecting the residents of Southwest Virginia to primary health care through quality clinicians and more recently, to speciality care through telemedicine capabilities. This has resulted in the Health Wagon having the most telemedicine encounters in the state of Virginia through the University of Virginia telemedicine program. The Health Wagon is dedicated to expanding the access to both primary and specialty care services through telemedicine capabilities. The Health Wagon is the only free health care clinic in the coal fields of Southwest Virginia. The innovative use of a mobile clinic and telemedicine capabilities has increased the quality of care provided to the underserved residents of Southwest Virginia. Without this access to health care, the underserved population of Southwest Virginia would not have the ability to receive care through Virginia's Safety Net. This would result in increased morbidity and mortality rates for the patients receiving care by the Health Wagon. Ultimately, chronic health care conditions would go without needed medical attention and increase the likelihood of death.

Staff comments and recommendation: This request, originally submitted in February, seeks funds to replace an existing mobile van with a new unit that will have two exam rooms and will be internet-equipped for telemedicine purposes. The current van is reportedly failing structurally from years of traversing the SWVA mountains. It also proposes to add two new mobile sites that are not specifically named. This proposal appears to be focused on general access to healthcare services with use of telemedicine capabilities linked to UVA (which provided a letter of support), and accordingly, it offers benefits to a large number of patients in six coalfield counties on a wide array of health issues including diabetes, cardiovascular, hypertension etc.. Revised outcomes are listed as 3,000 unduplicated patients in year one, an increase 500 from the current year. Matching funds are now committed in the amount of \$160,000 from three

foundations and a USDA grant, leaving a shortfall of nearly \$70,000 from the revised purchase quote of \$227,500, in addition to \$15,000 of delivery and vehicle prep expenses. **Staff recommends award of \$85,000.**

St. Charles Health Council, Inc.
Jonesville Family Health Center (#2762)
\$845,000 requested

Executive summary provided by applicant: The St. Charles Health Council, Inc., d/b/a Stone Mountain Health Services (SMHS) is engaged in the planning and construction of a new community health center building in Lee County, VA. The incidences of lung cancer and breast cancer in the region are high, thus preventive screening is essential to early detection. Addition of an x-ray suite including mammogram, digital x-ray and ultrasound to the building project will enhance early detection, cancer research and access to services. Addition of telemedicine will enhance consultation, referral and follow-up of abnormal results with specialists at the University of Virginia. The local hospital has announced the downsizing of services in Lee County, VA. Cancer incidences for lung cancer and breast cancer are high in the region. Preventive screening enhances early detection and early treatment of these devastating diseases. Specialty care is hard to access for sliding fee and Medicaid patients and is expected to become more difficult. Cancer research is needed to enhance new treatments, identify underlying causes, and identify solutions to address the causes of the high incidences in the region. SMHS will add an x-ray suite to the new clinic site in Lee County and will include mammography, ultrasound and digital x-ray (for lung cancer screening). Services will be available on a sliding fee scale. Medicaid will be accepted. All residents of the region will be encouraged to utilize the facility for preventive cancer screening. Telemedicine will be used for consults, referrals and follow-up care of abnormal screenings in conjunction with the University of Virginia. Data will be available for cancer research to decrease incidences and increase early detection and treatment. The project will enhance access to preventive screening and positively impact the early detection, early treatment, referrals and consultations for residents of the community and region. Identification of risk factors and causes of the high incidences of lung and breast cancer in the region will be enhanced through reporting participation with cancer research specialists at the University of Virginia. Interventions to lower mortality rates and incident rates can be identified and addressed with positive outcomes for the region. Travel times and access issues will be greatly reduced which will result in higher screening rates within the region.

Staff comments and recommendation: The existing hospital in Lee County (Lee Regional Medical Center) has announced its intent to eliminate some inpatient services, and this proposal seeks funds to provide radiology services the applicant anticipates will be eliminated at LRMC (note, on September 11th Wellmont announced the closure of LRMC effective October 1st). The applicant has provided an annual operating budget in excess of \$300,000 for the x-ray suite that estimates break even at more than 4,400 unduplicated patients annually. However, this request seeks 21% of the budgeted Special Projects funds for a facility that will primarily serve only one county. The majority of the requested funds are for x-ray equipment that will not be needed for a year or more while the proposed new facility is being built (funded by an approved federal grant). The applicant states that construction of the building will begin in December and conclude in December 2014. Other grant proposals for \$948,000 of other buildout costs (site prep, utilities, furnishings, etc) have not yet been submitted or approved. The intent to offer mammography services can be more affordably and effectively offered on a regional basis by the UVA mobile mammography van discussed in next proposal. Independent verification of the projected demand for x-ray services should be provided during the building's construction period. A future resubmission to TICR with additional fundraising commitments remains possible in next year's cycle. **Staff recommends no award.**

University of Virginia

Improving Working Women's Health in the Tobacco Region through Telemedicine (#2754)

\$927,792.78 requested

Executive summary provided by applicant: The proposed project will improve women's health throughout the greater tobacco region of Virginia by utilizing telemedicine to address two vital elements of healthcare for working-age women: breast cancer screening and high-risk prenatal care. The Working Women's Health Program will build capacity and infrastructure within the region for state-of-the-art mammography services and for telehealth networks linking community clinics to tertiary care centers with high-risk obstetrical care. Women will benefit from increased and timely access to screenings for early detection of breast cancer, and from specialists in maternal-fetal health who can help to improve birth outcomes for women with pregnancy complications. Women in the tobacco region have high rates of breast cancer mortality, infant mortality, preterm birth and low birth weight. Mammography rates in the region are among the lowest in Virginia: 25 to 40 percent of women over age 40 years have not had a mammogram in the past two years, leading to higher rates of late-stage diagnosis for cancer. Adverse birth outcomes stem from a number of factors, including a shortage of medical specialists within the region who can treat women with high-risk pregnancies, which can lead to long-term health and developmental problems for children. The Working Women's Health Program will expand access to breast cancer screening and high-risk prenatal care within community settings. A new mammography van equipped with tomosynthesis, one of only ten in the US, will be purchased and operated to provide state-of-the-art digital mammograms. Images will be transmitted via telemedicine to UVA for review by expert radiologists. The high-risk prenatal telehealth network will deploy equipment, protocols and workforce training to community health clinics. It will enable local healthcare professionals to team with maternal-fetal specialists at UVA to treat women with conditions leading to high-risk pregnancies, including diabetes, hypertension, and tobacco use. This proposal is in complete alignment with the mission of the TICRC and the Commission's strategic plan. Working Women's Health offers a replicable model for community-based care to improve healthcare delivery and health outcomes at reduced costs within the tobacco region. This project will address working women's health by increasing access to breast cancer screening and high-quality prenatal care. In turn, this will lower rates of preventable morbidity and mortality and promote economic development by enhancing the health of the workforce, building local capacity for healthcare services, and saving health care dollars.

Staff comments and recommendation: UVA has received three healthcare project grants since 2008, totaling nearly \$2.3 million, and including two grants for cancer research and telehealth a year ago that have remaining balances of \$1.2 million. The current request is expected to serve 495 mammography patients (an increase of 220 over current services by 2016) as well as 300 neo-natal and high-risk obstetrical patients (an increase of 100 in three years). The University's current mammography van is more than a decade old and suffering from repeated trips to Southwest VA. A new van will be equipped with tomosynthesis capability that will be new to the tobacco region, and two research studies conducted as part of this effort will evaluate the use of this technology to improve breast cancer outcomes. The target area for clinics participating in the perinatal telehealth project is Southern VA, and specifically Danville, Martinsville, Henry and Pittsylvania. TICR funds are requested for personnel (\$431,547), equipment (\$364,027), contractual services (\$124,718) and supplies/materials (\$7,500). All matching funds are listed as in-hand, the majority of positions are based in Charlottesville, but the applicant states that the percentages of personnel time to be paid from TICR funds will be entirely focused on studies and efforts conducted within the tobacco region. **Staff recommends award of \$927,793.**

Virginia Commonwealth University

Working to Achieve a Cancer-Free Virginia (#2749)

~~\$9,978,909~~ requested – reduced to \$3,000,000

Executive summary provided by applicant: The purpose of this funding request is to support three initiatives that will significantly impact Massey Cancer Center's ability to improve detection, prevention, treatment and control of cancer in Virginia: 1) Develop statewide clinical trials network that provides greater quality and scope of clinical trials for residents throughout the Virginia; 2) Achieve substantial growth in the depth and breadth of Massey's basic, translational, clinical, and prevention and control research to benefit the citizens of the entire state of Virginia; and, 3) Provide greater quality and scope of clinical care and prevention and control services targeted for residents throughout the Commonwealth. The 2013 County Health Rankings, published by the University of Wisconsin and the Robert Wood Johnson Foundation highlighted areas of Virginia that have poor health outcomes, of which counties within the health districts of Pittsylvania/Danville, Southside, Peninsula, and Rappahannock continue to be ranked among the worst. Data show that typically patients in these health districts receive a cancer diagnosis later than patients in other localities within the Commonwealth. Bringing the benefits of clinical trials and prevention & control research to these areas is a natural extension of Massey's commitment to improve the health and productivity of the workforce throughout Virginia. A three-pronged approach has been developed by Massey senior leadership to provide a solution to the identified problem: 1) Partner with UVA Cancer Center, in conjunction with developing a statewide clinical trials network, to provide greater quality and scope of clinical research; 2) Achieve substantial growth in the depth and breadth of Massey's basic, translational, clinical, and prevention and control research; and, 3) Provide greater quality and scope of clinical care and prevention and control services targeted for residents. Each initiative has been developed to benefit residents in Virginia, to include those residing in the Southside and Southwest regions. Each initiative in this proposal builds upon each other in a cohesive and integrated approach in fulfilling the mission of the VCU Massey Cancer Center to serve the entire population of the Commonwealth, and the nation, as a comprehensive center of excellence in cancer research, prevention and control, patient care, and education. Massey is committed to addressing the cancer incidence and mortality disparities currently impacting the residents of the health districts of Pittsylvania/Danville, Southside, Peninsula, and Rappahannock. The overarching objective of this application is to improve the health and productivity of the regional workforce, and the entire Commonwealth of Virginia.

Staff comments and recommendation: The Commission has previously provided more than \$3.7 million to Massey in three grants since 2009. Balances of nearly \$1.5 million remain available from those grants, including more than \$1 million in a grant awarded three years ago. While the original two-year request obviously exceeded the available balance for the Special Projects program, ongoing dialogue with Massey has resulted in a revised proposal for a \$3 million, one-year funding commitment from the current cycle. Objectives and budgets remain materially the same as stated in the applicant's project description above, and Massey has indicated its intent to reapply for like amounts in each of the next four subsequent years. Massey also requests that this grant be made similar to a state "appropriation" that would not be subject to the Commission's policy of reimbursement of eligible and verified project expenses. The requested activities appear to result in approximately half of the requested funds being spent at Massey's Richmond base, one-quarter to be spent for clinical studies and projects in two tobacco region health districts (Pittsylvania/Danville and Southside), and one-quarter of expenditures at two health districts outside the tobacco region (Peninsula, serving the Newport News/Williamsburg area, and Rappahannock, which encompasses Fredericksburg and four surrounding counties). Should the Commission recommend an appropriation-style transfer of funds, staff suggests this can be accomplished via the inter-agency transfer process (IAT) but should be a stated condition of the award, in recognition of this one-time exception to the Commission's long-standing reimbursement policy. Regarding the use of funds in the two non-TICR

health districts, staff suggests that two options would be to reduce an award by the amount budgeted for those activities (approximately \$750,000), or to make a full award conditioned upon the use of all funds either in the tobacco region or solely at Massey's Richmond base. The legislative change enacted in 2012 to allow use of TICR funds for "*Scientific research performed at one of the Commonwealth's National Cancer Institute-designated research institutes designed to advance the treatment and prevention of cancers that directly impact the citizens of tobacco-dependent communities throughout the southside and southwest regions of the Commonwealth*" does not specifically enable use of TICR funds in regions other than Richmond and Southside/Southwest and calls for funds to directly benefit citizens of the tobacco region. As such, **Staff recommends award of \$3,000,000 with all funds to be transferred via IAT (subject to specific approval of full Commission for an exception to reimbursement policy) for a one-year project period to be used by VCU Massey Cancer Center only within the tobacco region and at its Richmond base, with all unspent funds to be returned to the Commission at the conclusion of the project period.**

**Wellmont Foundation d/b/a Wellmont Health System
Level One Heart Attack Network - SWVA Phase II (#2746)
\$200,000 requested**

Executive summary provided by applicant: Wellmont Foundation requests \$200,000, matched with \$200,000 from Wellmont Health System, to equip 16 emergency medical providers in eight counties with 26 diagnostic-level and transmission-capable electrocardiogram machines as well as train approximately 100 additional technicians in advanced heart care. This project will allow on-site emergency personnel in the field to transmit a patient's electrocardiogram digital output to specialty physicians who can diagnose a heart attack and direct appropriated treatment protocols to be immediately initiated - virtually transforming the emergency transportation vehicles into mobile cardiac care units. This expands the scope of a prior year request which was completed in February. Heart disease is a major health problem in this region and the leading cause of death in the United States. All eight counties which served through this project have death rates from heart disease that exceed the overall rate for Virginia by 8-89%. Typical emergency medical services (EMS) providers are not equipped with diagnostic-level, transmission capable electrocardiogram (ECG) equipment. As a result, patients with chest pains are diagnosed at local emergency rooms then transported to a STEMI receiving center for treatment. This increases the time period between blockage and relief and results in increased heart damage and poorer outcomes. Wellmont Health System will provide 26 diagnostic-level 12-lead ECG machines (purchase or upgrade) for 16 EMS agencies. This equipment has integrated Bluetooth capabilities paired with a dedicated Blackberry to transmit information securely to a dedicated server which routes it to computer workstations in the ER's as well as to secure physician specialists' smart phones who are on-call at the time. The cardiologist can then virtually support the patient during transport via the trained technicians and allows immediate STEMI medication protocol initiation. Equipment deployment will include machine training, STEMI care training, medications, and agencies will take possession of the equipment. This project will have a tremendous impact on the region. Heart attack patients will have access to a type of care which would not exist without funding. Faster treatment results in less heart muscle damage, providing an economic echo by their returning to work faster with less disability, loss of productivity, and insurance costs. Accurate diagnosis in the field allows patients who are not having a heart attack to remain in their region for treatment at local hospitals, allowing related medical payments to support the local economy. Better trained and equipped emergency responders enhance care and community image.

Staff comments and recommendation: This is the second TICR-funded phase of this project to equip SWVA emergency responders with ECG equipment, following on a \$200,000 Special Projects grant a year ago. The equipment funded under that grant was fully-deployed to Dickenson, Lee, Russell and Wise

Counties in early-2013, and had transmitted more than 700 EKGs in the first six weeks of use. The requested equipment will primarily serve responders in Tazewell, Smyth, Washington and Wythe Counties, and is projected to serve 6,000 patients annually and transmit 1,800 tests to STEMI hospitals. A third request in a future year is anticipated to fully serve all responders in the region, contingent on Wellmont's ability to raise additional required matching funds. The matching funds in this phase are in hand and committed, and the previous grant has demonstrated immediate verifiable results using telemedicine (or more accurately, telecommunications) to serve hundreds of SWVA residents facing potentially deadly or debilitating illness. **Staff recommends award of \$200,000.**

OTHER BUSINESS

Southwest Virginia Higher Education Foundation *Southwest VA Clean Energy R&D Center (#1665)* Request for sixth year extension

This grant was awarded in July 2008 for \$8 million as one of the R&D center construction grants, and The Committee previously extended this grant through July 31, 2013. The original intended site adjacent to the Southwest VA Higher Education Center proved problematic due to geotechnical conditions, and the Center's construction was delayed as other sites were considered. The R&D Center is now nearing completion in Bristol, adjacent to the Alpha Natural Resources corporate headquarters. The Higher Education Foundation seeks extension through April 1, 2014 to complete construction and upfit of the LEED-certified building, which is anticipated to be substantially complete by January 2014. **Staff recommends approval of extension through April 1, 2014.**