

**FY16 Special Projects
Staff Summaries & Recommendations – August 2015**

The Commission received 16 proposals for FY2016 Special Projects funds in July, requesting more than \$22 million. A current balance of more than \$3.33 million is available. Executive Summaries and Staff Comments/Recommendations are included below. Proposals are grouped into Regional Economic Development Proposals and Access to Healthcare Proposals. The Committee will meet September 2nd in Wytheville to make funding recommendations.

Req #	Organization	Project Title	Requested Amount	Staff recommendation
REGIONAL ECONOMIC DEVELOPMENT (7 requests)				
3097	A. L. Philpott Manufacturing Extension Partnership	TRRC Trade Adjustment Assistance Program (TAAP)	\$1,000,000	\$ 300,000
3085	Commonwealth Center for Advanced Manufacturing	CCAM: A Workforce Training and Economic Development Partnership	\$2,061,000	\$ 1,283,540
3080	Greensville County	Wetland Mitigation Bank Engineering	\$40,500	0
3088	Mid-Atlantic Broadband Communities Corporation	Dynamic Spectrum Wireless Broadband Access for Southern Virginia: Phase 1	\$500,000	\$ 300,000
3089	Prince Edward County	County Industrial Access Road	\$475,000	\$ 328,395
3096	REDC Community Capital Group, Inc.	Creating Winning Entrepreneurs through Technical Assistance and Capital Access	\$700,000	0
3091	The Corporation for Jefferson's Poplar Forest	Construction of the Poplar Forest Parkway	\$500,000	0

subtotal - Regional Economic Development **\$5,276,500** **\$ 2,211,935**

ACCESS TO HEALTHCARE (9 requests)				
3084	Alliance for Rural Health	The Collaborative Health Science Center of Southwest Virginia	\$10,000,000	0
3086	Integrative Centers For Science And Medicine Inc	Direct Primary Healthcare Access for Southern-Southwest Virginia	\$500,000	0
3087	Lee County Hospital Authority	Re-opening of Lee County Hospital	\$975,000	0
3082	RSVP DBA Southside Senior Resource Center, Inc. and Crater District Area Agency on Aging	Operation Ride 365	\$500,000	0
3090	St. Charles Health Council, Inc.	Stone Mountain Health Services X-ray and Telemedicine Project	\$800,000	0
3092	Tri Area Community Health	Ferrum Capital Expansion in Franklin Co, (15,000 sq. ft.)	\$750,000	0
3093	University of Virginia	Cancer Center Without Walls: Early Detection of Cancer	\$657,716	\$ 657,716
3094	Virginia Commonwealth University	Achieving a Cancer-Free and Productive Workforce in Virginia	\$3,000,000	\$ 460,877
3095	Virginia Free Mobile Health Services, Remote Area Medical - Virginia	RAM Smyth County	\$20,000	0
subtotal - Access to Healthcare			\$17,202,716	\$ 1,118,593
Total (16 requests/6 recommendations)			\$22,479,216	\$ 3,330,528
available balance before/after recommendations			\$3,330,528	\$ (0)

REGIONAL ECONOMIC DEVELOPMENT (7 requests)

A. L. Philpott Manufacturing Extension Partnership TRRC Trade Adjustment Assistance Program (TAAP) (3097) \$1,000,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: The TRCC Trade Adjustment Assistance Program will assist distressed companies throughout the region certified as having been negatively impacted due to trade inequities. Through a partnership with the Mid-Atlantic Trade Adjustment Assistance Corporation, GENEDGE will help these companies improve their competitiveness, by completing knowledge-based projects delivered by experts and consultants, including, but not limited to: marketing, sales, operations, financial management, IT, planning, training, new product development, new service development, quality assurance, customer service, software customization and workforce development.

Staff Comments and Recommendation: The focus of this request is on assisting manufacturing, engineering and service companies that will be impacted by anticipated trade agreements (proposed for Trans Pacific and European Economic Community); utilizing federal funding through the Trade Adjustment Act that is managed by the Mid-Atlantic Trade Adjustment Assistance Corporation (MATAAC). Genedge clarified some of the sectors likely to be negatively impacted by the trade agreements, beyond the coal industry in Southwest Virginia, would include commodities in general, film, machinery, and furniture indicating that the benefit of the project would likely accrue to companies across the tobacco region. The process for evaluating eligibility includes clients paying an assessment fee ranging from approximately \$8,000 to \$13,500 on the front end to MATAAC and including validation of loss of business, loss of jobs and other data. Once a company is determined by MATAAC to be eligible, the service set developed by Genedge would be specific to the needs of the company, and may include but is not limited to, implementation of an enterprise resource planning (ERP) system or workforce training provided by VCCS workforce service teams. Outcomes are listed as 20 companies served with 500 jobs created or retained, \$60 million new or retained sales, and at least \$10 million capital investment. While these outcomes appear to be somewhat ambitious, Genedge uses a NIST MEP third-party client survey process for tracking and reporting outcomes, and their history in working with companies is the basis for the estimates included here. Not knowing the level of demand for this program staff discussed with Genedge a scaled back project with a higher level of match committed by the companies. A revised project budget for \$357,000 was provided with \$807,000 in Match (from MATAAC, NIST MEP support to Genedge, and private contributions) for serving an estimated 12 companies. **Staff recommends award of \$300,000 to assist approximately ten tobacco region companies, contingent on dollar-for-dollar match of TRRC funds by private companies.**

Commonwealth Center for Advanced Manufacturing CCAM: A Workforce Training and Economic Development Partnership (3085) \$2,061,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: Building on the success of the Commonwealth Center for Advanced Manufacturing and the demonstrated results from grant 2275 in foreign direct investment (FDI) and

the creation of the Centers of Excellence in Martinsville, South Boston, and Abingdon, this proposal is to continue with those efforts and expand results by pursuing the generation of additional FDI leads and creating the first of its kind Siemens Level II Mechatronics Training outside of Germany.

Staff Comments and Recommendation: This request essentially seeks continuation and expansion of the long-standing partnership between CCAM and TRRC. In January 2011 the Commission awarded \$4 million of Special Projects funds to assist in construction of CCAM's facility in Prince George County (\$2.5M) and to contract for two positions to work on behalf of the tobacco region (\$1.5M). That grant was later increased by nearly \$1 million to contract for what became the Boston Consulting Group study and blueprint for advanced manufacturing workforce training in the region, which led to the creation in 2014 of the three training Centers of Excellence. Funds from the original grant (#2275) will be fully depleted by December 2015. The core of this request would continue funding of those two positions - Director of Economic Development (Joe Anwyl) and Director of Workforce Development (Bruce Sobczak) for an additional two year period (\$1.1M, of which \$230k would cover CCAM overhead), as well as seeking additional training facilities and consulting assistance. The primary "add-on" would be to create a Mechatronics training lab at CCAM that would potentially host North America's first location to conduct Siemens Level 2 and 3 trainer certifications that can now only be obtained by sending instructors to Berlin, Germany to be trained and certified. The mechatronics lab is estimated to be a \$777,502 cost. A second "add-on" would be to contract for additional lead generation for economic development prospecting in Europe to assist/complement Mr. Anwyl's efforts (a proposed \$157k contract with a named consulting firm). To date, his recruitment efforts have resulted in four announced projects (a total of 230 jobs and \$44 million private investment in tobacco region), with a current prospect pipeline of nine companies with expressed interest in visiting the tobacco region. The additional lead generation While the mechatronics lab would be a coup for Virginia to land, it arguably is a cost that should be shared with other state and national funders, particularly given the proposed location outside the tobacco region at CCAM. In lieu of funding additional consulting services for lead generation in Europe, Staff suggests the requested funds be approved to initiate lead generation in Asia. Continued funding of this important partnership is critical to the ultimate success of one of the Commission's signature initiatives: the attraction of foreign direct investment in advanced manufacturing operations, and the mid-level skill training and certification of workers needed by those companies. **Staff recommends award of \$1,283,540 for continued funding of the two positions (Directors of Economic and Workforce Development) and to initiate economic development lead generation efforts in Asia.**

Greensville County Wetland Mitigation Bank Engineering (3080) \$40,500.00 Requested

Project Description Provided by Applicant:

Executive Summary: A majority of economic development projects in southside Virginia require the Army Corp issue a permit allowing wetlands to be disturbed. The permit requires localities to purchase wetland credit at a 2:1 ratio. Currently there is only one wetland mitigation bank in the watershed for Greensville County, the City of Emporia and Mecklenburg County. Being the only bank, the credits are sold for over \$65,000/acre. Preliminary engineering has estimated a 50 acre bank can be built for just over \$36,000/acre, saving approximately \$1,450,000. The County requests \$40,500 to complete engineering of a RIFA owned wetland bank.

Staff Comments and Recommendation: Commission staff has encouraged the development of publicly-owned wetland banks, and County staff is to be commended for pursuing this affordable option. However, Southside Economic Development allocation that will be available this Fall is adequate to address this engineering, and the County is agreeable to applying for those funds to accomplish this work. **Staff recommends no further action on this request.**

Mid-Atlantic Broadband Communities Corporation Dynamic Spectrum Wireless Broadband Access for Southern Virginia: Phase 1 (3088) \$500,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: MBC and Microsoft have agreed to partner on the design, deployment and operation of an innovative wireless broadband access network in Southern Virginia. MBC will operate this network as an open-access wholesale wireless network. MBC has partnered with the K-12 School Districts in Halifax and Charlotte Counties to act as the hub sites for this network. Content delivery of educational and job training resources will be provided at no cost to network customers. Commercial Internet services will be available from private sector ISP's that are connected to MBC's network.

Staff Comments and Recommendation: A primary outcome of this project is the provision of broadband access to areas not currently served and those areas lacking affordable access. While the project is not innovative in terms of technical ability (these are dozens of existing trials and demonstrations around the world); it does provide an innovative model of free educational access and affordable personal and limited home and business use. The project would utilize unused broadcasting frequencies called TV White Spaces which are gaps left between broadcast channels to deliver wireless internet access. Through existing or to be installed towers at sixteen locations primarily in Halifax and Charlotte Counties (one location in Campbell County), the project is expected to reach over 10,000 households and 235 businesses. The commodity internet portion of the project will tie in directly with MBC's retail ISP providers; and MBC has clarified that it does not compete with existing DSL, 4G/LTE, cable modems or other wireless ISP services. The primary service areas are those with zero broadband. Total capital expenditures are estimated at \$1,419,200 which will be covered by the grant and required match (\$250K each from MBC and Microsoft) as well as ~ \$320,000 from an available balance in an existing Southside Economic Development grant (#2467) and additional capital costs that would be covered by MBC. This project provides the affordable last mile service that many government officials and residents have decried for years was not accomplished by the Commission's initial investments in broadband. The larger vision for this technology also includes efforts to attract one of the existing TV White Space equipment vendors to the tobacco region for an R&D presence in Bedford County at the CAER. If the project is successful, future requests to the Commission to expand to other areas of the tobacco region are anticipated, and may need to be addressed using Southside Economic Development allocation and/or other non-Commission resources. Rather than setting a precedent of using Special Projects funds to purchase broadband assets in each locality, Staff suggests that a portion of these projects costs be contributed from the SSED allocations currently available in the participating localities (applications due in October, with funding decisions in January). That would allow Special Projects support to be focused on six towers/masts that are needed to reach portions of these and

surrounding counties. MBC leadership has expressed agreement with focusing this request on tower/masts (six at \$50k each), and focusing the previous SSED grant balance on base stations for the sites. **Staff recommends award of \$300,000 to construct six mast/towers and related capital expenditures to support this project, contingent on localities agreeing to seek Southside Economic Development and/or other non-Commission funds for the non-funded cost of base stations, Customer Premise Equipment and related costs.**

Prince Edward County
Prince Edward County Industrial Access Road (3089)
\$475,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: In 2008, Prince Edward County received a Southside Economic Development Tobacco Commission Grant to help pay for the development of 4 Ready to Go Pad sites. The County was awarded \$193,510; Prince Edward County paid \$507,490 and the IDA of Prince Edward County paid \$61,000 towards this project. One lot has been sold to VDOT for their new Regional Office and 2 lots are currently under option consideration, leaving only one lot available. To gain access to the remaining undeveloped land (60 acres) within the Prince Edward Industrial Park, the County needs to build a new access road.

Staff Comments and Recommendation: Per long-standing Committee policy, this request is eligible for funding consideration under Special Projects as the Prince Edward County only receives a very limited amount (less than 1%) of allocation under the Southside Economic Development program where they currently have a balance available of \$49,080. This request is to support two businesses for expansion activities at/into the Prince Edward County Industrial Park. Grant funds will be used to match VDOT Access Road funds and cash contributions by the County for construction of a new road within the park to serve Lots 7 A/B and Lot 11. An existing business plans to expand to Lots 7A/B investing \$2 million and creating more than 25 jobs; and a second company that is currently renting a space in the County and having recently created 80 jobs, is interested in locating to Lot 11 with plans to invest an estimated \$2 million and an additional 20-30 jobs. Construction of the access road to Lot 11 requires crossing of a stream which the County's A&E has proposed to be handled using a bottomless culvert (similar to a small bridge that has higher density weight limits) which the Corps of Engineers had indicated several years ago would be acceptable. This construction requires moving dirt from Lot 11, which would provide a secondary benefit for assisting with a portion of the site development costs for Lot 11. The project will also result in the back portion of the industrial park being made accessible for future development opportunities. The County provided an A&E estimate of \$680K for the Lot 11 site grading and has identified that the IDA is prepared to cover any portion of these costs not covered by grant funds in order to accommodate the prospect. The majority of site development costs for Lot 7 A/B has already been completed. The Commission provided a \$193,510 grant to the County in 2008 which covered preliminary engineering cost for development of three lots in the park. It appears that additional project may be available through the recent sale of another lot in the Park, from timber revenues from clearing the lots in question, and potentially additional VDOT Road Access funds. Staff is suggesting partial funding from the balance available in this cycle. **Staff recommends award of \$328,395.**

REDC Community Capital Group Incorporated
Creating Winning Entrepreneurs through Technical Assistance and Capital
Access (3096)
\$700,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: The Program will help communities in the region by working with organizations, governments, banks, and others to increase the number and sustainability of businesses in the region. This is part of an overall regional strategy which includes entrepreneurial training in classroom and online settings, one on one technical assistance, and microloans for qualified Borrowers. The program will be region-wide utilizing existing Partner programs and REDC programs to address the identified needs of the region's diverse communities. The combined effort will create innovative programming that uplifts communities.

Staff Comments and Recommendation: Richmond-based REDC received a Special Projects grant of \$500,000 two years ago to initiate a regional small business lending pool for Southern VA. A total of \$240,000 of loans have been closed to date, assisting eleven businesses in six localities. Maximum loan amount is \$50,000, with term not to exceed six years at interest rates up to 10%. According to REDC marketing material, USDA provides matching loans for businesses located in the Cities of Danville, Emporia, and Martinsville, and Counties of Dinwiddie, Cumberland, and Henry. However, it appears that far less than equal matching funds have been leveraged with the current grant (albeit dollar for dollar match was not a requirement at the time of that award). This regional approach is parallel to previous Commission support of regional small business loans pools in Southwest VA through People Inc. and Mt. Rogers PDC. REDC states it has \$350,000 of SBA and USDA funds in hand to provide matching loans and to fund technical assistance to borrowers, while it intends to seek an additional \$298,000 of additional loan and training funds from a variety of sources. Of the requested \$700k, REDC seeks up to \$100,000 for contractual expenses to operate the fund for a three year period. In order to meet the new matching fund requirement, the Commission would have to accept technical assistance costs as a portion of match (in addition to some amount of USDA loan funds). However, given the demand for funds in this cycle, and the remaining availability of loan funds in the current grant **Staff recommends no further action on this request.**

The Corporation for Jefferson's Poplar Forest
Construction of the Poplar Forest Parkway (3091)
\$500,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: Poplar Forest respectfully requests \$500,000 to construct a new entrance and access road to Jefferson's Bedford County retreat house and plantation, building on the Commission's 2014 Special Projects grant that funded the archaeological survey of the road corridor. This new permanent road of approximately 1.7 miles in length will transform Poplar Forest's ability to deliver a memorable experience to visitors by providing easier access to the physical site in a park-like atmosphere and expanding interpretation by opening hundreds of acres of original plantation lands to visitor exploration. Planning will also take into account a location for a future visitor center.

Staff Comments and Recommendation: There is no question that the proposed new permanent road entrance will transform Poplar Forest’s ability to attract visitors to this historic property. The Commission has supported Poplar Forest with almost \$700,000 of grant funds in the past starting with a \$300,000 award in 2006 for acquisition of the property proposed for this new road; and more recently in September 2014 with an award of \$132,524 for design and development costs including archaeological excavations for the new entrance road. Detailed cost estimates for the Poplar Forest Parkway show project costs ranging from \$3,135,000 to \$3,570,000. However, staff notes that \$850,000 or more of this is for trails and plantings that could come at a later phase with private funding. This puts the estimates cost for road construction at a range of \$2,285,000 to \$2,535,000. The application indicates that \$3.3 million has been raised toward a \$6 million campaign, of which 50% of funds are earmarked for the road project. Staff notes that with last year’s grant, \$530,000 from the fundraising campaign was committed as Match to support costs during the planning and design phase for the new road. There is one year remaining in the capital campaign and a decision on a \$500,000 NEH challenge grant is expected in December 2015. Though this property does meet the Commission’s criteria for investing in nationally- and internationally-recognized destinations, recognizing the level of competitiveness for the available funding in this year’s program, staff recommends this project be resubmitted in next year’s cycle. **Staff recommends no further action on this request.**

[ACCESS TO HEALTHCARE \(9 requests\)](#)

Alliance for Rural Health

The Collaborative Health Science Center of Southwest Virginia (3084)

\$10,000,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: The Alliance for Rural Health plans to create a non-traditional, collaborative health science center model custom-designed for Southwest Virginia. The Collaborative Health Science Centers of Southwest Virginia (CHSC-SWVA) in Abingdon and Marion are critical for the creation of a “healthy and prosperous Southwest Virginia” through education, employment and the improvement of community health. In Phase I, the CHSC-SWVA will provide an inter-professional education (IPE) model for training medical (MDs/DOs/PAs) and allied health (PTs/OTs) professionals in rural health care. The CHSC-SWVA will also include clinical research and community health programs targeting mental health, drug addiction, obesity and geriatric health.

Staff Comments and Recommendation: This request comes as a replacement/revision to the grant project previously known as the King School of Medicine. The KSOM project was substantially revised in late-2014 into the current plan for the Alliance. As opposed to the previous project to create a four-year allopathic medical school, the Alliance now proposes to create a collaborative educational setting for students in multiple healthcare career paths (MDs/DOs/PAs/PTs/OTs) at sites in Abingdon (new construction, \$6M requested) and Marion (renovation of a former hospital, \$4M requested). Staff requested and received a construction budget for the Abingdon facility, which was previously envisioned as a \$30M, 55,000 square foot facility. It has now been reduced to a 27,000 s.f. \$12.5M facility. Operating budgets were requested and provided for both locations, and while New Market Tax Credits are expected to help fund the initial three years of operations, the future funding relies on unnamed foundations, grants and revenues.

While there is no question as to the medically-underserved nature of the region, this request appears to derive the majority of its outcomes from initiatives that are well underway already (e.g. the VCOM residency program was announced in 2013, and the Emory & Henry DPT program has been funded by the Commission for up to \$920,000 since 2012). It is therefore difficult to identify the distinct "value-added" proposition from funding expensive new bricks and mortar facilities that would function as collaborative learning spaces. Ultimately, the request for \$10 million is not responsive to the call for proposals information posted on the Commission website stating that \$3 million was budgeted for the FY16 program, and that requests exceeding that amount would not receive a staff recommendation. **Staff recommends no further action on this request.**

Integrative Centers For Science And Medicine Inc Direct Primary Healthcare Access for Southern-Southwest Virginia (3086) \$500,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: The nonprofit ICSM Medical Center in Martinsville offers the first comprehensive Direct Primary Care (DPC) clinic in the state. It is centrally located to serve Southside and Southwest Virginia, the state's region with the poorest health outcomes, and will serve as a replicable model for affordable, non-insurance-based, community healthcare. DPC is an innovative, preventive, membership-based, and nationally proven model of healthcare which receives highly favorable ratings from patients and physicians alike. The ICSM Medical Center fulfills the missions of clinical service and clinical training for the affiliated College of Henricopolis School of Medicine, the region's developing M.D.-granting medical school.

Staff Comments and Recommendation: The focus of this project is on expanding medical service at the existing ICSM Medical Center location in Martinsville through operating support for an additional medical director, medical assistant, and registered nurse. The outcomes of the project are based on increasing the current 550 patient base at the medical center by 65% within 9-months of a grant award to 910 patients; more than doubling with a 152% increase to 1,390 patients by June 30, 2017; and increasing to by 2.5 times the current base to 1,870 patients by June 30, 2018. The proposal discusses goals for the College of Henricopolis School of Medicine for which the ICSM is also affiliated and the medical center is intended to serve as a clinical training site. Required matching funds are identified to come from a City of Martinsville bond issuance which ICSM has requested at \$2.9 million that was to be acted on August 12, 2015, and of which \$500,000 would be used to support the additional operating costs for the medical center. Staff understands that the bond request to the City was proposed to support capital costs for the medical center and the school of medicine (not operating support as presented in this proposal) and the City is still evaluating the bond request. Deliverables include plans to launch diet and exercise programs for disease prevention, and while these are good intentions, they do not match up well to the Commission's program priorities and there is concern about setting a precedent for supporting this. The application did not provide the required operating budget for the facility; and there is no information on the sustainability of the expanded clinic offerings beyond the period of a grant. Regarding the affiliated College of Henricopolis School of Medicine and their status for accreditation, the applicant identifies that they have met 85% of the 12 standards and 95 elements required for accreditation through LCME; with only Standard 5.1 and the encompassing 13 elements remaining to be met, which staff understands to primarily relate to financial resources. **Staff recommends no further action on this request.**

Lee County Hospital Authority
Re-opening of Lee County Hospital (3087)
\$975,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: The Lee County Hospital Authority, an authority created by the Board of Supervisors of Lee County, purchased the former Lee Regional Medical Center on April 16, 2015. The Authority is now re-opening the hospital building and will be purchasing equipment to furnish the facility. The COPN was issued in the name of the Authority and the Authority, on behalf of the citizens of Lee County, will own the hospital. The Authority may contract certain services for the operation of the hospital and is currently in discussions with the Mountain States Health Alliance.

Staff Comments and Recommendation: This request is one of two (in addition to St. Charles Health Council) that would fill the void left by the closure of the former Lee Regional Medical Center, which left the county of 25,000 residents without an urgent care and inpatient facility. The Authority states it has acquired the former hospital facility and secured a Certificate of Public Need to operate at the site. The request is split evenly between renovation and equipment costs (\$487,500 each). Attached project budgets and feasibility study indicate a \$9.3 million capital budget for renovations and equipment/furnishings etc, and refers to an \$11.37 million USDA Rural Development loan that would be sufficient to cover those capital costs as well as providing \$1.8 million of initial operating capital. The proposed operating budget indicates something in excess of 200+ employees with salaries averaging \$50,000+ per year, and the applicants have indicated a TROF request is planned, although the project would not be a taxable property, and hence would not meet TROF capital investment requirements. The feasibility study estimates 1,600 patient discharges and 45,000 outpatient occurrences annually. It also assumes a \$700,000 TRRC grant spread over 3 years. However, staff is of the opinion this project could be submitted to VRA for a credit analysis as a step toward a potential loan if such need exists beyond the USDA loan. Such analysis should be conducted once the negotiations with Mountain States Health Alliance have been completed, so that the services and costs of a potential MSHA operating partnership are known. The request scores well due to the thorough feasibility study and matching loan commitment, but the grant request primarily serves a single county and appears to seek arbitrary amounts of funds in order to reduce loan debt service. **Staff recommends this project be submitted to Virginia Resources Authority for credit analysis prior to further consideration of a TRRC loan and/or grant.**

RSVP DBA Southside Senior Resource Center, Inc. and Crater District Area Agency on Aging
Operation Ride 365 (3082)
\$500,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: Operation Ride 365, a 24 hour - 365 day in-person mobility management (transportation) program developed by Crater District Area Agency on Aging, will provide specialized transportation for seniors, adults, and adults with disabilities who need to be transported to/from doctor appointments, life treatment centers (hospitals, cancer treatment centers, pharmacies, etc.) wellness activities (congregate nutrition, socialization), and mobility management for individual employment or potential employers. Operation Ride 365 will reduce the growing

population of individuals who experience social isolation in rural communities, and provide an alternative transportation resource for the families who are caregivers for Operation Ride 365 target population.

Staff Comments and Recommendation: The applicant is one of twenty-five nonprofit area agencies on aging in the Commonwealth that provides services for senior citizens. The Crater District's service area includes nine localities: four within the tobacco region (City of Emporia and Dinwiddie, Greensville, and Sussex Counties); and five that are outside of the tobacco region (Cities of Colonial Heights, Hopewell, and Petersburg; and Prince George and Surry Counties). The organization has been in existence for over 30 years; and their existing services include transportation services through a current fleet of 27 ADA compliant vans and buses. The proposed project appears to expand the existing transportation services to a 365 day-per-year and 24 hour-a-day service for which neither the business model nor any evidence on plans for sustainability was provided. The request is for 50% of four new vehicles and operating expenses for drivers, fuel, and administrative support including staff presumed to have a work location at the agency's office in Petersburg. The project budget appears to include the full cost for expanding the services to the agency's entire service area; and the application identifies that no matching funds have been committed. This project does not meet the Commission's priorities for health care funding targeted to cancer research and telemedicine initiatives. **Staff recommends no further action on this request.**

St. Charles Health Council, Inc.

Stone Mountain Health Services X-ray and Telemedicine Project (3090) \$800,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: The St. Charles Health Council, Inc., d/b/a Stone Mountain Health Services (SMHS) has engaged in construction of a new community health center building in Lee County, VA which is now complete and ready for occupancy in the next month. The incidences of lung cancer and breast cancer in the region are high, thus preventive screening is essential to early detection. Addition of x-ray equipment including mammogram, digital x-ray and ultrasound 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.

Staff Comments and Recommendation: This request is one of two (in addition to Lee County Hospital Authority) that would fill the void left by the closure of the former Lee Regional Medical Center, which left the county of 25,000 residents without an urgent care and inpatient facility. Whereas the LCHA facility would be an acute care hospital, this applicant has completed construction of a new primary care facility in Jonesville. Funds are requested for purchase of x-ray, mammogram, ultrasound and telemedicine equipment, which would all generate revenue that could potentially be used for debt service on an equipment loan. It should be noted that half of the requested funds (\$400k) would purchase mammography equipment, whereas this Committee has previously funded a mobile mammography van for UVA to serve this region. All matching funds, while substantial (in excess of \$5.6 million), appear to have been spent prior to the date of application for construction of the clinic facility. The applicants estimates serving nearly 3,000 patients annually. **Staff recommends this project be submitted to Virginia Resources Authority for credit analysis prior to further consideration of a TRRC loan and/or grant.**

**Tri Area Community Health
Ferrum Capital Expansion in Franklin Co, (15,000 sq. ft.) (3092)
\$750,000.00 Requested**

Project Description Provided by Applicant:

Executive Summary: Tri-Area Community Health has provided health care and pharmacy services in the Ferrum Community since 2006 in a 5,000 sq. ft. space in the Chapel of Ferrum College. The space is not adequate for our current staffing and there is no room to expand in the existing facility. We have five providers sharing a 12' x 12' office. The new 15,000 sq. ft. facility will allow for the addition of another physician, pharmacist, and more importantly a six chair dental suite with a full-time dentist and dental hygienist. This will improve access to the low income families of Franklin Co.

Staff Comments and Recommendation: One-quarter of the budgeted funds to the Special Projects program is requested toward the \$3.4 million estimated cost for construction of a new health care clinic to serve the Ferrum area of Franklin County (the clinic currently operates in the basement of Ferrum's college chapel). The deliverables section of the application identifies the project will result in +7.5 FTEs (an increase to the 17.9 FTEs currently at the Ferrum location) including the addition of a full-time physician and a nurse, a pharmacist and pharmacy technician, and a fulltime dentist and dental hygienist. While the application identified the baseline number of patients of 8,301 would increase to 12,700 as a result of the project; the applicant clarified the existing number of patients at the Ferrum location as 2,255 (2,080 medical patients and 175 behavioral health) and ~ 1,375 pharmacy patients. The projected increase in the number serviced is ~ 4,000 which is broken down as + 1,200 medical patents (58% increase to current numbers), + 2,200 pharmacy patients (160 % increase) and + 1,000 dental patients (this will be a new service for the Ferrum clinic). These are significant increases to number of patients that will be served and these higher estimates are largely attributed to the increased visibility that will be accomplished with the new location. The Financial Impact Analysis provides an operating budget pro-forma showing expenses exceeding revenues by \$0.01 with the new facility. However, this pro-forma does not appear to show a proportionate increase to the income from patient fees and other income based on the added number of patients projected to be serviced by the new facility. A majority of the funding for construction of the building still needs to be secured throughout the next 9-12 months. This includes a \$250K request to the Virginia Health Care Foundation for which the applicant has been invited to submit a full application; and a planning grant from DHCD which has not yet been submitted but is hoped to lead to a \$750K block grant in Spring 2016 to support construction costs; and a USDA Rural Development loan. Given the current demand for Special Projects funds, and the ongoing nature of fundraising for this project, Staff suggests this proposal be resubmitted in next year's cycle. **Staff recommends no further action on this request.**

**University of Virginia
Cancer Center Without Walls: Early Detection of Cancer (3093)
\$657,716.06 Requested**

Project Description Provided by Applicant:

Executive Summary: We propose two highly innovative and sustainable cancer detection programs utilizing screening techniques proven to reduce cancer morbidity and mortality. The projects selected will detect cancers that are over-represented in the Tobacco Footprint: bladder

cancer and lung cancer. When detected early, both cancers can be treated with curative intent. However, too often these cancers are detected too late, resulting in suffering, death and tremendous medical expenses. The proposed projects utilize telehealth technology, are focused on cancer, and will result in economic development within the footprint by investing dollars into the communities and reducing cancer morbidity and mortality.

Staff Comments and Recommendation: This year's request seeks funds to enable telemedicine diagnostic and treatment services with a new focus on lung and bladder cancer patients for a three year period across the tobacco region. The majority of funds are requested for personnel (\$561k), as well as contractual (\$46k) and equipment (\$50k). The project estimates that 100 bladder patients and 80 lung cancer patients would be treated on an annual basis when the project is fully operational. TRRC funds would pay a portion of the salary of two nurses based in the tobacco region (Wise and Abingdon) for the bladder project, and for two patient "navigators" who would be based in the region for the lung cancer project. TRRC funds would generally cover small percentages (<15%) of Charlottesville-based personnel dedicated to the project. Requested equipment is either based permanently in the tobacco region or housed at UVA and transported to the region (e.g telecytoscopes). The required matching funds are included in the proposal, and the statistics on incidences of these cancers are well-documented. The thorough content, budget and focus of this proposal made it the top scoring request among healthcare projects. **Staff recommends award of \$657,716.**

Virginia Commonwealth University

Achieving a Cancer-Free and Productive Workforce in Virginia (3094)

\$3,000,000.00 Requested

Project Description Provided by Applicant:

Executive Summary: The purpose of this funding request is to support two initiatives in order to advance Massey Cancer Center's ability to improve detection, prevention, treatment and control of cancer in Virginia: 1) Promote the development, initiation and activation of innovative clinical trials for the benefit of patients diagnosed with cancer; and, 2) Provide greater quality and scope of prevention and control services targeted for residents throughout the Commonwealth to improve rates of early diagnosis and improve outcomes. The overarching objective of the application is to improve the health and productivity of the regional workforce.

Staff Comments and Recommendation: This request seeks the entire \$3 million budgeted for Special Projects in 2016, and appears to be predominantly (approx. 85% or +\$2.5 million) funding research faculty and staff based at Massey's facilities in Richmond to conduct, manage and monitor a statewide network of clinical trials, recruitment and training ("Initiative #1"). Approximately \$461,000 is requested for Initiative #2 to continue to operate "Cancer Research and Resource Centers" located in the tobacco region (Danville and Lawrenceville), with some portion of that sub-budget funding CRRC program and administrative managers based in Richmond (three tobacco region-based employees are listed). Outcomes are listed as more than 1,300 tobacco region residents served, although that total is not broken out by the two initiatives. The required dollar for dollar matching funds are proposed, and align directly with the requested initiatives (i.e. 85% of match is being spent in Richmond). The fundamental imbalance in this request is that Massey has verbally reported that less than 14% of the participants in their statewide clinical trial network to date are tobacco region residents, yet the Commission is being asked to fund 50% of a network that

includes sites and partners in Shenandoah Valley, Richmond, Fredericksburg and Peninsula. While the CRRCs appears to have as much function in the education of residents about cancer prevention/treatment as they do in the direct participation on clinical research, the benefits clearly accrue primarily to tobacco region residents, which should be the primary focus of any funding consideration. **Staff recommends award of \$460,877 for Initiative #2 to continue operation of CRRCs in the tobacco region.**

**Virginia Free Mobile Health Services, Remote Area Medical - Virginia
RAM Smyth County (3095)
\$20,000.00 Requested**

Project Description Provided by Applicant:

Executive Summary: Over the course of the three days, April 29 - May 1, 2016, this project, "RAM (Remote Area Medical) Smyth County", will provide free quality, professional dental, vision, and medical services to 1,200 patients who could not otherwise afford to pay for these services. Services include such things as dental cleanings, fillings, extractions, dentures, eye exams and glasses, women's health screenings, diabetes screening/education, cholesterol testing, cancer screenings, blood work and additional specialty services as available from other trained healthcare professionals.

Staff Comments and Recommendation: While there is no debating the impact of RAM events on the uninsured and underinsured residents of Southwest VA, and the expertise of its proposed operating partner The Health Wagon Inc., this request seeks TRRC funds to rent tents and portajohns, and purchase insurance for a planned RAM event in Smyth County that anticipates serving 1,200 people. The rentals seemingly could be obtained through a combination of in-kind donations and sponsorships, and the budget shows only minor participation by a corporate partner and one foundation, with no mention of potential funding from the Smyth County Community Foundation, a local hospital legacy foundation. More aggressive fundraising would make this request unnecessary and the event more sustainable for future years. **Staff recommends no further action on this request.**