



Public Comment Appendix



Department of Mines, Minerals and Energy
Attn: Michael Skiffington
1100 Bank Street, 8th Floor
Richmond, 23219-3402
July 30, 2021
Via email

Dear Mr. Skiffington,

On behalf of Appalachian Citizens' Law Center, Inc., we submit the following comments as public input to the Reenergize Southwest listening sessions.

Establish an Energy Transition Office

While this stakeholder engagement process is a good starting point, it cannot be seen as the full extent of the state's responsibility to ensure a just and equitable transition for regions, like Southwest Virginia's coalfields, that have borne the burden of fossil fuel production for decades. Virginia's Clean Economy Act simply left out the critical justice concerns that arise in the coalfields when environmental and public health considerations, the market, and legislation dictate that coal should no longer be used for energy generation. Southwest Virginia's coalfields need a longer-term commitment to focused, community-engaged transition planning than was provided by the Reenergize Southwest Virginia public comment and listening session process. In particular, Virginia should establish an Energy Transition Office within DHCD to work with transitioning communities to identify necessary resources, develop transition plans, and administer a Community Redevelopment Fund to support infrastructure and creative projects in underserved communities and in collaboration with underserved institutions.

The transition planning overseen by the Office should be centered in the environmental justice principle of community involvement and should ensure that a diversity of stakeholders are engaged and supported throughout the planning process. The development of the transition plan and the administration of the Community Redevelopment Fund cannot be left just to the economic development professionals. Transition for a region like Southwest Virginia's coalfields requires far more than new, innovative job-creating investments. Instead, it requires a hard look at what the coalfield region needs to ensure that all of its residents have affordable housing, affordable utilities, clean water and air, stable lands; that all of the region's communities have adequate utilities, including broadband and wastewater infrastructure; and that all of the region's communities are supported such that they can provide the quality of life that is necessary to attract new businesses and residents and retain the businesses and residents that are already there.

Public Health and Economic Transition

In any discussion concerning investment in economic transition in Southwest Virginia, it is critical to consider how the historic economic dominance of the coal industry intersects with issues of public health. There is often a strong emphasis placed on the issue of workforce redevelopment and less emphasis on the fact that many individuals who previously worked for the coal industry are now disabled and unable to be retrained or reemployed. In 2020, over 2600 mining families in Virginia received federal black lung disability benefits and there are likely many more miners that will develop the disease and apply for benefits in the coming years. Recently, an epidemic of the most serious form of the disease - progressive massive fibrosis - has emerged in Central Appalachia. This form of the disease is associated with silica dust and can cause severe disease in young miners that have not yet worked a full career.

In addition to black lung disease as a legacy public health concern, other research has linked the coal industry to opioid mortality. Coal mining is a physically demanding occupation and researchers posit that injuries related to mining have led to greater amounts of opioid consumption. Though a reduction in mining may subsequently lead to a reduction in opioid consumption, there may still be many families in the region affected by this epidemic. We see additional opportunities to invest in public health services in SWVA, including directing that sufficient opioid settlement funds to opening addiction recovery centers in SWVA's coalfields and further investing in addiction prevention, treatment, and recovery in the coalfield region.

Coal Mine Reclamation and Water Treatment

Environmental remediation, specifically mine land clean-up, is a critical part of transition in Southwest Virginia. In order to develop a future that offers high quality of life and a new economy, especially one that has some focus on natural recreation and tourism, it is important to clean up our water, stabilize and reclaim our land, and strategically reuse and redevelop sites that were previously host to the coal economy. Existing and proposed federal funding streams for abandoned mine land clean up (i.e. the RECLAIM Act, AML funding and fee reauthorization proposed in the bipartisan infrastructure bill currently under debate in the Senate, and AMLER funding) will be essential to cleaning up the over \$425 million in outstanding AML liability in the region.

However, it's not just pre-1977 mines that are in need of clean up. As coal sales plummet, fewer and fewer companies are reclaiming permitted/active mines sites adequately and in a timely fashion. It therefore seems less and less likely that coal companies that are currently operating will complete full reclamation on their permits and, instead, rely on the funding currently held in bonds to reclaim those sites. Unfortunately, a recent report found that Virginia may have less than 50% of the amount of money in reclamation bonds that it needs in order to be able to reclaim currently permitted coal mines. To ensure that these mine sites do not become a liability to Southwest Virginia, it is essential that DMME strictly enforce reclamation requirements, expedite reclamation to ensure "contemporaneous" reclamation at all mine sites, ensure that ongoing pollution discharges from all mine sites, whether pre- or post-1977, are permitted and treated as long as necessary to ensure that all water quality standards are met, and review and revise existing bond amounts. In addition, DMME should immediately assess a full cost bond for any mines still covered by self-bonds. Finally, because of the increased risk of multiple permit forfeitures in quick succession, which could deplete Virginia's bond pool

program, the legislature should undertake a thorough audit of the bond pool, like the one conducted in West Virginia this year.

Addressing the Closure of the VCHEC

With regard to power plants, Southwest Virginia's coalfields are currently host to one coal fired power plant which is owned and operated by Dominion Energy, the Virginia City Hybrid Energy Center (VCHEC). Though the Virginia Clean Economy Act specified that the VCHEC would not be required to close until 2045, Dominion has projected that the plant will run at less than 20% capacity for the next fifteen years. Further, the Virginia Attorney General and others are beginning to question whether the plant is an asset or a burden to Virginia ratepayers. Whether or not the plant closes in 2045 or much earlier, it is essential to start planning both for the economic impacts on the region and ensuring proper decommissioning of the site so that it can be repurposed in a way that is beneficial to the area.

In order to support this planning effort, the General Assembly should commission a study regarding the effects of power plant closures in order to quantify the needs in impacted communities. The study should provide data specific to individual communities where carbon-emitting power plants are located, including impacts on tax revenue, employment loss, and infrastructure. The results of these studies should inform the processes undertaken by the Energy Transition Office. In addition, the studies should trigger the mandatory development of workforce transition plans that include supports that allow workers to remain in their communities while they are trained for new employment in the community and ensure post-training employment opportunities in communities affected by power plant closures. Programs should also provide wrap-around support services to those in training, such as child care, transportation, and monthly living stipend. Virginia should also financially support workers who opt for voluntary early retirements for those that are just a few years out from retirement.

Decommissioning requirements for all power plants need to be enacted immediately to ensure that power plant sites are not simply fenced off and abandoned, which would further burden these communities for years to come. At present, we are unaware of any requirements that govern power plant decommissioning in Virginia. Power plant owners should be required to provide the Department of Environmental Quality and the public with decommissioning plans which include plans for removing hazardous materials, as well as buildings and structures. These sites cannot be left as environmental and public health burdens for Virginia communities. If the site is to no longer be used for power generation, it must be remediated in such a way that it can be repurposed for community and economic development. The General Assembly should prioritize legislation in 2022 to develop such decommissioning requirements.

Access to Economic and Community Development Funding

There are several state and federal funding streams that support economic and community development in Southwest Virginia. However, it is critical to continually assess whether or not those funds are accessible to all of the counties and towns that qualify for and could benefit from those funds. Based on a review of public data, between 2015 and October of 2020 Virginia received over \$28,500,000 in funding from three federal programs that have provided targeted assistance to coal communities (the Economic Development Administration Assistance to Coal Communities program, the ARC POWER program, and the ETA dislocated worker grants that were targeted at coal communities under the Obama Administration POWER plus plan).

However, there were no primary grant recipients in Buchanan, Lee, or Dickenson counties, each of which have lost hundreds of coal jobs in recent years. Rather than simply develop new or expand existing funding streams, it is important to better understand the barriers to apply for and implement these funds and ensure that all of those with innovative and forward-thinking ideas are able to access funding and contribute to building a new economy.

Thank you for your time and consideration. We welcome the opportunity to further discuss any of these recommendations.

Sincerely,



Mary Cromer
Deputy Director



Rebecca Shelton
Director of Policy & Organizing



Buchanan County Chamber of Commerce
PO Box 95
Grundy, VA 24614-0095
276-935-4147

Resolution Requesting Restored Funding to VCEDA As A Result of Coal Tax Credit Funds Elimination

WHEREAS, since its creation in 1988, the Virginia Coalfield Economic Development Authority (VCEDA) has helped bring tens of thousands of jobs and hundreds of millions of dollars in approved funding for hundreds of projects throughout the coalfield region, including those in Buchanan County; and

WHEREAS, the Virginia General Assembly repealed legislation establishing Coal Tax Credits, which had the effect of reducing a primary source of funding for three specific VCEDA programs, including the Coalfield Revolving Loan Fund which is a region-wide fund providing low-interest loans for projects to help the region's economic development and diversification; the Workforce Development and Training Fund which provides a source of loan and grant funds for workforce development and training in the region; and the VCEDA Renewable Energy Fund: a \$1 million fund established from a portion of the Coalfield Revolving Loan Fund and Coalfield Workforce Development and Training Fund to assist renewable energy projects and promote the economic diversification of far Southwest Virginia; and

WHEREAS, the loss of funding for those programs will impact the future viability of each of those programs; and

WHEREAS, the state established a process to consider how to assist the region in its economic transition, known as Reenergize Southwest Virginia, establishing listening sessions in the region at which public comment was accepted; and

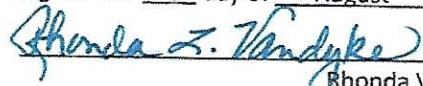
WHEREAS, in 2020, VCEDA began providing staff support for the new Virginia Coalfields Expressway Authority, as directed by the General Assembly – with no new funding from the state provided for that initiative -- and VCEDA helped that new authority become operational in 2020 as the final members to it were appointed by the state; and in recognition of the fact that the roadway for which the authority is advocating is a critical infrastructure need in Buchanan and surrounding counties; and

WHEREAS, now is not the time to scale back on economic development for VCEDA's e-Region and instead, now is the time to continue to support economic development efforts in far Southwest Virginia; and

WHEREAS, an overwhelming number of comments at the Reenergize listening sessions advocated for restored funding specifically to VCEDA;

NOW THEREFORE, the Buchanan County Chamber of Commerce and its membership requests that the Reenergize Southwest Virginia recommendation be that funding should be restored to VCEDA by the Commonwealth at a level equal to, or greater than, the amount of funding being lost through the elimination of Coal Tax Credit funds to allow for the continuation of critical economic development efforts and diversification in the region.

Signed this 9 day of August, 2021


Rhonda Vandyke

Buchanan County Chamber of Commerce President

Attest 

Mary Belcher, Buchanan County Chamber of Commerce Executive Director

BUCHANAN COUNTY BOARD OF SUPERVISORS

Drew Keene, Chairman
Prater District
Jeff Cooper, Vice-Chairman
Garden District
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Hurricane District
G. Roger Rife
South Grundy District
James Carroll Branham
North Grundy District
Craig Stiltner
Rocklick District
Trey Adkins
Knox District



Robert Craig Horn
County Administrator

Lawrence L. Moise, III Esq.
County Attorney

August 4, 2021

Mr. Jonathan Belcher
Virginia Coalfield Economic Development Authority
P.O. Box 1060
Lebanon, VA 24266

RE: Resolution

Dear Jonathan:

A regular meeting of the Buchanan County Board of Supervisors was held on Monday the 2nd day of August 2021. Upon motion by Craig Stiltner seconded by J. Carroll Branham and with a roll call vote of seven (7) yeas and zero (0) nays, this board did hereby adopt the enclosed Resolution supporting restoration of coal tax credit funds to the Virginia Coalfield Economic Development Authority.

If you have any questions, please don't hesitate to contact me. Thank you.

Sincerely,

Robert C. Horn, County Administrator

Enclosure

**RESOLUTION OF THE BUCHANAN COUNTY BOARD OF
SUPERVISORS SUPPORTING RESTORATION OF COAL
TAX CREDIT FUNDS TO THE VIRGINIA COALFIELD
ECONOMIC DEVELOPMENT AUTHORITY**

WHEREAS, coal and gas resources are continually extracted from Buchanan County as the largest producer of coal and gas in the Commonwealth of Virginia; and,

WHEREAS, automation of industry and environmental regulations have greatly diminished the local employment and investment created by the coal and gas industries in Buchanan County; and,

WHEREAS, the Virginia Coalfield Economic Development Authority (VCEDA) is the primary means of fostering diversification of Buchanan County's economy away from dependence on the coal and natural gas industries; and,

WHEREAS, the Board finds that VCEDA is a critical economic development tool for Buchanan County and remains a primary resource for the incentivization of important economic development recruitment and expansion projects; and,

WHEREAS, pursuant to legislation passed in the 2021 Session of the General Assembly a commission has been appointed to discuss reallocation of VCEDA's primary source of funding to institutions which may or may not be as successful in the field of economic development and may or may not concentrate their efforts in Buchanan County; and,

NOW, THEREFORE, BE IT RESOLVED that the Buchanan County Board of Supervisors hereby reaffirms its support of VCEDA and its opposition to any defunding of its programs or diversion of its resources to other entities.

ADOPTED at a meeting of the Buchanan County Board of Supervisors held on August 2nd, 2021.

Recorded vote:

Moved: Craig Stillner
Seconded: J. Carroll Brankham
Yeas: 1
Nays: 0

Drew Keene
Drew Keene, Chairman
Buchanan County Board of Supervisors

ATTEST:

Robert Craig Horn
Robert Craig Horn, County Administrator

Russell County Virginia

"The Heart of Southwest Virginia"

Oris Christian
At-Large

Lou Ann Wallace
District 2

Carl Rhea
District 3

Rebecca Dye, Chairperson
District 6

Tim Lovelace, Vice Chairman
District 1

David Eaton
District 4

Steve Breeding
District 5

Lonzo Lester
County Administrator

VIRGINIA: AT A REGULARLY SCHEDULED MEETING OF THE BOARD OF SUPERVISORS OF RUSSELL COUNTY, VIRGINIA HELD AT THE BOARD OF SUPERVISORS MEETING ROOM LOCATED AT 131 HIGHLAND DRIVE, SUITE A, LEBANON, VIRGINIA, THE FOLLOWING RESOLUTION WAS ADOPTED, UPON A MOTION AND SECOND, JULY 12, 2021.

RESOLUTION OF SUPPORT FOR

THE VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, coal and gas resources are continually extracted from Russell County as a producer of coal and gas in the Commonwealth of Virginia;

WHEREAS, automation of industry and environmental regulations have greatly diminished the local employment and investment created by the coal and gas industries in Russell County;

WHEREAS, the Virginia Coalfield Economic Development authority (VECDA) is the primary means of fostering diversification of the County's economy away from dependence on the coal and gas industries;

WHEREAS, the Board finds that VCEDA is a critical economic development tool for Russell County, based on the hundreds of jobs retained or created in Russell County over the last four years with VCEDA financing, the hundreds currently being created due to VCEDA's financial incentives, and the many, many more created or retained through VCEDA's efforts over its long history.

WHEREAS, pursuant to legislation passed in the 2021 Session of the General Assembly a commission has been appointed to discuss reallocation of VECEDA's primary source of

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funding to institutions which may or may not be as successful in the field of economic development and may or may concentrate their efforts in Russell County as VCEDA has;

NOW THEREFORE, be it RESOLVED that the Russell County Board of supervisors hereby reaffirms its support of VCEDA and its opposition to any defunding of its programs or diversion of its resources to other entities.

It is RESOLVED this 12th day of July, 2021.

ATTEST:

Rebecca T. Dye

Rebecca Dye, Chairperson
Board of Supervisors

Lonzo Lester, Jr.

Lonzo Lester
Russell County Administrator

RECORDED VOTE:

MEMBERS ABSENT: Carl Rhea
AYES: 6
Nays: 0

Jonathan Belcher Notes for 7/8/21 Meeting:

- Hello my name is Jonathan Belcher and I am the Executive Director of the Virginia Coalfield Economic Development Authority, or VCEDA, which is the regional economic development authority created by the General Assembly in 1988 to enhance and diversify the economy of Virginia's coalfield region.
- One of VCEDA's main funding sources was the state's coal tax credit, a portion of which had been allocated to VCEDA since the tax credit's inception in the mid 1990's. When HB1899/SB1252 was passed this year, this eliminated that funding source for the region. This is going to have a serious detrimental effect on the region's economic development, because there will be significantly less money available to attract companies to the area and help businesses that are here to grow and expand.
- At the end of the day, economic development has to be about jobs, and VCEDA having less funding to help create jobs in the area is not a good thing. Studies that have examined the totality of VCEDA's work have all shown that VCEDA has been a very effective organization that has significantly helped the economy of the area.
- Some examples of projects just here in Dickenson County that would not likely have happened without VCEDA are the Dickenson County Technology Park, the Red Onion Industrial Park, the Serco and SAIC centers at the Dickenson County Technology Park, the Dickenson Center for Education and Research, the Clintwood Sleep Inn & Suites, the Ralph Stanley Museum, the Dickenson Community Hospital, the Spearhead Trails, and the list goes on and on.
- Many students attending Southwest Virginia and Mountain Empire Community Colleges have their tuition paid from funding provided by VCEDA which came directly from the state coal tax credit. With the elimination of the coal tax credit, VCEDA soon will no longer be able to help pay for this college tuition.
- Another VCEDA program that may be on the chopping block because of the elimination of this funding is VCEDA's Renewable Energy Fund, which helps attract solar and other renewable energy projects to the region. One example of a renewable project that VCEDA helped attract to the region is the 800 acre solar farm on reclaimed surface mine land announced for Buchanan County earlier this year.
- So, it is important that the state find ways to replenish this revenue stream to VCEDA so that we can help our economy to grow, train our workforce, and diversify.
- Lastly, I would like to mention a topic that has received little attention during this process, and that is the Coalfields Expressway. The state also needs to look at allocating some funding for the Coalfields Expressway. I have been an economic developer for 24 years and I can assure you that as long as Dickenson County lacks a decent four-lane highway, the county is going to struggle economically. Companies are hesitant to consider locations that lack good transportation access, when there are thousands of other communities vying for their projects that do have good transportation access. And until the Commonwealth does something about that, there is only so much that VCEDA, your local IDA, your local elected officials, and others can do to bring industry to the area. We are all passionate about bringing jobs and improving the economy, but we need the Coalfields Expressway or at least a four-lane highway into Dickenson County to increase the county's chances of success.
- Regardless, I believe the county's and the region's best and brightest days are ahead of it and VCEDA remains committed to do our part towards that. Thank you.



July 28, 2021

Virginia Department of Mines, Minerals, and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219
Attention: Reenergize SWVA
reenergizeswva@dmme.virginia.gov

To Whom It May Concern,

As President of Mountain Empire Community College, in light of in HB 1899\SB1252 I wish to express our support for continued direction of funding to support VCEDA.

The Virginia Coalfield Economic Development Authority has served as a primary funder of career training for Mountain Empire Community College students since 2018, providing more than \$500,000 in scholarships to hundreds of students to support tuition, credential, and certification costs. VCEDA also works directly with MECC's Small Business Development Center, providing small business loans and grants to further diversify Southwest Virginia's economy.

These funding mechanisms have provided a pathway for students, employees, and small businesses in our region to earn nationally recognized credentials that further their skill set, contributing to a strong, vibrant economic base. Employers in our region have benefitted from the ability to train their workforce at reduced cost, therefore increasing their ability to locate and invest in the Southwest Virginia region.

In conclusion, I encourage you to recognize the many benefits this program has provided to our area of the state and to support their continued work. Without these funds, I believe the workforce of our region would be significantly impacted.

Sincerely,

Dr. Kristen Westover
President



COMMONWEALTH OF VIRGINIA

HOUSE OF DELEGATES
RICHMOND

TERRY G. KILGORE
POST OFFICE BOX 669
GATE CITY, VIRGINIA 24251

FIRST DISTRICT

COMMITTEE ASSIGNMENTS:
COURTS OF JUSTICE
LABOR AND COMMERCE
RULES

July 12, 2021

Reenergize SWVA
Virginia Department of Mines, Minerals & Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

To whom it may concern:

Our delegation appreciates the Department of Mines, Minerals & Energy (DMME) for conducting listening sessions across our region to hear ideas on how the Commonwealth can provide economic transition support to Southwest Virginia. As legislators for a large swath of the area, we feel it is incumbent upon us to offer a recommendation on how the Commonwealth can provide this support to our region.

We believe that our region needs a different approach on how to encourage economic development and entice businesses to locate in Southwest Virginia. Almost two years ago, we, along with the late Senator Chafin, worked to create Invest SWVA. Our model is different. It is a public-private partnership that works to create jobs and bring investment to our area. We feel that Invest SWVA has been successful, and that it can serve a model on how to advance our economy in Southwest Virginia.

We look forward to continuing this discussion with DMME. Our goal is to better our region and ensure that the Commonwealth is actively vested in the economic development of Southwest Virginia.

Sincerely,

Handwritten signature of Terry G. Kilgore in blue ink.

Delegate Terry Kilgore
First District

Handwritten signature of Delegate Israel O'Quinn in blue ink.

Delegate Israel O'Quinn
Fifth District

Handwritten signature of Senator Todd Pillion in blue ink.

Senator Todd Pillion
40th District



AppalachianVoices

AppalachianVoices.org
outreach@appvoices.org

BOONE
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828.262.1500

CHARLOTTESVILLE
812 East High Street
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434.293.6373

DURHAM
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Durham, NC 27707
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KNOXVILLE
2507 Mineral Springs Ave.
Suite D
Knoxville, TN 37917
865.291.0083 ext. 700

NORTON
816 Park Avenue NW
Norton, VA 24273
276.679.1691

Department of Mines, Minerals and Energy
ATTN: REENERGIZE SOUTHWEST
3405 Mountain Empire Road
Big Stone Gap, VA 24219

June 8, 2021

Dear Mr. Skiffington,

Appalachian Voices is a regional nonprofit working with communities to create community wealth and sustain Appalachia's mountains, forests and waters. In our Norton, Virginia office, we focus on collaborating with local communities to reclaim abandoned mine lands and use them for new sustainable economic purposes, ensure reclamation after coal mines close, and build a new clean energy economy. We offer these comments regarding how Virginia can support economic growth and diversification in Southwest Virginia.

We appreciate this opportunity to submit comments and are grateful to the staff at the Department of Mines, Minerals and Energy (DMME) for their efforts during this process. At the outset, we stress to our state leaders that a great debt is owed to the coalfield region of Virginia. For decades, local SWVA citizens have borne the brunt of health and environmental impacts from fossil fuel extraction. This region and so many other coalfield regions have powered our country for more than a century, and as the energy industry transitions, we must not disregard the sacrifices made by the people in Southwest Virginia and leave them behind in the new clean energy economy. Justice requires that the legacy impacts of the fossil fuel industry be addressed and that communities be compensated and prioritized in the transition.

Transition Planning and Stakeholder Engagement

While this stakeholder process convened by the DMME is an important first step, it cannot be the only or last step taken for our state leaders to listen to and work with residents of Southwest Virginia regarding the future of this region. It is critical to engage impacted people in economic transition planning and decision-making. This must include "meaningful engagement" with Southwest Virginians, as defined by Environmental



Justice statutes in Virginia state law. Meaningful involvement requires advanced notice for public listening sessions such as this one, and we are concerned that scheduling a meeting on an election day with two weeks notice including over a long holiday weekend does fully rise to the requirement as meaningful involvement or advanced notice. While we understand that the timeline for this initial process is short, and appreciate the multiple methods of engagement available, DMME must do more to provide effective notice for future sessions, and seek meaningful input from stakeholders throughout the region in order to inform its report to the General Assembly.

The barriers to meaningful engagement in this current process underscores the need for a long-term, stakeholder driven process to inform a just transition in Virginia. We propose the General Assembly establish a Just Transition Office or Advisory Board to engage directly with impacted transitioning communities and to provide long-term support for such communities. This office or board should work with stakeholders to develop state and local transition plans, to identify new and existing resources to support transitioning communities, and to inform long-term policy and programs in Virginia.

Additionally, Southwest Virginia faces the impending loss of the Wise County coal plant (the Virginia City Hybrid Energy Center), which will be a significant loss to the tax base and jobs when it closes. While the plant is not required to close until 2045 under the Virginia Clean Economy Act, the plant operates at a very low capacity and is at risk of closure within the next 5 years. The state must begin to provide transition planning support and resources for the surrounding communities in the near term in order to minimize the impacts of the plant closure.

Virginia must also begin quantifying the community impacts of ongoing mine closures and forthcoming power plant closures so that state resources can be directed appropriately.

Clean Energy Development

In order to ensure that communities in historically fossil-fuel reliant areas are part of the clean energy transition, we need to make sure that they have fair access to the new clean energy programs in Virginia. Many of the clean energy and energy efficiency programs are limited to Dominion Energy utility territory and this puts much of far SWVA at a disadvantage in attracting clean energy jobs, since the region is primarily served by

other electric utilities. Paired with the difficulty in siting clean energy projects in forested, mountainous areas, clean energy development becomes unattainable and the promises that many leaders make about clean energy jobs replacing coal jobs fall flat. In order to put Southwest Virginia on equal footing to compete for clean energy industry jobs, the Commonwealth must revise its energy policies in the following ways:

- Create a renewable portfolio standard for Old Dominion Power utility
- Require a distributed generation carve-out in the renewable portfolio standard for both Appalachian Power and Old Dominion Power (similar to Dominion's requirement)
- Require a certain percentage of clean energy developed under the Clean Economy Act's standards be located in the coalfield region.
- Allow shared solar (also known as community solar) in Appalachian Power and Old Dominion Power territories for all customer sectors (similar to Dominion's shared solar program).
- Require Old Dominion Power to offer low-income solar rebates (similar to Dominion and Appalachian Power's programs).
- Include Old Dominion Power customers in the Percentage of Income Payment Program offered to Appalachian Power and Dominion energy customers to protect low income customers from high electricity bills.
- Require a certain percentage of energy storage systems required under Appalachian Power's energy storage mandate to be located in the coalfield region, and expand the energy storage mandate to include Old Dominion Power.
- Provide funding for the Virginia Brownfield & Coal Mine Renewable Energy Grant Fund to incentivize renewable energy development on former coal sites.
- Require Old Dominion Power to offer an alternative time-of-use rate option for commercial and industrial customers in place of a demand-charge based rate. The existing demand-charge rate for such customers prohibits most customers from installing solar energy, because customer electricity demand peaks can occur at times when solar panels aren't producing, so the solar panels do little to lower customers' electricity bills.
- Support clean energy manufacturing through tax incentives, grant programs and worker readiness programs to attract jobs along the clean energy supply chain.

Additionally, the State Corporation Commission needs to act swiftly to enforce the energy efficiency standard and incentive requirements for Old

Dominion Power utility, as required by the Virginia Clean Economy Act. This law has been in effect since July 2020 but has yet to be acted on by the Commission, meaning that customers in Old Dominion Power territory, which encompasses a significant portion of the coalfield region with a high rate of poverty, do not have access to money-saving energy efficiency options.

Reclamation of Coal-Impacted Lands

Unreclaimed coal mine lands pose significant health and environmental threats in Southwest Virginia, and also present a significant barrier to economic development. These hazardous sites fall generally into two categories: (1) Abandoned Mine Lands, where no company is responsible for reclamation because the sites were mined before federal law (the Surface Mining Control and Reclamation Act of 1977) required coal companies to reclaim sites, and (2) Modern mine sites regulated by SMCRA, for which coal companies are responsible for reclamation, but lax enforcement and bankruptcies are resulting in sites going unreclaimed. In order to support economic transition in the coalfield region, Virginia must provide more support to the region for comprehensive, quality reclamation as quickly as possible.

Abandoned Mine Lands (pre-SMCRA)

Federal law requires currently-operating coal companies to pay a small fee to OSMRE to help support reclamation of Abandoned Mine Lands throughout the country. However, the fee is insufficient to provide enough funding for the reclamation still needed. Virginia has more than \$100 million left of abandoned mine lands in the federal inventory, which significantly underestimates the number of actual abandoned mine sites and the costs associated with reclamation. Virginia receives only approximately \$3 million per year to reclaim abandoned mine land sites, and this amount will decrease as the coal industry declines and particularly if Congress fails to extend the fee beyond its current expiration date of September 30, 2021.

Virginia should help boost jobs, improve community health and safety, and improve environmental conditions in Southwest Virginia by supplementing the federal funding for Abandoned Mine Land reclamation.

Modern Mines - Assessment of Coalfield Reclamation Liabilities

Under SMCRA, coal companies are now required to restore mined land to its former condition or a higher and better use. Companies must also reclaim mines in a contemporaneous manner, so as to reduce the total reclamation liability at any given point in time. Most importantly, SMCRA requires coal companies to provide bonds to guarantee funding for reclamation should a coal company abandon its reclamation obligation. As the coal industry has declined, numerous companies have gone through bankruptcy. As bankruptcies continue, fewer solvent coal companies are available to purchase and transfer permits through the bankruptcy process. Widespread bond forfeiture is the most likely endgame under the current situation, leaving Southwest Virginia with more hazardous mining sites that may not have enough funding for reclamation.

While some mines in Virginia are covered by full-cost bonds, many mines take part in the state's pool bond, including 20 mine permits still covered by legacy self-bonds. If a large number of permits participating in the pool were to be bond forfeited, it would likely jeopardize the solvency of the pool bond. The self-bonded A&G permits pose the greatest. These mines are backed by over \$24 million in self-bonds. If the company were to go bankrupt, or otherwise forfeit permits, and fail to provide the funding promised by the self-bonds, the resulting deficit could dwarf what is currently available in the pool.

In order to assess the health of Virginia's coal mine bonding program, the DMME should produce an annual report detailing specific reclamation liabilities of every mining operation in Virginia. The report should track specific mining costs including costs of backfilling and regrading highwall, final grading of backfilled areas, cost of revegetation, pond removal, stream channel construction, mine seals, structure removal, and other associated costs of reclaiming and releasing a mine. The report should also include the specific bonding information of the mine, including whether it is self, pool or cost bonded and how much the site is bonded for.

This report is necessary for three reasons:

1. If potential developers are going to engage in innovative reclamation by changing a mine's post-mining land use, they need to know the potential liabilities of a site in order to make decisions about engaging in such a project.

2. This will also help lawmakers, community leaders, and developers make more strategic decisions about prioritizing sites to engage in innovative reclamation practices.
3. With the widespread decline in the coal industry, sites with high reclamation liabilities could become potential economic and safety hazards for communities should the coal company go bankrupt and forfeit a bond that is insufficient for reclamation.

Broad Health and Family Support Services

An under-recognized issue in Southwest Virginia presenting a barrier to economic growth in the region is low workforce participation. Far Southwest Virginia counties have the lowest workforce participation rates in Virginia. Factors contributing to this challenge include high rates of health and disability issues (including from black lung disease, workplace injuries, opioid addiction, and heart disease), lack of access to health care, lack of access to child care, lack of access to transportation, and low wages. Increasing access to broadband for all residents is also crucial to expanding job options to local residents who may need to work remotely or from home. The barriers to economic transition and prosperity cannot be addressed without addressing these significant challenges that keep people in Southwest Virginia from participating in the workforce.

Economic Development and Workforce Transition

In order to attract new types of sustainable economic development, Virginia must incentivize new *sustainable* business development in the coalfield region. This can come in the form of tax incentives, grants, training programs, etc. This development must be paired with comprehensive, directed workforce training opportunities including “wrap-around” services such as stipends, transportation support, and childcare support for people in training to ensure that the local workforce is able to fill new jobs that come to the area and that residents can take advantage of the new training opportunities.

Conclusion

Southwest Virginians experience significant environmental injustices, which must be addressed as the state moves to a clean energy economy. Moreover, our leaders must make a sustained and concerted effort to make sure the region is lifted up in the new clean energy economy, gaining access to the numerous benefits that such a transition can provide, including cleaner air, cleaner water, lower energy costs, jobs, and

economic growth. We thank the DMME and our state leaders for their consideration of these comments and their attention to this issue.

Sincerely,

Chelsea Barnes
Legislative Director
Appalachian Voices
614-205-6424
chelsea@appvoices.org





July 21, 2021

Virginia Department of Mines, Minerals, and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219
Attention: Reenergize SWVA
reenergizeswva@dmme.virginia.gov

To Whom It May Concern,

I am writing to express Southwest Virginia Community College's strong opposition to the redirection of VCEDA funds as set forth in HB 1899\SB1252.

VCEDA and Southwest Virginia Community College share a common purpose to enhance and diversify the economic base of the southwestern region of Virginia by transforming residents' lives and strengthening communities. By working together, our institutions have successfully reduced the region's unemployment rate and improved the diversification of the region's economy.

Since 2017, VCEDA has provided more than \$500,000 in scholarship funding for students at Southwest Virginia Community College. The *Emerging Workforce Scholarships* have enabled individuals in our area to enter training programs that are not eligible for financial aid funding because they are considered non-credit courses. These career and credential-based programs have included fields such as technology, unmanned ariel systems, agriculture, hospitality, and advanced manufacturing and industrial applications. In addition, the funding has provided the opportunity for high school students to receive a National Career Readiness Certificate prior to graduating from high school, thus ensuring they have a nationally recognized work-ready certificate prior to joining the workforce independent of whether they attend college.

In conclusion, I encourage you to recognize the many benefits this program has provided to our area of the state and to support their continued work. Oppose the redirection of funds and allow the monies generated by Coal production to support the development of economic opportunities in the Southwest Virginia Region.

Sincerely,

A handwritten signature in cursive script that reads "Susan".

Susan R. Lowe
Vice President of Institutional Advancement, SWCC



2020

ANNUAL REPORT



VceDA

VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

CHAIRMAN'S LETTER

The Honorable Ralph Northam
Governor of Virginia
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219



J.P. Richardson
Chairman

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Dear Governor Northam,

We are pleased to submit to you and the General Assembly the 2020 Annual Report of the Virginia Coalfield Economic Development Authority (VCEDA).

Thirty-nine new projects and expansions/retentions were announced in 2020, involving 1,259 full-time and 227 part-time new and retained jobs and more than \$237 million in private investment. More than 600 of those jobs VCEDA helped save in the region through COVID-19 relief funding. Announcements of new projects include Pure Salmon in Tazewell and Russell counties with more than 200 jobs and investment of \$228 million projected, Clinch River Hemp Company in Russell County, expansions at West River Conveyors and Machinery Company in Buchanan County and others, plus funding from VCEDA's Seed Capital grant program for 27 new small business start-ups in the region.

VCEDA approved 53 loans and grants totaling more than \$10.5 million in new funding in 2020. During this challenging year, projects were announced and funding was approved in all eight localities in the VCEDA region.

VCEDA remains committed to its mission of helping to enhance and diversify the economy of the coalfield region of Virginia. We look forward to working with the Governor's Office and the General Assembly to help our region continue to diversify and grow.

Sincerely,

J.P. Richardson
Chairman

VCeDA

VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

Mission of the Virginia Coalfield Economic Development Authority

The primary purpose of the Authority is to enhance the economic base for the seven county and one city coalfield region of Virginia (Lee, Wise, Scott, Buchanan, Russell, Tazewell and Dickenson Counties and the City of Norton). The Authority shall provide financial support for the purchase of real estate, construction of buildings for sale or lease, installation of utilities, direct loans and grants to private for-profit basic employers; may apply for matching funds from the state or federal government, or the private sector; and any other support improvements it deems necessary.

Code of VA Title 15.2 Chapter 60, Section 15.2-6002

EXECUTIVE DIRECTOR'S REPORT

Despite the ongoing COVID-19 pandemic, which brought many challenges to the region, state, nation, and world, 2020 was a productive year for the Virginia Coalfield Economic Development Authority (VCEDA) and the seven-county, one-city region that VCEDA promotes as Southwest Virginia's e-Region.

There were 32 new project announcements and 7 expansion/retention announcements in the region during the year, including announcements related to funding provided to retain jobs and businesses in the region which had been negatively impacted by the COVID-19 pandemic. The 32 new projects are projected to create 505 full-time and 97 part-time jobs and more than \$235 million in private investment. The 7 expansion/retention projects are projected to create and/or retain 754 full-time and 130 part-time jobs and an additional \$1.55 million in private investment, including more than 600 full-time and part-time jobs retained through COVID-19 relief funding provided by VCEDA to help employers remain open in the region. Altogether, 1,259 full-time and 227 part-time jobs are projected to be created and retained, and over \$237 million in private investment.

Examples of projects announced during the year include Pure Salmon in Tazewell and Russell counties with 203 jobs and \$228 million in private investment projected, Clinch River Hemp Company in Russell County with 58 full-time and 4 part-time jobs projected, and expansions by West River Conveyors and Machinery Company in Buchanan County, TDEC and AT&T Wireless in Russell County, and Clinch River Forest Products in Tazewell County. Funding was approved by VCEDA for several pending new projects that are expected to be announced in 2021.

During the year, VCEDA approved 16 loans totaling \$6.8 million and 37 grants totaling \$3.76 million, for a combined total of 53 loans and grants and more than \$10.5 million in new funding approved. Projects were approved for funding in every county and city served by VCEDA. In terms of business development during 2020, VCEDA handled 165 inquiries, and participated in 28 visits with business prospects for the region and 15 marketing events (including in-person and virtual).

Included in funding approved were Seed Capital grants for 27 new small business start-ups in the region that project the creation of nearly 170 full-time and part-time jobs and more than \$1.4 million in private investment. The VCEDA Board also allocated \$1 million from Coalfield Employment Enhancement Tax Credit funds for an innovative Renewable Energy Fund designed to attract renewable energy jobs and investment to the region. VCEDA additionally is now providing staff support for the new Virginia Coalfields Expressway Authority and helped that new authority become operational in 2020.

In conclusion, despite a very challenging year due to the pandemic, VCEDA and the region were able to make positive progress and are optimistic that 2021 will bring more successes for the region.

Jonathan Belcher
Executive Director/
General Counsel



VCEDA staff includes, from left, Mitzi White, Office Manager; Jean Jordan, Funds Administrator; Jonathan Belcher, Executive Director/General Counsel; Marketta Horton, Economic Development Specialist; and Susan Copeland, Marketing Coordinator.



2020 NEW PROJECTS

NEW PROJECTS	LOCALITY	JOBS	PRIVATE INVESTMENT
Blankenship's Hunting Supply, Taxidermy & Deer Processing LLC	Buchanan	1 FT / 1 PT	\$10,000
Lil' Doc Hollow Hemp, LLC	Dickenson	4 FT / 5 PT	\$14,620
Yates Recovery and Transport, LLC	Dickenson	1 FT / 2 PT	\$47,400
Trailhead Country Kitchen LLC	Dickenson	2 FT / 6 PT	\$10,000
Caney Kennels	Dickenson	2 FT / 3 PT	\$14,200
Country-fied Café	Dickenson	3 FT / 2 PT	\$15,000
O'Quinn Rentals, LLC	Dickenson	1 FT / 2 PT	\$40,000
Propel Counseling Group LLC	Dickenson	10 FT / 2 PT	\$11,490
Nana's Country Kitchen, LLC	Lee	4 FT / 7 PT	\$38,315
The Marion Kitchen LLC	Lee	1 FT / 1 PT	\$35,960
Charly's	Lee	10 FT / 15 PT	\$28,000
Clinch River Hemp Company, LLC	Russell	58 FT / 4 PT	\$4,500,000
P & E Wholesale LLC	Russell	3 FT / 1 PT	\$10,000
Next Door Drug Pharmacy, PC	Russell	5 FT / 5 PT	\$385,000
Adventure E-bikes, Inc.	Russell	1 FT / 2 PT	\$10,000
Copper Creek Metal Works LLC	Russell	1 FT / 1 PT	\$13,700
Nxtgen Mobile Welding Services, LLC	Russell	3 FT	\$17,832
The Play Hut, PLLC	Russell	2 FT / 3 PT	\$90,000
Whitt Insurance Agency, LLC	Russell	2 FT / 1 PT	\$14,809
Pure Salmon	Russell / Tazewell	203 FT	\$228,000,000
Clinch River Life, LLC	Scott	1 FT / 10 PT	\$11,100
Moccasin Junction Inc.	Scott	3 FT / 2 PT	\$185,000
Nash Creamery	Scott	2 FT / 6 PT	\$35,825

FT = full-time; PT = part-time

NEW PROJECTS	LOCALITY	JOBS	PRIVATE INVESTMENT
eHealth Technologies	Scott	160 FT	\$375,000
Professional Bookkeeping & Accounting Inc.	Tazewell	4 FT / 6 PT	\$10,523
The Grind Bluefield LLC	Tazewell	2 FT / 5 PT	\$31,000
Appalachian Treasures LLC	Tazewell	1 FT / 1 PT	\$75,517
Sunnyside Lodging	Tazewell	7 FT	\$1,182,483
Tazewell Dance Center LLC	Tazewell	1 FT / 1 PT	\$14,584
Valley Animal Clinic, PLLC	Tazewell	5 FT / 2 PT	\$275,000
Mercantile on Main, Inc.	Wise	1 FT / 1 PT	\$18,058
SWTC/IN Appalachia	Regional	1 FT	N/A
TOTAL NEW PROJECTS (32)		505 FT / 97 PT	\$235,520,416

2020 EXPANSIONS/RETENTIONS

EXPANSIONS/RETENTIONS	LOCALITY	JOBS	PRIVATE INVESTMENT
West River Conveyors and Machinery Company	Buchanan	15 FT	\$1,470,000
Breaks Interstate Park COVID 19 Relief	Buchanan/Dickenson	44 FTE*	N/A
AT&T Wireless	Russell	200 FT	N/A
TDEC	Russell	14 FT / 2 PT	\$10,000
Clinch River Forest Products, Inc.	Tazewell	95 FT**	N/A
Historic Crab Orchard Museum	Tazewell	1 FT	\$75,000
IDA/EDA Small Business COVID 19 Relief	Regional	385 FT / 128 PT*	N/A
TOTAL EXPANSIONS/RETENTIONS (7)		754 FT / 130 PT*	\$1,555,000

TOTAL NEW PROJECTS & EXPANSIONS/RETENTIONS (39)		1,259 FT / 227 PT*	\$237,075,416
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FT = full-time; PT = part-time; * = Retained Jobs; ** = includes 85 retained jobs

COVID-19 RELIEF LOANS | REGION | \$740,000 LOANS

VCEDA approved loan funding of up to \$740,000 in April to help offset the negative economic impacts of the COVID-19 pandemic in the coalfield region and at Breaks Interstate Park. This was in partnership with all the county/city industrial and economic development authorities in the VCEDA region which applied for loan funds from VCEDA to re-loan to local businesses in their localities negatively impacted and/or forced to close because of the pandemic. Up to \$590,000 was loaned to the eight IDAs/EDAs in the VCEDA region for distribution to local businesses impacted in their communities. Up to a \$150,000 loan was to the Breaks Interstate Park, whose operations also were negatively impacted by COVID-19. In December, the board voted to convert remaining balances of the IDA/EDA loans to grants.



VIRGINIA COALFIELDS EXPRESSWAY AUTHORITY

Under the Code of Virginia, VCEDA is now providing staffing assistance to the Virginia Coalfields Expressway Authority (CFX). Upon the completion of the initial appointments to the CFX Authority's board, VCEDA coordinated the first meeting of the new Authority, which was held in October in Grundy, Va. Officers were elected and Jay Rife was named its first chairman and Mike Yates the first vice-chairman. Jonathan Belcher, VCEDA executive director/general counsel, was designated as the CFX Authority's executive director and also its secretary/treasurer. The primary purpose of the CFX Authority is to improve transportation into, from, within and through Southwest Virginia, assist in regional economic development and generally enhance highway safety in the affected localities.

PURE SALMON | RUSSELL, TAZEWELL COUNTIES \$10 MILLION LOAN

In November, Pure Salmon (Project Jonah) was announced as one of the largest private capital investment projects in Southwest Virginia history. The project, described as the world's largest vertically integrated indoor aquaculture facility, is to be located on the boundary of Tazewell and Russell counties. The company projects more than 200 employees and raising and processing of up to 20,000 tons of salmon annually. The facility is to be constructed by Pure Salmon, a global leader in aquaculture, who will invest approximately \$228 million in facility and equipment. VCEDA has contingently approved up to \$10 million for the project.



CLINCH RIVER HEMP COMPANY, LLC RUSSELL COUNTY | \$2 MILLION LOAN

VCEDA approved a low-interest loan of \$2 million to the Russell County Industrial Development Authority to be used in the development of Clinch River Hemp Company, LLC's processing facility operations located at Hansonville, Va. Forty-one new full-time jobs and five part-time jobs are anticipated within the first year as the project gets underway and up to 62 total new jobs. Clinch River Hemp Company, LLC is a new start-up company which will provide services from hemp cultivation, through extraction, processing and packaging of hemp products. The plant will focus on refining hemp for the therapeutic benefits of CBD and other plant-based chemical compounds that can be derived from hemp.



eHEALTH TECHNOLOGIES | SCOTT COUNTY | 160 JOBS

Governor Ralph Northam announced in December that eHealth Technologies, a provider of medical record and image retrieval and clinical intelligence services, will invest \$375,000 to establish a new customer support center in Scott County and create 160 new jobs. Mountain Empire Community College, which has a successful track record of preparing the region's workforce for careers in health information management, was part of the team working to partner with eHealth Technologies on developing a well-trained workforce that will ensure the highest level of customer service and patient care at the new center. Headquartered in Rochester, NY, with employees worldwide, eHealth Technologies serves more than half of the nation's top 100 hospitals. The center will be located in the Scott County Regional Business & Technology Park, which was developed in part with funding from VCEDA.

WEST RIVER CONVEYORS AND MACHINERY COMPANY BUCHANAN COUNTY | \$1.225 MILLION LOAN

VCEDA closed an up to \$1.225 million loan to West River Conveyors and Machinery Company, an established Buchanan County business that has operated in the county for 40 years, for an expansion that is anticipated to add up to 15 new full-time jobs. The VCEDA loan funds will be used toward an approximately 8,000-square-foot building expansion, construction of a covered in-feed conveyor shed and concrete pad and the upgrade of equipment, which company officials said will result in better operating efficiencies and the ability to take on additional work at West River's Oakwood, Va. location. The replacement, or addition, of several items of equipment is also planned. Some of the new capabilities will allow West River to create visualization of systems for customers.



CLINCH RIVER FOREST PRODUCTS, INC. TAZEWELL COUNTY | \$500,000 LOAN

VCEDA approved a \$500,000 loan to the Tazewell County Industrial Development Authority to be used to finance the purchase of equipment, machinery and tools to assist Clinch River Forest Products, Inc. in Tazewell County. Clinch River Forest Products is a large sawmill operation in Tazewell, Va. which employs 85 direct full-time employees. The company anticipates as a result of the loan it will be able to retain the current jobs and add five to 10 additional jobs in the next two years. The company began its operations in Tazewell County in 2005 and has previously received funding from VCEDA which it paid off in 2013.



AT&T WIRELESS | RUSSELL COUNTY | 200 JOBS

AT&T Wireless announced in 2020 it was hiring for 200 jobs at \$15+ per hour at their Lebanon, Va. customer service center. VCEDA assisted in recruiting and financing this center when it located here 17 years ago, and we follow up with them on an active basis. Successful information technology companies operating in the region like AT&T Wireless help market the VCEDA region as an excellent location for this type of business. VCEDA has been marketing to the IT industry for more than 20 years and in that time has successfully recruited leading IT companies which continue to operate here.

TDEC | RUSSELL COUNTY | \$25,000 GRANT

VCEDA approved a \$25,000 grant to the Russell County Industrial Development Authority to assist Russell County IT business, TDEC, with workforce development and training. The grant is from VCEDA's Workforce Development and Training Fund. The grant will help TDEC, which stands for "The Data Entry Company," add approximately 14 new full-time and 2 part-time jobs in a five-year period. TDEC is a business process outsourcing firm headquartered in Bethesda, Md., and was first recruited to the region by VCEDA in 2018. The HUBZone designation available in much of the VCEDA region was one factor in TDEC's decision to locate here.



NEW ECONOMIC DEVELOPMENT SITES DICKENSON COUNTY | \$950,000 GRANT

VCEDA approved an up to \$950,000 grant to the Dickenson County Industrial Development Authority (IDA) to be used to finance the costs associated with development of two new economic development sites in that county. The Dickenson County IDA requested the funds for the demolition of the former Haysi High School and Clintwood High School and Annex, site development, site grading and other improvements, and costs associated with the project to create two new economic development sites in Dickenson County. Both of these locations became available as economic development sites after the consolidation of the former schools into the new Ridgeview High School outside of Clintwood.



HISTORIC CRAB ORCHARD MUSEUM TAZEVELL COUNTY | \$100,000 GRANT

VCEDA approved an up to \$100,000 grant from the VCEDA Tourism Capital Improvement Matching Fund for the Historic Crab Orchard Museum and Pioneer Park in Tazewell County. The funds will be used to finance building construction, expansion and rehabilitation, the construction and development of new exhibits and other improvements. Specifically, repairs to the metal roof, expanding and renovating the visitor bathrooms, upgrading the permanent exhibition gallery and expanding the storage capacity of the collections and general storage areas are among the areas the grant funding is planned to be used. The museum just celebrated its 40th year as a non-profit museum and educational institution.

WISE-NORTON LAND RECORDS TRAINING PROJECT WISE COUNTY AND CITY OF NORTON | \$50,000 GRANT

VCEDA approved an up to \$50,000 grant to the Wise County Industrial Development Authority to modernize the Wise County and City of Norton land records data system and to develop a workforce training program associated with it. The project is designed to improve public record availability, and the education component focuses on creating paid internships for students which also provides them with employable skills for the future. The first component of the project is the development of a software platform enabling the creation of “smart” land records, their storage and indexing for easy and rapid searching. The second component of the project is the recruitment of students into a training curriculum on blockchain-based software fundamentals, land record abstraction and smart record creation using the software.



RED ONION INDUSTRIAL SITE DICKENSON COUNTY | \$1.2 MILLION GRANT

VCEDA approved an up to \$1.2 million grant to the Dickenson County Industrial Development Authority to be used for further developments on the Red Onion Industrial Site. The funds will be used to help finance site grading, site development, access road construction and storm drainage improvements on the Red Onion site which is also known as the Coalfield Regional Industrial Park. The funds will also be used for the extension of utilities, including water, sewer, electric, natural gas and broadband to the property.



LYRIC THEATER | WISE COUNTY | \$100,000 GRANT

VCEDA approved an up to \$100,000 grant to the Town of St. Paul Industrial Development Authority (IDA) to be used on the Phase II redevelopment of the historic Lyric Theater in St. Paul, Va. The grant, which was approved from VCEDA's Tourism Capital Improvement Matching Fund program, will be used to finance building construction, rehabilitation and improvements as well as the purchase of furniture, fixtures and equipment, and other improvements and costs associated with the renovation project. Once restored, plans for the theater are that it can be used for live theater performances, for regional musical events, and for conferences and events. When the renovations are complete the IDA indicated one full-time job and four part-time jobs will be created within a three-year period.

BROADBAND EXPANSION DICKENSON COUNTY | \$750,916 GRANT

VCEDA approved an up to \$750,916.88 grant to the Dickenson County Industrial Development Authority (IDA) to help finance the installation and extension of high-speed broadband to underserved areas of broadband in Dickenson County. The funding will be used toward the purchase and installation of fiber optic cable, fiber drops, electronics and wireless microwave backhaul, engineering, permitting and other fees and costs associated with the projects. The Dickenson County IDA and the Dickenson County Board of Supervisors conducted a study to identify underserved areas of broadband in the county, and those study results are being used to prioritize where funding can best be utilized to reach the greatest number of people and businesses in need of service.



SEED CAPITAL PROJECTS

VCEDA SEED CAPITAL MATCHING FUND

Recognizing that small businesses play a significant role in the growth and stability of the economy, VCEDA established the VCEDA Seed Capital Matching Grant Fund in 2017. The goal of the Seed Capital Matching Fund is to help VCEDA meet the purposes for which it was created by providing a source of matching grant funds to assist new, start-up, and emerging small businesses located within the region, and to attract such small businesses from outside the region to locate within the region. By adding this program to its existing efforts to attract larger industries to the region and to help existing companies to expand, this program has provided VCEDA with a more well-rounded approach to creating new jobs and investment in the region

STATISTICS

Stats on Seed Capital Matching Fund

SINCE 2017

PROJECTS	97
PROJECTED JOBS	792 (480 FULL-TIME; 312 PART-TIME)
PROJECTED INVESTMENT	\$5,693,055

Blankenship's Hunting Supply, Taxidermy & Deer Processing LLC | Buchanan County

Avid hunters, fishermen and outdoorsmen find a one-stop shop at Blankenship's Hunting Supply, Taxidermy & Deer Processing LLC in the Hurley area of Buchanan County. The new business, owned by Karen Blankenship, provides hunters with the opportunity to bring their trophy kill to the business for skinning, cleaning, mounting and meat processing. All meats are vacuum sealed and refrigerated until the customer picks it up. Life size mounts as well as half-size taxidermy for bear, deer, coyotes, bobcats, foxes, raccoons and squirrels are available. Blankenship's husband, Mitchell Lee Blankenship, is the certified taxidermist. The business projects one full-time and one part-time employee.

Lil' Doc Hollow Hemp, LLC | Dickenson County

The growing of industrial hemp in Virginia has a long history tied to it, having been grown in Virginia as early as the mid-1600s. As laws began to change in Virginia in recent years to allow for the production of hemp, the Meade family in Dickenson County saw a new opportunity arise and formed Lil' Doc Hollow Hemp, LLC. The company is owned by Robert Meade Sr., Brenda Meade, Brandon Meade and Trista Meade, all of Clintwood. The Meades grow a locally sourced product and then sell the hemp, with plans in the future to process it and to provide an array of products, like tinctures and salve, edibles and other health and wellness products. The business projects four full-time and five part-time employees by the fifth year.

Yates Recovery and Transport, LLC | Dickenson County

The need for wrecker and rollback services in the Haysi area was something Dakota Yates, of Clinchco, identified as a need for Dickenson County and surrounding areas. As a result, he opened Yates Recovery and Transport, LLC to provide services including hauling automobiles for repair, or for those that are involved in accidents, roadside assistance and assisting local police with impounds. Four-wheel drive wrecker service adds to its capabilities and a variety of insurances are accepted. The new business has also added a collision center to be able to make repairs to automobiles. The business projects one full-time and two part-time jobs within two years.

Trailhead Country Kitchen LLC | Dickenson County

As Gabriel Yates looked at the Town of Haysi in Dickenson County, he saw an opportunity to cater to the town's growing tourism economy as a result of Spearhead Trails' Ridgeview Trail. As a result, he opened Trailhead Country Kitchen LLC. Not only does Trailhead Country Kitchen serve the restaurant needs of hungry trail riders, capitalizing on its slogan, "Don't Ride Hungry," but it also serves as a gathering spot for locals searching for a place nearby to have a good home-cooked meal, as well as to Russell Fork River whitewater rafters, kayakers, innertube floaters and fishermen. Trailhead Country Kitchen projects two full-time and six part-time employees within three years.

Country-fied Café | Dickenson County

Amber Owens, of Clintwood, always dreamed of opening her own restaurant, even while she has spent her time as a teacher in the public school system. The opening of Country-fied Café in Dickenson County is the realization of that dream as she and her husband purchased a food truck in which to operate the business beginning in the spring of 2021. The menu will include wraps, sandwiches, two different types of fries and eventually soups and other light menu fare. Initially, the focus will be to operate the truck on the weekends in Southwest Virginia locations, but as the business grows, Owens sees it expanding to travel to festivals in Virginia and in neighboring West Virginia and Kentucky. The business projects three full-time and two part-time employees.

O'Quinn Rentals, LLC | Dickenson County

The opportunity for a unique lodging experience is what O'Quinn Rentals provides for its customers who choose to book a renovated train cabooses to stay in the Haysi area to enjoy the Spearhead Trails. Jarrod and Audrea O'Quinn purchased two train caboose cars and a three bedroom, two-bath home with the intention of renovating all of them into short-term rental units. One of the cabooses is now complete and being offered for rent and renovations are ongoing to ready the second caboose and the house. The business projects one full-time and two part-time employees.

Propel Counseling Group LLC | Dickenson County

Outpatient counseling, substance abuse counseling and trauma-focused counseling are among the treatment options available through Propel Counseling Group LLC. The company opened in October 2020 and is operated in Clintwood, Va. by licensed professional counselors Kimberly Carroll and Heather Lynch. Carroll and Lynch bring a combined 21 years of work in the mental health field and in addition to seeing clients at their clinic location, they also make house calls. The business projects 10 full-time and two part-time employees.

Caney Kennels | Dickenson County

As Kevin O'Quinn, of Clintwood, looked down the road to retiring after a long career with the department of corrections, he was faced with trying to decide what to do to supplement his retirement, so he took a skill set he had used for years working with K-9 officers and opened Caney Kennels. The new business as it develops will breed, train and sell American Kennel Club registered Labrador Retrievers as well as provide dog-related services including breeding, boarding and obedience training. Ultimately the goal is to offer training for both therapy dogs and detection dogs. The business projects two full-time and three part-time employees.



Copper Creek Metal Works LLC



Lil' Doc Hollow Hemp, LLC



Appalachian Treasures LLC



Adventure E-bikes, Inc.



Next Door Drug Pharmacy, PC



O'Quinn Rentals, LLC



Propel Counseling Group LLC

Nana's Country Kitchen, LLC | Lee County

It was a discussion one day with their grandchildren that led Janice and Taylor Scott, of Pennington Gap, to open Nana's Country Kitchen, LLC. As their grandchildren talked about their memories of sharing food and fun at "Nana's house," the Scotts decided to open their sit-down restaurant in a space large enough to accommodate civic club meetings, church groups and users of the Spearhead Trails system in addition to members of the Lee County community. The full-service restaurant is located at 191 Industrial Drive in Pennington Gap and has a seating capacity of 96. The Scotts project four full-time and seven part-time jobs within three years.

The Marion Kitchen LLC | Lee County

Family and friend recipes passed down through generations will be among the food fare offered to patrons of The Marion Kitchen LLC, a mobile food truck business in Lee County, when it officially opens later this year. Jessica Ernspeker, of Big Stone Gap, owns the business, which she named using her maiden name, Marion. Opening the business and creating the foods enjoyed by her family for generations, Ernspeker said, has been a dream of her's and her father's for many years. Plans are to set up the food truck in Lee County on a regular basis, but also, during festival season, to travel some to various events with the food truck. The business projects one full-time and one part-time position.

Butcher's Dining LLC, d/b/a Charly's | Lee County

With extensive experience in the food service industry, having been a server, cook, manager and district manager for a chain restaurant, Charly Butcher, of Pennington Gap, decided it was time to open her own business and in the fall of 2020, formed Butcher's Dining LLC, doing business as Charly's in Lee County. The sit down restaurant is family-oriented and features homemade soups, biscuits and gravy and everything in between, with a focus on down home cooking and comfort food on its menu. The business projects 10 full-time and 15 part-time employees.

P&E Wholesale LLC | Russell County

For Eric and Pamela Brown, of Honaker, the floral business has been in their backgrounds for decades. Earlier this year, they took things one step further, opening P & E Wholesale LLC, a wholesale floral supply business which sells to retail floral and gift shops in southwest Virginia, southern West Virginia and eastern Kentucky. Silk flowers and vases, to gifts and other home décor items often used by flower shops in the design of floral bouquets and by gift shops for outright sale items, are among the items available through the business which projects up to three full-time employees and one part-time employee within four years.

Adventure E-bikes, Inc. | Russell County

A unique travel experience centered around cycling and tourism in Southwest Virginia is the focus of Adventure E-bikes, Inc. in Lebanon. Wyatt Carter, of Lebanon, opened the new business at which he offers bike rentals and sales and also provides guided bike tours in the area. Guests on guided rides are those staying in local homes or cabins matching the quaint experience of the outdoor cycling adventure on which they are embarking. Bikes are available for rent, or riders may bring their own. The business, which projects one full-time and two part-time employees within two years, utilizes the VeloGuide social App which connects people wanting to ride bikes with those willing and able to guide the rider or group of riders through a certain region.

Next Door Drug Pharmacy, PC | Russell County

When Jackie Hackney, Clint Lawson and Nicole Bostic met at the Appalachian College of Pharmacy in 2005, they agreed that someday -- after graduation -- they would open their own pharmacy. In August 2020, the three classmates who graduated in 2008 with their doctor of pharmacy degrees, opened Nextdoor Drug. At the end of last year, plans for the new pharmacy business in Lebanon, Va. were solidified and began to take shape as the business was set up as a professional corporation, Next Door Drug Pharmacy, PC. Three full-time and two part-time jobs are projected within the first year and within five years, they are projecting five full-time and five part-time jobs.

Copper Creek Metal Works LLC | Russell County

If it's metal, Copper Creek Metal Works LLC in Russell County can make it. Jonathan and Allison Byerley, of Castlewood, opened their new metal cutting and fabrication business, offering custom designs for businesses and homes – from simple wall décor and signs, to farm entrance decoration, fire pits, shelving, furniture, privacy walls, special designs and more. Copper Creek Metal Works can take a customer's sketches or ideas and turn them into a custom-made, one-of-a-kind work of art. The business projects one full-time and one part-time job.

Nxtgen Mobile Welding Services, LLC | Russell County

When welding services are needed, it's not always convenient to have to take the piece of equipment or item into the shop to have it fixed. That's where Nxtgen Mobile Welding Services, LLC comes in. Antony Chestin Wright, of Honaker, opened the business, with the idea of providing welding services on site for area farms, businesses, or residential customers in Russell, Buchanan, Tazewell and Washington counties. Welding needs are completed on site, getting equipment back up and running sooner or other repairs made in a manner easier for the customer who doesn't have to figure out a way to get heavy equipment or other bulky metal components into a shop for repair. The business projects three full-time employees as it continues to grow.

The Play Hut, PLLC | Russell County

Pediatric outpatient therapy services are offered at The Play Hut, PLLC, operated by Kelsey Bush, of Lebanon. The Play Hut's mission is to bring pediatric health and wellness opportunities to the underserved communities in Southwest Virginia. Open, group and private play is offered for children in a supervised setting and is especially geared toward children with sensory issues, birth defects, autism and ADHD. Bush is a registered and licensed occupational therapist. In addition to providing therapeutic services, screenings and developmental play, The Play Hut will also offer space for holding special events in the community. Games, activities, interactive play spaces, tables, chairs, coolers and freezers will be available for patrons renting out the space to host children's events with family and friends. The business projects two full-time and three part-time employees.

Whitt Insurance Agency, LLC | Russell County

Community involvement has always been important to Jessica Whitt, of Honaker, who opened her own business, Whitt Insurance Agency, LLC in April 2020 in Russell County. Her company provides insurance coverage covering auto, home, condo, townhouse, mobile homes, boats, motorcycles, rentals and more to those in need of insurance. Bristol West is available for those not qualifying for Farmers Insurance and Kraft Like is available for commercial and workers compensation. The business projects two full-time and one part-time employees.

Clinch River Life, LLC | Scott County

Life on the Clinch River is a focus of Clinch River Life, LLC which opened in Scott County last year. Owned by Robert and Elise Bloomer, of Big Stone Gap, the business rents tubes to float the Clinch River to visitors coming into the area for recreational experiences, including Spearhead Trails, Natural Tunnel, Devil's Bathtub and the mountain bike system at Flag Rock recreation area in Norton. Long term goals include expanding the business into kayaking and camping. The business projects one full-time and 10 part-time employees.

Moccasin Junction Inc. | Scott County

The lack of a convenience store with a deli and fuel are in part what spurred Hunter Lambert, of Gate City, to open Moccasin Junction Inc., a full-service convenience store with a fuel island at the junction of State Routes 71 and 613 in Scott County. Lambert also operates a cattle farm and fencing company and when working for the state driving the roads in the area, he saw the need for a store where a customer could pick up a sandwich and get gas without having to drive an hour in either direction. The new store fits that bill and will feature traditional fare, but also local apples and other local products from the region. The business projects three full-time and two part-time employees.

Nash Creamery | Scott County

Garland and Sheila Nash, of Nickelsville, were looking for a way to make their dairy farm more economical when they did the research and then decided to expand their farm, turning it into a Micro-Dairy Processing plant, which they named Nash Creamery. The couple began with their raw milk dairy operation and made the adjustments and additions necessary to transform it into a Grade A Virginia Department of Health-certified creamery facility where they bottle and sell milk. Plans are to add ice cream, butter and yogurt production in the future. The business projects two full-time and six part-time employees.

Appalachian Treasures LLC | Tazewell County

After purchasing a piece of property on Virginia Avenue in Bluefield and the 2,000-square-foot building that is situated on it, Bill Haver began to see the pieces fall into place for his new business, Appalachian Treasures LLC. The new space accommodates vendors who rent available floor space to sell their goods. In turn, Appalachian Treasures provides the sales and support staff to take care of customers visiting the business. Under their business model, the reach of the grant they received through VCEDA may also benefit up to 20 other small business entrepreneurs by providing retail venues for local artisans, crafters, antique dealers and others. Initially, Appalachian Treasures projects one full-time job and one-part-time job.

Professional Bookkeeping & Accounting Inc. | Tazewell County

Providing for the accounting, bookkeeping and other financial record keeping needs of area businesses and individuals is the primary goal Pansy Harman, of Tazewell, had when she formed Professional Bookkeeping & Accounting Inc. Harman, who has worked in the accounting field for more than 38 years, noted it's been her life's work to take care of the bookkeeping and record keeping needs of many in the business community in Tazewell and the surrounding area. The business projects four full-time and six part-time jobs will be created within five years.



The Marion Kitchen LLC



Yates Recovery and Transport, LLC



Valley Animal Clinic, PLLC



The Play Hut, PLLC



Trailhead Country Kitchen LLC



Nxtgen Mobile Welding Services, LLC



SEED CAPITAL PROJECTS

The Grind Bluefield LLC | Tazewell County

As Collin O'Donnell prepared to graduate from Bluefield College in December with his Bachelor's degree, the Buffalo, NY, native already had plans to pursue his Master's Degree at his alma mater and to continue to operate the new business he opened in 2020 in Bluefield, Va. The Grind, a coffee and bagel shop in downtown Bluefield, launched as a start-up in January 2020, but due to the pandemic, ended up opening in a food truck setting in May 2020. The new business has plans for a grand opening of its indoor dining space in early 2021. Although the application projects two full-time and five part-time jobs, O'Donnell noted The Grind has plans to employ as many as five full-time and 12 part-time employees.

Valley Animal Clinic, PLLC | Tazewell County

A native of Southwest Virginia, after Dr. Allison M. Sparks, of Cedar Bluff, finished her veterinary education at the Virginia-Maryland College of Veterinary Medicine, she returned to the area to open Valley Animal Clinic, PLLC. The new business is located at 1058 Cedar Valley Drive in Cedar Bluff in the former veterinary clinic space operated by the late Dr. Roy Wright. The new veterinary clinic offers small animal wellness checks, vaccinations, surgery, dentistry, hospitalization and in-house laboratory and radiology services. Products for flea and tick control and options for pet nutrition and diet are also offered for sale. The business projects five full-time and two part-time employees.

Tazewell Dance Center LLC | Tazewell County

The lack of a dance studio in Tazewell was something that spurred Emily Hinkle, of Cedar Bluff, to open the Tazewell Dance Center LLC in the Four-Way Shopping Center in North Tazewell. From classical ballet, jazz and hip-hop to tap, modern, lyrical and contemporary, to pointe, improv, pom and tumbling, the studio has something to offer to students of all ages. Classes are also taught in yoga and UltraBarre. Hinkle holds a Bachelor of Arts degree in dance from Radford University. In 2019, she won a national dance title and knew it was time to follow her dream of opening her own dance studio. The business projects one full-time and one part-time employee.

Mercantile on Main, Inc. | Wise County

Unique and locally created items are among the goods found at Mercantile on Main, Inc. at 215 E. Main Street, Suite B in Wise. Jessee and Ashley DeLoach decided to open the business to help local shop owners find a way to market their goods in an economical way. "Shop owners" rent space and pay commission on sales to aid in the operating costs of the business. Additionally, other small businesses which don't have a need for a full space find a home for their items which are purchased at wholesale. The business projects one full-time and one part-time job within a year.



VCEDA Renewable Energy Fund

The Virginia Coalfield Economic Development Authority created a Renewable Energy Fund in 2020 to help attract new jobs and investment to Southwest Virginia's e-Region and to help diversify its economy. VCEDA has initially allocated \$1 million in the fund, from Coalfield Employment Enhancement Tax Credit funds. The amount of funding per project is based upon factors including the number of jobs, wage rates, and private investment of the project.

VCEDA is a unique regional economic development agency created by the Virginia General Assembly to enhance and diversify the economy of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell and Wise counties and the City of Norton in Southwest Virginia.

What examples of projects are eligible?

- » Commercial/industrial electricity generation projects using renewable energy sources
- » Manufacture of renewable energy products and components
- » Workforce development and training projects to prepare the region's workforce for renewable energy jobs

How can the funding be used?

- » Funding is available as low-interest loans and/or grants
- » Loans are available for real estate acquisition, building construction, equipment purchases, and other physical improvements that add value to real estate, including associated soft costs
- » Grants are available to assist with workforce development and training, such as tuition reimbursement, internships, and training equipment

What types of groups are eligible to apply?

- » For-profit businesses
- » Non-profit organizations
- » Industrial/economic development authorities
- » Must be developing a project in the region

MARKETING SOUTHWEST VIRGINIA'S

Even though COVID-19 affected outreach events in 2020, VCEDA continued marketing to site consultants and targeted industries and attended several trade shows and conferences in person early in the year, and exhibited and attended others virtually. In 2020 VCEDA had 28 in-person and virtual prospect visits and handled 165 inquiries about Southwest Virginia's e-Region.

Marketing collateral promoting Southwest Virginia's e-Region received major updates including a complete overhaul and new address for the VCEDA website—www.vceda.us. New additions to the website include webpages for the Virginia Coalfields Expressway Authority and VCEDA's Renewable Energy Fund, a chat feature, and an interactive regional map showing airports, industrial properties, major employers, workforce development centers, higher education institutions and hospitals. New regional videos, including "Find Your Place in Southwest Virginia's e-Region," which was debuted at the virtual Southwest Virginia Economic Forum in September, and other video clips featuring business leaders describing living and working in the region also are featured on the VCEDA website.

VCEDA attended two targeted industry trade shows in person: the Kitchen and Bath Industry Show in Las Vegas with the Virginia Economic Development Partnership in January, and VCEDA manned an e-Region exhibit booth and met with companies attending the IT Expo in Fort Lauderdale, FL in February. Other major virtual trade show events VCEDA attended included AUVSI Xponential, the Governor's Summit on Rural Prosperity and the Southeastern Economic Development Council's "Meet the Consultants" event.

Continued marketing to site consultants, target industries and trade show audiences using lead generation campaigns, the VCEDA website, social media, news briefs, media relations, print advertising and other communication tools, helps VCEDA create interest and invitations to visit and see what Southwest Virginia's e-Region has to offer businesses.

VCEDA produced a promotional video "Find Your Place in SWVA's e-Region." The video features several companies VCEDA has assisted in the region.



VCEDA was represented at the Virginia Chamber of Commerce "Chamber Day at the Capitol" events and at the Old Dominion Legislative Reception in January in Richmond. Pictured, from left are Cathy St. Clair, VCEDA Marketing Ambassador; Virginia Chamber of Commerce President Barry DuVal; Virginia Chamber of Commerce Chairperson of the Board of Directors, Paige Clay; and VCEDA Marketing Ambassador Mary Rae Carter.

VCEDA attended and exhibited at IT EXPO in Fort Lauderdale, FL, in February. VCEDA manned an exhibit booth and met with a number of IT companies in pre-set appointments to promote Southwest Virginia's e-Region as a business location. From left are VCEDA Marketing Coordinator Susan Copeland; VCEDA Marketing Ambassador Charlotte Mullins; and Wise County Industrial Development Supervisor Brian Falin.





LET **VCEDA** help you find your place in Southwest Virginia's e-Region.

www.vceda.us

How can we help **YOUR** business?
Call 1.800.735.9999

VCEDA
VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

mail@e-Region.org • www.e-Region.org • www.vceda.us

The November 2020 issue of Virginia Business magazine featured an ad highlighting VCEDA's new website and promoting Southwest Virginia's e-Region.



VCEDA Marketing Ambassador Charlotte Mullins, right, and Michaela Martin of the Virginia Economic Development Partnership attend the Kitchen and Bath Industry Show in Las Vegas in January.



VCEDA was a sponsor of the Southwest Virginia Legislative Reception in Richmond in January. VCEDA board members in attendance included, from left, Duane Miller, Harry Childress, Larry Mosley, Josh Ball, Chairman J.P. Richardson, Jim Baldwin, and VCEDA Marketing Ambassador Mary Rae Carter.

2020 VCEDA MARKETING EVENTS

EVENT	DATE	LOCATION	TARGET
Tobacco Commission Reception/Meeting	1/6-7/20	Richmond, VA	All Target Sectors
VEDA Legislative Reception	1/13/20	Richmond, VA	Site Location Consultants
SWVA Legislative Reception	1/22/20	Richmond, VA	All Target Sectors
Kitchen & Bath Industry Show	1/21-23/20	Las Vegas, NV	Manufacturing
VCEA Legislative Breakfast	1/23/20	Richmond, VA	Energy
Old Dominion Assembly Reception	1/23/20	Richmond, VA	All Target Sectors
Virginia Rural Caucus Reception	2/5/20	Richmond, VA	All Target Sectors
IT Expo	2/11-15/20	Ft. Lauderdale, FL	Information Technology
VEDA Spring Conference	3/12/20	Roanoke, VA	Site Location Consultants
VEDA Summer Meeting	6/24/20	Virtual	All Target Sectors
SWVA Economic Forum	9/2-3/20	Virtual	All Target Sectors
VEDA Fall Conference	9/16-17/20	Virtual	All Target Sectors
AUVSI Xponential	10/6-8/20	Virtual	UAV/UAS
Governor's Summit on Rural Prosperity	10/21/20	Virtual	All Target Sectors
SEDC Meet the Consultants	11/12/20	Virtual	Site Location Consultants
TOTAL MARKETING EVENTS (15)			

Focus is on electronic information technology, energy education, emerging technologies, and entrepreneurs. Add to that unique incentives of loans and grants for new and existing businesses approved by the Virginia Coalfield Economic Development Authority (VCEDA) that markets this seven-county, one-city region in the southwestern corner of Virginia.

Companies are taking note of this beautiful slice of Virginia that has been a leader in broadband development in rural America for several years.

IT companies SAC, Sykes, TTEC, Serco, Northrop Grumman, CGI and others have established centers in the region, taking advantage of a regional vision to attract information technology businesses. With excellent connectivity and location, the region is growing as an excellent location for data centers. Three Tier III centers are in the region including Northrop Grumman, and SP Facilities' \$45 million Mineral Gap data center.

The e-Region offers an East Coast location with access to the Southeast's automotive and manufacturing industries. A Canadian manufacturer is locating its first U.S. manufacturing facility in the area, joining numerous other manufacturers in the area.

Helping the area economy to grow from within, a successful ongoing VCEDA seed capital grant program encourages entrepreneurs and has assisted 31 new small businesses since 2017 which are creating many new jobs.

Partnerships with the University of Virginia's College of Wise, Mountain Empire and Southwest Virginia community colleges and others help the region respond with timely and targeted workforce development solutions to meet industry needs.

Exceptional quality of life is vital to the attraction of Southwest Virginia's e-Region. Outdoor recreational opportunities are aplenty and include more than 600 miles of inter-connected multi-use ATV and bike trails, hiking, camping and fishing, boutique hotels, cabins, micro breweries, restaurants featuring local cuisine, state parks, and cultural heritage events and museums ranging from Daniel Boone to Ralph Stanley.

Outstanding scenery and sites for new business locations are among the many perks of **living and working** in Southwest Virginia's e-Region.

Companies are taking note of this beautiful slice of Virginia that offers exceptional scenery and quality of life as well as sites and buildings like the 10,000-sq-ft, expandable wheel building in the 600-acre Bluestone Regional Business and Technology Center.

SITES & SCENERY
Southwest Virginia's e-Region Has It

Gaze on the scenery. Check out the available sites. Come visit and see for yourself why Southwest Virginia's e-Region is right for your business.

1.800.735.9999 • mail@vaceda.org
www.e-Region.org • www.vaceda.org

Southwest Virginia's e-Region is marketed by the Virginia Coalfield Economic Development Authority

The August 2020 issue of Virginia Business magazine, the annual site selection edition, included a two-page ad from VCEDA promoting Southwest Virginia's e-Region.



VCEDA Receives 'Excellence in Government Response: COVID19' Award

The Virginia Coalfield Economic Development Authority (VCEDA) was presented with the “Excellence in Government Response: COVID19” award at the Appalachian Council for Innovation’s annual awards banquet in October. VCEDA Board Member Harry Childress accepted the award on behalf of VCEDA. The award recognized VCEDA’s early response in the ongoing COVID-19 pandemic, which included funding assistance provided by VCEDA through the local IDAs/EDAs to help local businesses impacted by the pandemic, and to the Breaks Interstate Park, thereby helping to save more than 600 jobs throughout the region. The council was formerly known as the Southwestern Virginia Technology Council and unveiled its new name at the event.

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Larry Mosley | Vice-Chairman
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Esther Bolling | Treasurer

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J.P. Richardson
Surface Minerals Company

GAS PRODUCER

Joshua Ball
Pocahontas Gas

VIRGINIA COAL & ENERGY ALLIANCE

Harry Childress

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Rhonda Sluss | Dickenson County
Mike D. Hymes | Tazewell County

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

Vince Barnett

2020 VCEDA LOAN APPROVALS

LOANS		APPROVED	AMOUNT
Buchanan County	West River Conveyors and Machinery Company	2/20/20	\$1,225,000.00
Buchanan County	Buchanan County IDA/Small Business COVID 19 Relief	4/16/20	\$100,000.00
Buchanan/Dickenson Counties	Breaks Interstate Park/COVID 19 Relief	4/16/20	\$150,000.00
Dickenson County	Dickenson County IDA/Small Business COVID 19 Relief	4/16/20	\$100,000.00
Lee County	Lee County EDA/Small Business COVID 19 Relief	4/16/20	\$25,000.00
City of Norton	City of Norton IDA/Small Business COVID 19 Relief	4/16/20	\$40,000.00
Russell County	Russell County IDA/Project Trout	2/20/20	\$500,000.00
Russell County	Russell County IDA/Small Business COVID 19 Relief	4/16/20	\$75,000.00
Russell County	Russell County IDA/Russell Place	12/17/20	\$900,000.00
Russell/Wise Counties	Russell County IDA/Project Brown	9/23/20	\$2,500,000.00
Scott County	Scott County EDA/Small Business COVID 19 Relief	4/16/20	\$50,000.00
Tazewell County	Tazewell County IDA/Small Business COVID 19 Relief	4/16/20	\$100,000.00
Tazewell County	Tazewell County IDA/Clinch River Forest Products	4/16/20	\$500,000.00
Tazewell County	Tazewell County IDA/Project Claw	11/19/20	\$400,000.00
Wise County	Wise County IDA/Small Business COVID 19 Relief	4/16/20	\$100,000.00
Regional	Southwestern Virginia Technology Council/ IN Appalachia Project	9/23/20	\$50,000.00
TOTAL LOANS (16)			\$6,815,000.00

2020 VCEDA GRANT APPROVALS

GRANTS		APPROVED	AMOUNT
Buchanan County	Blankenship's Hunting Supply, Taxidermy & Deer Processing LLC	12/17/20	\$9,000.00
Buchanan/Dickenson Counties	Breaks Interstate Park Commission	2/20/20	\$60,900.00
Dickenson County	Dickenson County IDA/Haysi & Clintwood Site Development	2/20/20	\$950,000.00
Dickenson County	Lil' Doc Hollow Hemp, LLC	6/30/20	\$10,000.00
Dickenson County	Yates Recovery and Transport, LLC	6/30/20	\$10,000.00
Dickenson County	Trailhead Country Kitchen LLC	6/30/20	\$10,000.00
Dickenson County	Dickenson County IDA/Red Onion Site Development	9/23/20	\$1,200,000.00
Dickenson County	Dickenson County IDA/Broadband Project	9/23/20	\$750,916.88



Dickenson County	Dickenson County IDA/Medical Device Manufacturing Feasibility Study	11/19/20	\$170,000.00
Dickenson County	Caney Kennels	12/17/20	\$9,000.00
Dickenson County	Country-fied Café	12/17/20	\$9,000.00
Dickenson County	O/Quinn Rentals, LLC	12/17/20	\$9,000.00
Dickenson County	Propel Counseling Group LLC	12/17/20	\$9,000.00
Lee County	Nana's Country Kitchen, LLC	6/30/20	\$10,000.00
Lee County	The Marion Kitchen LLC	12/17/20	\$9,000.00
Lee County	Charly's	12/17/20	\$9,000.00
Russell County	P & E Wholesale LLC	6/30/20	\$10,000.00
Russell County	Adventure E-bikes, Inc.	6/30/20	\$10,000.00
Russell County	Next Door Drug Pharmacy, PC	6/30/20	\$10,000.00
Russell County	Russell County IDA/TDEC	6/30/20	\$25,000.00
Russell County	Copper Creek Metal Works LLC	12/17/20	\$9,000.00
Russell County	Nxtgen Mobile Welding Services, LLC	12/17/20	\$9,000.00
Russell County	The Play Hut, PLLC	12/17/20	\$9,000.00
Russell County	Whitt Insurance Agency, LLC	12/17/20	\$9,000.00
Scott County	Clinch River Life, LLC	12/17/20	\$9,000.00
Scott County	Moccasin Junction Inc.	12/17/20	\$9,000.00
Scott County	Nash Creamery	12/17/20	\$9,000.00
Tazewell County	Appalachian Treasures LLC	6/30/20	\$10,000.00
Tazewell County	Professional Bookkeeping & Accounting Inc.	6/30/20	\$10,000.00
Tazewell County	The Grind Bluefield LLC	6/30/20	\$10,000.00
Tazewell County	Town of Tazewell IDA/Sunnyside Lodging	6/30/20	\$100,000.00
Tazewell County	Historic Crab Orchard Museum and Pioneer Park, Inc.	6/30/20	\$100,000.00
Tazewell County	Tazewell Dance Center LLC	12/17/20	\$9,000.00
Tazewell County	Valley Animal Clinic, PLLC	12/17/20	\$9,000.00
Wise County	Mercantile on Main, Inc.	6/30/20	\$10,000.00
Wise County	Town of St. Paul IDA/Lyric Theater Phase II	6/30/20	\$100,000.00
Wise County/City of Norton	Wise County IDA/Land Records Training Project	12/17/20	\$50,000.00
TOTAL GRANTS (37)			\$3,760,816.88
TOTAL LOANS & GRANTS (53)			\$10,575,816.88

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Virginia Coalfield Economic
Development Authority
Lebanon, Virginia 24266

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements of Virginia Coalfield Economic Development Authority (the Authority) for the year ended December 31, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the statement of cash receipts and disbursements of the Authority for the year ended December 31, 2020, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw your attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement was prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Rodger Moss & Co, PLLC

Norton, Virginia
February 11, 2021

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity – Virginia Coalfield Economic Development Authority was created, effective July 1, 1988, as a political subdivision of the Commonwealth of Virginia, pursuant to the *Code of Virginia*, Chapter 60, Sections 15.2-6000-6015. Virginia Coalfield Economic Development Authority accounts for all funds received from tax and grant receipts, investment earnings, loan collections and related expenditures for the eight participating localities.

Cash basis of accounting – As is the case of many funds of this type, the accounts are maintained, and the statements are presented, on a cash basis, reflecting only recorded cash receipts and cash disbursements. Therefore, cash collected and not recorded in the general ledger, receivables, and payables, inventories, accrued revenue and expenditures, and equipment and depreciation, which may be material in amount, are not reflected, and this statement is not intended to present the overall financial position or results of operations in conformity with generally accepted accounting principles.

Cash and cash equivalents – For purposes of reporting cash, the Authority considers all certificates of deposit, savings accounts, and money market funds with an original maturity of three months or less to be cash equivalents.

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. Seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Classification of accounts:

Coal and Gas Funds

On September 1, 1988, and on the first day of each month thereafter, each county and city shall remit to the Virginia Coalfield Economic Development Authority twenty-five percent of the revenues collected during the next to last calendar month from the (i) gas road improvement tax pursuant to Section 58.1-3713 and (ii) local coal road improvement severance licenses tax pursuant to subsection B of Section 58.1-3741.



Pursuant to Section 58.1-3713.4, a county or city may levy an additional license tax on every person engaging in the business of severing gases from the earth. The license tax shall be at a rate not to exceed one percent of the gross receipts from the sale of gases severed within the county or city. In the counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise, and the City of Norton one-half of the revenues derived from such tax shall be paid to the Virginia Coalfield Economic Development Authority.

Tax Credit Funds

Pursuant to Section 58.1-439.2, Coalfield employment enhancement tax credit, for tax years beginning on and after January 1, 1996, but before January 1, 2017, and or after January 1, 2018, but before January 1, 2023 (for metallurgical coal only), any person who has an economic interest in coal mined in the Commonwealth shall be allowed a credit against the tax imposed by Section 58.1-400 and any other tax imposed by the Commonwealth. If the credit exceeds the person's state tax liability for the tax year, the excess shall be redeemable by the Tax Commissioner on behalf of the Commonwealth for ninety percent of the face value within ninety days after filing the return; however, for credit earned in tax years beginning on and after January 1, 2002, such excess shall be redeemable by the Tax Commissioner on behalf of the Commonwealth for eighty-five percent of the face value within ninety days after filing this return. The remaining ten or fifteen percent of the value of the credit being redeemed, as applicable for such tax year, shall be deposited by the Commissioner in a regional economic development fund administered by the Virginia Coalfield Economic Development Authority to be used for regional economic diversification in accordance with guidelines developed by the Virginia Coalfield Economic Development Authority and the Virginia Economic Development Partnership.

Civil Penalties Funds

Pursuant to the Code of Virginia, Title 45.1, Mines and Mining, Chapter 19, Virginia Coal Surface Mining Control and Reclamation Act of 1979, Section 45.1-246, any permittee who violates any permit condition or any other provision of this chapter or the regulations thereunder may be assessed a civil penalty by the Director, except that if such violation leads to the issuance of a cessation order, the civil penalty shall be assessed. Such penalty shall not exceed \$5,000 for each violation except that if the violation resulted in a personal injury or fatality to any person, then the civil penalty shall not exceed \$70,000 for each violation. All civil penalties shall be paid into a special fund in the State Treasurer's office to be used by the Director for enhancing conservation and recreational opportunities in the coal-producing counties of the Commonwealth. The Director shall transfer quarterly 50 percent of the fund balance to the Virginia Coalfield Economic Development Authority for the purposes of developing infrastructure and improvements at Breaks Interstate Park.

CFO Funds

The goal of the Virginia Coalfield Economic Development Authority (VCEDA) Communities for Opportunity (CFO) Loan Fund is to establish a revolving loan fund to encourage economic development in the coal producing counties of Virginia. Each proposed use of the CFO Loan Fund must have the concurrence of the Director of the Virginia Department of Housing and Community Development (VDHCD). Generally, VCEDA and VDHCD have determined that the optimum use of the CFO Loan Fund would be to encourage the development and growth of businesses in the VCEDA coal-producing counties where the development and growth of such businesses will create a unique opportunity in a specific community that would not otherwise be addressed without financial support from VCEDA. In order to maximize the resources of this program, all projects requesting funding under this program must have a source of matching funds sufficient to match every dollar requested from the VCEDA CFO Loan Fund with one dollar from some other source(s).

Proceeds Held - The treasurer may invest and reinvest funds of the Authority pending their need. All monies received by the Authority pursuant to Section 15.2-6009, together with any matching funds received from state or federal sources, shall be applied and used only in the county or city from which the funds were received, unless the governing body of the county or city consents to their use in another county or city. Monies received pursuant to Section 58.1-3713.4 may be used at the discretion of the Authority for purposes and projects as determined by the Authority.

Virginia Coalfield Economic Development Authority Statement of Cash Receipts & Disbursements—Year Ended December 31, 2020

Coal & Gas Funds	CASH RECEIPTS				CASH DISBURSEMENTS			
	Balance 1/1/20	Receipts	Interest Earned	Loans Collections	Administrative & Business Dev. Expenses	Project Loans & Grants	Balance 12/31/20	Uncommitted Available Balance
Buchanan County	\$ 11,281,303	\$ 1,021,488	\$ 130,974	\$ 52,542	\$ 247,786	\$ 6,697,149	\$ 5,541,372	\$ 109,748
Dickenson County	12,143,208	720,315	160,202	71,773	182,668	410,809	12,502,021	8,167,353
Lee County	239,403	4,670	2,353	-	3,196	100,000	143,230	123,230
City of Norton	40,151	-	316	-	-	40,000	467	467
Russell County	543,986	38,985	5,589	408,982	6,478	434,910	556,154	85,154
Scott County	72,463	1,206	923	-	340	50,000	24,252	24,252
Tazewell County	1,663,254	262,820	21,082	466,587	68,447	871,725	1,473,571	887,037
Wise County	2,473,108	158,882	34,607	430,574	43,326	100,000	2,953,845	2,953,845
Regional	5,084,673	278,371	63,825	397,332	387,934	395,618	5,040,649	3,436,656
Total Coal & Gas Funds	\$ 33,541,549	\$ 2,486,737	\$ 419,871	\$ 1,827,790	\$ 940,175	\$ 9,100,211	\$ 28,235,561	\$ 15,787,742
Other Funds:								
Tax Credit Funds								
Revolving Loan	\$13,255,044	\$ 878,112	\$ 179,789	\$ 109,010	\$ -	\$ 4,610,628	\$ 9,811,327	\$ 8,322,995
Workforce	19,554,867	-	259,703	-	-	2,534,625	17,279,945	6,192,201
Total Tax Credit Funds	\$ 32,809,911	\$ 878,112	\$ 439,492	\$ 109,010	\$ -	\$ 7,145,253	\$ 27,091,272	\$ 14,515,196
Civil Penalties Funds	\$ 673,714	\$ 532,978	\$ 3,389	\$ -	\$ -	\$ 301,905	\$ 908,176	\$ 548,645
CFO Funds	\$ 409,496	\$ -	\$ 185	\$ 19,719	\$ -	\$ -	\$ 429,400	\$ 400



SOUTHWEST VIRGINIA'S e-REGION IS MARKETED BY VCEDA



VCEDA Renewable Energy Fund

The Virginia Coalfield Economic Development Authority (VCEDA) has created a **Renewable Energy Fund** to help attract new jobs and investment to Southwest Virginia's e-Region and to help diversify its economy.



What types of projects are eligible?

- Commercial/industrial electricity generation projects using renewable energy sources
- Manufacture of renewable energy products and components
- Workforce development and training projects to prepare the region's workforce for renewable energy jobs



What types of groups are eligible to apply?

- For-profit businesses
- Non-profit organizations
- Industrial/economic development authorities
- Must be developing a project in the region



The Virginia Coalfield Economic Development Authority (VCEDA) is a unique regional economic development agency created by the Virginia General Assembly to enhance and diversify the economy of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell and Wise Counties and the City of Norton in Southwest Virginia.



How can the funding be used?

- Funding is available as low-interest loans and/or grants
- Loans are available for real estate acquisition, building construction, equipment purchases, and other physical improvements that add value to real estate, including associated soft costs
- Grants are available to assist with workforce development and training, such as tuition reimbursement, internships, and training equipment



How much is available?

- VCEDA has initially allocated \$1 million
- Amount of funding per project is based upon factors including the number of jobs, wage rates, and private investment of the project

For further information and how to apply, please contact:

Virginia Coalfield Economic Development Authority

P.O. Box 1060, Lebanon, Virginia 24266

Phone: (276) 889-0381; Email: mail@vceda.us; Web: www.vceda.us

VCEDA – Coal Tax Credit

- Since its creation in 1988, VCEDA has helped bring tens of thousands of jobs and hundreds of millions of dollars in approved funding for hundreds of projects throughout the coalfield region.
- Instead of reducing funding for economic development, which is what in part the elimination of the state's Coal Tax Credit fund did, it is important that sources of funding to beef up economic development in the coalfield region be identified.
- Through the Re-energize Southwest Virginia program, which has been tasked with looking at this issue, it is our hope funds will be restored to VCEDA to replace those funds the authority will lose through the elimination of the coal tax credit.
- The reduction in funding to VCEDA as a result of the tax credit elimination will impact the programs VCEDA currently offers.
- In addition to new jobs created, studies have shown that VCEDA has also significantly reduced the region's unemployment rate and improved the diversification of the region's economy.
- Coal tax credit funds have been the primary source of funding for three specific VCEDA programs. The 3 funding programs offered by VCEDA which utilize Coal Tax Credit monies:
 - The Coalfield Revolving Loan Fund: provides a region-wide fund that provides low-interest loans for projects to help the region's economic development and diversification.
 - The Workforce Development and Training Fund: provides a source of loan and grant funds for workforce development and training in the region.
 - The VCEDA Renewable Energy Fund: a \$1 million fund established from a portion of the Coalfield Revolving Loan Fund and Coalfield Workforce Development and Training Fund to assist renewable energy projects and promote the economic diversification of Southwest Virginia's e-Region. Funding is available for commercial/industrial electricity generation projects such as solar, manufacture of renewable energy products and components and workforce development and training projects to prepare the region's workforce for renewable energy jobs.
- The loss of funding for those programs will impact the future viability of each of those programs, which is why it is important that in the Reenergize Southwest Virginia deliberations, those funds be replaced to the extent possible to continue economic development efforts and diversification in the region which is funded through those programs.
- VCEDA's importance to economic development efforts can be seen in projects reported by the authority in 2020 which are projected to create or retain 1,259 full-time jobs and 227 part-time jobs and to generate \$237 million in private investment.
- Despite the pandemic, economic development efforts remained robust in 2020: VCEDA approved 16 loans totaling \$6.8 million; and 37 grants totaling \$3.76 million, for a combined total of 53 loans and grants and more than \$10.5 million in new funding to create and retain those jobs just mentioned.
- VCEDA's other important role is in marketing and recruiting companies to the region and there have been numerous companies and thousands of jobs brought to the region as a result of VCEDA's efforts.
- VCEDA is very active in supporting entrepreneurship and small business growth and has helped more than 100 new business start-ups in the region through its Seed Capital program just since 2017. A recent study showed that from 2017-2020, 300 jobs and \$34 million in economic impact are attributable to VCEDA's very successful Seed Capital program.
- Additionally, in 2020, VCEDA began providing staff support for the new Virginia Coalfields Expressway Authority, as directed by the General Assembly and helped that new authority become operational in 2020 as the final members to it were appointed by the state. No new funding from the state was provided for that initiative.
- Now is not the time to scale back on economic development for VCEDA's e-Region. Now is the time to restore funding being lost through the elimination of Coal Tax Credits to ensure development efforts continue to be funded at levels at least equal to what they were funded at before.

107 Ridgefield Rd SW
Wise VA 24293
June 15, 2021

Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap VA 24219

To whom it may concern:

I write in response to the call for comments regarding economic development in the coalfields. I support the comments reported in the *Coalfield Progress*, June 11, 2021, especially those by Chelsea Barnes and Jeff Hamilton.

In addition, there is a significant need for land reform. With 20% of Wise County held by the National Forest and approximately 60% corporately owned, the opportunities for growth are severely limited. This also limits the tax base for the county. While the concentration of land in corporate hands is particularly egregious in Wise Co., it is a serious problem throughout the coalfields.

Opening these lands to markets would allow the development of solar farms on unreclaimed or poorly reclaimed stripmines, agriculture including forest agriculture, and recreation.

Ideological opposition to direct land reform is too strong for that to happen, but a revision of the tax structure to encourage a market for land is plausible. An amendment to § 58.1-3221.6 of the Code of Virginia to allow a separate class of real property for local taxation would not only create increased revenue for the coalfield counties but would encourage those lands to be marketed. Hopefully Del. Terry Kilgore will be introducing such legislation during the 2022 General Assembly.

Sincerely,



David L. Rouse

**RESOLUTION OF THE CUMBERLAND PLATEAU
PLANNING DISTRICT COMMISSION EXECUTIVE
BOARD SUPPORTING RESTORATION OF COAL TAX
CREDIT FUNDS TO THE VIRGINIA COALFIELD
ECONOMIC DEVELOPMENT AUTHORITY**

WHEREAS, coal and gas resources are continually extracted from every county within the District; and,

WHEREAS, automation of industry and environmental regulations have greatly diminished the local employment and investment created by the coal and gas industries in the District; and,

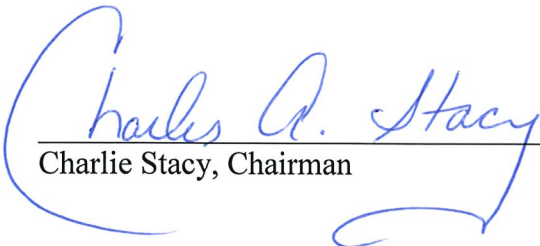
WHEREAS, the Virginia Coalfield Economic Development Authority (VCEDA) is the primary means of fostering diversification of the District's economy away from dependence on the coal and natural gas industries; and,

WHEREAS, the Board finds that VCEDA is a critical economic development tool for the District and remains a primary driver of significant economic development projects of regional importance, including Project Jonah, Red Onion Industrial Park and the Cumberland Plateau Regional Industrial Park, among others; and,

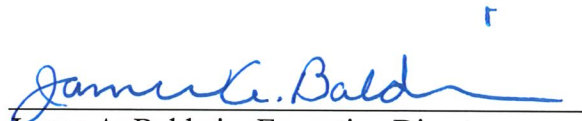
WHEREAS, pursuant to legislation passed in the 2021 Session of the General Assembly a commission has been appointed to discuss reallocation of VCEDA's primary source of funding to institutions which may or may not be as experienced or successful in the field of economic development and may or may not fully include the District's localities in their efforts; and,

NOW, THEREFORE, BE IT RESOLVED that the Executive Board of the Cumberland Plateau Planning District Commission hereby reaffirms its support of VCEDA and its opposition to any defunding of its programs or diversion of its resources to other entities.

ADOPTED at a meeting of the Executive Board of the CPPDC held on July 29th, 2021.



Charlie Stacy, Chairman



James A. Baldwin, Executive Director

RECORDED VOTE:

MEMBERS PRESENT:	<u>6</u>
MEMBERS ABSENT:	<u>2</u>
AYES:	<u>4</u>
NAYS:	<u>0</u>
ABSTENTIONS:	<u>0</u>

VIRGINIA: AT A SPECIALLY CALLED MEETING OF THE BOARD OF SUPERVISORS OF TAZEWELL COUNTY, VIRGINIA HELD AT THE COUNTY ADMINISTRATION BUILDING, LOCATED AT 197 MAIN STREET, IN THE TOWN OF TAZEWELL, VIRGINIA, ON THE 4TH DAY OF JUNE, 2021, THE FOLLOWING RESOLUTION WAS ADOPTED, UPON A MOTION AND SECOND:

Resolution No.: 21-00

Date: June 10, 2021

RESOLUTION OF SUPPORT FOR
THE VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, coal and gas resources are continually extracted from Tazewell County as the third largest producer of coal and gas in the Commonwealth of Virginia;

WHEREAS, automation of industry and environmental regulations have greatly diminished the local employment and investment created by the coal and gas industries in Tazewell County;

WHEREAS, the Virginia Coalfield Economic Development Authority (VCEDA) is the primary means of fostering diversification of the County's economy away from dependence on the coal and gas industries;

WHEREAS, the Board finds that VCEDA is a critical economic development tool for Tazewell County, based on the hundreds of jobs retained or created in Tazewell County over the last four years with VCEDA financing, the hundreds currently being created due to VCEDA's financial incentives, and the many, many more created or retained through VCEDA's efforts over its long history.

WHEREAS, pursuant to legislation passed in the 2021 Session of the General Assembly a commission has been appointed to discuss reallocation of VCEDA's primary source of funding to institutions which may or may not be as successful in the field of economic development and may or may concentrate their efforts in Tazewell County as VCEDA has;

NOW THEREFORE, be it **RESOLVED** that the Tazewell County Board of Supervisors hereby reaffirms its support of VCEDA and its opposition to any defunding of its programs or diversion of its resources to other entities.

It is so **RESOLVED** this 10th day of June, 2021.

ATTEST:



Tom Lester
Chairman – Board of Supervisors



C. Eric Young
Tazewell County Administrator

RECORDED VOTE:

MEMBERS PRESENT:	All
MEMBERS ABSENT:	None
AYES:	Five (5)
NAYS:	Zero (0)
ABSTENTIONS:	None

Economic Impact Analysis of the VCEDA Seed Capital Matching Fund:

A Virginia Coalfield Economic Development
Authority Small Business Program

Prepared by: Ashley Posthumus,
Elli Travis, Scott Tate, Ph.D.

February 2021



OUTREACH & INTERNATIONAL AFFAIRS
CENTER FOR ECONOMIC AND
COMMUNITY ENGAGEMENT
VIRGINIA TECH.

Executive Summary

This report estimates the economic contributions of the Virginia Coalfield Economic Development Authority's (VCEDA) Seed Capital Matching Fund program to its region. The VCEDA organization has multiple program streams, providing incentives for out-of-region firms to locate in the region, working with existing companies to facilitate additional investment, and working in close collaboration with localities for site development. Recognizing the importance of small business development and entrepreneurship, in recent years, VCEDA has played a critical role in the development of small businesses, entrepreneurs, and the outdoor recreation and tourism assets throughout the region with its Seed Capital program. This study examines the quantitative impacts of that program using secondary sourced, VCEDA investment documents, and assesses the program's important but less tangible impacts on the region qualitatively using interviews and business surveys. The results reflect the impacts of 81 Seed Capital supported small businesses since 2017 (including the influence of the global 2020 pandemic) and exclude 16 newly awarded businesses that have yet to fully develop their economic footprint.

VCEDA has distributed nearly \$1 million in Seed Capital funding since 2017. This investment has had a \$34.2 million impact on the region's economy. VCEDA's investments have created and retained 300 jobs in southwest Virginia, and \$9.4 million in wages and compensation.

The total \$34.2 million in economic output includes \$24.1 million of direct economic impact to the VCEDA region, from which 221 jobs have been created/retained over the past three years of the program's existence. Additionally, \$6.8 million in employee compensation has been earned as a result of these small businesses becoming operational. As this money circulates within the region's economy through business and employee spending, additional money and jobs are created (indirect and induced effects), generating an additional economic impact of \$9.7 million, an equivalent of 78 full-time jobs, and \$2.6 million in employee compensation. In the future, these values have an opportunity to grow when newly awarded and semi-developed businesses are established in the region and pandemic influences cease to exist.

The impact of the Seed Capital program on the entrepreneurial ecosystem of southwest Virginia has been significant in a number of ways. For instance, 84% of Seed Capital grantees who responded to our survey reported that VCEDA's involvement was significant or highly significant to the success of their business. Additionally, over half of the survey respondents stated that it was unlikely their business would exist without the investment and support of VCEDA.

In addition to these specific effects on the region, the VCEDA Seed Capital Program has helped foster a more entrepreneur-friendly climate and encourage start-ups. Many of these businesses are contributing in positive ways to the vibrancy of the region, the growth of small-town business districts, and enhanced tourism, to the overall economic diversification of the area.

Still, the program might have opportunities to have a greater impact on the small businesses in the region. Upon talking with many seed capital grantees and collecting survey responses, small business owners had a few recommendations when looking to build the program in the future.

1. As a condition of funding, seed grant recipients should be required to attend and complete, business training workshops or courses at their local community college or similar business institute, or a coaching or mentoring program component to ensure individuals are versed in smart business practices and understand the breadth of their funding decisions.

2. VCEDA could provide assistance to potential applicants by way of application template examples and referrals to successful former applicants.
3. VCEDA could increase awareness and communication of marketing materials and guides outlining all aspects of the Seed Capital program.
4. VCEDA could foster networking and sharing among cohorts of new or recent seed grant recipients, such as monthly or quarterly meetings to share trials and successes.
5. VCEDA could consider development of a small business BR&E program to offer targeted assistance to high growth potential small businesses. The program might include additional funding, small business outreach, and related opportunities, perhaps in coordination with Opportunity SWVA.

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Introduction

The Virginia Coalfield Economic Development Authority (VCEDA) commissioned the Virginia Tech Center of Economic and Community Engagement (CECE) to conduct an economic impact analysis of their Seed Capital Matching Fund program. This study explores the current economic impacts of the VCEDA Seed Capital program including the holistic benefits of growing small business ecosystems in rural communities of southwest Virginia.

In 1988, Virginia's General Assembly founded VCEDA as a regional economic development authority. Funded by coal and natural gas industry taxes, the organization operates incentive financing programs designed to help enhance and diversify the economy of Southwest Virginia's e-Region. The region includes Lee, Wise, Scott, Buchanan, Russell, Tazewell and Dickenson counties and the City of Norton. The organization works closely with local industrial and economic development authorities to promote the economic development of the region. Its location is well positioned, halfway between Atlanta-Pittsburgh, Charlotte-Cincinnati, and Richmond-Louisville, and within a day's drive of more than half of the U.S. population. Interstate connectivity and broadband capacities contribute to the location's quality of life and work¹.

The region is home to approximately 187,053 residents and employs 50,601 individuals². The VCEDA region's main industries focus on information technology, energy, education, advanced manufacturing and entrepreneurs³. The presence of entrepreneurship within the economy exerts a positive impact on the region's economic output. Research suggests that regions with a higher level of entrepreneurship capital show higher levels of output and productivity, than those without⁴. Through unique offerings of new goods and services, entrepreneurs help diversify area economies. They enable new markets to be developed, resulting in increased employment and the creation of new wealth. The stimulation of related businesses or sectors that support the new venture add to further economic diversification and development.

This study uses both primary quantitative and qualitative data to show the current and potential future economic impacts of the Seed Capital program in the region. The resulting estimates include money and jobs that exist within the region that would not be present without the businesses that have been created. The research was broken down into several stages including data collection/verification, quantitative and qualitative synthesis and analysis, holistic programmatic impacts, and recommendations to further increase the impacts of the Seed Capital program.

¹ VCEDA overview. (2020, November 28). Retrieved February 10, 2021, from <https://www.vceda.us/vceda-overview/>

² EMSI, 2021.1 Datarun.

³ EMSI, 2021.1 Datarun.

⁴ Rico, P., & Cabrer-Borrás, B. (2019). Entrepreneurial capital and productive efficiency: The case of the Spanish regions. *Technological and Economic Development of Economy*, 25(6), 1363-1379.

Seed Capital Program

Program Overview

The Virginia Coalfield Economic Development Authority strives to be a supportive entity that boosts entrepreneur endeavors and successful small business ecosystems. In 2017, the Seed Capital Matching Fund program was established to aid entrepreneurs in the growth of their new small businesses in the VCEDA region. The organization provides both funding and resources for small businesses to utilize in a variety of ways. For-profit businesses that are less than one year old and have less than 10 full-time employees, have the opportunity to receive a grant of up to \$10,000 for business endeavors⁵. Upon meeting all programs requirements, applicants are encouraged to contact their local Small Business Development Center to begin the application process. VCEDA ensures that funding can be provided to the maximum amount of recipients however program funding is influenced by the VCEDA Board's annual appropriation.

Methodology

This report examines the economic and community impacts of the Virginia Coalfield Economic Development Authority (VCEDA) Seed Capital Matching Fund program (Seed Capital Program). It is important to understand that economic impacts occur anytime there is an exchange of currency, from consumer to business or business to business. No single value can represent this concept, therefore economic impacts are typically measured using four distinct metrics; employment, household earnings, economic output, and value added.⁶

The rationale for incentives is to create benefits for the local community, most notably in the labor market. Incentives have the ability to encourage the location or expansion of economic activity, thereby increasing the local employment-to-population ratio and local wages⁷. This activity can lead to a snowball effect of advantages. Local residents can see a raise in labor incomes, a boost in local growth can lead to higher property values and greater demand for local real estate, and provide local fiscal benefits.

Incentives can have a large economic impact to local residents by improving job opportunities however, costs of incentives can sometimes be high⁸. The opportunity costs of incentives must be considered: financing incentives may require raising taxes or cutting spending. For incentives to pay off for the local economy, many factors need to be considered to maximize benefits and lower costs.

Regional economic development organizations vary in their funding, purpose, structure, and programming. While some may solely provide incentives to companies looking to expand or locate to a region, it is far more common for these organizations to have multiple program streams, invest in local infrastructure and work with workforce development programs to develop initiatives for in-demand occupations. "Striking a Balance: A National Assessment of Economic Development Incentives" said it best when stating that the most effective economic development organizations are those that balance their investment in larger firms, with investments in supporting entrepreneurial ecosystems⁹. VCEDA is one

⁵ VCEDA financing. (2020, December 01). Retrieved February 10, 2021, from <https://www.vceda.us/vceda-financing/>

⁶ Wells, K. (n.d.). Economic Benefits: Definition & Concept. Retrieved January 25, 2021, from <https://study.com/academy/lesson/economic-benefits-definition-lesson-quiz.html>

⁷ Ibid.

⁸ Bartik, T. J. (2018). Who benefits from economic development incentives? How incentive effects on local incomes and the income distribution vary with different assumptions about incentive policy and the local economy.

⁹ Donegan, M., Lester, T. W., & Lowe, N. (2019). Striking a Balance: A National Assessment of Economic Development Incentives. Sage Publications, 1(26). doi:10.1177/1078087419880013

such organization that has multiple program streams, providing incentives for out-of-region firms to locate in the region, working with existing companies to expand jobs and facilitate additional investment, and working in close collaboration with localities for site development. Recognizing the importance of small business development and entrepreneurship, in recent years, VCEDA has played a critical role in the development of small businesses, entrepreneurs, and the outdoor recreation and tourism assets throughout the region. This evaluation report strictly focuses on one stream: The Seed Capital Matching Fund.

Recognizing these businesses have greater information and financial challenges to becoming more productive and profitable, VCEDA has partnered with small business development centers, and organizations who offer business services. The value of these resources often exceeds the budget costs that organizations have set aside to provide such services and therefore partnerships like the ones supplied above are irreplaceable. While recent economic development reports such as Bartik [2018] question whether these services to locally owned non-export-base firms pay off, they underestimate the impact made by these businesses on the greater community. As a regional economic development organization, it facilitates the creation of a holistic environment that improves regional quality of life and dovetails with other regional priorities, such as tourism and diversification.

To capture the economic impact of the Seed Capital program on the VCEDA region the mixed method approach was used to measure the program both numerically and qualitatively. This resulted in program investments that could be analyzed for their direct, indirect, and induced impacts on jobs, employee compensation and overall economic influence. Additionally, program investments could be understood beyond quantitative accounts such as, growing diversification and motivating economic vitality.

Data Collection

Quantitative

A database of all VCEDA Board approved Seed Capital investments from 2017 – present was created from VCEDA documented investment spreadsheets, annual seed capital reports, stockpiled approved applications, and yearly business check-in reports. Each row had the following data:

- Company name
- NAICS industry sector
- IMPLAN sector code
- Date of announcement
- Number of employees projected
- Number of actual full-time employees
- Number of actual part-time employees
- Average wages
- VCEDA investment amount
- VCEDA involvement

Qualitative

In addition to calculating the quantitative economic benefits of VCEDA-induced jobs of the Seed Capital program, OED held a series of semi-structured interviews with local stakeholders, businesses and Seed Capital grantees to better understand the ways in which VCEDA’s Seed Capital program impacts the region as a whole.

Stakeholder Interviewees:

- Large Employers in the VCEDA region
- Small Seed Capital Businesses in the VCEDA region
- Small Business Development Center
- Mountain Empire Community College
- Town of Lebanon

- UVA-Wise
- Russell County Industrial Development Authority
- Cumberland Plateau Planning District

Stakeholder interviews focused on the overall benefits of VCEDA’s Seed Capital program in the region, pressing areas of small business/entrepreneur need or opportunity, their knowledge of the program, the extent to which this type of funding is unique in the region, how the program is connected to other small business resources, and the benefits to individual businesses and the region.

Business interviews focused on the reasons behind the individual’s inspiration for opening a business, their goals and challenges as a business owner, the ways in which VCEDA’s Seed Capital program contributed to their business, and suggestions for how VCEDA could assist in post-COVID regional economic recovery. They were chosen from a variety of industries, both existing and emerging in the region and from a range of counties within the VCEDA area. Full interview guides are included in the Appendix.

In addition to the businesses that OED was able to interview, a survey instrument was sent to all 81 Seed Capital grantees. The survey consisted of 17 questions that covered similar discussion questions that were asked during interview dialogue: however, in a closed-question format. A two-week window was given for survey completion with two reminder emails sent a week after initial distribution. Survey results were amalgamated into summary statistics and combined with information gathered from interviews, annual report data, and IMPLAN outputs to provide VCEDA with a holistic evaluation of the Seed capital program, including the ways in which it makes a difference in the region, the role of the program in the entrepreneurship/small business development assistance ecosystem, and potentially recommendations for how VCEDA might further the impacts of the program.

Data Verification

Quantitative

Data that was consolidated into a single spreadsheet was verified by a VCEDA staff member or OED team member. Through email or phone conversation the actual number of jobs created/retained, and the employee average wage was confirmed with each business.

Undergraduate students were recruited to work with VCEDA staff to identify and verify each business’s NAICS industry sector. NAICS industry identification informed the IMPLAN sector codes that were chosen for use in the IMPLAN analyses of this report.

Qualitative

Interviews were conducted by an OED staff member with the assistance of an undergraduate student to transcribe each conversation. In addition to scripted notes, interviews were recorded and reviewed to ensure all opinions and perspectives were captured. Data-driven coding was then conducted to systematically understand the main themes within each interview conversation. Themes were identified without a preceding conceptualization, letting the text speak for itself. This methodical interview evaluation fostered the ability to make associations with quantitative data leading to stronger conclusions about the key takeaways of the Seed Capital program.

IMPLAN Analysis

Database variables were used as inputs for the IMPLAN analysis, an input-output model that estimates the economic impact of new organizations moving into an area. Using IMPLAN sector codes, actual full-time employee numbers and wages were inputted into each model.

A novel weighting scheme was created to more accurately reflect the impact of VCEDA’s Seed Capital program on job growth. The VCEDA Involvement Quotient was graded by VCEDA who reviewed each investment from 2017 to present and indicated the way in which VCEDA was involved. A numeric score was assigned to each investment, ranging from 1-5. A “5” indicated that VCEDA was imperative in the location and job growth of the business. A “4” indicated that although instrumental, VCEDA may not have played as big a role in the location, expansion, or job growth in the company. A “3” indicated VCEDA’s role was slightly important in the company’s regional investment and played a slight role in job growth. A “2” indicated that VCEDA was less influential in company job growth and in the establishment or retention of such business. A “1” indicated that VCEDA was relatively unimportant in business location and success.

Three models were created (i.e. Base, A and B) to understand VCEDA’s influence on job growth. Using the VCEDA Involvement Quotient, actual full-time employee numbers were adjusted.

Table 1: VCEDA Economic Impact Model Scenarios

VCEDA Involvement Quotient	Base Model: No Quotient	Model A: Medium	Model B: Conservative
1	N/A	30% of jobs	0% of jobs
2	N/A	50% of jobs	20% of jobs
3	N/A	60% of jobs	30% of jobs
4	N/A	80% of jobs	50% of jobs
5	N/A	100% of jobs	70% of jobs

Each model was run through the IMPLAN model on a yearly basis, using 2020 dollars to account for inflation. The outputs of this model (shown in the following section) include the direct, indirect, and induced effects of the jobs created in the VCEDA counties and city due to the Seed Capital Program. Each investment of a single business would generate direct jobs from the business, indirect jobs from the business-to-business purchases in the supply chain, and induced jobs generated from the household spending of the employees within the business’ supply chain. Note that we did not model the impacts of the one-time monetary investments of up to \$10,000, opting to look at longer-lasting economic benefits stemming from job creation. For this report, OED felt the Base model was sufficient in estimating a fair economic impact analysis of the Seed Capital program.

Findings

Overview

The Seed Capital program has awarded nearly one hundred grants to small business owners since its establishment in 2017. This study analyzed the impact of 81 active small businesses due to the remaining grantees receiving funding during the study period of this report. The program’s main contributions to small business development have been funding dollars. However, the organization also serves as a wealth of knowledge and information for entrepreneurs. Additionally, VCEDA can forward individuals to services that the organization itself does not provide such as training workshops, and business plan development. Entrepreneurs have most commonly chosen to open a small business in

accommodation and food services, retail trade, or health care. However, small businesses also focused on industries in arts, entertainment and recreation, agriculture, forestry, and fishing, professional and technology services, and small-scale manufacturing. Figure 1 illustrates where businesses have chosen to locate and small clusters of significance.

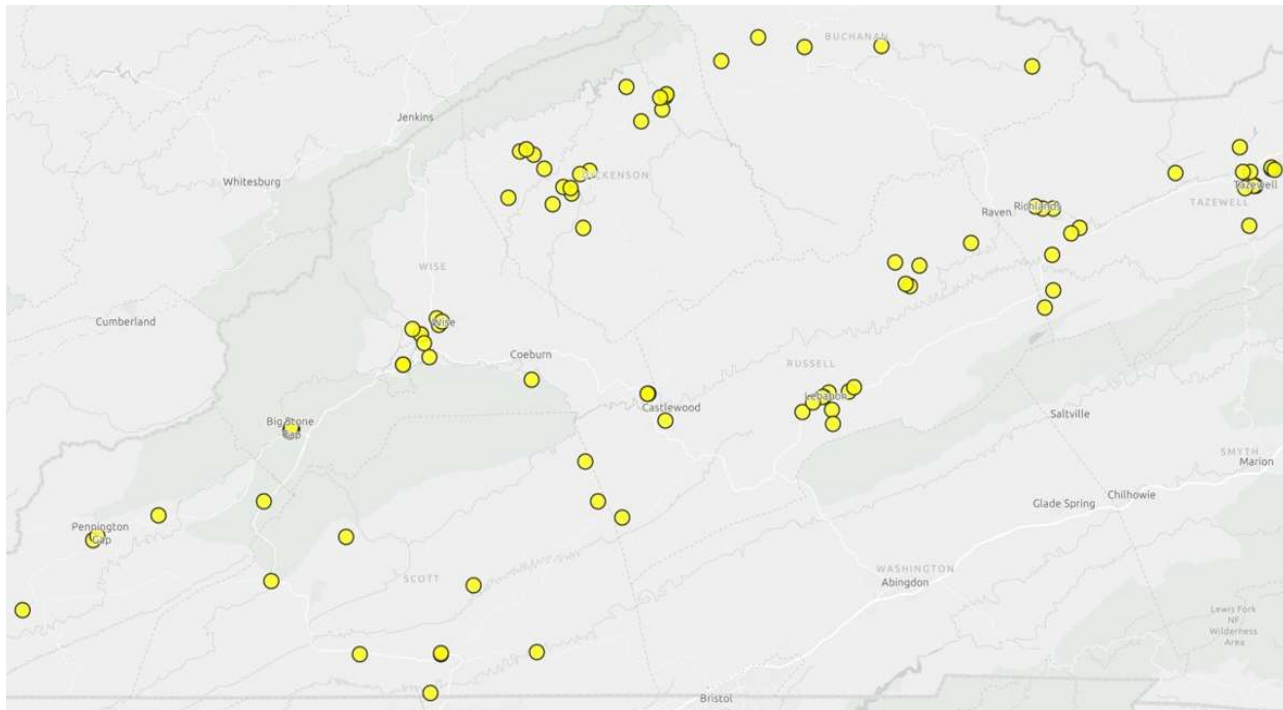


Figure 1: Seed Capital Business Location in the VCEDA Region
Source: Seed Capital Addresses Mapped Using ArcGIS

Popular tourist attractions or developed Main Street infrastructure can often be an appealing asset to small businesses. There is concentrated development along Tazewell county’s Main Street and in close proximity to Back of the Dragon. Additionally, there are three clusters of companies within Tazewell county that are all within 2 miles of each other (Tazewell to North Tazewell to Fourway). Of the small businesses who have received funding in Russell county, 50% of businesses are either on or within a quarter mile of Main Street. In Wise county, 50% of businesses are located downtown, all within half a mile of each other. These businesses are not only on part of Main Street development but blocks away from popular tourist destinations such as The Crooked Road and the Southwest Virginia History Museum.

Quantitative and Qualitative Impacts

Nearly one million dollars in VCEDA small business investments have amounted to \$34.2 million dollars in economic output since the program’s existence. When synthesizing small business interview and survey results, funding dollars were most commonly used for equipment purchases, working capital, inventory, and building/site development. Small business investments have created and retained 300 jobs as well as \$9.4 million dollars in employment compensation between 2017-2020. Table 2 illustrates the economic impact breakdown into direct, indirect and induced values.

Table 2: Seed Capital IMPLAN Analysis Outputs, 2017 – 2020

Impact	Employment	Labor Income	Output
Direct	221.5	\$6,826,587.97	\$24,170,200.92
Indirect	50.65	\$1,631,290.93	\$6,392,213.01
Induced	27.97	\$942,840.89	\$3,659,980.91
Total	300.12	\$9,400,719.79	\$34,222,394.84

Solely examining the 81 small business developments, 221 jobs have been created and/or retained in those establishments the three years that the program has existed. Those workers have earned \$6.8 million in employee compensation during that same time period. Additionally, \$24.1 million in economic output has resulted from these small businesses becoming operational. For industries that do not hold inventory, economic output is equal to revenue. For industries that do hold inventory, economic output is equal to revenue plus any net change in inventory.

The direct impacts that small businesses create produce a trickle-down effect to other businesses in the region and beyond. This analysis strictly looks at regional circumstances. The direct impacts of these entrepreneurial developments have resulted in the creation/retention of 50 jobs in the business supply chain. As a result, \$1.6 million in employee compensation was made and \$6.4 million in economic output was produced. This economic output was a result of production increases in supply chain businesses because of the small businesses that exist. Sales of items that have been sitting in inventory do not generate indirect and induced impacts year after year, only the year they were produced.

The induced impacts have resulted in 28 jobs being created and/or retained and nearly one million dollars in employment compensation. Induced jobs are a result of household spending from employees within the business’ supply chain. This has produced \$3.6 million in economic output. It is important to note that the impact from the global 2020 pandemic may have skewed some results of this study. Additionally, a portion of businesses that were included in this study and approved in 2019 and 2020 are continuing to establish themselves in the region. Therefore, additional economic impacts can be expected in the future.

Survey responses from Seed Capital grantees revealed the importance of VCEDA’s presence to their business success. 84% of respondents chose a four or five on a Likert scale when asked about the significance of the organization to their business. Additionally, over half of respondents stated that it was unlikely their business would have even existed if it was not for the VCEDA organization. One grantee spoke to their expectations of the program.

“My interactions with VCEDA exceeded my expectations and I cannot think of an area where improvements could be made.”

A local stakeholder mimicked that sentiment when stating the main benefits of the program.

“It provides economic growth. Without VCEDA’s program there would be less business and less jobs. They are a valuable, helpful resource, and the program grows businesses with decent paying jobs.”

Local stakeholders in the region pride themselves on the regional resource that the organization has become.

“They are the economic backbone for the region. Revenue streams in coalfield region are not healthy. Everyone is juggling a lot with a little, city budgets are small compared to VA Beach and Richmond. Without VCEDA revenue and funding we wouldn’t get a whole lot done in terms of economic development.”

“The Seed Capital program shifts the funding burden away from a smaller IDA/EDA organization to a larger one that can absorb some risk. Then these smaller organizations can assist going forward and get the ball rolling.”

According to interviewees, VCEDA’s role and responsibilities could not be replicated by another organization in the region. They wear a number of hats to accommodate a variety of needs that a business or organization may have.

“They’re a resource for local companies.”

“They are that arm that can go and scoop up anything you need as a business coming to this area.”

Besides being a source of funding for business and organizations alike, VCEDA offers their wealth of knowledge to entrepreneurs and connections to the network of relationships they foster in the region. Interviews that were conducted with stakeholders and businesses revealed that the greatest success was had when organizations could lean on each other for expertise and help.

“VCEDA works in conjunction with other agencies in the area who provide services. VCEDA has helped grow the number of jobs in our business.”

“Talk to so and so and here is who you can talk to, and we’ll get you in touch with these people”

“I had a meeting with the SBDC and I told them what it (my small business) was about. After they heard, they told me get in touch with VCEDA and apply (for the Seed Capital grant).”

Survey results revealed that almost all respondent used the Small Business Development Center (SBDC) during the establishment phase of their small business. Other technical resources that they found were effective in their assistance included: professional organizations (i.e. local economic development departments, Heart of Appalachia, and Friends of Southwest Virginia), local government, community colleges and the advice of other business relationships.

“VCEDA and staff come behind local economic development departments who are understaffed due to budget constraints. VCEDA as organization will lift up these areas by supplementing with marketing (i.e., standard advertising, going to 12-18 marketing events a year to network, creating marketing missions in partnership with VEDP)”

Nevertheless, interviewees and survey respondents noted the challenges that are present when first establishing themselves in the region and current obstacles they look to overcome. One small business interviewee expressed difficulty finding the time to dedicate to his small business.

"I need time. I work full time as well as owning a small business. (In my industry) you never know what the future holds. If my job fails I feel certain I can do it (small business) full time."

Many survey respondents echoed this response. Individuals currently managing a small business in addition to working elsewhere, approximately 38%, were challenged with finding enough time to help their business succeed. Other common challenges they faced when establishing themselves were recruiting quality employees, establishing a customer base, securing enough inventory, and finding an affordable location.

Current challenges are heavily influenced by the impacts of the COVID-19 pandemic. Survey respondents stated that maintaining customer support during the pandemic has been a challenge as well as seasonal dips in revenue/customers, adjusting to a new normal/schedule, finding funding to grow and expand, and hiring quality employees. With that being said, all survey respondents were positive in their business recovery outlook. They expected slow or rapid recovery with positive metric in the future.

Interviews with small business owners had similar opinions on the matter.

"Recovery is hopefully and we will get back to semi normal."

"Simply word of mouth, I expect my business will continue to grow."

"Improve a lot more once things are back to normal. People will be out shopping more."

Holistic Programmatic Impacts

There are positive unintended benefits that have resulted from the boost in small business ecosystems. Interviewees spoke to this message when discussing the downtown area in one of their counties and the energy that the VCEDA organization sustains in the region.

"Really helped built up the downtown area. It's awesome to see development and the businesses encourage use of the trail."

"A lot of small businesses are downtown lifestyle businesses. Looking at one of the startups, being able to take \$10,000 and buy a food truck set them up great for the future. We have a lot to do in this region."

Regional Differentiator

Quality of life

The vast majority of entrepreneurs do not dabble in traded-sector businesses. However, certain businesses can have an impact on local employee's quality of life, which in turn enhances profitability.

"We want to be in control of our whole life and like being in control of our future. My husband was laid off early in the years and we wanted more control of our life. We no longer feel helpless."

"They are trying to help grow family and small businesses which means a lot to not only our company but also our community. By focusing on the small business base, that in turn helps with the small business aspect that surrounds the community."

“The opportunity for the seed grant opened up that door (to start a business). My relationship with VCEDA over the years led to inspiration for business. It was a hobby but I didn’t have the ability to go through with it full blown. Their funding gave me the ability to purchase equipment to expend my business further out and do what I love.”

The strong community -oriented character of the region is something that the residents and industries support and admire. Multi-generational VCEDA business owners echo this opinion.

“The people in the region are the main reason we love the region and believe that is why the region is successful.”

“VCEDA’s role is placemaking and community development. They are supporting small businesses as a result.”

Stakeholder and business admiration of the VCEDA program is partly rooted in their understanding of the organization’s advocacy for the community’s quality of life. They ensure that the funding dollars accrued from coal, an industry that historically supported the economy and the people within it, are invested back into the region for the betterment of residents and industries that now support the economy. Business interviews stressed this importance.

“VCEDA is funded from coal, which came from the region. VCEDA is returning it to people just like me who need the help transitioning from coal to other industry areas.”

“Although no one will ever fill the holes that the coal industry did, the supporting roles that came from coal like VCEDA, will help fill those shoes and help these areas out.”

Regional Priorities

Tourism

There are several benefits to the initial developments that result from VCEDA’s investments besides employment and the economic boost. VCEDA fosters an environment that creates successful piggy-back development. One interviewee had explained that VCEDA’s work on improving county trails led to multiple other business opening up as a result, to capitalize on the tourism opportunity.

“They spearhead trails and communities within these areas have been beneficiaries (i.e. B&B, amenities, campgrounds, etc.) because of that project.”

“Businesses that spur off of development is a great plus”

One small business owner located in this area was interviewed for her opinion on the Seed Capital program.

“The property was perfect, it was right on Back of the Dragon, and the opportunity presented itself, it was just meant to be. The location was ideal and we were finally motivated to put our ideas into action.”

Upon interviewing several small business grantees and reviewing survey results it was noted that it is not unusual to have businesses refer one another to the program. Furthermore, in one scenario a small business’s service led a customer to discover and grow their talent, leading them to open their own small business.

"I started doing this craft, as a hobby. I was good at it though and I thought I should start my own business."

One small business owner established her customer base by offering unique arts and recreation opportunities in a historic downtown building.

"Several groups of folks come from out of town. They make a trip to visit this business. I'm right as you come into town, the design of building inspires the business."

Another small business owner knew placemaking was an important aspect to develop in order to create an environment that would stand out and draw people in time and time again.

"I knew that the town needed it. It was a niche that needed to be filled and attract a wider range of people. People travel for industries like mine. It was located in a historic downtown, and we already owned the building, which was a huge contributing factor. The windows were pretty so we were thinking strategically. It was next to a destination that I knew the people and town wanted to fix up. It has charm and character."

Entrepreneurs are aware that upon opening a business the impacts can extend beyond its establishment. When asked about the goals that survey respondents and interviewees hoped to accomplish by starting their business individuals answer included to fill a niche in the community, to contribute jobs to the job market, to help revitalize the town, to grow our small-town economy, and to bring more tourism and visitors to the area.

Diversification

VCEDA's mission is to diversify the regional economy using the funding and resources that are available to them. The Seed Capital program combined with their traditional loan and grants program helps capitalize on industries and business of all types. A recurring theme among interviews was that the region would not be as economically diverse if not for VCEDA.

"I believe that, if it wasn't for VCEDA being formed we wouldn't be as diversified as we are right now. Important to recognize that without VCEDA we wouldn't have an entity that was thinking about diversifying the region."

"They're interested in a range of industries, small and large."

Analysis

The Virginia Coalfield Economic Development Authority's Seed Capital Matching Fund program has had tremendous success in the region. In its short time of operation, the program has been recognized for its importance in diversifying the region and enhancing community assets from stakeholders and businesses entities. IMPLAN outputs of \$34 million dollars have indicated a very high return on investment based on nearly \$1 million dollars in investment funds. Additionally, small business developments have amounted in 300 jobs during the three years of its existence. Data has shown that for every year the program has existed, job numbers have exponentially grown by 10-20 positions. We can infer that the program will continue to become a prized resource for the community and illustrate how to foster successful small business ecosystems.

This stream of funding supports the livelihood of small business owners as well as their wellbeing. VCEDA understands that economic drivers alone do not make a community enjoyable. It is the community events of a thriving downtown and community engagement amongst business and residents that make it home. VCEDA's community-oriented efforts increase the quality of life of residents in the region. The strong community-oriented character of the region is something that the residents and industries support and admire.

This holistic environment has led the Seed Capital program to dovetail with other regional priorities, such as tourism. Some tourism are assets in their own right while others enhance existing assets (e.g. restaurant, coffee shops, etc.) which enhance visitor experience and encourage more local spending. The VCEDA region has a balance of both entities which creates a prime environment for visitors and residents to repeatedly enjoy their experience. VCEDA's innovative thinking has led to more diversified developments, especially since its establishment of the Seed Capital program. The diverse business landscape plays a role in stabilizing the economy as employment numbers change within the region.

VCEDA understands the lack of funding resources that are available to small business entities and strives to dedicate a portion of their organization to fostering a better small business landscape. In doing this, partnerships have been increasingly helpful over the years, allowing VCEDA's communication channels lead to greater industry focus and improvements. One example is their collaborative partnership with Small Business Development Centers (SBDC). Prior to receiving funding, business owners are referred to the SBDC for advice and consulting services at no expense. VCEDA has grown their network thanks to the number of partner relationships that have formed over the years. This has resulted in greater success for the businesses within the region and a greater commitment to improving what the region has to offer. Their commitment to support small businesses can be seen in their participation with Opportunity Southwest Virginia, an initiative in the region to align existing and emerging economic and community development efforts to create successful entrepreneurial communities that will accelerate development for both new and established endeavors¹⁰. VCEDA is proud to work with other organizations and businesses to leverage resources and promote the area in the best way possible.

¹⁰ About Opportunity SWVA. (n.d.). Retrieved February 17, 2021, from <http://www.opportunityswva.org/about/>

Recommendations

Several suggestions on how VCEDA may further their impacts of the Seed Capital program were made during interview dialogue and survey collection. Every applicant was beyond thankful for the aid they received to establish their business. However, many individuals were first time business owners with inexperience in completing the necessary paperwork and unaware of how to draft essential documents such as business plans and financial reports. The application process was a hurdle that they hoped to receive more guidance in overcoming. Applicants requested a greater amount of independent, “do it yourself,” resources. Additionally, conversations revealed the lack of knowledge grantees had about the details of the program. It is suggested to increase awareness and communication about the resources that are available. This may minimize the number of applicant questions and prove to be helpful in referring other business to the program.

A large amount of interest was expressed in attending workshops or training sessions to learn about the fundamental steps and responsibilities that a business owner must practice to achieve success. One interviewee discussed how naïve she was when first opening her business, underestimating the amount of expenses that would accumulate. Another interviewee felt that finding clients was going to be the hardest challenges when in fact hiring quality employees was difficult.

Small business owners desired some VCEDA involvement throughout their business venture. They desired knowing if they were taking the right steps towards improving their business and if funding dollars were spent wisely. Interview dialogue consisted of business owners seeking greater VCEDA involvement beyond awarding funds. To reduce this concern mentorship initiatives or the creation of ongoing small business retention and expansion programs were suggested. Five recommendations to improve and expand upon the Seed Capital program.

1. As a condition of funding, seed grant recipients should be required to attend and complete, business training workshops or courses at their local community college or similar business institute, or a coaching or mentoring program component to ensure individuals are versed in smart business practices and understand the breadth of their funding decisions.
2. VCEDA could provide assistance to potential applicants and offer application template examples and referral to successful former applicants.
3. VCEDA could increase awareness and communication of marketing materials and guides outlining all aspects of the Seed Capital program.
4. VCEDA could foster networking and sharing among cohorts of new or recent seed grant recipients, such as monthly or quarterly meetings to share trials and successes.
5. VCEDA could consider development of a small business BR&E program to offer targeted assistance to high growth potential small businesses. The program might include additional funding, small business outreach, and related opportunities, perhaps in coordination with Opportunity SWVA.

Appendix

An economic impact analysis examines a specific event, new organization or activity, or object of study such as a trail, convention center or sports arena. The analysis accounts for money flowing into a defined region, from outside the region, due to that object of study. The analysis then determines how the diffusion of that money affects business revenues, household income and employment in the region, while accounting for leakages due to ensuing spending outside of the region. Methodologies of economic impact studies vary based on data availability and the researcher, which can lead to large differences between reported economic impact.

Business Interview Guide

Thank you for your participation in this interview of local stakeholders, partners, and businesses for the Virginia's Coalfield Economic Development Authority (VCEDA). Virginia Tech's Center for Economic and Community Engagement is helping VCEDA develop an economic impact analysis to understand their impact on the region. Your answers will help the organization design better programs in the future by understanding how clients view their work and help engage more effectively. Additionally, it will help VCEDA understand how and if their work is sustainable. In the end, the information you provide in this interview will help us serve our community more effectively. The interview should take approximately one hour to conduct. Your individual responses will be kept confidential to the research team. Results will be reported in aggregate.

1. Please introduce yourself and your business:
 - a. What industry do you identify with?
 - b. What is your specific role?
 - c. Did you join the company prior to, or after they moved to the VCEDA region?
2. What led your company to choose the VCEDA region to locate or expand your business?
3. At what site did you choose to located/expand? Why was that site/location particularly appealing to your company, what features?
4. How much did VCEDA contribute to your company's location choice? In what ways?
5. What resources of assistance did VCEDA provide to help you locate or expand your business?
6. About how many workers did you have initially? Have you added or reduced workforce since then? How?
7. What services does VCEDA currently provide that helps you remain in the region? (i.e. marketing, incentives, attracting additional similar industries, workforce, etc)
8. Has VCEDA helped grow the amount of jobs? In what ways/ how?
9. Has VCEDA helped you with expansion plans? In what ways/how?
10. Beyond VCEDA, what other regional resources or organizations do you find valuable in helping your company grow or expand? (i.e. SBDC, education, workforce programs)
 - a. Has VCEDA played a role in connecting you with those resources?
11. As the region gradually emerges from COVID-19 impacts, what do you anticipate in terms of economic recovery over the next 1-3 years? (i.e resurgence rate, employment, job creation)
12. When you think of VCEDA as an organization, what 3 words most come to mind?
13. In 1 sentence, describe VCEDA's mission in your own words and as you understand it.
14. In order to increase the impacts we discussed so far, what existing VCEDA activities should be leveraged more effectively?

Stakeholder Interview Guide

Thank you for your participation in this interview of local stakeholders, partners, and businesses for the Virginia's Coalfield Economic Development Authority (VCEDA). Virginia Tech's Center for Economic and Community Engagement is helping VCEDA develop an economic impact analysis to understand their impact on the region. Your answers will help the organization design better programs in the future by understanding how clients view their work and help engage more effectively. Additionally, it will help VCEDA understand how and if their work is sustainable. In the end, the information you provide in this interview will help us serve our community more effectively. The interview should take approximately one hour to conduct.

1. Describe your organization and your position within it.
2. What is your connection to VCEDA – how long have you been involved with the organization?
3. When you think of VCEDA as an organization, what words most come to mind?
4. What, in your mind, are the most pressing areas of need or of opportunity to grow the region's economy?
5. What is VCEDA doing to address these needs or opportunities?
6. What could they do that they are not doing?
7. In your own words, what is VCEDA's greatest strength in carrying out its mission to advance the region's economy, what is it best at?
8. Can you provide an example of a VCEDA success story that you know about or have been a part of?
9. What is VCEDA's most significant implementation weakness or deficit in carrying out its activities to advance the region's economy?
10. Can you provide an example of a VCEDA effort that was less successful, perhaps one that you know more about or were involved with on some level?
11. Are you familiar with any of VCEDA's infrastructure/site projects?
12. For a project with which you are particularly familiar, can you tell us more about it?
13. What did VCEDA do/invest? What was result or impact?
14. Are you familiar with the SEED capital program, if so, tell us your view?
 - a. Any particular success stories that you are aware of?
 - b. What gap or need does this Seed capital program fill in the region?
 - c. What do you see as the main benefits of the program both to the individual businesses, and to the region?

Seed Capital Interview Guide

Thank you for your participation in this interview of Seed Capital grantees for the Virginia Coalfield Economic Development Authority (VCEDA). Virginia Tech's Center for Economic and Community Engagement is helping VCEDA develop an economic impact analysis to understand their impact on the small businesses in the region. Your answers will help the organization design better programs in the future by understanding how clients view their work and help engage more effectively. Additionally, it will help VCEDA understand how and if the seed capital program is sustainable. In the end, the information you provide in this interview will help us serve our community more effectively. The interview should take approximately one hour to conduct. Your individual responses will be kept confidential to the research team. Results will be reported in aggregate.

1. Please introduce yourself and your business.
 - a. What industry do you identify with?
 - b. What is your specific role?
2. Prior to starting this small business, where were you employed?
3. How long have you had the dream of becoming a business owner?
4. What was the inspiration behind finally beginning a small business?
5. What did you hope to accomplish by opening your business?
6. At what site did you choose to locate? Why was that site/location particularly appealing to your company, what features?
7. Where did you first hear about VCEDA's Seed Capital program?
8. How did you determine your eligibility, source of matching funds, and application amounts?
9. What types of assistance did the SEED Capital program provide?
10. Can you name some of the challenges you faced when establishing yourself in the region?
11. What are some of the current challenges you face as a small business owner?
12. What other resources or services have you consulted with/used? Include financial resources as well as technical resources.
13. Have you worked with or referred businesses to the program?
14. As the region gradually emerges from COVID-19 impacts, how do you anticipate your business recovering/developing over the next 1-3 years? (i.e. employment, job creation, downsizing)
15. Beyond providing grant funds, what else can VCEDA do to help current and aspiring entrepreneurs become successful?

Survey Questions

Thank you for participating in the VCEDA Seed Capital Program! Your business truly makes a difference in the region, and we want to learn more about how VCEDA made it possible.

The Virginia Tech Center for Economic and Community Engagement (CECE) was hired by VCEDA to look at the economic impact of their program in the region.

This survey asks questions related to your experience as a successful Seed Capital grantee with VCEDA. Your perspective and opinions are important to the economic impact process and we value your participation.

The survey should take approximately 5 minutes to complete.

Thank you in advance for your time and insight. If you have any questions regarding this survey or VCEDA's role in the region and its resources, please contact:

Jonathan Belcher
 Executive Director, VCEDA
 276.889.0381
jonathan@vceda.us

1. In what locality is your business located?

- Lee County
- Wise County
- Scott County
- Buchanan County
- Russell County
- Tazewell County

- Dickenson County

- City of Norton

2. With which of these industry types does your business most identify? (Multiple choice)

- Retail merchandise
- Manufacturing
- Technology
- Hospitality and Leisure
- Restaurant
- Health Care
- Agriculture
- Entertainment
- Photography
- Automotive
- Other: _____

3. Is this your only place of employment?

- Yes
- No

4. Prior to starting this small business, what industry were you employed in?

- Retail merchandise
- Manufacturing
- Technology
- Hospitality and Leisure
- Restaurant
- Health Care
- Agriculture
- Entertainment
- Photography
- Automotive
- Other: _____

5. Besides your small business, what industry are you employed in?

- Retail merchandise
- Manufacturing
- Technology
- Hospitality and Leisure
- Restaurant
- Health Care
- Agriculture
- Entertainment
- Photography
- Automotive
- Other: _____

6. How long have you had the dream of becoming a business owner? (Multiple choice)

- Less than a year
- 1-3 years
- 3-5 years
- 5-10 years
- 10+ years

7. Where did you first hear about the VCEDA Seed Capital Program? (Multiple choice)

- Friend/Family
- Local Business
- VCEDA Website
- Government Office
- Newspaper
- Social Media
- VCEDA Staff Member
- Small Business Development Center (SBDC)
- Community College
- Other: _____

8. How did you use your VCEDA Seed Capital funding? Chose all that apply. (Multiple choice)

- Land Cost
- Site Development
- Building Cost
- Equipment
- Utilities/Roads
- Inventory
- Working Capital
- Legal/closing fees
- Other: _____

9. If VCEDA funding were not available, how likely would you be to start, expand, or maintain your business? (Multiple choice)

- Extremely likely
- Somewhat likely
- Neither likely or unlikely
- Somewhat unlikely
- Extremely unlikely

10. How difficult was the application process? (Multiple Choice)

- Extremely easy
- Somewhat easy
- Neither easy nor difficult
- Somewhat difficult
- Extremely difficult

11. What other technical assistance did you receive? (Multiple choice)

- Local government
- Professional organizations (i.e. your county industrial development authority, Heart of Appalachia, Friends of SWVA, The Crooked Road, GO Virginia, etc)
- Community colleges
- Small Business Development Center (SBDC)
- Other business relationships
- Other: _____

12. Were these additional organizations effective in helping? (Slider)

- Extremely effective
- Very effective
- Moderately effective
- Slightly effective
- Not effective at all

13. What other financial assistance did you receive? (Multiple choice)

- Bank loan
- Personal savings
- Family/friends
- Award dollars
- Investors
- Other: _____

14. How important was VCEDA's role in your business success? (Slider)

- Not at all important
- Extremely important

15. What goal(s) do you hope to accomplish by opening, maintaining, expanding your business in the VCEDA region? (Open ended question)

14. Please name some of the challenges you faced when establishing yourself in the region? Choice all that apply. (Multiple choice, informed by interviews that take place)

- Dedicating/finding enough time to help the business succeed
- Advertising/marketing the business in the region
- Securing enough inventory
- Recruiting quality employees
- Navigating what my responsibilities were day-to-day
- Securing start-up funds
- Establishing a customer base
- Other: _____

15. What are some of the current challenges you face as a small business owner? Choice all that apply. (Multiple choice, informed by interviews that take place)

- Maintaining customer support during COVID
- Recruiting quality employees
- Adjusting to a new normal/schedule
- Securing enough inventory
- Seasonal dips in revenue/customers
- Finding funding to expand or grow the business
- Other: _____

16. As the region gradually emerges from COVID-19 impacts, what do you anticipate in terms of economic recovery over the next 1-3 years? (Multiple choice)

- Rapid recovery or increase in activity or positive metrics such as employment and job creation
- Slow recovery or increase in activity or positive metrics such as employment and job creation
- Stable not much change
- Slowly continued decline in most economic measures and trends
- Substantive continued decline

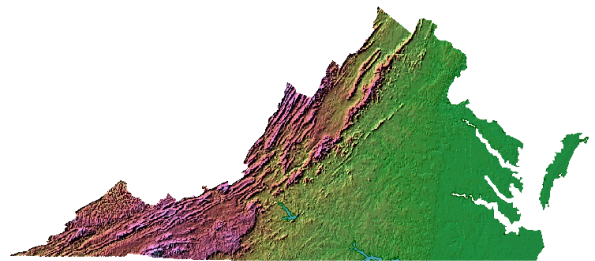
17. In your opinion, what improvements could be made to VCEDA's Seed Capital program? Are there gaps in resources or services? (Open question)

*Reviewed responses to ensure SBDC and VCEDA is being differentiated.

You have reached the end of the survey. Thank you for your attention and time spent answering these questions. Your input is important to shaping the future of VCEDA and the local economies of the VCEDA region.

Outreach & International Affairs

**Economic Impact Analysis of the
Virginia Coalfield Economic
Development Authority**



**Economic Impact of the Virginia Coalfield
Economic Development Authority**

**Department of Agricultural and Applied Economics¹
Office of Economic Development
Virginia Polytechnic Institute and State University**

February 2007

Final Report

¹ This report was prepared by Sibel Atasoy, Bradford F. Mills and Jeffrey Alwang of the Department of Agricultural and Applied Economics, and John Provo, David Nutter and Ted Settle of the Office of Economic Development. Teams of students enrolled in AAEC 3304 (Rural and Regional Development Policy) at Virginia Tech during Fall 2006 conducted the case-study analysis, and were supervised by Dr. Jeffrey Alwang. The teams thank VCEDA, Dr. Alex White and Ms. Sibel Atasoy for their assistance.

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Executive Summary

The Virginia Coalfield Economic Development Authority (VCEDA) was created to enhance and diversify the economic base of the Virginia Coalfield Region, consisting of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise counties, and the city of Norton. Since its creation in 1988, VCEDA invested nearly \$80 million to revitalize the economy of the region. The resulting impacts of these investments are the main focus of this study.

This study assesses the economic impact of VCEDA to the region's economy by focusing on three objectives: describe and analyze VCEDA investments over the past 18 years, analyze the economic impacts of these investments including their direct, indirect, and induced impacts using the Impact Analysis for Planning (IMPLAN) modeling system, and identify the qualitative contributions VCEDA makes to regional economic activity based on a case-study analysis of representative individual firms.

The economic impact of VCEDA is measured in a number of ways, including the number of jobs created, value-added and income generated as a result of the entrance, retention or expansion of VCEDA-assisted firms in the region. These impacts also generate changes in the structure of the regional economy including changes in unemployment rates and in the relative importance of different economic sectors. Fiscal impacts include changes in tax revenues collected at the local and state levels. These impacts are both direct (caused directly by VCEDA) and indirect and induced (caused by linkages between firms and households in the regional economy). Economic multipliers, derived from the structure of the economy and inter-industry linkages, determine total regional economic activity resulting from a direct impact, and therefore the size of the indirect and induced impacts.

The impact analysis is based on a credible measure of the number of jobs and total firm wage expenditures created as a result of VCEDA activities. The VCEDA investments have led to substantial direct impacts: more than 9,600 jobs and more than \$224 million in total wage bill, leading to an average remuneration per VCEDA-stimulated direct job of more than \$23,000 per year. The aggregate direct impact, calculated as the sum of

impacts across all years, is an impressive 80,815 jobs, \$10.7 billion in output and \$3.4 billion in value added.

The total aggregate economic impacts resulting from these direct impacts are 121,620 jobs, \$14.7 billion in output, and \$5.3 billion in value added over the 1988-2006 period. The contribution to the economy is also impressive: total employment that can be traced to VCEDA activities is equal to 8.1 percent of total employment, and the total value added associated with this is 13.2 percent of total value added in the region. All three measures of economic impact – jobs, output, and value added – indicate that VCEDA-targeted firms are an integral part of the region's economy and support a significant share of economic activity in the region. Also, because the value added share exceeds the employment share, the VCEDA-assisted firms help raise average incomes in the region.

Additional impacts created by VCEDA-targeted firms are \$545 million in federal and \$372 million in state/local taxes collected over the whole 1988-2006 period. Also significant is these firms' contribution to decreased unemployment rates in the region. In fact, without the entrance of VCEDA targeted firms into the regional economy, unemployment rates would have increased substantially over time.

Finally, the case-study analysis of representative firms (selected based on size, nature of business, historical connection to the area, and location) reveals a relatively consistent portrait of the relationship between the firms and VCEDA: the authority is an important contributor to the business climate in the Coalfield Region. All case-study businesses noted emphatically that the incentives were not an important part of their ultimate decision. Instead, they praised the role of VCEDA as an ambassador for the region, as a point of contact for firms seeking information, and as a facilitator during the delicate process of making long-term business decisions.

Economic Impacts of the Virginia Coalfield Economic Development Authority

1. Background and Introduction

1.1 Background

The Virginia Coalfield Economic Development Authority (VCEDA) was created by the General Assembly in 1988 to enhance and diversify the economic base of the Virginia Coalfield Region, a seven-county, one city, coal-producing area of the Commonwealth. It serves Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise Counties and the city of Norton. VCEDA provides financial support for fixed assets at interest rates below prime, construction of buildings for sale or lease, installation of utilities and direct loans to private for-profit basic employers and industrial development authorities. The level of financing is based upon the number of full-time jobs created, wages offered and the dollar amount of investment by the firm.

In 2005, VCEDA approved nine loans and nine grants totaling more than \$6.1 million. New economic development announcements in the region, including CGI and Northrop Grumman in Russell County, KCG Call Center in Lee County, Results-Duffield in Scott County, Hill Mandolins and SI International in Dickenson County, and Clinch River Forest Products in Tazewell County, will create 1,242 new jobs and \$36.3 million in investment. Two existing industry expansions will create 208 jobs and lead to \$2.7 million in additional investment into the local economy.

Between July 1, 1988 and June 30, 2006 VCEDA invested nearly \$80 million to revitalize the economy of the region. VCEDA is interested in assessing the economic impacts of these investments in order to guide future allocations of scarce resources.

1.2 Objectives

This report documents the economic impacts of VCEDA investments in coal-producing counties of the Commonwealth. The objectives of the report are to:

- Describe and analyze VCEDA investments over the past 18 years
- Analyze the economic impacts of these investments, including their direct, indirect, and induced impacts
- Identify the qualitative contributions VCEDA makes to economic activity in the region.

1.3 Methods

Information was collected on VCEDA investments and their allocation by industry sector and county. Information was also collected on how these investments were leveraged: particularly what other public and private investments occurred together with the VCEDA investment.

The impact of VCEDA investments on the economic well-being of the region is measured in a number of ways. These include the number of jobs created, valued-added and income generated as a result of the entrance, retention or expansion of VCEDA-assisted firms in the region. These impacts also generate changes in the structure of the regional economy including changes in unemployment rates and in the relative

importance of different economic sectors. Fiscal impacts include changes in tax revenues collected at the local and state levels. Economic and fiscal impacts are both direct--caused directly by VCEDA--and indirect and induced--caused by linkages between firms and households in the regional economy.

Direct economic effects of investments

The direct effect of VCEDA is an increase in regional economic activity as measured by firm investments, outputs and expenditures, including:

- Total value of output of VCEDA-targeted firms
- Outlays by VCEDA-targeted firms, including purchases of equipment, supplies, services, utilities, and taxes
- Payroll outlays from VCEDA-targeted firms and profits to owners of factors of production

Measurement of these direct effects is discussed below.

Indirect effects

The direct effects result in additional rounds of economic activity as VCEDA-targeted firms purchase inputs from local suppliers; these suppliers then increase their own economic activity, producing more outputs and, in turn, purchasing additional inputs. These additional outlays stimulate further rounds of spending by their input suppliers, and so on, resulting in many (infinite) rounds of input purchases. These secondary increases in output spread throughout the local economy and are known as *indirect effects*.

Induced effects

Payroll outlays from VCEDA-targeted firms and their input suppliers also increase economic activity by raising household incomes and consumption within the region. Increased consumption in turn stimulates local firms to increase their production of goods and services to meet this growth in demand. The changes in regional economic activity stemming from increases in household income are known as *induced effects*. Together, the indirect and induced effects are called “multiplier effects,” because they are estimated and usually presented as a multiple of the direct effect.

The direct economic effects are measured using data provided by VCEDA on firm announcements resulting from VCEDA activities; these announcements were confirmed through interviews with firm representatives. Employment and payroll profiles over time for these firms were created from firm-level data. Indirect and induced impacts on employment, incomes, output and other factors were produced using the IMPLAN modeling system². Primary and secondary data combined with the IMPLAN estimates are used to produce an annual profile from 1988-2006 of the total economic impacts of firms assisted by VCEDA. These impacts are disaggregated by economic sector. They are also divided by the total amount of investments to obtain an estimate of the rate-of-return in VCEDA investments.

The quantitative analysis is complemented by a case-study analysis of individual firms, their expansion/contraction over time, and the role of the VCEDA and other public agencies in their success.

² See Minnesota IMPLAN Group, Inc, 2000, “IMPLAN Professional Social Accounting and Impact Analysis Software.” Stillwater, MN: IMPLAN Group.

2. Economic Structure of the VCEDA Region

2.1 Description of the Region

The southwestern Virginia counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise and the city of Norton comprise the VCEDA region. As the location map in Figure 1 indicates, the VCEDA region is strategically located midway between Atlanta-Pittsburgh, Charlotte-Cincinnati, and Richmond-Louisville. Good access to transportation makes the region a desirable location for starting and running a business. For instance, nearby interstates include I-77, I-81, I-26, and I-75. Most locations in the region can reach a nearby airport within one hour or less. Further, there exist more than twenty trucking firms serving the region³ and rail access is abundant.

2.2 Economic Profile

Known as Virginia's Energy Region, the VCEDA region is home to major manufacturing employers such as Lear Corporation (interior automobile parts), Tempur Production, Inc. (mattresses and pillows), Alcoa Wheel Products (Aluminum wheels for the automotive industry), and VFP Inc. (portable communication shelters), and non-manufacturing employers such as Verizon Welcome Center (credit, address verification), CGI (software development), and Northrop Grumman (help desk, back-up data center). The labor force availability map in Figure 2 indicates that the region contains a large labor force of roughly 84,000 workers and a rate of unemployment roughly comparable to that in contiguous counties in Kentucky, Tennessee, and Virginia.

³ *Source:* Virginia Coalfield Economic Development Authority website, <http://www.vaceda.org>.

A more detailed look at unemployment rates by county and by year in Table 1 indicates that the VCEDA region has shown a fairly steady long-term decline from 1990 to 2006 in all counties.⁴ Dickenson County showed a particularly notable drop in unemployment from 16.8 percent in 1990 to 5.3 percent in 2006. However, despite impressive declines, unemployment rates in all VCEDA counties remain higher than rates for Virginia as a whole. Also, during this time period the total size of the region's labor force declined slightly and, thus, the region faces a challenge in maintaining its labor base.

Data on employment by sector using two-digit Standard Industrial Classification (SIC) code is provided for the VCEDA region from 1988 to 2000 in Table 2. Similar sector employment data using revised two-digit North American Industry Classification System (NAICS) codes is provided in Table 3. Unfortunately, this year 2000 break in the classification scheme prohibits the analysis of sector trends across the whole period.⁵ General sector shifts can, however, be observed.

The first major trend of note is the relatively slow growth in overall employment in the VCEDA region. For Virginia as a whole, total employment grew by 23 percent from 1988 compared to 6 percent in the VCEDA region. The regional economy faces important challenges in maintaining its economic viability and reductions in unemployment have not been associated with strong employment growth. This fact illuminates the significant problem of out-migration of the region's population; VCEDA

⁴ Local area unemployment statistics by county are not available from the U.S. Bureau of Labor Statistics prior to 1990.

⁵ The two-digit NAICS provide greater detail on the increasingly important service sector. For some sectors, employment numbers are estimated due to data suppression at the county level. The estimates are based on state-level shares of suppressed sectors and scaled to ensure that the aggregation of sector totals match total non-farm employment data.

wishes to slow this migration by increasing economic opportunity. The second trend of note is the long-term decline of the mining sector. From 1988 to 2000, employment in mining declined by 49 percent; in 1988, mining accounted for about 17 percent of local employment, and by 2000 it accounted for only about 8 percent. This decline continued in the 2001 to 2004 period with an additional employment decline of 12 percent off the 2001 base. A third trend is that the other traditional employment base of the region- manufacturing- has also seen a decline, with manufacturing employment levels stagnating from 1988 to 2000, and then declining from 2001 to 2004. The decline in these core employment sectors in the VCEDA region highlight the need to attract new non-mining and non-manufacturing related employment and diversify the economic base.

Similar to national trends, these declines in traditional industry employment (mining and manufacturing) have been offset by increases in retail trade and service sector employment. From 1988 to 2000 employment in the retail trade sector increased 17 percent, while employment in the ‘services’ sector grew by 29 percent. The NAICS codes for the 2001 to 2004 period provide a more disaggregated classification of service sectors. Many service-related sectors, like information, real estate, professional and technical services, administrative and waste services, and educational services continued to show rapid rates of employment growth during this latter period.

One concern with the labor force shifts from mining- and manufacturing-based employment to service-based positions is that remuneration in the latter sectors may be lower than remuneration in the former. An examination of earnings per-worker provides some support for this concern. Table 4 provides data on earnings per-worker by 2-digit

SIC Code for 1988 – 2000 and Table 5 provides similar data by 2-digit NAICS Code for 2001 – 2004. Mining and, to a lesser extent, manufacturing earnings are significantly greater than earnings in most service-related sectors. Thus, while total nominal non-farm earnings per-capita increased 22 percent from 1988 to 2000, this represents a negative change in *real* earnings per-capita as the consumer price index rose 46 percent over the same period. Per-capita earnings in the manufacturing sector only kept pace with inflation, while mining and other sectors' earnings growth lagged behind inflation. By contrast total non-farm earnings per-capita for the 2001 – 2004 period actually increased faster (12 percent over the period) than the consumer price index (7 percent). Closer examination of Table 5 suggests these gains partially stem from large earnings increases per job in the mining and manufacturing sectors.

It is also worth noting that per-capita income in the Coalfield Region increased in real terms between 1988 and 2004. These income gains occurred despite declines in real per-capita earnings and can be traced to increased workforce participation among household members. Service sector positions are particularly conducive to second family member workforce participation by often offering flexible hours and conditions of service.

It is possible to generate a simple measure of economic diversity for a place through its share of employment in the largest one, largest three, and largest five private industry sectors.⁶ A graph of the employment share of these sectors in Figure 3 indicates that the VCEDA region had relatively low employment concentration in the largest sector, services, compared to Virginia as a whole under the 1988 – 2000 SIC Codes. Under the more disaggregated NAICS codes from 2001 onward, retail trade is the largest sector in

⁶ A list of these sectors for the Coalfield Region is provided in Appendix 1.

the region and in Virginia as a whole. Further, the employment share of retail trade is actually higher in the VCEDA region than in Virginia as a whole. This high dependence on a relatively low-remuneration sector illustrates some of the vulnerability of the regional economy.

Under the SIC Codes, for 1988 – 2000 the top three sectors in the VCEDA region in terms of employment are services, mining and retail trade. The top five sectors in the region in terms of employment also include the transportation and public utilities sector and manufacturing for the 1988 – 1998 period and construction and manufacturing for the 1999 – 2000 period. The employment share of these sectors actually dropped over time, largely due to large declines in the mining sector. As a result, by 2000 concentrations of employment in the top three sectors and in the top five sectors are actually lower in the VCEDA region compared to the respective concentrations for Virginia as a whole. However, under the NAICS codes for 2001 – 2004, concentrations in the top three sectors and top five sectors are greater in the VCEDA region than Virginia as a whole.

In sum, the VCEDA region economy has been shaped by many of the same trends that Virginia and the nation as a whole have faced. Specifically, traditional mining and manufacturing jobs have declined and been replaced by service-related positions. Service-related positions have not, in aggregate, generated the same remuneration levels for workers. Because of the region's high initial dependence on mining and manufacturing employment, the secular decline in these industries place a heavy burden on the local economy and alternative sources of employment must be sought to replace

these traditional ones. VCEDA's role in shaping, and in some cases ameliorating, these economic changes will be examined through the impact analysis presented in this report.

2.3 IMPLAN Multipliers

A key concept in the ensuing impact analyses is economic multipliers. Multipliers depend on the structure of the economy, particularly linkages between firms and households in the region, and determine total regional economic activity resulting from a direct impact. The multiplier is expressed in terms of jobs created, dollars of total economic output, or dollars of value added from a one unit increase in jobs, total output, or value added, respectively. The multiplier encompasses the direct, indirect, and induced economic effects discussed earlier. The IMPLAN multipliers used in this study are derived from the structure of the seven-county and one-city region that represents the VCEDA economy. Aggregate 2-digit NAICS sector multipliers are generated by summing up the direct, indirect and induced effects across 2-digit sub-sectors and dividing the total impact by the direct impact of the same sub-sectors (Table 6). The multipliers are similar in magnitude to those found in other studies.

Employment multipliers in the VCEDA region range from 1.1 in agriculture, forestry, and fisheries and in arts, entertainment, and recreation to 1.8 in the utilities sector. An employment multiplier of 1.8 means that for each job directly created by a VCEDA-targeted firm in the utilities sector, 0.8 jobs are created in the region's economy in addition to that initial job. The two traditional core industries of the economy, mining and manufacturing both have multipliers of 1.7, indicating relatively strong economic linkages within the region. Employment multipliers for retail trade and service-related

sectors tend to be somewhat lower. Multipliers for total economic output fall in a narrow range between 1.3 and 1.5, indicating that the total output of the region increases between \$0.30 and \$0.50 for every direct dollar of output generated from VCEDA-targeted firms. Value-added multipliers, which provide an indication of wages and returns on capital generated in the economy, fall in a slightly higher range of 1.3 to 1.9. The value-added multiplier for manufacturing is 1.8, while the mining sector multiplier is 1.5. Most service-related sectors have multipliers of either 1.4 or 1.5 in magnitude.

These multipliers can be used by VCEDA in targeting firms in the future. If a greater total impact of a given investment is desired, industries with larger linkages to other regional economic entities should be sought. Multipliers are a direct reflection of these linkages and sectors with higher multipliers should be targeted. Given the existing economic structure, manufacturing industries create the biggest impact; however, because of the secular decline in manufacturing employment experienced nationally, care must be used in identifying manufacturing sectors that are resilient to forces associated with this decline. VCEDA, when making investments to attract high-impact firms in the manufacturing sector, is swimming against a strong tide of long-term decline in manufacturing employment in the U.S.

3. VCEDA Investments in Coalfield Region

This section of the report describes and analyzes the historical investments VCEDA has made in the Coalfield region and quantifies the total economic impacts of these investments. It begins by describing the various “windows” for VCEDA investments and other assistance. Next, it quantifies the flows of resources through these windows for the

1988-2006 period. It uses the information on the total amounts of resources together with the types of recipient firms and the investments they made to quantify the total direct impact of VCEDA investments. This information is then used with the IMPLAN-generated multipliers to quantify the total impacts described above. Impacts are separated by sector and county. Impacts on tax revenues, unemployment, and on diversity of the region's economy are also presented.

3.1 Description of Different Investment Programs

VCEDA provides five main types of financing.

- **VCEDA Revolving Loan Fund:** VCEDA's primary financing program is designed to assist in attracting new industry to the region and assist with expansion of existing industry. A portion of the fund is available for use throughout the region, but by statute a significant portion of the fund is allotted to specific counties and the City of Norton. The availability of these funds depends in part on the location of the project. Priority consideration is given to projects that provide at least 25 jobs within 12 months at an average hourly wage of at least \$7.75. Financing is generally limited to a maximum of \$10,000 of loan funds for each new job created.

- **VCEDA Seed Capital Matching Loan Fund:** This program provides a source of matching loan funds to assist new, start-up, and emerging small businesses within the region and to attract small businesses from outside the region. Applicants must produce or provide a product or service that brings new revenue to the region, must have an acceptable business plan, and must have at least one-to-one matching funds. VCEDA financing is for fixed assets only; loans must be collateralized and 10 years is the maximum loan term.

- **VCEDA Tourism Capital Improvement Matching Fund:** This fund provides a source of matching loan and grant funds to assist with development of tourism-related capital improvements within the region. Non-profits and certain public entities may apply for loans or grants. Private for-profits firms may apply for loan funds only. No applicant may receive more than \$700,000 in any given fiscal year and funds must be matched at least one-to-one. Loans must be collateralized and 10 years is the maximum loan term.

- **VCEDA Regional Industrial Park Matching Fund:** This fund provides a source of matching loan and grant funds to assist with the development of a regional industrial park in the northeast section of the region, and to assist with the further development of existing regional industrial parks. Only industrial development authorities and certain other governmental organizations are eligible to apply.

- **VCEDA Shell Building Assistance Program:** This program provides financing for the construction of speculative industrial shell buildings in the region. Construction funding is available only in those counties/cities with an uncommitted VCEDA fund balance of at least \$1 million. Land for the project must be publicly owned, and all loans must be repaid upon sale or lease of the shell building.

3.2 VCEDA Investments 1988-2006

The impact analysis is based on a credible measure of the number of jobs and total firm expenditures created as a result of VCEDA activities. Information on these direct economic impacts of VCEDA-targeted firms was generated in several steps. First, information on the VCEDA-funded projects including the grant and loan amount, projected jobs, loan terms, product type, and investment by companies (if any) was compiled by year and county of project. This generated a list of 80 projects. The number

of projects in each year, along with the dollar value of loans, the number of jobs created, and the wage bill associated with the jobs created is given in Table 7⁷. Table 7 does not reflect VCEDA investment in infrastructure and other development projects; therefore, the column total in Table 7 does not sum to the nearly \$80 million in assistance provided by VCEDA. Information on jobs created is, however, complete for all projects and calculated from 2006 firm employment if the company is currently operating and from employment at the time of closure if the company is not currently operating. The wage bill is calculated based on the number of jobs created and the appropriate wage rate for the types of jobs created. As seen in Table 7, the VCEDA investments have led to substantial direct impacts—more than 9,600 jobs have been created by businesses who received VCEDA assistance and the total wage bill of these businesses is more than \$224 million, leading to an average remuneration per VCEDA-stimulated direct job of about more than \$23,000 per year. VCEDA-assisted firms pay average wages and salaries above those of other firms in the region.

Once a firm is established it will continue to have an economic impact every year until it shuts down. Thus, all employment impacts are assumed to persist in subsequent years unless a firm shuts down. If a firm closes, the economic impacts are zero from that year onward. For instance, the 1994 direct impact of jobs created includes the employment generated from all previously funded VCEDA projects that were still active in 1994 plus projects funded in 1994.

⁷ In Table 7, we assume that all the investments and jobs generated by the firm's decision are attributable to the support provided by VCEDA.

The firm-specific wage bill estimates were then used to generate estimates of firm total output and value-added based on IMPLAN data on the structure of firms in each sector within the region. When VCEDA-targeted firms entered a sector where no firm currently existed in the region, sector ratios of total output to wage bills and value-added to wage bills were generated from state estimates of industry structure.

3.3 Direct Impacts of the Investments (Employment, Value-added, Output)

The estimated direct employment, output, and value-added impacts of VCEDA activities are presented in Table 8. The aggregate direct impact of VCEDA activities on the region's economy is impressive. The accumulated direct impact over the 1988 to 2006 period has resulted in 80,815 job-years, \$10.7 billion in output, and \$3.4 billion in value-added.⁸ VCEDA's impact on the regional economy is particularly apparent in 2006, where VCEDA-targeted firms comprise 10.2 percent of all non-farm employment in the region and constitute about 11 percent of non-farm earnings in the region.

3.4 Total Impacts of VCEDA Investments

The total employment impact of VCEDA activities, including direct, indirect, and induced impact in terms of employment are given in Table 9. The 80,815 job-years created by VCEDA-assisted companies over the period 1988-2006 (the direct employment effect) create additional 24,524 job-years through indirect effects and 16,095 job-years through induced effects. These regional economic impacts result in a total of 121,620 job-years in the regional economy that can be traced to VCEDA activities. This

⁸ These are cumulative direct impacts aggregated over the individual impacts in each year from 1988 onward; values are in 2006 dollars.

total impact is equal to 8.1 percent of all job-years in the economy over the 1988 to 2006 period.

It is worth noting that the total employment impact of VCEDA activities in the region continues to grow over time. In 1988 the aggregate employment impact of VCEDA activities was 192 jobs, equivalent to 0.3 percent of non-farm employment in the region. By 2006, the cumulative aggregate employment impact had risen to 12,537 jobs, equivalent to 16 percent of all non-farm employment of the region.

The impact of VCEDA activities on total output is similar in magnitude (Table 10). As noted, VCEDA-targeted companies generated \$10.7 billion in total output between 1988 and 2006. The aggregate total output when indirect and induced effects are included is \$14.7 billion over the same 1988-2006 period. The cumulative weight of these impacts increases dramatically over time, with the aggregate output impact of about \$18 million in 1988 growing to \$1.4 billion by 2006.

Turning to value-added, the direct value-added estimate resulting from VCEDA investments (\$3.4 billion) leads to a total value added impact of \$5.3 billion over the period 1988-2006 (Table 11). This is equivalent to 13.2 percent of the value added in the region over the 1988 to 2006 period. The contribution of associated total non-farm earnings increases from 0.4 percent of total non-farm earnings in the region in 1988 to 17.2 percent in 2006. All three measures of economic impact--jobs, output, and value-added--indicate that VCEDA-targeted firms are an integral part of the region's economy and support a significant share of economic activity in the region. Because the value-

added share exceeds the employment share, we can conclude that VCEDA-assisted firms help raise average incomes in the region.

Aggregate employment and value-added impacts are presented for the five most impacted sectors in Table 12. Focusing on employment, the impacts of VCEDA activities appear to be disproportionately focused on manufacturing relative to the manufacturing base in the region, with 34 percent of employment generated by VCEDA-related investments emerging in the manufacturing sector. The second largest impact is in the administrative and support and waste management sector, with 18 percent of employment generated. The top five sectors, in terms of employment impacts are rounded out by: professional, scientific, and technical services; retail trade; and health care and social assistance. Results for the top five impacted sectors in terms of value-added are similar. The top four sectors in terms of value-added are the same as for employment; however the information sector replaces health care and social assistance as the fifth largest. As previously noted, focusing on manufacturing industry activities is, in a sense, a double-edged sword. Wages and benefits in the jobs created tend to be relatively high, and the multipliers associated with manufacturing sectors are the highest of all multipliers. But long-term national employment trends for many manufacturing industries are not positive; VCEDA needs to be careful to identify sectors and firms within manufacturing that are more resilient to long-term movement off shore.

The final impact examined in the report is the fiscal impact of VCEDA-targeted firms in the region in terms of federal and state/local government taxes. The results, presented in Table 13, indicate that VCEDA-targeted firms generate substantial federal and state/local

tax revenues. In 2006 the total federal revenues generated are \$54 million, while state and local tax revenues total \$36 million. Total federal and state/local taxes collected over the whole 1988 - 2006 period are \$545 million and \$372 million, respectively.

3.5 Additional Impacts: Unemployment and Diversification

The impacts of VCEDA-targeted firms on regional unemployment rates and economic diversification are simulated in this section by removing VCEDA-related employment impacts from the region's base employment numbers, and creating "synthetic" indices of unemployment rates and economic diversity over time.⁹ The resulting unemployment index is shown in Figure 4 and reveals that VCEDA-targeted firms contributed significantly to decreased unemployment rates in the region. In fact, without the entrance of VCEDA targeted firms into the regional economy, unemployment rates would have increased substantially over time¹⁰.

The contribution of VCEDA-targeted firms to economic diversification of the region is less clear cut. Employment within job sectors has remained fairly consistent. However, for the NAICS codes in the 2001 to 2004 period, employment shares in the top one, three, and five sectors all appear to be somewhat lower with the inclusion of employment stemming directly or indirectly from VCEDA-targeted firms.

⁹ Diversification indexes are not presented for the years 2005-2006, as sector level employment data are not available by county for these years from the Bureau of Economic Analysis.

¹⁰ We assume that the entire existing labor force would remain in place in the region and no out-migration would occur due to the higher rates of unemployment. The synthetic index of unemployment is thus an upper estimate of the total impact on unemployment.

4. Case-study Analysis

4.1 Selection of Cases

The case-study analysis was intended to deepen understanding of the impact of VCEDA actions on firm decisions to locate, remain, or expand in the Coalfield region. Firms were selected for inclusion in the case study based on several criteria: (i) size, (ii) nature of business, and (iii) historical connection to the area. We desired a mix of small, medium and large firms (based on employment), a mix of single location and branch firms, and firms that had an historical connection to the Coalfield region as well as those without such a connection. We also selected our cases based on geographic spread—we wanted a mix of locations throughout the Coalfield region. VCEDA collaborated with the study team in identifying the firms and facilitating contacts. Table 14 contains information on the seven firms included in the case-study analysis.

4.2 Brief Overview of Case-Study Methods

The case studies were conducted by groups of undergraduate students in a Virginia Tech course on rural economic development. The groups consisted of 3-5 members, each of which was assigned a firm. The case studies followed a standard methodology: (i) a questionnaire was tailored to the specific conditions faced by each firm; (ii) the questionnaire was administered either in person, by phone or by internet/e-mail with the contact person (provided by VCEDA); (iii) additional follow-up questions were asked during the interview; and (iv) the information was analyzed.

The questionnaires addressed those factors each firm viewed as important during its location/expansion decision, attributes of the Coalfield region and how these attributes

were perceived by the firms, and the role of VCEDA and other economic development agencies in the location/expansion decision. They included a scale ranking of key factors (1-5 with 1 being of little importance and 5 being of high importance). Follow-up questions were asked during the interviews to deepen understanding of the importance of these factors.

4.3 Findings and Implications

The case studies provided a relatively consistent portrait of the relationship between the firms and VCEDA, supporting the notion that the authority is an important contributor to the business climate in the Coalfield region (see a detailed description of the case studies in Appendix 2). All case-study businesses were grateful to receive financial support from VCEDA, but most noted emphatically that the incentives (whether low-interest loans or outright grants) were not an important part of their ultimate decision. Instead, they praised the role of VCEDA as an ambassador for the region, as a point of contact for firms seeking information, and as a facilitator during the delicate process of making long-term business decisions. The financial incentives may help “close the deal” at the end of the process, but they were generally secondary considerations compared to these other types of inputs.

The larger case-study businesses stated that VCEDA was more important as a booster for the region and a point of contact during consideration of the location decisions than it was as a source of financial resources. Tempur Production, the KCG Call Center and Crutchfield all noted that their interactions with VCEDA were extremely important to their location decision. VCEDA facilitated contacts with local, state and federal

representatives, helped identify potential locations in the Coalfield region and provided information about the region and alternative locations. These were very important considerations, and VCEDA significantly reduced the cost of obtaining information; this information cost reduction was continuously cited as a key contribution of VCEDA. In deciding to locate in the Coalfield region, these larger firms first considered issues such as access to transportation, input availability and labor market conditions. VCEDA was also instrumental in networking with other public representatives, such as county, state and federal economic development officials. These contacts helped them leverage funds from alternative sources and identify tax and other incentives that made the final package financially attractive. In each case VCEDA contributed to the financial package, but the other assistance was recognized as more important.

Among the smaller businesses, some, such as the Crab Orchard Museum in Tazewell County, considered VCEDA and its financial and other incentives to be instrumental in their survival, while others were less certain that VCEDA made a difference. Those in the former category identified the ease of dealing with VCEDA as an important factor, and noted that VCEDA's contributions extended far beyond finance into technical assistance and help in building networks. In particular, VCEDA efforts to build a tourism network in the region and support tourism and promote the area's cultural attractions were cited as extremely important. Those smaller firms that were less positive about VCEDA's contribution to their decision noted that they would appreciate more regular contacts with the authority and would especially benefit if VCEDA took a more active role as a clearing house for business services and information in the region. VCEDA's

role as a provider of information about conditions in the region and alternative supporting sources such as local and state governments is as important as the incentives provided.

5. Conclusions

This study has documented the quantitative and qualitative contributions of VCEDA to the Coalfield region's economy. On the quantitative side, VCEDA-targeted firms have had a major impact on the region's economy, have generated a tremendous amount of economic activity, and have slowed or maybe stopped a long-term secular slide in economic conditions in the region. VCEDA is swimming against a great tide of technical (in the coal industry) and institutional (in the case of globalization and the decline of manufacturing) change. Its goal is to promote economic growth in a region that is being buffeted by strong economic forces. It has made great strides in achieving this goal.

In terms of economic growth, the manufacturing jobs generated by VCEDA-targeted industry appear to have ameliorated even greater declines that would have emerged had the authority not been formed in 1988. These manufacturing jobs are critical because they protect economic well-being due to their relatively high wages and benefits. They also generate broad-based growth due to their linkages to the rest of the regional economy. VCEDA has been successful in attracting a diverse group of manufacturers who recognize the inherent benefits of good transportation, access to electricity, a strong labor force, and abundant access to raw materials. These businesses are further attracted by the efforts VCEDA makes to promote the area and provide information about the benefits of the Coalfield region.

VCEDA's role is as a catalyst for economic growth. Its resources are not great enough to build self-sustaining economic growth on their own. VCEDA management recognizes this and uses its resources to leverage other funds. Most VCEDA financing requires matching funds, so that investments are automatically leveraged with private funds. In addition, VCEDA continually operates in conjunction with state and local development authorities and identifies alternative public programs and tax incentives to increase the financial attractiveness of the area. This networking represents a major strength of the VCEDA program. It, however, also means that the estimates in this study represent an upper bound on the economic impact of VCEDA.

The impacts we identify have been completely attributed to VCEDA funding as if VCEDA were the single source of funding for these projects and the sole determinant of firm location in the region.¹¹ Therefore, the economic impacts should be viewed as an upper bound on the contribution of VCEDA to increased economic activity in the region. Even, however, if we attribute only a portion of these impacts to VCEDA, they are, when compared to nearly \$80 million in loans and grants, substantial.

¹¹ For instance, one of the projects was the Lee County prison study that got \$3,500 in funding, but the prison employed 353 employees.

Tables and Figures

Table 1: Unemployment Rates, by County and Regional Totals, 1990-2006

Year	Buchanan	Dickenson	Lee	Russell	Scott	Tazewell	Wise +Norton	VCEDA	Virginia
1990	11.2	16.8	9.5	11.5	8.0	9.4	10.3	10.6	4.4
1991	15.1	16.8	10.5	13.0	8.9	11.9	11.7	12.6	5.9
1992	15.8	17.3	14.3	12.5	8.5	13.4	12.0	13.6	6.2
1993	15.1	15.3	11.0	10.7	8.1	13.0	10.9	12.2	5.2
1994	17.8	18.3	10.1	12.8	8.5	13.5	10.6	13.0	4.7
1995	13.4	19.3	11.6	10.9	8.9	10.2	14.6	12.6	4.5
1996	14.8	20.2	11.6	11.2	7.3	9.5	13.3	12.2	4.3
1997	13.6	15.6	8.7	9.7	6.6	8.4	9.9	10.1	3.7
1998	14.0	15.6	7.8	8.9	7.6	8.4	8.6	9.7	2.8
1999	13.5	12.1	8.7	8.0	6.4	6.9	8.1	8.6	2.7
2000	5.8	5.8	4.2	5.1	3.8	5.1	4.2	4.8	2.3
2001	6.0	7.0	5.0	6.4	4.6	4.9	4.6	5.3	3.2
2002	7.3	7.8	5.6	6.5	5.3	5.9	5.3	6.1	4.2
2003	7.2	8.4	5.9	6.4	5.5	5.3	5.5	6.0	4.1
2004	6.0	6.2	5.4	5.9	5.6	4.6	5.3	5.3	3.7
2005	5.8	6.3	4.9	5.9	5.2	4.4	5.1	5.1	3.5
2006¹	5.6	5.3	4.7	6.5	4.8	4.2	5.0	5.0	3.2

Source: Bureau of Labor Statistics Geographic Profile of Employment and Unemployment (GPS), <http://www.bls.gov/gps/home.htm>.

¹ 2006 values are averages of January 2006-August 2006 values.

Table 2: Employment by 2-digit SIC Code Industry in the VCEDA Region, 1988-2000

Sector	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	% Change (1988-2000)
Agricultural services, forestry, fishing and other	315	296	328	387	393	456	472	467	520	551	534	640	625	98.4%
Mining	13,103	13,186	12,458	11,583	10,877	10,243	9,378	8,470	7,607	8,047	7,095	6,544	6,663	-49.1%
Construction	3,504	3,622	3,855	3,780	3,624	3,851	4,072	4,140	4,288	4,452	4,678	4,751	4,789	36.7%
Manufacturing	6,818	7,409	7,790	7,604	7,785	7,747	8,152	8,464	7,962	7,771	7,208	6,771	6,768	-0.7%
Transportation and public utilities	4,123	4,138	4,396	4,389	4,405	4,556	4,662	4,733	4,667	4,844	4,921	4,621	4,511	9.4%
Wholesale trade	2,768	2,990	2,711	2,776	2,748	2,460	2,515	2,699	2,707	2,786	2,759	2,602	2,549	-7.9%
Retail trade	13,273	13,112	13,773	13,847	14,364	14,738	15,202	15,715	15,873	15,945	15,380	15,650	15,487	16.7%
Finance, insurance, and real estate	3,019	3,071	3,018	2,983	3,042	3,062	2,858	3,077	3,207	3,090	3,023	3,113	3,242	7.4%
Services	15,515	15,637	16,085	16,544	17,149	17,532	17,807	18,151	18,565	19,197	19,496	19,712	20,007	29.0%
Government	12,934	12,992	13,433	13,510	13,492	13,831	13,834	13,746	13,767	13,899	14,387	14,871	15,260	18.0%
Total non-farm employment	75,372	76,453	77,847	77,403	77,879	78,476	78,952	79,662	79,131	80,588	79,482	79,275	79,901	6.0%

Source: Bureau of Economic Analysis Local Area Personal Income Accounts, <http://www.bea.gov/beat/regional/reis/>.

Table 3: Employment by 2-digit NAICS Code Industry in the VCEDA Region, 2001-2004

Sector	2001	2002	2003	2004	Rate of change (2001-2004)
Forestry, fishing, related activities, and other	640	605	552	533	-16.7%
Mining	6,671	6,133	5,726	5,876	-11.9%
Utilities	269	276	282	277	2.9%
Construction	4,775	4,712	4,737	5,009	4.9%
Manufacturing	5,854	5,554	5,235	5,248	-10.3%
Wholesale trade	2,229	2,240	2,166	2,160	-3.1%
Retail trade	11,468	11,651	11,599	11,721	2.2%
Transportation and warehousing	3,051	2,998	3,050	3,138	2.8%
Information	1,049	1,026	1,180	1,340	27.8%
Finance and insurance	1,987	2,007	2,102	2,057	3.5%
Real estate and rental and leasing	1,287	1,389	1,495	1,528	18.8%
Professional and technical services	2,626	2,730	2,814	2,825	7.6%
Management of companies and enterprises	751	762	682	652	-13.1%
Administrative and waste services	2,442	2,524	2,617	2,694	10.3%
Educational services	1,089	1,172	1,243	1,284	17.8%
Health care and social assistance	6,842	7,262	7,318	7,435	8.7%
Arts, entertainment, and recreation	916	1,037	1,106	1,203	31.4%
Accommodation and food services	4,281	4,430	4,403	4,249	-0.7%
Other services, except public administration	5,444	5,641	5,656	5,725	5.2%
Government	15,279	15,504	15,410	15,551	1.8%
Total non-farm employment	78,950	79,654	79,374	80,505	2.0%

Source: Bureau of Economic Analysis Local Area Personal Income Accounts, <http://www.bea.gov/bea/regional/reis/>.

Table 4: Earnings per worker by 2-digit SIC Code Industry in the VCEDA Region, 1988-2000¹

Sector	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	% Change (1988-2000)
Agricultural services, forestry, fishing and other	10.06	10.41	9.69	10.54	11.07	10.65	9.76	9.25	9.53	10.51	11.67	11.78	13.45	33.7%
Mining	43.21	39.58	42.86	43.90	46.63	46.27	48.86	48.97	50.15	51.56	55.99	57.39	58.32	35.0%
Construction	16.68	17.43	17.65	17.01	16.73	18.42	18.90	19.22	19.71	20.20	19.83	20.85	21.30	27.7%
Manufacturing	19.25	19.23	19.56	20.83	21.27	21.46	22.53	22.98	23.50	24.82	26.15	27.69	28.19	46.5%
Transportation and public utilities	33.09	31.75	30.20	30.93	34.51	34.75	34.26	34.74	37.71	41.26	43.37	46.81	45.35	37.1%
Wholesale trade	22.52	23.96	24.32	24.92	25.11	25.72	26.85	26.92	27.71	31.45	29.73	29.62	30.92	37.3%
Retail trade	12.18	12.38	12.50	12.94	13.20	13.56	13.80	14.00	14.03	14.79	15.15	15.29	15.54	27.7%
Finance, insurance, and real estate	12.46	13.44	13.79	14.78	15.27	16.77	18.30	16.24	18.83	19.03	18.64	18.92	20.40	63.7%
Services	16.26	16.93	17.98	18.43	19.33	19.91	20.21	20.69	20.96	22.00	21.92	22.05	21.70	33.5%
Government	19.40	20.50	20.99	21.37	21.67	22.22	22.89	23.29	23.78	24.48	25.59	26.24	27.67	42.7%
Total non-farm earnings	22.46	22.27	22.86	23.27	23.92	24.11	24.55	24.42	24.76	26.06	26.66	27.02	27.47	22.3%
Per Capita Income	11.62	12.37	13.06	13.51	14.18	14.40	14.95	15.32	15.94	17.00	17.55	17.87	18.71	61.0%

Source: Bureau of Economic Analysis Local Area Personal Income Accounts, <http://www.bea.gov/bea/regional/reis/>.

¹ Earnings per worker are expressed in thousands of current dollars.

Table 5: Earnings per worker by 2-digit NAICS Code Industry in the VCEDA Region, 2001-2004¹

Sector	2001	2002	2003	2004	% Change (2001-2004)
Forestry, fishing, related activities, and other	20.74	18.39	20.12	21.77	5.0%
Mining	56.08	59.91	64.99	71.29	27.1%
Utilities	100.38	101.29	115.00	124.22	23.7%
Construction	21.82	23.55	23.31	24.89	14.1%
Manufacturing	31.70	34.83	37.91	41.26	30.2%
Wholesale trade	40.49	42.85	43.17	48.43	19.6%
Retail trade	18.67	19.25	19.60	20.28	8.6%
Transportation and warehousing	32.80	33.26	33.86	29.95	-8.7%
Information	35.32	37.30	36.44	34.70	-1.8%
Finance and insurance	30.79	29.98	31.44	32.92	6.9%
Real estate and rental and leasing	12.51	12.02	12.32	13.50	7.9%
Professional and technical services	28.97	27.40	28.36	29.59	2.1%
Management of companies and enterprises	57.56	61.17	60.57	70.93	23.2%
Administrative and waste services	17.00	16.26	15.06	16.63	-2.2%
Educational services	20.55	20.78	20.51	22.33	8.6%
Health care and social assistance	29.43	30.78	30.94	32.78	11.4%
Arts, entertainment, and recreation	12.65	12.50	11.85	11.22	-11.4%
Accommodation and food services	12.44	12.80	13.29	14.60	17.4%
Other services, except public administration	17.08	17.42	17.76	18.17	6.4%
Government	32.56	33.94	35.32	37.15	14.1%
Total non-farm employment	28.66	29.51	30.30	32.07	11.9%
Per Capita Income	19.93	20.43	20.89	22.12	11.0%

Source: Bureau of Economic Analysis Local Area Personal Income Accounts, <http://www.bea.gov/bea/regional/reis/>.

¹ Earnings per worker are expressed in thousands of current dollars.

Table 6: IMPLAN Multipliers by Major NAICS Sector, VCEDA Region, 2002¹

NAICS Code	Sector	Employment	Output	Value Added
11	Agriculture, Forestry and Fishing	1.1	1.3	1.3
21	Mining	1.7	1.4	1.5
22	Utilities	1.8	1.3	1.3
23	Construction	1.6	1.5	1.9
31-33	Manufacturing	1.7	1.5	1.8
42	Wholesale Trade	1.4	1.3	1.3
48-49	Transportation and Warehousing	1.4	1.5	1.5
44-45	Retail Trade	1.2	1.4	1.3
51	Information	1.5	1.4	1.7
52	Finance and Insurance	1.5	1.3	1.4
53	Real estate and rental and leasing	1.4	1.4	1.4
54	Professional, scientific and technical services	1.3	1.4	1.4
55	Management of companies	1.6	1.4	1.4
56	Administrative and waste services	1.3	1.5	1.5
61	Educational services	1.2	1.5	1.6
62	Health care and social services	1.3	1.5	1.5
71	Arts, entertainment and recreation	1.1	1.4	1.6
72	Accommodation and Food Services	1.2	1.4	1.4
Other	Other (including government)	1.2	1.4	1.5

¹ The multipliers represent the total impact (direct plus indirect plus induced) divided by the direct effect of interest.

Table 7: Summary of VCEDA Investments, 1988-2006

Year	Projects	Funding¹	Jobs Created²	Wage Bill³
1988	1	923,650	150	2,100,000
1989	6	2,750,000	807	29,500,820
1990	2	1,027,614	295	7,470,000
1991	5	1,437,350	1,273	34,206,600
1994	4	823,850	458	7,503,000
1995	6	4,894,694	542	10,152,480
1996	5	5,537,652	430	8,607,400
1997	3	4,426,440	887	17,929,220
1998	6	4,091,509	826	12,131,300
1999	9	835,000	531	11,570,000
2000	4	1,085,000	672	11,441,000
2001	4	750,000	247	4,906,500
2002	2	754,000	227	3,522,000
2003	8	7,143,556	737	19,866,570
2004	3	400,000	192	3,609,920
2005	9	2,414,200	1,084	34,540,570
2006	3	625,000	299	5,271,000
TOTAL	80	\$39,919,515	9,657	\$224,328,380

¹ Funding data does not include a number of infrastructure and development related grants, therefore the funds do not add up to the nearly \$80 million total VCEDA assistance.

² Jobs created is calculated from 2006 firm employment if the company is currently operating and based on employment at the time of closure if the company is not currently operating.

³ The wage bill is obtained by multiplying the number of jobs created by the VCEDA provided wage rate for the category of jobs created; values are in 2006 dollars.

Table 8: Direct Impact of VCEDA Investments in terms of Employment, Output, and Value Added, 1988-2006

Year	Employment	Contribution to Employment	Contribution to Wage Earnings	Output¹	Value Added¹
1988	150	0.2%	0.2%	14.4	3.8
1989	657	0.9%	1.3%	149.0	22.1
1990	952	1.2%	2.1%	193.4	37.6
1991	2,225	2.9%	7.2%	326.5	129.2
1992 ²	2,225	2.9%	6.9%	326.5	129.2
1993 ²	2,225	2.8%	6.8%	326.5	129.2
1994	2,683	3.4%	7.4%	388.8	143.5
1995	3,577	4.5%	8.5%	454.5	164.8
1996	4,007	5.1%	9.0%	530.6	176.7
1997	4,805	6.0%	9.6%	573.3	201.4
1998	4,972	6.3%	9.7%	616.6	205.7
1999	4,953	6.2%	9.8%	623.4	209.6
2000	5,625	7.0%	10.2%	780.3	224.6
2001	5,775	7.3%	10.2%	790.9	231.7
2002	6,050	7.6%	10.2%	826.0	238.6
2003	6,597	8.3%	10.7%	871.8	258.4
2004	6,856	8.5%	10.3%	897.1	261.6
2005	7,997	9.8%	11.2%	992.2	311.4
2006	8,484	10.2%	11.0%	1,019.6	328.1
TOTAL	80,815	5.4%	8.4%	10,701.4	3,407.2

¹ Expressed in millions of 2006 dollars.

² VCEDA investments were concentrated in infrastructure and development projects during these years.

Table 9: Aggregated Employment Impact of VCEDA Activities, 1988-2006

Year	Direct	Indirect	Induced	Total	Contribution to Employment
1988	150	23	19	192	0.3%
1989	657	352	185	1,198	1.6%
1990	952	540	267	1,763	2.3%
1991	2,225	766	547	3,546	4.6%
1992 ¹	2,225	766	547	3,546	4.6%
1993 ¹	2,225	766	547	3,546	4.5%
1994	2,683	809	591	4,094	5.2%
1995	3,577	877	675	5,140	6.5%
1996	4,007	1,128	772	5,920	7.5%
1997	4,805	1,249	930	6,999	8.7%
1998	4,972	1,372	955	7,311	9.2%
1999	4,953	1,413	974	7,357	9.3%
2000	5,625	1,771	1,136	8,550	10.7%
2001	5,775	1,823	1,176	8,796	11.1%
2002	6,050	1,898	1,225	9,196	11.5%
2003	6,597	2,007	1,228	9,832	12.4%
2004	6,856	2,091	1,275	10,221	12.7%
2005	7,997	2,393	1,480	11,876	14.8%
2006	8,484	2,480	1,566	12,537	15.6%
TOTAL	80,815	24,524	16,095	121,620	8.1%

¹ VCEDA investments were concentrated in infrastructure and development projects during these years, therefore the impacts from the year 1991 are assumed to exist for these years.

Table 10: Aggregated Output Impact of VCEDA Activities, 1988-2006

Year	Direct¹	Indirect¹	Induced¹	Total¹
1988	14.4	2.4	1.5	18.3
1989	149.0	41.6	14.2	204.9
1990	193.4	66.1	20.3	279.9
1991	326.5	87.3	41.2	455.2
1992 ²	326.5	87.3	41.2	455.2
1993 ²	326.5	87.3	41.2	455.2
1994	388.8	93.3	44.7	526.8
1995	454.5	99.1	50.9	604.6
1996	530.6	130.2	58.5	719.5
1997	573.3	139.2	70.4	782.7
1998	616.6	151.9	72.1	840.7
1999	623.4	156.4	74.0	853.9
2000	780.3	209.6	86.9	1,076.7
2001	790.9	213.5	90.3	1,094.6
2002	826.0	221.4	94.0	1,141.3
2003	871.8	222.4	93.3	1,187.6
2004	897.1	228.5	96.9	1,222.9
2005	992.2	243.9	112.9	1,349.1
2006	1,019.6	248.2	119.4	1,387.0
TOTAL	10,701.4	2,729.6	1,223.9	14,656.1

¹ Expressed in millions of 2006 dollars.

² VCEDA investments were concentrated in infrastructure and development projects during these years, therefore the impacts from the year 1991 are assumed to exist for these years.

Table 11: Aggregated Value Added Impact of VCEDA Activities, 1988-2006

Year	Direct¹	Indirect¹	Induced¹	Total¹	Contribution to Earnings
1988	3.8	1.4	0.9	6.1	0.4%
1989	22.1	19.0	8.8	50.0	2.9%
1990	37.6	27.6	12.8	77.8	4.4%
1991	129.2	39.7	25.9	194.8	10.8%
1992 ²	129.2	39.7	25.9	194.8	10.5%
1993 ²	129.2	39.7	25.9	194.8	10.3%
1994	143.5	40.7	27.8	212.0	10.9%
1995	164.8	44.2	31.8	240.6	12.4%
1996	176.7	55.9	36.5	269.0	13.7%
1997	201.4	61.2	43.7	306.3	14.6%
1998	205.7	67.2	44.9	317.6	15.0%
1999	209.6	68.7	46.2	324.0	15.1%
2000	224.6	84.3	53.6	362.4	16.5%
2001	231.7	86.1	55.3	373.3	16.5%
2002	238.6	89.7	57.7	386.2	16.4%
2003	258.4	93.2	58.7	410.4	17.1%
2004	261.6	95.9	60.7	417.9	16.4%
2005	311.4	104.8	71.2	487.4	17.6%
2006	328.1	108.0	75.3	511.5	17.2%
TOTAL	3,407.2	1,167.0	763.6	5,336.9	13.2%

¹ Expressed in millions of 2006 dollars.

² VCEDA investments were concentrated in infrastructure and development projects during these years, therefore the impacts from the year 1991 are assumed to exist for these years.

Table 12: Total Employment and Value Added Impact in the Most Impacted 5 NAICS Sectors

Sector Code	Sector	Employment	Share of Total (%)
31-33	Manufacturing	38,422	33.6
56	Administrative and support and waste management and remediation	20,475	17.9
54	Professional, scientific, and technical services	9,394	8.2
44-45	Retail Trade	8,763	7.7
62	Health Care and Social Assistance	4,672	4.1

Sector Code	Sector	Value Added (\$ million)	Share of Total (%)
31-33	Manufacturing	1,154.2	23.3
56	Administrative and support and waste management and remediation	652.1	13.2
54	Professional, scientific, and technical services	355.0	7.2
44-45	Retail Trade	320.7	6.5
61	Information	275.7	5.6

Table 13: Tax Impact of VCEDA Funds, 1988-2006

Year	Federal Government¹	State/Local Government¹	Total¹
1988	0.6	0.4	1.0
1989	5.4	3.8	9.2
1990	8.1	6.7	14.9
1991	18.4	14.2	32.6
1992 ²	18.4	14.2	32.6
1993 ²	18.4	14.2	32.6
1994	20.0	14.5	34.5
1995	23.5	16.5	40.0
1996	26.5	18.3	44.8
1997	30.6	20.9	51.5
1998	31.8	21.9	53.7
1999	32.8	22.4	55.2
2000	37.0	24.9	61.9
2001	38.2	25.6	63.8
2002	39.6	26.4	66.1
2003	44.2	28.5	72.7
2004	45.6	29.4	74.9
2005	51.9	33.8	85.7
2006	54.3	35.6	89.9
TOTAL	\$545.3	\$372.2	\$917.6

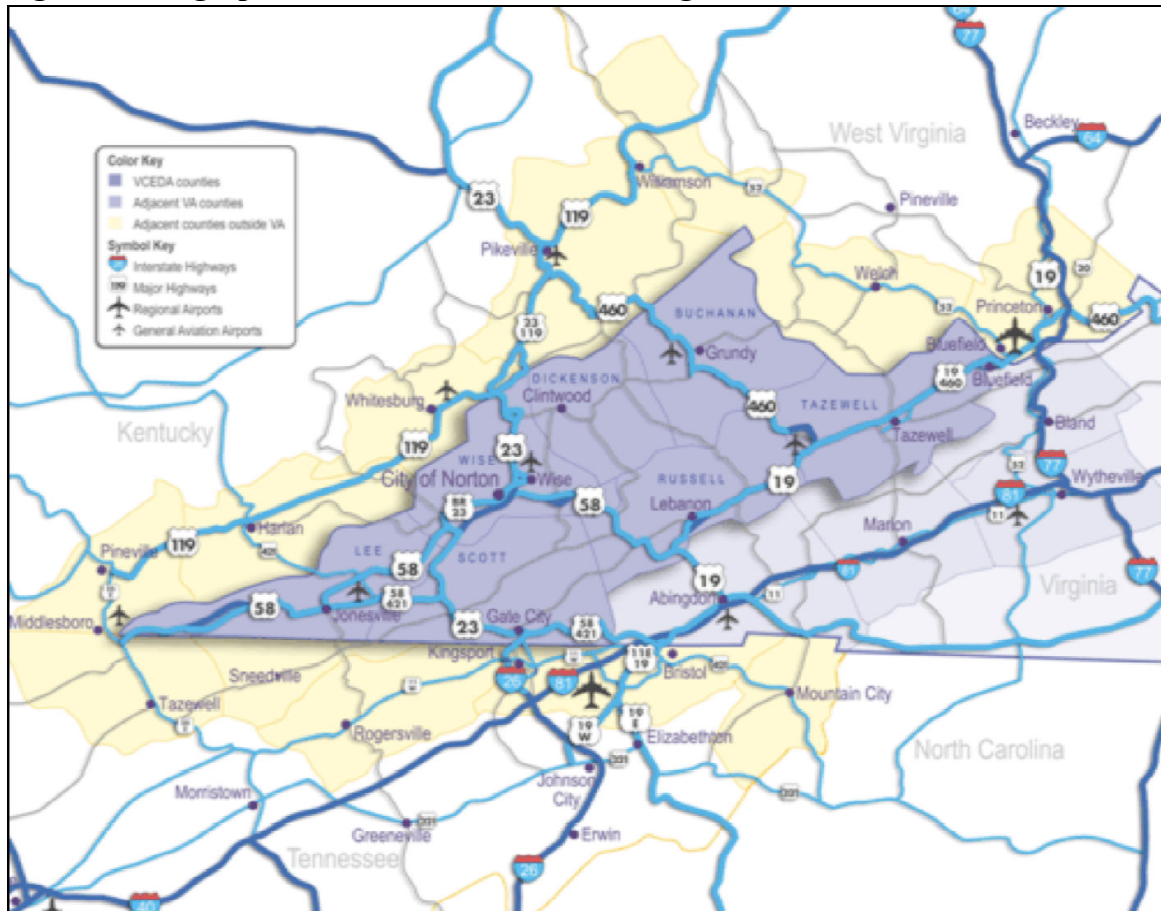
¹ Expressed in millions of 2006 dollars.

² VCEDA investments were concentrated in infrastructure and development projects during these years, therefore the impacts from the year 1991 are assumed to exist for these years.

Table 14: Attributes of Firms Included in Case-Study Analysis

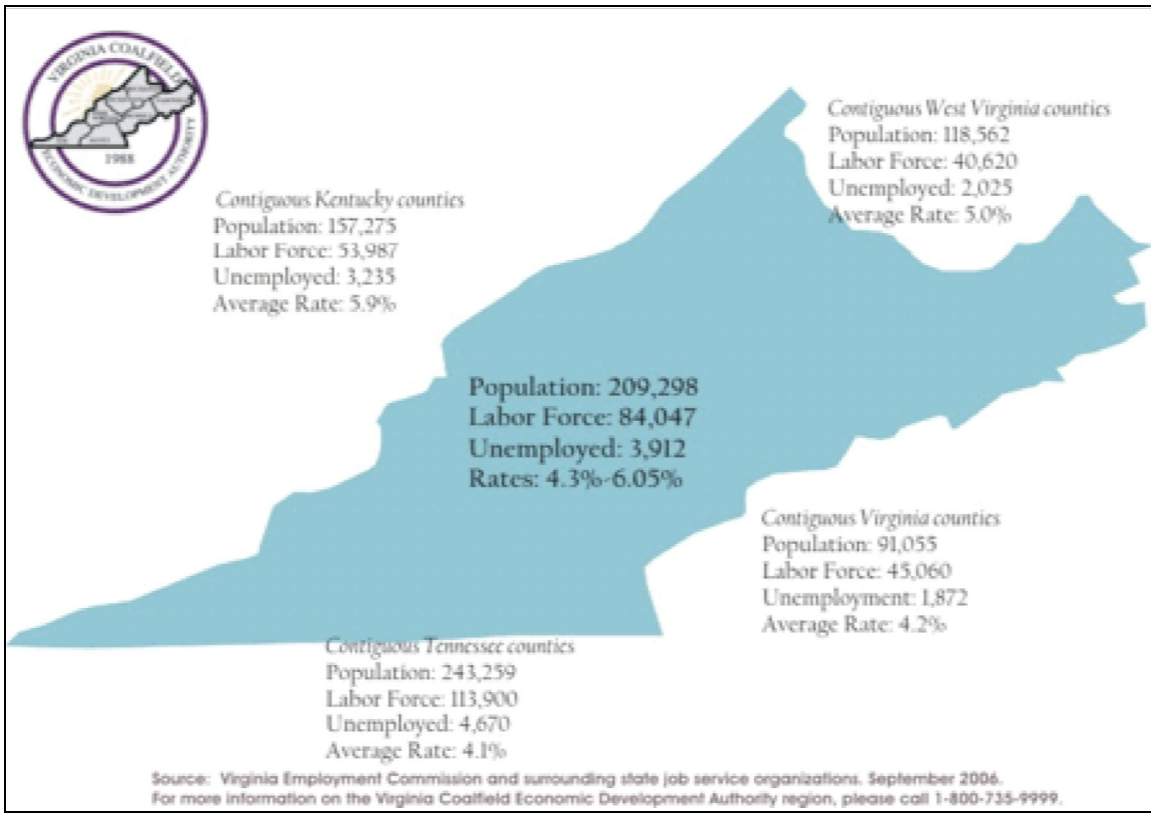
Company	County	Size (Jobs)	Year	Description	Type	Contact	Address
Historic Crab Orchard Museum	Tazewell	1-19	2004	Museums	Single Location	Charlotte Whited Executive Director (276) 988-6755	3663 Crab Orchard Rd Tazewell, VA 24651-9200
West River Machinery	Buchanan	20-49	1989	Conveyors and Conveying Equipment	Single Location	Joe Gary Street Owner (276) 259-5353	County Route 638 Oakwood, VA 24631
Mountain Forest Products	Dickenson	50-99	2005	Wood Chips and Lumber	Single Location	Karl Kindig (276) 628-6500	Clintwood, VA 24228
Crutchfield Corporation	Wise/Norton	100-249	1997	Mail/Catalog Order	Branch Office	Dan Minahan Southwest Virginia Director of Operations (276) 679-2007	5705 Crutchfield Drive Wise, VA 24293
KCG Call Center	Lee	100-249	2005	Customer Service	Branch Office	Kathy Kavanaugh, Center Manager (276) 546-2890	1574 W. Morgan Avenue Pennington Gap, VA 24277
Alcoa Wheel Products	Russell	250-499	1996	Automobile Manufacturers Equip. Supply Mfrs.	Branch Office	Kermit Voncannon Plant Manager (276) 889-7948	700 Regional Park Rd Lebanon, VA 24266-3703
Tempur Production USA Inc.	Scott	250-499	1999	Mattresses Manufacturing	Subsidiary Headquarters	Tabitha Church Human Resources Executive (276) 431-2611	4700 Boone Trail Rd Duffield, VA 24244-9745

Figure 1: Geographic Location of the VCEDA Region



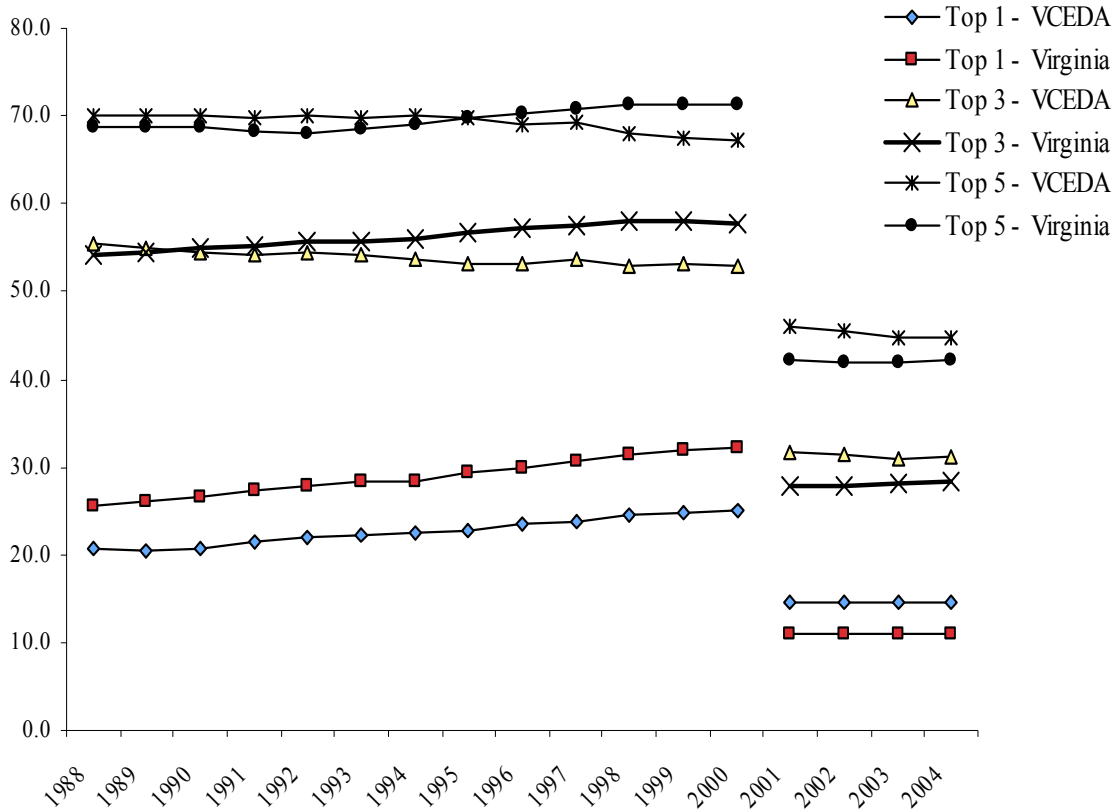
Source: Virginia Coalfield Economic Development Authority website,
<http://www.vaceda.org/location2003.asp>.

Figure 2: Labor Force Availability Map



Source: Virginia Coalfield Economic Development Authority website,
<http://www.vaceda.org/laborforceavailmap2003.asp>.

Figure 3: Share of Top 1, Top 3 and Top 5 Employing Sectors in Total Non-farm Employment, 1988-2000 and 2001-2004



Source: Bureau of Economic Analysis Local Area Personal Income Accounts, <http://www.bea.gov/bea/regional/reis/>.

Figure 4: The Impact of VCEDA Funds on Unemployment Rates in the Region

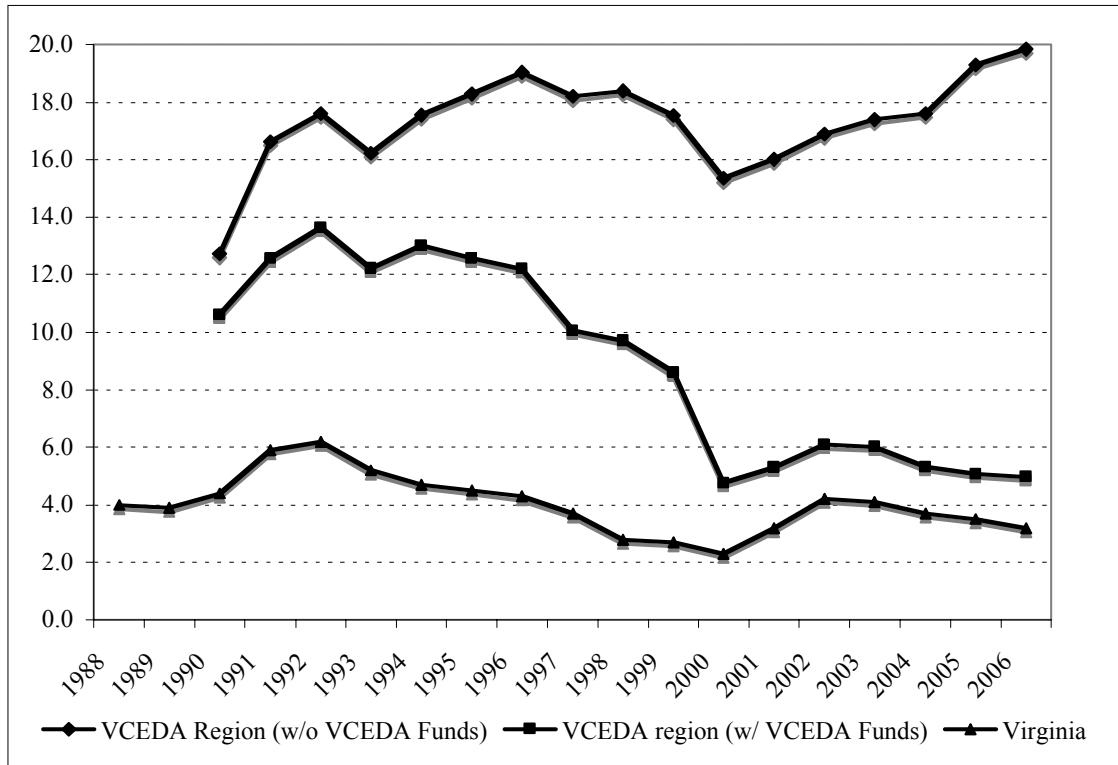
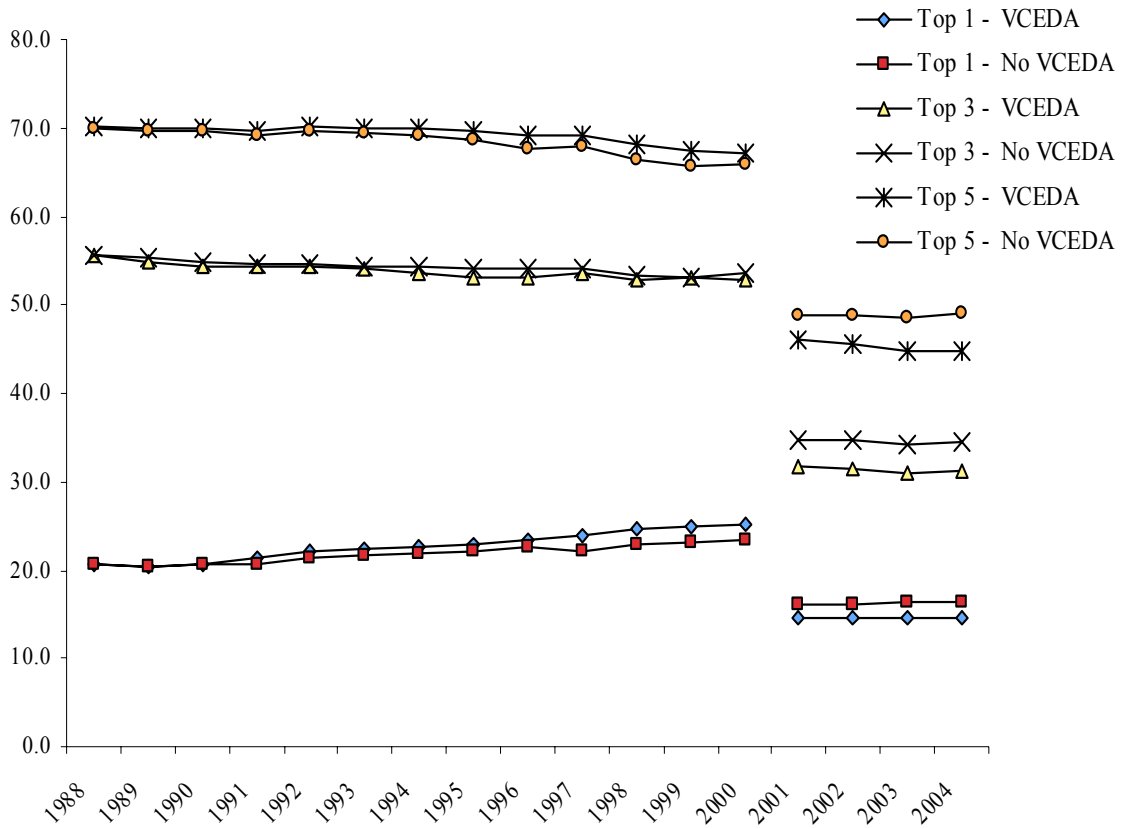


Figure 5: The Impact of VCEDA Activities on Economic Diversification



Source: Bureau of Economic Analysis Local Area Personal Income Accounts, <http://www.bea.gov/bea/regional/reis/> and IMPLAN.

Appendices

Appendix 1: Sectors with Largest Employment Shares

With VCEDA Funds	Top 1	Top 3	Top 5
1988-1998	Services	Top 1 Mining Retail Trade	Top 3 Transportation and Public Utilities Manufacturing
1999-2000	Services	Top 1 Mining Retail Trade	Top 3 Construction Manufacturing
2001-2004	Retail Trade	Top 1 Mining Health Care and Social Assistance	Top 3 Manufacturing Other Services
Without VCEDA Funds	Top 1	Top 3	Top 5
1988-1998	Services	Top 1 Mining Retail Trade	Top 3 Manufacturing Transportation and Public Utilities
1999-2000	Services	Top 1 Mining Retail Trade	Top 3 Construction Manufacturing
2001-2004	Retail Trade	Top 1 Mining Health Care and Social Assistance	Top 3 Construction Other services
Virginia	Top 1	Top 3	Top 5
1988-2000	Services	Top 1 Manufacturing Retail Trade	Top 3 Construction Finance, Insurance and Real estate
2001	Retail Trade	Top 1 Manufacturing Professional, Scientific and Technical Services	Top 3 Construction Health care and social assistance
2002-2004	Retail Trade	Top 1 Professional, Scientific and Technical Services Health Care and Social Assistance	Top 3 Construction Manufacturing

Appendix 2: A Case Study Analysis of the Impacts of VCEDA Actions on Firm Decisions in the Coalfield Region

The case-study analysis was intended to deepen understanding of the impact of VCEDA actions on firm decisions to locate, remain, or expand in the Coalfield region. Firms were selected for inclusion in the case study based on several criteria: (i) size, (ii) nature of business, and (iii) an historical connection to the Coalfield region. We desired a mix of small, medium and large firms (based on employment), a mix of single location and branch firms, and firms that had an historical connection to the Coalfield region as well as those without such a connection. We also selected our cases based on geographic spread—we wanted a mix of locations throughout the Coalfield region. VCEDA collaborated with the study team in identifying the firms and facilitating contacts. Table 14 contains information on the seven firms included in the case-study analysis.

Brief Overview of Methods

The case studies were conducted by groups of undergraduate students in a Virginia Tech course on rural economic development. The groups consisted of 3-5 members, each of which was assigned a firm. The case studies followed a standard methodology: (i) a questionnaire was tailored to the specific conditions faced by each firm; (ii) the questionnaire was administered either in person, by phone or by internet/e-mail with the contact person (provided by VCEDA); (iii) additional qualitative and follow-up questions were asked during the interview; and (iv) the information was analyzed.

The questionnaires addressed those factors each firm viewed as important during its location/expansion decision, attributes of the Coalfield region and how these attributes were perceived by the firms, and the role of VCEDA and other economic development agencies in

the location/expansion decision. They included a scale ranking of key factors (1-5 with 1 being of little importance and 5 being of high importance). Follow-up questions were asked during the interviews to deepen understanding of the importance of these factors.

Summary of Cases

Alcoa Wheels, Lebanon, Virginia¹²

Alcoa is a large global company that manufactures milled, cast and forged products for automobiles, planes, and other industrial purposes. The plant in Lebanon, Virginia manufactures specialty automotive products and started operations in 1996. It currently employs around 400 people. Management considered closing the facility in 2002 and evaluated a number of factors when making the decision to remain in operation. An interview with Mr. Kermit Vocannon, current plant manager, indicated that the firm considered closing the plant because of a global recession in automobile demand. Instead of closing, the company eventually invested in new technology and renovated its Lebanon facility.

Mr. Vocannon identified several factors that helped guide the decision. On the business side, access to infrastructure, raw materials, and utilities (especially power plants), all helped increase the attractiveness of the Southwestern Virginia location. Access to an already trained labor force was an additional consideration. He noted that when a firm of Alcoa's size is considering such a decision, all levels of government become engaged in trying to influence the decision. In Alcoa's case, the state and local governments actively intervened to avoid the shut-down. Together with local and state government, VCEDA worked with the

¹² Study conducted by Sara Pratt, Jenni Denson, Candace Broaddus, Jerod Miller and Stacy Maher.

company to decide to remain in operation; VCEDA offered grants and assistance in finding grants, and helped facilitate dialogues between all partners in the decision. While Alcoa does not say that VCEDA's interventions were a primary reason for continuing operations in Lebanon, it does say that VCEDA's resources helped make it more cost effective to remain, but the main influence was through its actions as an agent of the community.

The main lesson from the Alcoa experience is that VCEDA is most effective with recruitment and support of large firms when it partners with other local and state agencies. Its resources are not so great that they affect the decision alone. Instead, VCEDA facilitates contact with different state and local agencies, helps market the region to firm managers, and generally serves as a catalyst for local and state action. The resources it provides can help at the margin, but are not a central part of the location decision.

Crutchfield Corporation, Norton, Virginia¹³

Crutchfield Corporation was started in 1974 by Bill Crutchfield. Its headquarters are in Charlottesville Virginia with satellite facilities in Norton, Virginia. The company specializes in a mail order catalog of electronic components. The satellite call center came to Norton City area in 1998, and now employs more than 110 workers, with growth to 130 employees forecast for 2009. Manager-level positions in Crutchfield pay far higher than regional average wages and call operators also earn above average wages. Along with the good pay, employees receive benefits which include: health insurance, dental insurance, 401 K, profit sharing, life insurance, long term disability insurance, paid time off, holiday pay, employee purchase plan, flexible benefits, flexible spending account, employee counseling service, wellness programs, in-house training and ongoing professional development. The firm has an

¹³ Study conducted by Blythe Dalton, Danny McGinnis, Robert Puckette and Martin Smith.

important economic impact on the area. In addition to employment and wages, the company pays normal business taxes, but also generates more than \$20,000 per year in sales tax revenues for Wise County.

When Crutchfield was making its decision to locate, its main concern was availability of labor. Before making the decision to locate in the City of Norton Crutchfield considered the tidewater region but decided to come to southwest Virginia because of the quality of applicants. The excellent labor force availability in this area with a number of skilled applicants was the key to the firm's decision. Other factors included the availability of housing stock, the cost of living and access to infrastructure. The company faced a challenge in establishing digital data lines between the City of Norton and Charlottesville.

Crutchfield did not receive any financing through VCEDA, but VCEDA still contributed to their decision to locate. VCEDA frequently assists in the construction of a building or pays rent during start up. In Crutchfield's first location in the City of Norton area they borrowed space from Verizon and VCEDA paid the lease on that building for a year; however interviews with Crutchfield management indicated that this was a relatively unimportant contribution. VCEDA has interest in information technology and work force enhancement and Crutchfield stated that VCEDA's interest in these factors played a small role in bringing them to the Norton area. During the period when the company was considering the Norton area, VCEDA served as a contact and helped identify alternate locations.

Interviews with Crutchfield management suggest that the firm would have come to the area even if VCEDA had not paid the lease on the building. The firm feels it made the right decision and would not be more efficient in another area. VCEDA's contribution to this

decision was relatively minor, but the authority effectively targeted a high-impact firm and lowered the cost of obtaining information about the benefits of locating in the Coalfield region. The focus by VCEDA on technology-oriented businesses whose needs reflect the strengths of the area proved to be a beneficial strategy.

Historic Crab Orchard Museum and Pioneer Park: A Case Study in Tourism Development¹⁴

The Crab Orchard Museum is a non-profit cultural organization founded in 1982 located in Tazewell County, Virginia. Its mission is to preserve cultural heritage of the Appalachian region through education, and educate the public about the historical significance and importance of the local area. It achieves these goals by providing: an interpretive museum, preserving authentic historical structures, on-site tours and demonstrations, educational outreach programs, and sponsoring special events. Employing eight people, the museum's annual operating budget is \$288,000 and the gift shop brings in an additional \$20,000 in revenues. Approximately 18,000 people visit each year. Because of its modest size, the museum does not have a major economic impact, but it does contribute to economic impact through the tourism it stimulates. This museum is located near route 460, a busy road connecting major Virginia cities and is a popular road for travel. Increased tourism means an increase in business for local service providers, such as restaurants, hotels, and gas stations. It also can mean indirect impacts to other local tourist attractions, such as Burke's Garden, Hungry Mother State Park, and other local art, cultural and recreation-oriented attractions.

VCEDA has given two grants to the museum for (i) capital improvements, and (ii) development of new facilities; the grant amounts were \$300,000 and \$100,000, respectively.

¹⁴ Study conducted by Lana Arthur, Jessica Daniel and Ted Martello.

As a result of these grants, 2,500 square feet were added to the museum center and planning was started for a future farm heritage site. According to Charlotte Whited, the executive director of the museum and the group's primary contact, the experience with VCEDA was very positive and easy. She said that VCEDA does not require much "hurdle-jumping" to get funds, and that the organization offered some good business advice. Discussion with the museum director showed the valuable role VCEDA plays through its monetary and other support to tourism development.

VCEDA's Tourism Matching Fund is the method that VCEDA provides funding, in the form of grants and loans to tourism-related organizations. This one-to-one matching fund is the only source of funding provided by VCEDA to what it deems 'tourism-related' organizations within its region and is to be used primarily to improve facilities. By contrast there are four other types of loans and grants available to for-profit manufacturing and service businesses within the area.

Grants from VCEDA both indirectly and positively impacted the visitor numbers and admission revenue to the Crab Orchard museum. Another effect of the grants was allowing the museum to stay open and increase its outreach program to local primary schools. The museum now provides services to about 6,000 school children in southeast West Virginia and southwest Virginia. The program is designed to create an interest in children about local history and complement in-class learning and Virginia SOL requirements.

VCEDA's support also has impact by improving quality of life for the locals as well as visitors. The Crab Orchard Museum has preserved local genealogy records dating back to the early 1800s; these records are vital to people who want to learn about and preserve their

cultural and genealogical heritages. This increased quality of life a cultural amenity like the museum provides can also help to attract businesses as well as skilled labor to the area, thereby having a ripple-effect economic impact. Finally, the museum has been able to expand its marketing ability as a result of VCEDA assistance. This marketing includes: a radio advertisement spot, ads in regional newspapers, brochures in visitor centers, a website, and press releases to the media.

The policy of supporting organizations such as the Crab Orchard Museum can help increase tourism by providing a variety of tourist attractions to appeal to more people, and also helps preserve cultural landmarks and local heritage. While the direct economic impact that VCEDA has on the museum is relatively small to other larger corporations it helps to support, the indirect, non-tangible impacts of cultural tourism education should be the primary focus in this case. It is important for VCEDA to recognize that looking for a massive economic impact to the region is not the only way to measure success. By supporting the Crab Orchard Museum, and other similar organizations, VCEDA is helping to both preserve a unique past as well as present that past to tourists, residents and schoolchildren.

KCG Call Center, Pennington Gap, VA¹⁵

KCG Call Center is a branch of Results, a company that is headquartered in Florida. KCG officially opened its Pennington Gap operation in 2005. It is currently located in an old tobacco warehouse and takes customer support calls for three companies, and solicit for one other company. It employs 185 people in Lee County.

¹⁵ Study conducted by Charlie Rudolph, Chad Delp, Steve Weadon, Andrew Beahm and Lindsay Bade.

When choosing a location for the center, Results looked at 48 states and quickly narrowed it down to three –Oklahoma, Florida, and Virginia. They were in search of strong incentives and an adequate supply of labor force. Virginia was chosen rather quickly due to its overwhelming incentives and support. Lee County Virginia had a strong need for jobs in the area, and KCG had jobs that they needed filled so the decision to locate in Lee County was mutually beneficial.

US Representative Rick Boucher and Tim Long, Executive Director of the Industrial Development Authority (IDA) in Lee County, Virginia, were essential in attracting KCG to the area. They worked in conjunction with VCEDA to identify and obtain financial incentives. They provided tours of alternative locations and helped lower the costs of obtaining information about the area. VCEDA offered an \$8,500 grant for equipment as a part of the package to attract KCG. KCG stated that this incentive was extremely important and helpful to them in making the decision. The original investment by the firm was over a million dollars.

KCG is now in the process of moving to a new public building to accommodate recent expansions. VCEDA recently provided an \$8,500 grant for equipment. The new building will have 250 seats and at full capacity will employ 400 people. The preferred level of education for a typical KCG employee is a high school diploma, but it is not required. The firm can accommodate class schedules of its employees and is committed to improving its workforce. It works with the local high school's Marketing Co-op program to hire students as part time employees. These students get credits in school, while working with KCG. They currently employ 20 students part time.

KCG and VCEDA continue to have a working relationship, however at this time there are no continuous loans or incentives. KCG is very satisfied with the help that they have been given. They said that they have a wonderful working relationship with VCEDA as well as Rick Boucher and Tim Long. They seem very satisfied with the decision to locate in this area.

Mountain Forest Products, Dickenson County, Virginia¹⁶

Mountain Forest Products is a lumber company specializing in hardwood chips for the paper industry, hardwood lumber, railroad ties, and high-grade hardwood logs. The products are sold primarily to industrial companies. The company employs approximately 50 people including contractors. According to Mr. Kindig, the contact who was interviewed through e-mail, “The goal of the company is to improve the profitability of our existing operation.” Originally, the mill was started by Pittston Coal Company, which was located on 140,000 acres in Southwest Virginia. This was the main factor in locating the mill in the area, though they never considered locating elsewhere.

The most important factors affecting the firm’s operations are access to infrastructure, transportation services, and availability of resources such as timber, quarries or coal. Other factors, of less importance were the availability of labor, cost of land, highway access, market availability, ability for expansion, zoning regulation, and government restrictions. Availability of capital, tax incentives provided by the government, financial services, local amenities, local demand for consumers, per capita income of residents, technology infrastructure, local market competition, availability of complimentary services, and the

¹⁶ Study conducted by Philip Henley, Elise Huff, Christine White and Heather Weeks.

ability to export the product without losing profit were all relatively important factors ‘low’ on his list, though he did not provide any reason as to why these were listed as low. As is evident from this list, most of the more important factors to this firm are out of the control of VCEDA.

Mr. Kindig was asked about the impact of VCEDA in the business success of Mountain Forest Products. The firm clearly would have located in Southwest Virginia with or without VCEDA’s presence, primarily because of the proximity to railway sites, which was a substantial deciding factor. However, Mountain Forest Products did take advantage of a low-interest loan to finance the rebuilding of a major piece of equipment provided through VCEDA, as well as some other financial help for training. This was beneficial, because according to Mr. Kindig, “Anytime we are able to lower our borrowing costs, it helps.” These were the only programs offered by VCEDA that Mountain Forest Products took advantage of, though when asked if there were other services that could have provided additional assistance, none were listed.

Currently, the company is struggling with transportation costs, as rail is their main form for shipping their product to their customers. The escalation of rail rates in recent years has hurt their competitiveness. Moreover, the revival of the coal business has allowed railroads to raise prices where it has hurt other shippers. Had the company known of the change in rail costs, they may have considered other locations, especially those closer to one of their major customers in Kingsport, Tennessee.

Overall, the existing parent coal company was the driving force in the company’s early choice to locate in Southwest Virginia. Still, this region has a desirable location in relation to

availability of necessary resources, because of the nature of the company, as well as the proximity to rail sites. Other than marginal financial help from VCEDA, Mountain Forest Products did not utilize the organization, though its existence in the region has provided support that is clearly needed in the area, to help boost the economic growth.

Tempur-Pedic Corporation, Duffield, Virginia¹⁷

Tempur-Pedic is a multinational firm with several manufacturing locations in the US. It opened its operations in Southwestern Virginia in 1999. At that time, the company, which is headquartered in Sweden, was considering a large number of alternative locations. Its decision to locate in Scott County was heavily influenced by VCEDA actions. The company now has more than 270 full-time and 75 part-time/temporary employees.

Tempur's responses to the telephone interview indicated that their interactions with VCEDA helped their decision process in a number of ways. First, the direct economic incentives contributed by VCEDA were deemed important. Second, and perhaps more important, VCEDA helped identify and obtain additional financial incentives through the State and Local governments. Property tax exemptions from Scott County and additional grants were important, but economic incentives provided through the State, including general income tax credits, property tax credits, enterprise zone credits and a \$550,000 grant to assist with site preparation were more substantial. VCEDA provided a contact point, helped identify these opportunities and coordinated preparation of the economic development incentive package.

Other factors, not directly influenced by VCEDA, were also important, such as access to good quality labor, infrastructure and utilities. VCEDA helped the firm obtain improved

¹⁷ Study conducted by Phillip Chong, Hunter Richardson, Chris Boryan, Amie Ruggles and Annie Gay.

infrastructure through VDOT road access funding. VCEDA's commitment to improving the quality of the local labor force was also stated as a non-significant contribution to the location decision.

VCEDA's contribution to the decision process was an important one. In addition to coordinating provision of incentives, the authority served as an ambassador to the region. It helped raise the profile of the firm among state government, from which most of the incentives came.

West River Machinery, Oakwood, Virginia¹⁸

West River Machinery is located in Buchanan County, Virginia, and began its operations in 1985. The company manufactures conveyors, gear boxes, and reducers, and sells nationally and internationally to coal, stone, sand, gravel, and phosphate mining industries. A sister shipping company, Royal Trucking, hauls West River's shipments and sells trucking services to other businesses. The company is well-linked to local suppliers; it purchases motors for conveyors from Verona, Virginia and 95% of its metal inputs are acquired from local sources.

West River Machinery had its first encounter with VCEDA in 1988, when the company received a \$90,000 low-interest loan to expand its business. It had an additional encounter in 2003, when seeking to consolidate its operations in a single site off Rt. 638. This location was convenient for transportation and large enough to house all operations. West River took advantage of a low-interest (2% annual rate) \$500,000 loan offered by VCEDA. In a personal interview, Mr. Joe Street, the owner and manager of West River Machinery, discussed his

¹⁸ Study conducted by Sam Crosby, Michelle Guarino, Katelyn Koontz and Brandon Waldron.

firm's experience with VCEDA. He stated that the low-interest loans were welcome, but the presence of VCEDA had little to do with the decision to locate or upgrade his facilities. Attributes of the area, access to raw materials, transportation, and skilled labor were all considered to be important factors in the decision. The relationship between VCEDA and the business was described as akin to a relationship between a banker and a client; access to financial resources was appreciated, but the business did not have a strong positive perception of additional services or support provided by the authority.

Comments from the Webex Platform chat box:

July 8, 2021 6:52 PM from Keena Mullins to host (privately): " I grew up in Clintwood, VA and after getting my education- I returned in 2011 and began working in economic transition advocacy- with people like Adam Wells. I lobbied for funds to be allocated for job creation in my community until I heard about Coalfield Development Corporation's Rewire Appalachia program in 2016. This program was designed to train people from traditional coal communities to install solar, and I saw this as an opportunity to transform the region so I set out to learn solar in WV the same year. I've been working directly in the solar industry ever since. In 2019, the former president of Rewire Appalachia and I co-founded Revolt Energy with the sole purpose of creating good jobs in our region. By the end of 2020, we were a staff of 10. In May of 2021, we were acquired by Nitro Construction Services- a union construction company worth multiple millions of dollars and in business since 1959. We are a union company, which means the labor jobs we create are permanent. We

July 8, 2021 7:00 PM from Keena Mullins to host (privately): Our entry level installers need no experience and their pay starts at \$15 an hour plus IBEW benefits. For every 5 installers we need about 4 support staff. The lower range salary for support staff is higher than SWVA's median income- about \$50k. The highest pay among those support staff is over \$100k per year. Prioritizing union labor in renewable energy projects ensures that the labor used to build the inevitable solar projects that will happen in this region will go to the local workforce. I am currently bidding on a project that is over 2 Megawatts sited on land that I own in Clintwood VA. If we win this bid, due to IBEW rules, we will only be able to send 4 of our installers to Clintwood. We would need about 36 installers of all electrical training level. including people that have no field experience at all. The installers will be pulled from the local covering SWVA (based in East TN). We would be able to create over 50 jobs with prevailing wage due to one project. Just transition

July 8, 2021 7:03 PM from Keena Mullins to host (privately): There is unlimited potential for job growth in the solar sector. These are good paying permanent jobs. We will also need sales, marketing, project managers, system designers, field operations directors, and logistics coordinators. With support, Revolt Energy could set up shop in Dickenson County within a year.

July 8, 2021 7:03 PM from Keena Mullins to host (privately):
END COMMENT.

July 8, 2021 7:44 PM from Beth Stockner (privately): Hello, my name is Beth Stockner, I am here tonight on behalf of the Virginia Oil and Gas Association. A letter will also be submitted on our behalf. The Virginia Oil and Gas industry supports thousands of direct and induced jobs which are production related here in Southwest Virginia resulting in approximately \$114.4 million in salaries in the area.

The gas industry pays millions annually in severance taxes resulting in approximately 9% of the local general fund budgets of counties from which natural gas is extracted, helping to fund public services and public schools.

According to recent studies the global outlook for gas and LNG through 2050 shows strong growth.

Now is not the time to scale back on economic development for Virginia Coalfield Economic Development Authority's e-Region. Now is the time to restore funding being lost through the elimination of Coal Tax Credits to ensure development efforts.

July 6, 2021 6:38 PM from Tommy Wright to host (privately):

I'm having extreme technical issues and I'm unsure if it's on my end or from the site. Having said that I simply want to say I strongly support the work VCEDA has done with the local community and more specifically Southwest Virginia CC. Without their support, we would not have certainly struggled to accomplish many of the great projects/educational efforts they have partnered with us on. Randy Rose is attending in person and will speak to our support of VCEDA. Thank you, Tommy Wright - President SWCC.

June 8, 2021 6:42 PM from Gary Norris to host (privately):

Bringing new businesses to the area is a great start. However, support for new businesses entering the economy is imperative. Support such as realistic strategies that help new businesses create marketing and messaging that is relevant for the local consumer. Messaging that works in Richmond will not work in BSG. Equipping new businesses entering the market to achieve realistic success is critical. Having worked with many EDCs and EDPs in different states and different economic challenges, the one thing that is overlooked is providing new companies and businesses with the analytics and demographic research to craft specific marketing and messaging.

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Commenter: Kathy Selvage

Re Energize Southwest Virginia -- DMME Capabilities

DMLR/DMME is not exactly the right state agency to ascertain the best economic path forward for the coalfields of far southwest Virginia.

Their experience has been vast as one of governing the extraction/economics of coal and reclamation for decades. Coal has been a mono economy that has not broadly benefited the citizens; instead, it has benefited mineral rights owners, most often located elsewhere. Destruction provided tax revenue for local governments through separation taxes and as you know, the industry has been the recipient of many tax incentives, etc. that did not benefit the public at large.

The southwest Virginia coalfields need some of the best economic minds in the country to aid in the growth of a truly diversified localized economy in order to facilitate economic transition and DMLR/DMME has neither that expertise or experience on its resume, to the best of my knowledge.

Commenter: Southwest Virginia's New Economy Network

The New Economy Network on Investments to Reenergize Southwest Virginia

Southwest Virginia's New Economy Network (NEN) is a regional group of organizations and citizens that focuses on sustainable economic development and transition in the coal impacted counties of Southwest Virginia. We serve as an open forum for groups and individuals engaged in economic development, diversification, and transition work. NEN has representation from all seven coalfield counties.

The NEN works under four common principles:

1. Sustainable economic development is necessarily intertwined with sound environmental stewardship.
2. Issues of economic and environmental justice should always be considered and valued when making decisions about the future of our region.
3. We are stronger through collaboration.
4. Everyone's voice is essential and will be given equal consideration in discussions and decision-making.

NEN has collectively identified the following subjects as crucial pieces of a sustainable economic transition in Southwest Virginia in light of the elimination of the Virginia coal tax credits.

Equitable Land Ownership

The existing land ownership structures in Southwest Virginia are inequitable and have hindered local tax revenues, kept landholding corporations anonymous to communities, and restricted economic development opportunities in the region. To address this issue, Southwest Virginia needs support to change the tax structure on large absentee landholders so localities can raise tax revenues, incentivize development and use of the land, and encourage the sale of land back to our community. Counties need funding to provide public access to accessible and up-to-date virtual land ownership records that include landowner, acreage, and assessed value. We must also ensure fair and economically viable land access opportunities for local agriculture and other land uses by incentivizing multi-year leasing on undeveloped property.

Education and Workforce Support

In order to provide a viable economy, Southwest Virginia must see investment in our educational institutions, job training, and worker support structures which increase the available workforce. We need increased educational funding focused on training – and retraining— for advanced manufacturing, eco-tourism, trades, and other emerging job opportunities. We must increase access to basic life and family necessities such as affordable housing and childcare.

Cooperative and Small Business Support

In order to diversify and increase the resilience of Southwest Virginia's economy, the region needs increased support of small businesses and entrepreneurs. Information on new business models such as worker-owned and customer-owned cooperative businesses need to be made available by our local business support systems. Cooperative enterprises are more resilient during economic hardships and circulate more wealth locally. By building and diversifying statewide support of these business models, we are building resilience in our community.

Recreation and Tourism

Tourism has been identified as a significant piece of the economic future in Southwest Virginia. The Commonwealth must continue to enhance our eco and cultural tourism economies by investing in regional marketing efforts, training for key staff, and infrastructure. This must be done in a way that ensures the development of recreation infrastructure is conducted in an environmentally responsible and sustainable way.

Mine Land Reclamation

Abandoned mine lands, lands mined before 1977, across Southwest Virginia hinder economic development opportunities, negatively impact our environment, and endanger our communities. The Commonwealth must invest in restoring mined lands and brownfields across the region while improving our environment, creating jobs, and increasing economic opportunities in the most coal impacted communities of Virginia.

Renewable Energy

In order to transition from the coal economy, Southwest Virginia must have equal access to new energy development opportunities such as solar energy. Incentivizing and supporting local alternative energy businesses, manufacturing, and development is imperative. Development should be done in a way that maximizes the use of coal impacted lands, such as abandoned mine lands and brownfields, while preserving farmland. Access to cost-effective renewable energy should be incentivized for low-to-moderate-income communities. Shared solar programs should also be made available through our local utilities to increase accessibility to all community members.

Public Healthcare

In order to grow our workforce and provide adequate healthcare and recovery options, the Commonwealth must support individuals experiencing substance abuse and mental health needs. We need to provide better support for individuals recovering from drug abuse, ensuring a system to transition them back into the workforce and creating positive relationships with their communities.

NEN recognizes that this is not an exhaustive list of the needs of Southwest Virginia. As such, we believe that these conversations must be ongoing. Future listening sessions should be held in a more accessible and strategic manner that puts public engagement first. These efforts must be coordinated with the appropriate organizations as designated by the Commonwealth, including the Virginia Council on Environmental Justice, to ensure these critical opportunities for impacted communities are held in a just, lawful, and equitable manner. Engagement with Southwest Virginia communities cannot end here if we are to have a successful economic transition. Furthermore, allocation of and decisions about funding should also include the range of organizations in the region that are working to build a revitalized economy. The state should consider alternative funding mechanisms, including the creation of a just transition fund to be managed by existing state agencies

Commenter: Tracey L. Wright

Southwest VA's Economic Transition

I have only lived in Southwest Virginia since May 2019. In that time, I have come to love this place and its people. I have also been heartbroken by the amount of poverty, lack of infrastructure, broadband access and economic opportunities for this region. It feels like we are the forgotten area of the state. I have heard concerns from parents about their children leaving the region upon graduation from high school or college due

to the lack of professional opportunities. I have volunteered at local non-profits and witnessed the long lines of people who are in need of food and personal supplies due to lack of employment opportunities. I have held conversations with my sisters in my sorority for education professionals as they have talked about youth who desire to draw a check for their living, as they are products of generational poverty.

Having moved here from the Chattanooga, TN area, it is hard to understand how a region has for so long relied on only one major source of economic development. It is hard to watch how challenging it has been for people to realize the coal is on the decline, and that it will not be returning to that level. Assistance in helping our community leaders find new sources of economic growth and development is vital. Holding mine owners accountable for providing economic support to help the communities reclaim and repurpose the mines that they have raped and left abandoned is an essential part of the process that is needed. It is also critical that mine owners are held accountable for continuing to provide health care to former miners who suffered health issues as a result of working in the mines.

Working with local officials to help them develop policies and strategies that will help this region attract and retain new clean industries is another important step. Given the remote location, it is so important resources be provided to enhance the infrastructure and help address the housing needs of our communities. There are quality educational institutions that can provide education and training that new industries will require. It is time to show this region that we are not the forgotten part of the state. Thank you for the opportunity to express my thoughts.

Commenter: Adam Malle

Low Income solar and economic access

My comments are pretty straightforward, I am a 37-year-old quadriplegic disability recipient who works part-time within my capabilities. I have been in a wheelchair for 23 years and have spent most of that completely dependent on the social safety net for my medical needs, independent living, housing, transportation, and at times to provide for food.

I fall within a lot of cracks, I am systemically required to maintain poverty in order to receive personal care assistance, if my income goes above \$22,000 per year every dime of it gets taken as a "co-pay" for my personal care that on any given week could be 56-80 hours of care need. There is a giant gap between my current income and what would be needed for independence. Because of that gap I cannot substantially increase my income to the point that I pay any significant personal income taxes, federal or state. Therefore, I don't qualify for solar subsidies and if I get solar panels (which I'm in the process of attempting to right now) I have to pay full price while people that have higher incomes than I and a much greater ability to afford solar get 26% off through federal subsidies that exclude low income people. It is a poverty penalty much like uninsured medical expenses.

My request is for the state to apportion economic development funds in a way that accounts for the needs of low income individuals and spreads the benefits of these funds to them directly. I would like to see the state of Virginia create a low income solar subsidy that can help fill that gap for people like myself who would like to be energy independent. This would directly benefit Southwest Virginia as a large portion of our population lives in poverty, it will directly support Virginia's stated intent for shifting to renewable energy, and it will, in the long term, assist low income individuals to reduce their environmental impact while also reducing their out-of-pocket daily living costs.

The Commonwealth of Virginia has an opportunity right now to meet its climate and economic development goals while also reducing or eliminating the poverty penalty of federal solar subsidies. I urge you to take this opportunity and help Southwest Virginia community members as we try to end our cycles of poverty. Thank you

Commenter: Kathy Selvage

Re Energize Southwest Virginia

These comments are restricted to Wise County. My name is Kathy Selvage and I have lived in Wise County almost my entire life. Approximately 35% or more of the county's land mass has been permitted for surface mining. EVERY TIME ANOTHER PERMIT WAS APPROVED by DMLR/DMME, IT DESTROYED YET ANOTHER FUTURE ECONOMIC DEVELOPMENT OPPORTUNITY by isolating permits with total disregard for the cumulative effects of our severely marred environment in both surface and water. Please visit this link and maneuver around this location for a look at just one site that I speak of. There are many. <https://earth.google.com/web/search/37.01580000000,-82.77200000000>

YOU CANNOT HAVE AN ECONOMY WITHOUT PLACE.

Any assistance should NOT be focused on programs or procedures that are anti-worker, riddled with corporate tax breaks, or enterprise zones.

There is a dire need for basic foundational facts that should be shared broadly with all citizens to greatly inform public participation in the future. The first several in the list is retrievable in agency offices, I believe, if the Commonwealth could assist in assimilating and delivering this information to the public through multiple mediums.

- DMME color coded mapping of all mined lands (pre '77 and post '77) within the county's boundaries and determine extent of reclamation that is still undone (layered in mapping) – to promote following the progression of that reclamation and how it is financed.
- Determine the largest landowners and accumulate tax data (acreage, tax rate, etc.) on property – for perhaps the last five years (County Commissioner).
- Determine if any public monies are being spent on private lands and how much.
- Determine an estimated increased percentage for construction costs on strip-mined lands. Land conditions could be cost prohibitive for utilization, depending on proposed use.
- Determine where water and sewer lines are within the County (WCPSA). Sewer lines would be minimal outside of corporate limits, I believe.
- Review of empty houses and buildings to determine structural soundness and possible repurposing. Stop the succession line of purchasing through the gain of insider information that drives up housing or office costs when some learn prematurely of future development.
- Home ownership rates proportional to the total and home / trailer data to determine appropriate housing needs. Without a doubt, some should be modest, appropriate to household income level, which are for the most part small.
- Medical doctors are short term. Consider identifying locals who are competent and interested, and NEED help with medical education costs, in turn for a long-term contracted stint here. Try to plant them in communities for diversity and crossing of socio-economic lines, of which there is little.
- Determine and map broadband coverage, determine the level of necessity for quality-of-life issues, and seek mentors for young entrepreneurs. Encourage local business owners who are retiring to mentor their employees and give them a portion of the business as they retire. Businesses have vanished partly because the owners retire, die, and the building and business falls down and melts into the ground.
- Encourage at least one conversation between the youth of the area only and the Sec. of Commerce. They are the future and their views should be sought and incorporated as much as

possible, as we are an aging and declining population, and have experienced yet another exodus.

Current employment that could be encouraged and or engaged

- Embrace green energy in all avenues – homes, schools, institutions.
- Restorative work on previously mined/and or abandoned lands with caveat of deep concern for public works and money continuously expensed on privately held lands, especially for large land owners who pay extremely low real estate taxes in the County, thus defunding the County.
- Installation of broadband and plan for maintenance.
- Utilize teams of local contractors (electricians, plumbers, structural, and building) to review empty houses and buildings, and make determination If these homes/buildings are unsalvageable, develop a plan for destruction to reduce blighted landscapes, at owner's expense, not taxpayers' expense.
- Determine mined lands where debris, rusted machinery, old tires, abandoned tipples and tracks have been left and offer employment to miners to clear and scrap the metal, at the owner's expense.
- Look at transportation needs realistically—consider whether rails could be used for transportation of goods—perhaps even people. List of places that could be used for small manufacturing related to outward transportation of product.

I would never encourage public private partnerships. There could be increased public costs to cover the cost of their risk (they say) and there cannot be sufficient accountability as they like to say it's proprietary. Just one reason. In our case, public funds will go to the same businesses who did the damage to now repair the land, and the masses of land lie in the hands of the few. It's an economic loop of corporate welfare.

A new green economy will go much further in developing a future for SW VA than the usual public-private partnerships. LET'S GO GREEN and LEAN and build a much-needed broad foundation on which a future of economic diversity can emerge and materialize. Invest funds into projects with measurable, long term results. Stop us from spinning our economic wheels.

Commenter: Ellen and Don Elmes

shared solar community energy programs

Submitted by Ellen and Don Elmes
7902 Pea Patch Road
Jewell Ridge, VA 24622

Here is a written summary of our comments given at the Reenergize SW Virginia Listening Session at Richlands High School on July 6, 2021:

We are speaking here tonight as homeowners and public utility customers in Southwest Virginia. We've lived on a mountaintop in Jewell Ridge on the Buchanan County side of the road for almost 50 years. We have long been interested in providing at least some of our electrical power

needs by use of solar panels for solar power generation. When, during the past year, we finally looked into installing solar panels on the rooftop of our house, we realized by looking at an aerial view of our property on Google Maps how totally and tightly our house is surrounded by thick forest foliage – a fact that prohibits our use of solar panels, (unless we cleared hundreds of trees from surrounding land!), as the panels would receive only short hours of sunlight daily. But we’ve been heartened to learn recently about the possibilities for solar energy development offered to communities around the nation by “shared solar,” (also called “community solar”), projects. This is a way that interested citizens can subscribe, through the payment of their monthly energy bills, to a shared community solar energy system offered by the local power company. Through this system, customers receive energy credits from specific panels on their monthly electricity bill, reducing the cost of their energy consumption. Local citizen stakeholders then have the chance to work together to boost solar industries in their area – providing more jobs, industrial growth, and solar access to everyone, including schools, low-income residents who live in apartments or multi-family housing, or people like us who have too many trees! The problem in Southwest Virginia, however, is that shared solar programs are not available. Appalachian Power and Dominion Energy utilities have been “allowed” by the Virginia General Assembly for four years now to offer community solar pilot projects, but neither utility has made such a program option available to customers and no projects have been built. We are asking for two things:

- 1. That the Virginia Legislature require that public utility companies offer the shared solar option to citizens in localities that desire access to solar, and thereby build solar projects in those communities; and,*
- 2. That the Commonwealth provide economic transition-to-solar support for our region, which would support one of the Virginia Department of Energy’s stated primary goals for addressing climate change and energy diversification.*

We all know now that global warming is already causing disastrous weather patterns, glacial melting, and temperature extremes affecting agriculture, land and water use, and the rise of sea levels. We older adults will not live to see the most extreme results of these cataclysmic changes, but if we don’t act as citizens, communities, state legislators, and Congressional leaders, our children and grandchildren are looking towards life-threatened futures on planet Earth.

We make this appeal for action on all levels of citizenry, and hope to be able to play our part in transitioning to cleaner and safer energy with the help of legislated change in Virginia and our Nation.

Thank you!

Ellen and Don Elmes

Commenter: Anonymous

Environmental Justice Considerations

DMME's recommendations for providing support to Virginia's coalfield region should fully take into account environmental justice considerations. DMME should also provide clear and detailed recommendations to

ensure that funded projects in Virginia's coalfield region adhere to state and federal environmental regulations, including the establishment of meaningful accountability mechanisms to verify that funded projects abide by applicable regulations and experience consequences when such regulations are violated. Some previously-funded projects through VCEDA, for example, have resulted in serious and ongoing environmental degradation as a result of projects not adhering to existing regulations, resulting in enforcement agencies expending excessive amounts of time and public resources to inspect locations of concern, train project managers on applicable regulations, and address/remediate existing impacts. These issues have also impacted (and continue to impact) residents of low-income communities throughout the coalfields in negative ways, with little accountability for damage caused by these projects to date. These issues not only increase environmental harm to public resources but also increase costs to coalfield residents and communities through the funding and resources required to mitigate what are largely preventable impacts.

Adjustments to existing funding structures need to account for these serious deficiencies in accountability for recipients of funding and develop a rigorous framework to ensure the environmental sustainability of funded projects, as well as to verify adherence to existing environmental regulations during the planning and implementation phase of projects and outline clear and meaningful consequences for projects when such regulations are ignored or violated using public funding.

Burriss, Theresa <tburriss@radford.edu>

Wed,
Jul 7,
2:16 PM

to me

Hello,

Please find my ideas about diversifying SWVA economies below. If you need more information or context, please let me know.

Mine reclamation—this can provide jobs to folks AND clean up the environment.

Non-timber forest products/medicinal herbs.

Sustainable agriculture.

Industrial heritage tourism. Connect this to worldwide initiatives to create, for example, international industrial heritage trails. This could also lead to sister-cities/towns.

Ecotourism.

Widespread broadband.

Intentional communities, such as retirement, artist retreats, etc.

Virginia Community Capital does a great job of helping entrepreneurs, but we need even more available capital, especially local. How can we incentivize angel investors, for example?

Thank you for your time,
Theresa

Theresa L. Burriss, Ph.D.

Director, Appalachian Studies/Appalachian Regional and Rural Studies Center

Director, Academic Outreach, Southwest VA Higher Education Center

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On Fri, Jul 9, 2021 at 10:34 PM bill bunch <billbunch@gmail.com> wrote:

I was very pleased to attend the listening sessions! I was not surprised to see the main two viewpoints presented.

On the one hand, there was a number of citizens, young and old codgers like me, who spoke on a variety of ideas and topics most praising the coming of the new energy age and the opportunities presented to our region! If we can get in on the action!

We want the new infrastructure jobs:

Manufacturing, installation and maintenance!

We want support for modern locally produced food sources. Small scale intensive agriculture that nets the farmers a middle class income!

On the other hand, there was a procession of local government officials and government agency personnel all complaining about the demise of VECEDA and it's "lean" towards COAL! The Tazewell County Board of Supervisors passed unanimously a ludicrous resolution that blamed "environmental regulations " for killing coal!

Please rescue our region from these short-sighted people who are refusing to embrace the very infrastructure and economic development programs that will help us in favor of continuing to protect their stock portfolios!

Thank you,

Bill Bunch

Tazewell Va

jscardo@verizon.net

Mon, Jul
12, 8:09
AM

to me

Sirs/Madams,

Thank you for the opportunity to make comments on better diversify the economy of SWVA. Please acknowledge you received the comments so I don't send them again.

With the Death Valley temperatures in the NW and British Columbia and a billion of sea creatures cooked, I think most of any of the monies should be on track to help mitigate climate change. The window of time is shutting down.

*** There are is a vast amount of abandoned coal mining sites and a staggering amount of cleanup that needs to be done at these site. The sums to do this work is huge. The worst should be done first. Our clean drinking water is vital.**

***Some monies be made available to help small towns, small cities upgrade sewage treatment and water lines and grants be made available to low income rural households for septic systems when hookups to sewage treatment plants is not feasible.**

***Planting millions of trees to increase the forests for carbon sink should be undertaken immediately and ways to reduce the predation of deer on young trees that would be planted. The work of the Virginia Forestry Department and funds for the Department and the effort would have to be increased. Get the young people involved in the tree planting and hired for that.**

*** Help attract some of the manufacturing of solar panels, electric vehicle charging stations or related items to the coalfield counties. Incentivize cleanup and use of some abandoned coalfields and brownfields for manufacturing, fields of solar panels. We have the rails.**

* **Make monies available for super greenhouses and hydroponic operations. This could help avoid shipping the groceries long distance and cuts the carbon dioxide emissions . The hydroponic operations would include growing tilapia (fish). There would be some employment from this.**

***Invest in solar infrastructure in the coalfields as much as possible. Grants to put solar panels, solar energy for at least one big government building in each of the coalfield counties as a way to set example, save counties money and give some employment . Help public schools get the solar panels, be solarized.**

***Make funds/ grants/ incentives available to start up a big paper recycling plant to collect the cardboard, newspaper and other paper and turn it into recycled paper, cardboard boxes, toilet paper and the like. The woman in China who did this is/was said to be as rich as the Queen of England. How is it we never get this going. We do have the rails.**

***Make community college in the coalfields as affordable as in Blacksburg--free. Maybe expand some of the certifications given.**

Thank you for consideration of these comments and undertaking working with all the comments you will receive.

**Gerry Scardo
Clintwood,VA**

cmullins@bvu.net

Wed, Jul
14, 10:20
AM

to me, Jonathan, Charlotte

I would like to provide some input to DMME regarding the summit inputs held in the region.

I was unable to attend in person but would like to provide my insight and suggestions based upon my personal experience. Prior to my retirement, I served as the first Economic Developer for Dickenson County for 17 years and Chairman of Spearhead Authority. Following is a snapshot of progress in Dickenson County which are not coal related.

1). When I began, Dickenson County had two (2) manufacturing plants (sewing factories). They were Clintwood Garment, located in Clintwood, and Donnkenny ,located in Haysi.

Donnkenny closed just months after I began my job in 1998. It created many jobs for lots of our people for several years. The site development was on a mine portal site. **Site development, building and equipment was funded by VCEDA**. Clintwood Garment closed a couple of years later.

2) Prior to my tenure, VCEDA funds, along with state and federal funds, help purchase property in Clintwood for an industrial site. VCEDA finds helped to erect a 40,000 sq. ft. she'll building.

- 3) When I began in 1998, **VCEDA** had attracted the first call center to be located in the Happy Valley Industrial Park. I was hired, and construction of a two story call center began. This facility now houses SERCO (downstairs) and SAIC (upstairs). **Site development, building and equipment was funded by VCEDA.**
- 4) The original 40,000 sq. ft. shell was expanded to a two story 60,000 sq. ft. facility which became the Dickenson Center for Education and Research. **Building expansion and equipment was funded in part by VCEDA.** Unfortunately, we were able to host many educational classes there but unable to get it fully off the ground. However, Dickenson County was mandated by the Supreme Court to renovate or build a new courthouse. We were able to build out the unfinished space to temporarily house the courts while the new courthouse was being constructed and to house the county offices. Without the primary shell building, Dickenson County would not have been able to as effectively meet the the court mandated order. **This is an example of how VCEDA funding is helping localities who are strapped for funding to be able to meet the needs of their citizens without placing a tax burden upon them during their tough economic times.**
- 5) The hospital closed due to bankruptcy leaving the county without a hospital. Citizens had to drive to Grundy or Norton if they were experiencing a heart attack (we did have some deaths documented during the closure). **VCEDA stepped up to loan the county \$1.79 Million to buy the hospital out of bankruptcy and restore healthcare to the citizens.** without a hospital, recruitment of business and industry is much harder if not impossible.
- 6) With the help of **VCEDA recruitment** of Travelocity, Dickenson County constructed a childcare facility in the industrial park to meet the needs of the employers and employees enabling citizens to provide care for their children so they could work. **VCEDA funded all kitchen equipment for the center.**
- 7) The industrial park became the Virginia headquarters of Equitable Resources. Later it is home to a PSA facility, UMW hall, and the Health Wagon. **Because of the investment by VCEDA in the industrial park we were able to bring additional jobs to the county and help diversify our economy.**
- 8) We continuously heard from companies as well as citizens the need for a hotel. We tried to recruit a flagship hotel without success. **However, with the help of VCEDA we were able to offer a low interest loan to a company to locate the Clintwood Sleep Inn and Suites.**
- 9) With the industrial park now about full we found ourselves in need of a new park. **With the help of VCEDA funds we purchased property in the Red Onion section of Dickenson County (on the border of Wise County) to begin construction of a new industrial site.** I feel it worthy to note this property is a former surface mine project. But to make the site work we had to get sewer and water to it. **Again, VCEDA came to the rescue and helped provide funds to extend both to the site.**
- 10) The seven counties and City of Norton would not have been able to realize the success of the Spearhead Trails initiative without the **funding provided by VCEDA for construction and equipment.** This initiative has brought new businesses to the towns where the Trailheads are located. In Pocahontas for instance, no new business has located there for 50 years until Spearhead opened. Now they they two RV resorts,

BnB's and a Dollar General as well as individuals who have purchased properties with plans to renovate and open businesses. Take a look at what it has done for Buchanan County, Haysi, St. Paul and Coeburn. Its worthy for DMME to note, Spearhead utilizes mine and timber properties.

VCEDA funds has also assisted in small business development projects. Projects which are essential to entice larger businesses and industries to the county.

As you can see, without the aid of the **Virginia Coalfield Economic Development Authority**, the county would not be where it is today. The county did not have the economic ability to make the investments and companies were not willing to take a chance on us without the assistance that could be offered by **VCEDA**.

My concern is without the continued assistance of VCEDA the county will find itself in the same position and worse because they are also losing funding due to the decline in coal production.

As you move forward I am hopeful you will take into consideration the essential role VCEDA has played and needs to continue to play in economic development.

Thank you for your time and consideration of my comments. If I may be of additional assistance or you have any questions, please contact me at the information below.

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Marketing Ambassador
Virginia Coalfield Economic Development Authority

John & Sharon Thomas
PO Box 1043
North Tazewell, VA 24630
276-202-2822

July 13, 2021

Reenergize SWVA
Virginia Department of Mines, Minerals, & Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

RE: Tazewell Cinema & Entertainment, LLC
Bargain Mart, LLC
Southwest Virginia Energy Consultants, Inc.
Virginia Solar Manufacturers, Inc.

To Whom It May Concern,

Most people would label John & I as true entrepreneurs. In 1981 we started J&S Transport with \$100 and a pickup truck. At the peak of J&S we had 40 tractor trailers and 10 straight trucks on the road daily. We hauled 100% for the Coal Industry. All sorts of mining equipment, continuous and longwall, roof bolts, steel, belt, if it would fit on a flatbed and related to coal, we hauled it. COAL is a 4-letter word, and COAL is dirty, but it has provided a way of life for area residents for generations. And although "steam" coal is quickly becoming a thing of the past due to regulations. "Met" coal will always be needed for steel production. We can't turn our backs on coal nor can we turn our back on Virginia Coal Economic Development Authority, VCEDA.

It is our understanding that VCEDA obtains its funding from coal and severance taxes. We plea that VMEE does not take its funds out of the once coal producing counties of Buchanan, Russell, and Tazewell and redirect them to UVA Wise. VCEDA has helped so many small businesses in our area. Its Seed Capital Program

promotes the startup of small business. So many startups cannot obtain traditional funding and VCEDA gives them the foundation for success. VCEDA has helped several business' that we are involved with.

In 2018, the Town of Tazewell gave us the opportunity of reopening the local cinema. VCEDA through Tourism Development granted us a \$150,000 low interest loan for the project. Due to the pandemic, we have not withdrawn funds from the loan, but an extension has been granted. We would have never started the project without the help of VCEDA. And one day, Tazewell Cinema & Entertainment will open its doors.

Later in 2018, the only "department" store in Tazewell, Magic Mart, closed its doors. In order to fill this void, we opened Bargain Mart, LLC. Bargain Mart has had a large variety of inventory: TV's, Appliances, Flooring, Hardware, Tools, Lighting, and Clothes. Once again, VECDA was there. We were awarded a Seed Capital Matching Fund Grant in the amount of \$10,000. This enabled us to increase our inventory for better selection and promote growth.

It's ironic, but just last month, VCEDA awarded Southwest Virginia Energy Consultants, Inc. A \$6500 Matching Seed Grant. To us there is no better way to Reenergize Southwest Virginia. SWVA Energy Consultants was created to introduce renewable energy to our area. Our mission is to consult businesses and individuals by bringing them together to improve valuable land resources while creating renewable energy. We are discussing plans with several large coal mine property landowners of converting brownfields and valley fields into solar panel fields. We are introducing solar to farmers for grow houses. This will allow year-round production of vegetables, fruits, organics, and even cut flowers. Our main goal is to bring a solar manufacturing facility to Southwest Virginia that includes a training center for installation of solar panels.

Virginia Solar Manufacturers is moving to Southwest Virginia. And Yes, VECDA is working with us on this project as well. Both Mr. Jonathan Belcher and Mr. Tim Danielson, Tazewell Co Economic Development, have been very receptive to this new business. Tomorrow we are visiting the Bluestone Shell Building to see if this building can serve both manufacturing and training.

These are challenging times for Southwest Virginia. It is time to bring Renewable Energy to Southwest Virginia. To our knowledge, thus far, everything with renewables has been in Lee, Scott, and Dickenson Counties. It's also time to take politics out of the equation and leave the monies generated by Coal to the Counties that provided it. VCEDA needs this funding and the support of VMEE. We hope that you will take this letter into consideration and oppose the redirection of funds set forth in HB 1899\SB1252.

Sincerely,

A handwritten signature in cursive script that reads "Sharon McReynolds Thomas". The signature is written in black ink and is positioned above the printed name.

Sharon McReynolds Thomas

**Office of Just Energy Transition
Draft Proposal
August 2021**

Appalachian Voices

Contact: Chelsea Barnes, chelsea@appvoices.org, (614) 205-6424

Mission: The Office of Just Energy Transition will increase the capacity of the Commonwealth to steward an equitable and just transition in communities negatively impacted by the downturn in the coal economy. The Office will:

1. Develop a community of practice that facilitates **preparation**, during which the groundwork is laid for a successful transition by planning and beginning to implement strategies to assist communities and workers.
2. Provide assistance during **closure**, during which Virginia's remaining power plants and coal mines close down. This will be the period of maximum negative impact to workers and local economies.
3. Steward a **recovery**, during which workers and communities complete their transitions to a future after fossil fuels and other carbon-emitting economies. For Southwest Virginia, recovery must begin immediately to address decades of coal industry decline; for other communities, recovery can begin now as communities get a head-start on diversifying their economies and workers start planning early to take charge of their own futures.

The Need: The Virginia Clean Economy Act mandates that the Commonwealth transition away from carbon-emitting electric generation, putting further downward pressure on fossil-fuel industries already facing decline as the electricity sector decarbonizes. As Virginia and the country rely less on fossil fuels, workers and communities historically reliant on fossil fuel production and infrastructure will lose jobs and tax revenue, further exacerbating the economic hardships faced in these areas. Coalfield communities have been experiencing the harsh reality of the declining coal industry for decades, and now more workers and communities across the entire Commonwealth will begin to experience this challenging economic transition. As we change the way we produce energy, Virginia has a responsibility to ensure that vulnerable communities are not left behind during the transition.

Action: The purpose of the Office is to (1) aid workers in the transition to new, high-quality, jobs, and (2) help communities continue to thrive by expanding and attracting diverse businesses, replacing lost revenues, and repairing the environmental damage of extractive industries. The Office of Just Energy Transition will collaborate with the Just Energy Transition Advisory Board and create a Just Energy Transition Action Plan. The Office will commission a study regarding the effects of power plant and mine closures to inform the Action Plan in order to better assist workers and communities that will be adversely affected by the loss of jobs and revenues due to the closure of coal-fired power plants. The Advisory Board should include representatives of coal communities, labor unions, regional nonprofits, issue experts, and members appointed by the Governor. The

Advisory Board should lead the drafting of the Action Plan, which must be developed in consultation with stakeholders in impacted communities, within two years after the establishment of the Office, and must be updated every three years. The Action Plan will address the Office's plans for each bullet listed below.

The Office of Just Transition is responsible for:

Administrative

- Administering the Just Energy Transition program and the development and implementation of the Just Energy Transition Action Plan for Virginia.
- In coordination with the Department of Energy, monitoring the timing and location of facility closures and job layoffs in fossil-fuel-related industries and making recommendations for how to most effectively respond to these economic dislocations.
- Engaging in administrative proceedings that are relevant to the purposes of the Office, including matters before the State Corporation Commission and Department of Environmental Quality.
- Developing realistic options for further state support of just transition strategies. Recommending to the General Assembly and Governor legislative changes that would allow the Office to better achieve its purpose.
- Administering a mitigation fund to provide assistance for communities facing closures, including assistance with loss tax revenues and wages, in coordination with the Department of Social Services, the Employment Commission, the Department of Labor and Industry, the Department of Professional and Occupational Regulation, the Department for Aging and Rehabilitative Service, the Economic Development Partnership, the Community College System, and the Department of Education.

Local Engagement

- Working with stakeholders in each impacted community to develop local plans and to inform the statewide Action Plan.
- Supporting the Just Transition Advisory Board.
- Targeting early successes in business start-ups, expansions, retention, and attraction.
- Empowering communities with resources to drive their own economic transitions.

Increasing Funding & Improving Programs

- Identifying funding sources and aligning regional, state, and federal programs, grants, and investments to assist local infrastructure projects and revitalization strategies.
- Identifying and funding environmental remediation efforts necessary to improving community health and attracting economic development.
- Working with state lawmakers, utilities, and mining companies to increase transition funding.

- Ensuring impacted communities have adequate health and social services to support a just economic transition, including access to education, transportation, health care, child care, mental health care, and addiction recovery care.

COMMENTS FOR : Reenergize Southwest Virginia

As citizens of Bluefield, Virginia in Tazewell County, we were asked for our comments concerning better ways to diversify the economy of southwest Virginia.

I spoke at the second listening session at Richlands High School on July 6, 2021. The remarks I made are below, with the addition of hyperlinks that clarify certain ideas. What follows also includes additional ideas that have come to mind since that listening session.

Listening Session 2, beginning at 1:54:22 mark: Connie Bailey Kitts

We're here to talk about the state's efforts in southwest Virginia in economic development. According to the JLARC research report, these have not been terribly successful. In our corner of the state we have seen new manufacturing jobs open, and we've seen the newly proposed fish farm, but we might want to be concerned about even those successes because of an underlying problem, which is...the failure to effectively address substance abuse.

The Economic Problem: How can you sustain businesses and bring in new businesses when a sizable percentage of the workforce cannot pass a drug screen? In this part of the state the problems are pervasive, obvious, and generational.

We still have babies being born drug dependent. We have a foster care system that's a mess, we have grandparents raising their grandchildren, we have jail costs going through the roof and if you live here, you probably know either a co-worker, a family member, a neighbor, a classmate or friend who has had some issue with substance abuse--and all the devastation that it causes, including economic devastation.

The Idea: Invest economic development funds into a farm-based substance abuse recovery center. This is an evidence based approach that's worked.

(Please refer to the bibliography of this scholarly publication of a researcher at the University of Duquesne: <https://dsc.duq.edu/cgi/viewcontent.cgi?article=2950&context=etd> . This research also offers suggestions for the clinical approaches most compatible with farm-based recovery communities.)

The economic merits of a farm based recovery center in Southwest Virginia would be two-fold. First it could put clean and sober people into the workforce, and second, it could train these people with skills that fit in with the agricultural base of the community. (Please see the Tazewell County Comprehensive Plan, page 78-79: <http://tazewellcountyva.org/wp-content/uploads/2015/11/2017-Comprehensive-Plan-Final.pdf>)

There are many issues we're politically divided on with the rest of Virginia but with substance abuse we share bipartisan recognition of the need to do something. Yet what we've done here is—pardon the expression—a little like peeing in the ocean.

The Window of Opportunity : If you do a google search for “treatment center and southwest Virginia”, you'll see that from Salem westward, you can count the number of centers on one hand. But across the border in KY, NC, TN and WV, you'll find the need addressed much more actively.

We know many in this area, who, even when they finally make that potentially life-saving decision that they want to get clean, they find there's no place to go to get help, and they may never have the chance to make that decision again, or even want to.

The Vision: So what could a farm-based recovery center look like?

At this type of center, our fellow citizens, needing help, would undergo detox and participate in therapy and sobriety support meetings like they do at other traditional rehab centers, but this model would also incorporate farming into the recovery program.

Some centers that are currently using this model encourage people to take care of animals, to forage for crops, to garden, and they do that either onsite, or they partner with farms in their area. One economic advantage is that a farm-based model could be income producing and export producing.

Here are several examples:

Farm-based Jacob's Ladder in West Virginia
<https://www.jacobsladderbrookside.com/>

Farm-based Lautari Center in Italy
Their website—which is in both Italian and English—is here:
<https://www.lautari.it/>

Farm-based program in Western North Carolina
https://firststepfarmwnc.org/Alternative_Program.html

The Suitability: So how and why would farm-based recovery be particularly good here in southwest Virginia? Addressing economic development, our County Administrator Eric Young

has said our new focus is to market who we are, rather than trying to change who we are to attract jobs.

1. Farm based recovery is compatible with the heritage and ancestry of Southwest Virginia
2. Many of the people who are in recovery or seeking recovery have grown up in or around farms and worked on farms
3. Many of the people who are in long term recovery and available to help are farmers themselves and they can relate farming to recovery

If you ask what we mean by relating farming to recovery, many addicts will tell you that feeling lonely and different is a main reason they use drugs and alcohol. Although working with others in therapy may help a person realize they are not alone, and accept their flaws, that can only do so much.

By working on a farm team with others, each individual makes a contribution to something bigger than themselves, gains an experience of team building, and sense of purpose. People in recovery often struggle to see something through. What requires more persistence than farmwork? And there's a reward. So it can greatly impact how people feel about themselves.

Farming easily integrates trade skills : carpentry, mechanics, and so forth. These skills can be carried out into the community, whether it's working for a farmer, or a farm-to-table business, or an animal care center or even starting a farm of their own.

Because of these multi-dimensional aspects, funding for such a recovery center could leverage money from many different agencies and the private sector.

If you talk to people in long term recovery they will tell you how important the spiritual aspect is to recovery. Farming can encourage spirituality and provide hope and help people to shift their focus from concentrating on their own addictions and problems, to working with the soil or caring for animals, getting outside of themselves, the therapy of experiencing the beauty and hope visible in creation. For what recurs again and again in creation? Regeneration.

The Stakeholders: This idea isn't original to us, it's been talked about among the residents in our County for years, with attempts to get the ear of our Tazewell County Board of Supervisors. One of those supervisors, Mike Hymes, serves on the VCEDA board and has had residents' concerns brought before him and other Supervisors <http://tazewellcountyva.org/wp-content/uploads/2015/10/March-7-2017-TCBOS-Minutes-Word-1.pdf>

After all, which stakeholder group is more affected by this core economic obstacle, than unempowered citizens? Valuable insights could be gained from listening to those who live alongside neighbors who are addicted, those who work in businesses where many co-workers are addicted, those who work in businesses where many customers have addictions, those who cannot find help for fellow church members struggling with addiction, those who are addicted themselves, those who respond to 911 calls, and those who have been through the revolving door of the jail system,.



Listening to stakeholders is only common sense market research for economic development...as exemplified by other Departments within the Commonwealth.

We noticed when we read the JLARC report, that the Department of Housing and Community Development made a concerted effort to involve stakeholders when trying to achieve long-term

job creation and retention. We have not seen, and would like to see the Virginia Coalfield Economic Development Authority also involve stakeholders. In fact, VCEDA projects in our County have seldom, if ever, solicited broad stakeholder involvement.

Take for example, when Tim Danielson, the director of the Tazewell County Industrial Development Authority, spoke on behalf of VCEDA at the July 6 Listening Session. Responding to the idea of a recovery center, he said a business was being talked to, but he could say no more.

<https://www.youtube.com/watch?v=60MWV4a3ktM>

(Begin listening at the 2:12:50 mark) This type of secrecy culture and exclusion of stakeholders short-circuits the development of excellent projects. Right now there are a myriad of substance abuse recovery efforts in other places, and many models have failed. Stakeholder involvement is critical to research and development.

The Department of Energy, when faced with overwhelming environmental clean-up problems in the 1990s, involved stakeholders when they developed and implemented cleanup technologies. Now Southwest Virginia is faced with an overwhelming need for substance abuse “clean-up” in the lives of people, and one of the most valuable things that could happen is to involve citizen stakeholders.

The Location: The talk among the locals is that the Bluestone Regional Industry and Technology Center would be an ideal place for a recovery center.

<http://tazewellcountyva.org/wp-content/uploads/2015/11/2017-Comprehensive-Plan-Final.pdf>

(see map on page 81, 82)

It has ideal farmland, perennial springs and it’s a great place for renewable energy. In fact, it once was a working farm.

Most significantly, it would capitalize on the \$21 million dollars of past investment by the Virginia Tobacco Region Revitalization Commission, VDOT, DHCD/ARC, VCEDA, US EDA/Rural Development, and local funds, so that those agencies would also see a return on their investment by considering development into a Regional Recovery Center. As it stands now, 15 years after the initial grant, there is only graded land, paved roads, one warehouse shell building, and recently, a building for a small fish-bait business.

What is most striking is that when you look at the aerial GIS views of the 700 acre Bluestone Center, and also walk it or drive through it, you’ll find an amazing similarity to the site layout of one of the best recovery centers in the country, Fellowship Hall in Greensboro, NC.



<https://www.fellowshiphall.com/about-us/our-campus.php>

Fellowship Hall is a highly regarded center used by many in our area for over 50 years.

<https://www.fellowshiphall.com/why-choose-fellowship-hall.php>

It is not hard to imagine a “Bluestone Regional Recovery Center and Farm” patterned off Fellowship Hall. The existing warehouse shell in the Bluestone Center could be developed into an extended treatment center. There is graded land alongside this warehouse, ready for the building of, for example, a women’s lodge, an alumni outpatient center and a meditation trail. Gardens and small barns and shops could be easily added.



The one occupied building in the Bluestone Center supports a fish-bait business.

https://www.bdonline.com/news/bruneaux-bait-moving-into-the-bluestone-regional-business-park-in-bluefield-va/article_78b6c1c6-8828-11eb-af9c-1bd9d5766842.html

Even fishing could be integrated with a recovery center, as this story broadcast on West Virginia Public Broadcasting tells here:

<https://www.wvpublic.org/news/2019-08-30/how-fly-fishing-saved-a-veterans-life>

The Legacy: The Tazewell County Board of Supervisors recently named a road in the Bluestone Center as “Shannondale East” and “Shannondale West”. Those who know the history of this land know that it was once owned by a land-rich widow by the name of Mary Kate Shannon Stowers. It is also locally known how deeply she cared for those disadvantaged, as exemplified in how generously she supported the Grundy Mountain Mission School for thousands of at-risk youth.

After her death, Tazewell County acquired her land on the Bluestone River with plans to develop it, and how thrilled she would be if she knew it were being developed into a recovery center for the struggling and at-risk members of our community in Appalachia. Perhaps her land has been waiting for just that.

<https://www.causeiq.com/organizations/mary-kate-shannon-benevolent-trust,756676290/>

<https://www.instrumentl.com/990-report/mary-kate-shannon-benevolent-tr>

What a tremendous legacy the Virginia Department of Commerce would leave by investing in the restoration of a workforce suffering from the impact of addiction.

#####

TCC Statement to DMME to Reenergize Southwest

The Clinch Coalition was formed in 1998 when local citizens coalesced to reduce a major timber sale proposed near the Bark Camp recreation area in the Clinch Ranger District of the Jefferson National Forest. The Clinch Coalition is composed of local residents who are passionate about preserving our environment.

We thank Governor Northam and leaders in the General Assembly for this opportunity to offer recommendations on how the Commonwealth can provide economic transition support to the coalfield region. **The Clinch Coalition supports economic and environmental sustainability for Southwest Virginia.**

We are a community-based, environmental organization that believes in the importance of appreciating, understanding, and protecting our land – the mountains high and the valleys low, the streams, creeks and rivers, and the plants and animals that are integral to our lives in one of the most diverse ecosystems in the world. We feel that doing so is essential to improving our quality of life and well-being.

Our comments will focus on the six areas identified by the Commonwealth - workforce redevelopment, economic diversification, reclamation of coal-impacted lands and brownfields, community revitalization, infrastructure improvements, and clean energy development. These are not stand-alone issues, they are interwoven and aspects of the total effort needed to Reenergize Southwest Virginia.

Throughout our comments, the underlying recommendation is to trust and support the people and the long-standing educational and economic efforts of many local leaders and organizations. We do not need a top-down approach, we need a partnership and the support of state officials to understand and address the unique problems of the far southwestern region of the Commonwealth. We say again, we appreciate this listening approach led by DMME.

Workforce Redevelopment and Economic Diversification

These of course go hand in hand. As the economy moves from extractive industries, targeted training and retraining of workers are needed. Foremost should be the retraining of coal miners. For example, as solar energy becomes more available, support Mountain Empire Community College and Southwest Virginia Community College in their on-going solar energy training programs. As ecotourism is developed, look not only to the small businesses this generates but also consider the training needs for hospitality training in restaurant, lodging, recreation and associated businesses. Another critical area is the training needs for healthcare workers from all disciplines: nursing, medicine, pharmacists, physical therapy, occupational therapy and respiratory therapy. Most have the potential to begin training at our local community colleges or four-year colleges. The COVID pandemic is having a huge impact in our area and continues to strain our healthcare professions. As our current workers move out of these professions, it will be critical to have appropriately trained individuals to take their place.

The Clinch Coalition supports economic development efforts that are crafted with environmental sustainability in mind and that follow established state and federal regulations to ensure that development efforts minimize unnecessary environmental impacts. We also believe in maximizing transparency and public involvement throughout the planning process to ensure that economic development efforts can proactively identify and minimize risks to the region's sensitive and nationally significant natural resources and underrepresented human populations.

Reclamation of Coal-impacted Lands and Brownfields

A tragic legacy of the coal mining industry is the destruction of our mountains and mined lands being abandoned, leaving the cleanup to the taxpayers. Thus, the funding of reclamation and reforestation on formerly mined lands and other brownfields across Southwest Virginia is an important part of the region's economic transition and ecological protection effort. The state should work aggressively with our Senators and Representatives to pass the ReClaim Act and the Abandoned Mine Land reauthorization to obtain federal funds to reclaim these ecological hazards and scars on our lands. In turn these efforts provide additional job opportunities. When DMME processes all permits for mining and gas wells they should implement stringent mitigation, monitoring and enforcement protocols because of the far-ranging environmental impacts caused by mining and drilling activities.

Community Revitalization and Infrastructure Improvements

Often what comes to mind when hearing community revitalization is a vibrant downtown. Infrastructure improvements are roads and bridges, water and sewer systems, and broadband. All are important. As of this writing the Biden Administration's Infrastructure plan will soon be law to provide much needed funding to localities. The Northham administration has already committed to state-wide broadband with funds from the federal Rescue Plan. But revitalization of communities is much more. It is having available and affordable housing, transportation, childcare, healthcare and addressing our opioid epidemic. Infrastructure includes meeting the basic services needed by the population. Environmental justice is critical to community revitalization. Thirty percent or more of the land in the Coalfield Counties is owned by large, mostly absentee corporations who have held these lands for over a century. The land is scarred from the extractive industries of mining and logging, often nonproductive, unavailable for sustainable agriculture and new infrastructure such as solar farms, and does not provide a fair share of local taxes. The state should support optional taxation categories to address this long-standing injustice.

Clean Energy Development

The world has received a "Code Red" for global climate change from the United Nations. The Clinch Coalition supports the science-based definition of climate change and that the ability to mitigate human influences on climate begins locally. Alternative energy sources and intact forest habitats are needed for the preservation of biological diversity, the reduction of carbon emission and carbon sequestration. The Clinch-Powell river watersheds and High Knob Landform of the Upper Tennessee River basin, along with adjacent Pine Mountain, are important regional and nationally significant biodiversity hotspots that offer the best opportunity for local climate change mitigation. It is important to promote policies that protect standing woodlands on national, state and private lands for carbon storage.

We support the continued and expanded development of a renewable energy industry in the region. Solar energy, with the formation and leadership of the Solar Workgroup of Southwest Virginia, is making inroads on bringing solar energy to local businesses, educational facilities and residents. The state should support the development of "shared solar."

Alternative energy development must happen in a way that preserves our natural environment by leaving existing forest lands intact to mitigate carbon emissions. Thus, funding and incentivising this development on local abandoned mine lands, former strip mines, and other mining or brownfield features is imperative to the energy transition in Virginia. Additionally, the state should research additional potential opportunities for renewable energy development in the region such as micro-hydro, wind, and geothermal.

The Clinch Coalition supports sustainable actions in Southwest Virginia that generate social, economic, and environmental benefits that protect, promote and preserve our region for the well-being of present and future generations.



Resolution Requesting Restored Funding to VCEDA As A Result of Coal Tax Credit Funds Elimination

WHEREAS, since its creation in 1988, the Virginia Coalfield Economic Development Authority (VCEDA) has helped bring tens of thousands of jobs and hundreds of millions of dollars in approved funding for hundreds of projects throughout the coalfield region, including those in Wise County; and

WHEREAS, the Virginia General Assembly repealed legislation establishing Coal Tax Credits, which had the effect of reducing a primary source of funding for three specific VCEDA programs, including the Coalfield Revolving Loan Fund which is a region-wide fund providing low-interest loans for projects to help the region’s economic development and diversification; the Workforce Development and Training Fund which provides a source of loan and grant funds for workforce development and training in the region; and the VCEDA Renewable Energy Fund: a \$1 million fund established from a portion of the Coalfield Revolving Loan Fund and Coalfield Workforce Development and Training Fund to assist renewable energy projects and promote the economic diversification of far Southwest Virginia; and

WHEREAS, the loss of funding for those programs will impact the future viability of each of those programs; and

WHEREAS, the state established a process to consider how to assist the region in its economic transition, known as Reenergize Southwest Virginia, establishing listening sessions in the region at which public comment was accepted; and

WHEREAS, in 2020, VCEDA began providing staff support for the new Virginia Coalfields Expressway Authority, as directed by the General Assembly – with no new funding from the state provided for that initiative -- and VCEDA helped that new authority become operational in 2020 as the final members to it were appointed by the state; and in recognition of the fact that the roadway for which the authority is advocating is a critical infrastructure need in Wise and surrounding counties; and

WHEREAS, now is not the time to scale back on economic development for VCEDA’s e-Region and instead, now is the time to continue to support economic development efforts in far Southwest Virginia; and

WHEREAS, an overwhelming number of comments at the Reenergize listening sessions advocated for restored funding specifically to VCEDA;

NOW THEREFORE, the Wise County Chamber of Commerce and its membership requests that the Reenergize Southwest Virginia recommendation be that funding should be restored to VCEDA by the Commonwealth at a level equal to, or greater than, the amount of funding being lost through the elimination of Coal Tax Credit funds to allow for the continuation of critical economic development efforts and diversification in the region.

Signed this 24 day of August, 2021

Pam Collie-Price

Wise County Chamber of Commerce President

Attest: _____

Rick Colley
Wise County Chamber of Commerce Executive Director



CHMURA
Economics & Analytics

The Economic Impact of Virginia Coalfield Economic Development Authority in Southwest Virginia and Virginia

Prepared for Virginia Coalfield Economic Development
Authority

December 12, 2018

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About Chmura Economics & Analytics

We have a data-driven culture. We are a group of published scientists contributing to innovations with big data analytics on the forefront of applied economics and technology solutions. We have a very diverse team of people with backgrounds such as PhD economists, statisticians, computer scientists, and transformation strategists. We serve a cross section of decision makers from the defense, government, public, and private sectors.

As data scientists, we help our clients quickly answer big data questions. We provide a reliable picture of economic trends on both a macro and micro level. Our clients rely on the historical, current, and predictive market reports we provide to cut through the confusing information they receive on a daily basis from the media, politicians, and industry resources.

Our clients view us as trusted economic advisors because we help them mitigate risk and prepare for growth by understanding the why, the how, and the what about their local economy. As the nation's preferred provider of labor market data, we help our clients understand both the demand for and the supply of available data. Our clients benefit from our expertise by better understanding their own bottom line costs, sustainability issues, and associated risks.

Background

Virginia Coalfield Economic Development Authority (VCEDA) was created in 1988 by the General Assembly of Virginia to enhance and diversify the economic base of the Southwest Virginia coal-producing region. This authority covers the counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise, and the city of Norton (VCEDA region). Since its establishment, VCEDA has helped many businesses to locate and expand in the region, creating much-needed jobs.¹

This study analyzes the economic impact of VCEDA in Southwest Virginia and Virginia.² The source of economic impact is the businesses attracted and retained through VCEDA.³ As of October 2017, VCEDA has helped many businesses to locate and expand. Those jobs generate sustained economic impact in the region, by employing thousands of workers and generating business sales and revenue. The total economic impact of VCEDA also includes the economic ripple effects from the direct impact. The ripple impact, categorized as indirect and induced impacts, measures the secondary benefits of VCEDA-attracted businesses. For example, those businesses will purchase from many firms in the region and state as suppliers (indirect impact). In addition, workers of those businesses will spend some of their income in places where they live, benefiting businesses such as retail stores, restaurants, and healthcare facilities (induced impact).

The direct impact is estimated based on data provided by VCEDA. Ripple effects are estimated with IMPLAN Pro⁴ software, which is a model often used by economists to measure the economic impact of events.

In addition to economic impact of VCEDA in terms of total revenue and jobs, Chmura analyzes the effect of VCEDA in increasing economic diversity, reducing regional unemployment, and lowering payments from government assistance programs in the region.

Jobs Attracted by VCEDA

Since its establishment in 1988 to October 2018, VCEDA has initiated 291 business attraction and expansion projects. Those projects include bringing new businesses to the region and helping existing businesses to expand. In total, VCEDA's efforts helped attract a total of 23,052 jobs (Table 1). The total investment of

¹ In 2011 and 2015, Chmura Economics & Analytics analyzed the economic impact of VCEDA. The results of those analyses can be found in: *The Economic Impact of the Coal Industry in Virginia*, December 2011; and *The Economic Impact of the Coal Industry in Virginia*, January 2015.

² Southwest Virginia includes the following Virginia localities: counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, Washington, and Wise, and the cities of Bristol and Norton. This area is larger than the VCEDA region, but is consistent with the 2011 and 2015 Chmura studies.

³ The one-time economic impact of capital expenditures and investment is not included in this analysis. This approach is consistent with the methodologies utilized in the 2011 and 2015 Chmura studies.

⁴ *IMPLAN Professional* is an economic impact assessment modeling system developed by IMPLAN Group that is often used by economists to build models that estimate the impact of economic changes on local economies.

these projects reached \$2.8 billion.⁵ All localities in the VCEDA region benefited from the job creation effort by VCEDA, with each locality adding more than one thousand jobs.

Table 1: VCEDA Projects and Job Creation by Locality

Locality	Number of Projects	Number of Jobs
Buchanan	34	2,703
Dickenson	28	2,003
Lee	20	1,460
Russell	51	5,975
Scott	34	2,816
Tazewell	69	3,295
Wise/Norton	53	4,474
Various Locations ⁶	2	326
VCEDA Total	291	23,052

Source: VCEDA

In addition to supporting job creation in Southwest Virginia, VCEDA also helps diversify the regional economy, which lays the foundation for sustained economic growth in the future. Challenged with the declining coal mining industry, VCEDA has attracted jobs in a wide range of advanced manufacturing and professional and business industries, including Tempur-Pedic, CGI, and AT&T Wireless. As Table 2 shows, 11,865 of all VCEDA-attracted jobs were in manufacturing, and 7,700 were in professional and business services (such as call centers). Tourism industries also grew based on support from VCEDA with many jobs generated in the trade and leisure sectors. Those efforts have reduced the regional economic reliance on the coal industry.

⁵ Those projects do not include VCEDA investment in site development or utility construction not involving third-party businesses. VCEDA initiated several infrastructure development projects, such as extending water-sewer lines, without permanent jobs attached. Those projects are excluded in this study

⁶ Two projects involved businesses that set up multiple sites in VCEDA region, but they did not provide job numbers for each site.

Table 2: VCEDA Projects and Job Creation by Industry

Industry Sector	Number of Businesses	Number of Jobs
Construction	2	253
Education & Health	13	581
Finance, Insurance, & Real Estate	2	20
Government	7	886
Information	5	292
Leisure	26	278
Manufacturing	147	11,865
Natural Resources	5	104
Other Services	6	170
Professional & Business Services	58	7,700
Trade (Wholesale & Retail)	14	571
Transportation, Warehousing, & Utility	6	332
Total	291	23,052

Source: VCEDA

Economic Impact of VCEDA

The economic impact of VCEDA is measured as a 2018 value, as jobs brought to the region by VCEDA are assumed to be permanent jobs.⁷ The 23,052 jobs in the VCEDA region will also support other businesses in Southwest Virginia and throughout the state due to the multiplier effect. For example, when a manufacturing firm expands, the firm will purchase materials and supplies in the region to support its operations (indirect impact). In addition, retail venues and restaurants in the region also see increased sales when employees of this firm spend their wages in local communities (induced impact).

The total annual economic impact (direct, indirect, and induced) of VCEDA is estimated to be \$6.9 billion in 2018 that supports 37,311 jobs in Southwest Virginia (Table 3). In terms of direct impact, the total revenue (or sales) of all businesses attracted by VCEDA is estimated to be \$5.1 billion, with associated direct employment of 23,052 in 2018. An additional indirect impact of \$1.2 billion and 8,022 jobs benefit other Southwest Virginia businesses that support VCEDA-attracted businesses. The number of jobs supported from the induced impact is estimated to be 6,238 with associated annual spending of \$685.1 million. In terms of multipliers, each dollar of sales in VCEDA-attracted businesses can generate 36 cents in additional economic value for the region (output multiplier), while each job attracted by VCEDA can support an additional 0.62 jobs in the region (employment multiplier).

⁷ It is possible that some of these jobs may be lost due to the recession or other economic forces. However, firm-specific data are not available to confirm if such is the case.

Table 3: Annual Economic Impact of VCEDA (2018)

		Direct	Indirect	Induced	Total
Southwest Virginia	Spending (\$Million)	\$5,067.0	\$1,160.3	\$685.1	\$6,912.3
	Employment	23,052	8,022	6,238	37,311
Virginia	Spending (\$Million)	\$5,067.0	\$1,692.0	\$1,159.3	\$7,918.2
	Employment	23,052	10,124	10,577	43,753

Note: Numbers may not sum due to rounding

Source: Chmura Economics & Analytics and IMPLAN Pro 2016

The total annual economic impact (direct, indirect, and induced) of VCEDA in Virginia is larger than the Southwest Virginia regional impact, as more businesses outside the region will also benefit from the VCEDA-attracted businesses. The total impact is estimated to be \$7.9 billion that can support 43,753 jobs in Virginia in 2018.⁸ The direct impact in Virginia is the same as that in Southwest Virginia, estimated at \$5.1 billion and 23,052 jobs. Indirect impacts of \$1.7 billion and 10,124 jobs are expected to benefit other Virginia businesses. The number of jobs supported due to the induced impact is 10,577 with associated annual spending of \$1.2 billion in 2018. In terms of multipliers, each dollar of sales in VCEDA-attracted businesses can generate 56 cents in additional economic value for the state (output multiplier), while each job attracted by VCEDA can support an additional 0.90 jobs in Virginia (employment multiplier).

Other Benefits of VCEDA

In addition to the economic impact generated by VCEDA in terms of total revenue and jobs, Chmura also analyzed the effect of VCEDA in enhancing economic diversity, reducing unemployment, and lowering payments from government-assistance programs in the VCEDA region.

Impact of VCEDA on Economic Diversity

According to Virginia law, one of the key missions of VCEDA is to enhance and diversify the economic base of Virginia's coal-producing region. As mentioned earlier, VCEDA has attracted businesses in a wide range of industries to the region, especially those in the manufacturing and professional and business services sectors. Those efforts have helped diversify the regional economy.

To quantify the effect of VCEDA-attracted jobs on regional economic diversity, Chmura first constructed an industry diversity measure with employment data from 1990 to 2018. Chmura then computed the diversity measure of the regional economy, excluding jobs brought to the region by VCEDA.⁹ In doing so, Chmura chose the Hachman diversity index to measure the economic diversity of the region. This index utilizes Virginia industry structure as a benchmark. The value of the diversity index varies between 0% and

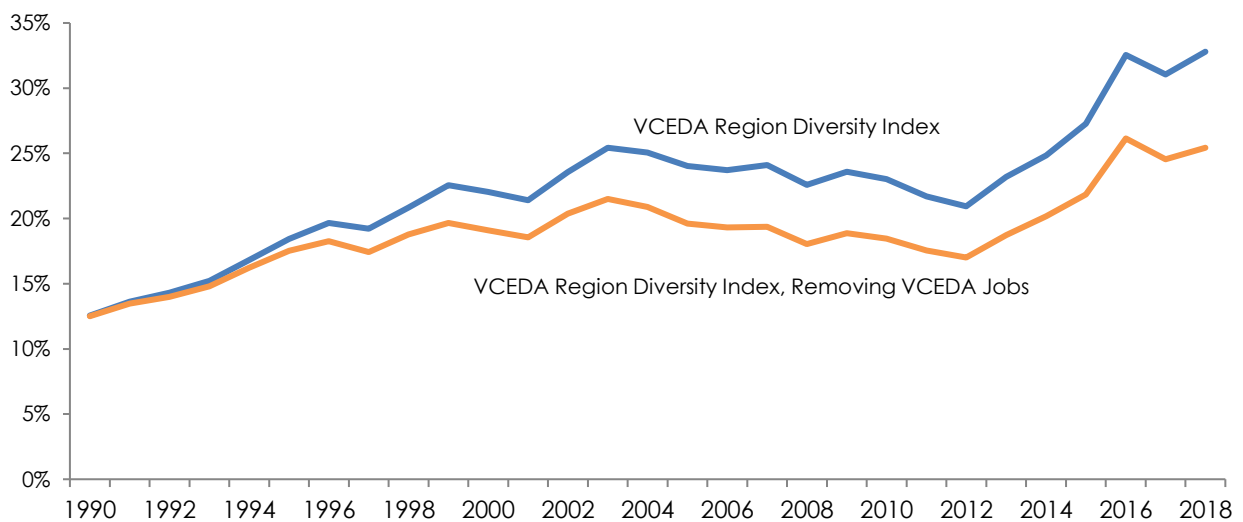
⁸ Please note that the Virginia impact is inclusive of the impact in Southwest Virginia.

⁹ This is the same methodology used in the previous Chmura studies, as well as the 2007 Virginia Tech Study: Economic Impact Analysis of the Virginia Coalfield Economic Development Authority. This historic analysis of economic diversity excludes those projects without a date.

100%, with a higher value representing a more diversified regional economy.¹⁰ The Hachman diversity index is calculated as the inverse of the sum of the weighted location quotients of all industries in the region.¹¹

Chmura's analysis shows that VCEDA has helped diversify the regional economy significantly since 1990. In 2018, the diversity index of the region was 32.8%, which is a dramatic improvement from 12.6% in 1990 (Figure 1). Diversity in the regional economy has increased since VCEDA was established. The pace of diversification has accelerated since 2012. If jobs related to VCEDA were removed, however, the diversity index in 2018 would fall to 25.4%.¹² This number is still higher than the diversity measure in the 1990s and 2000s, showing that the regional economy is diversifying even without VCEDA-attracted jobs. Even so, the efforts by VCEDA have greatly accelerated diversification in the region.

Figure 1: Industry Diversity Index



Note: 2018 data represent the first two quarters
 Source: VCEDA, JobsEQ, and Chmura

Impact of VCEDA on Unemployment Reduction

VCEDA-attracted jobs also help to reduce unemployment in the region. To estimate the effect of VCEDA-attracted jobs in reducing the regional unemployment rate, Chmura calculated the regional

¹⁰ The Virginia Tech study uses percentage of employment shares in the top one, three, and five industries in the region as the diversity measure. Those indexes do not capture the full spectrum of economic diversity. For example, if VCEDA attracted a firm in a new industry that was not in the top 5, the diversity measure would not change by the Virginia Tech measure. However, the new firm would help to diversify the regional economy.

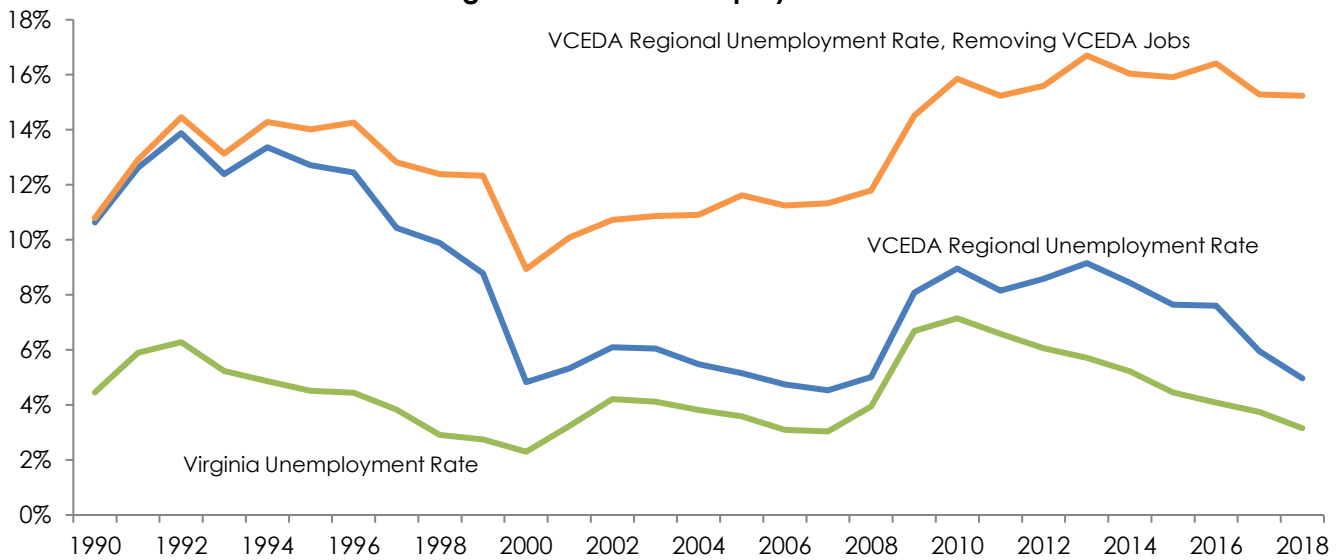
¹¹ Source: Economic Report to the Governor, State of Utah, by Hachman, 1995.

¹² In this analysis, Chmura assumed that VCEDA-attracted jobs have the same turnover rate as the industry average.

unemployment rate from 1990 to 2018, and the “would-be” unemployment rate of the region—removing jobs brought to the region by VCEDA.¹³

VCEDA has made considerable contributions in reducing the unemployment rate in the region (Figure 2). Based on the first eight months of data in 2018, the unemployment rate of the region was 5.0%, higher than the state average of 3.2%. In the 1990s, however, the region’s unemployment situation was much worse than the state average. For example, in 1990, shortly after VCEDA was established, the region’s unemployment rate was 10.6%, more than double the state average of 4.5%. The gap between the state and regional unemployment rates shrank drastically after 2000.

Figure 2: Annual Unemployment Rate



Note: 2018 data represent the first eight months
 Source: VCEDA, JobsEQ, and Chmura

Without jobs attracted to the region by VCEDA, the region’s unemployment rate would be much higher. For example, the estimate would put the 2018 unemployment rate at 15.3%, when jobs related to VCEDA were removed and added to regional unemployment.¹⁴ The effect of VCEDA in reducing regional unemployment became more significant especially after the recession of 2007-09. Without VCEDA-attracted jobs, the unemployment rate of the region would stay in the double digits from 2010 to 2018. However, the actual regional unemployment rate declined sharply, from 9.0% in 2010 to 5.0% in 2018.

Impact of VCEDA on Payment from Government Assistance Programs

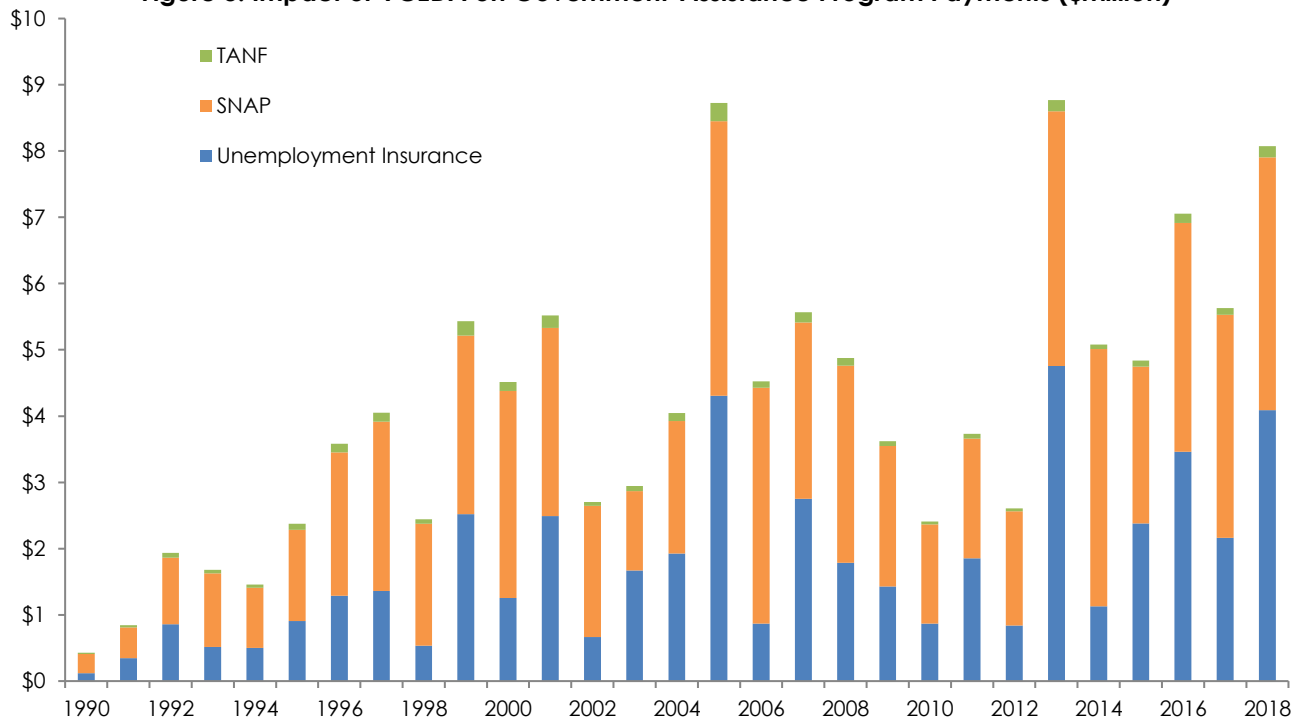
The jobs attracted by VCEDA will help residents earn wages and salaries. These jobs also can reduce payments from government-assistance programs to regional households. In this analysis, Chmura estimates

¹³ This is the same methodology used in the 2011 and 2015 Chmura studies, as well as in the 2007 Virginia Tech study.
¹⁴ In this estimate, Chmura took into consideration commuting and migration patterns, and did not add back estimated commuters and those who may move out of the region.

the effect of VCEDA on three types of government assistance programs: unemployment insurance (UI); Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps); and Temporary Assistance for Needy Families (TANF).¹⁵ In this exercise, Chmura takes a broad view of the impact of VCEDA on those programs and assumes that the number of VCEDA-attracted jobs will eventually reduce the number of unemployed individuals in the region.¹⁶

Figure 3 presents the potential increase in government-assistance program payments if VCEDA-attracted jobs are not available in the region. This only includes the impact for the state government of Virginia, as some of those jobs may be taken by residents in other states.

Figure 3: Impact of VCEDA on Government-Assistance Program Payments (\$Million)



Source: Virginia Department of Social Services & Chmura

For unemployment insurance programs, Chmura uses the following methodology. In 2018, for example, VCEDA was involved in various projects that brought 1,008 jobs to the region. Based on commuting patterns, it is estimated that 91% of those jobs would be taken by Virginia residents, resulting in 915 jobs for

¹⁵ SNAP and TANF are two popular programs for low-income families. These families can also benefit from programs such as housing assistance or Medicaid. Chmura did not include housing assistance due to the relatively small size of the program. Working-age adults are not eligible for the Medicaid program during the study period. As a result, the effect would be negligible.

¹⁶ It is possible that some VCEDA-attracted jobs will be filled by currently unemployed individuals, and some will be filled by people switching jobs from other businesses in the region. When those jobs are taken by job-switchers, it will set off a chain reaction as the businesses losing workers will look to replace the individuals who leave. The result is that unemployment in VCEDA region will eventually be reduced.

Virginians. If those workers were unemployed, they could apply for Virginia unemployment benefits. The latest data indicate that the average benefit is \$308.40 per week for a duration of 15.1 weeks.¹⁷ As a result, VCEDA-attracted jobs would save the state government \$4.3 million in 2018. From 1989 to 2018, VCEDA-attracted jobs would have saved Virginia \$49.9 million in cumulative unemployment insurance payments.

Low-income households are eligible for SNAP and TANF assistance programs, which is based on household income. The average annual wages for VCEDA-attracted jobs from 2014 to 2018 is about \$33,500¹⁸ while the current federal poverty line for a family of four is \$25,100.¹⁹ It is conceivable that for individuals receiving government assistance such as SNAP or TANF, VCEDA-attracted jobs will help them exit those two programs.

For the SNAP program, the challenge is to estimate how many Virginia residents might be able to leave the program due to new job opportunities created by VCEDA. Not every Virginia resident, even if they are unemployed, receives SNAP benefits—because they may live in a household where household income exceeds SNAP income criteria. Data from the United States Department of Agriculture indicate that in 2016, 89% of the country's unemployed participated in the SNAP program.²⁰ Using this as an assumption, of the 915 unemployed Virginia residents gaining new jobs due VCEDA in 2018, it is estimated that 814 individuals can leave the SNAP program.

The latest data from the Virginia Department of Social Services indicate that qualified households received a monthly payment of \$253.70 per month from the SNAP program in 2017,²¹ for a duration of 25.3 months.²² As a result, with VCEDA-attracted jobs in 2018, the state government could save \$3.9 million from reduced SNAP payments. From 1989 to 2018, VCEDA-attracted jobs would have saved Virginia \$66.9 million in SNAP program payments.

Fewer families receive TANF benefits when compared to SNAP, as the qualifying criteria for the TANF program are stricter. According to 2016 data from the Virginia Department of Social Services, a monthly average of 23,504 households received TANF benefits, compared with 391,523 households receiving SNAP benefits. Using this as a guide, Chmura estimated that for newly employed Virginia residents due to VCEDA-attracted jobs in 2018, an estimated 49 can leave the TANF program. The latest data indicate that

¹⁷ Those are the latest Virginia state average payment and duration amounts, based on the first nine months of 2018 data. Source: Bureau of Labor Statistics, <http://www.oui.doleta.gov/unemploy/claimssum.asp>.

¹⁸ Source: Chmura's calculation based on data from VCEDA.

¹⁹ Source: U.S. Department of Health and Human Services, <https://aspe.hhs.gov/poverty-guidelines>. The federal poverty line is published once a year.

²⁰ Source: Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2016. U.S. Department of Agriculture, available at: <https://www.fns.usda.gov/snap/characteristics-supplemental-nutrition-assistance-program-households-fiscal-year-2016>.

²¹ Source: SNAP Case Load & Expenditures, Virginia Department of Social Services, available at: http://www.dss.virginia.gov/geninfo/annual_report/benefits/index.html?pagelD=1.

²² Source: Dynamics of Economic Well-Being: Participation in Government Programs, 2009-2012: Who Gets Assistance, U.S. Census, 2015. <https://www.census.gov/newsroom/press-releases/2015/cb15-97.html>.

in 2016, households in the TANF program received an average monthly cash payment of \$259.70,²³ for a duration of 14.2 months.²⁴ As a result, with jobs attracted by VCEDA, the state government could save \$0.2 million in 2018. From 1989 to 2018, VCEDA-attracted jobs would have saved Virginia \$3.1 million in SNAP program payments.

In summary, VCEDA-attracted jobs are estimated to have saved the Virginia government \$4.0 million per year from reduced payments of three government assistance programs. Total savings are \$119.9 million from 1989 to 2018.

²³ TANF Case Load & Payments, Virginia Department of Social Services, available at: http://www.dss.virginia.gov/geninfo/annual_report/benefits/index.html?pageID=3.

²⁴ Source: Dynamics of Economic Well-Being: Participation in Government Programs, 2009-2012: Who Gets Assistance, U.S. Census, 2015. <https://www.census.gov/newsroom/press-releases/2015/cb15-97.html>.

Appendix 1: Impact Study Glossary

IMPLAN Professional is an economic impact assessment modeling system. It allows the user to build economic models to estimate the impact of economic changes in states, counties, or communities. It was created in the 1970s by the Forestry Service and is widely used by economists to estimate the impact of specific event on the overall economy.

Input-Output Analysis—an examination of business-business and business-consumer economic relationships capturing all monetary transactions in a given period, allowing one to calculate the effects of a change in an economic activity on the entire economy (impact analysis).

Direct Impact—economic activity generated by a project or operation. For construction, this represents activity of the contractor; for operations, this represents activity by tenants of the property.

Overhead—construction inputs not provided by the contractor.

Indirect Impact—secondary economic activity that is generated by a project or operation. An example might be a new office building generating demand for parking garages.

Induced (Household) Impact—economic activity generated by household income resulting from the direct and indirect impact.

Multiplier—the cumulative impacts of a unit change in economic activity on the entire economy.

**Sample List of VCEDA Assisted Firms
(Recruited and/or Received Incentive Funding)**

AMR Pemco	<i>Northrop Grumman</i>
Appalachian College of Pharmacy	<i>OnePartner Data Center</i>
Appalachian School of Law	<i>Paul's Fan Company</i>
AT&T Wireless	<i>Polycap</i>
Back of the Dragon Visitor Center	<i>Pure Salmon (Project Jonah)</i>
Bird Dog Distributors/Unifuse	Pyott-Boone Electronics
Breaks Interstate Park	<i>Riverbound Trout Farms</i>
Bruneaux Bait	<i>Rambler Wood Products</i>
Buchanan Pump	<i>Rogers Foam Corporation</i>
Carbon Research and Development Co.	SAIC
Ceramic Technology	Samuel Pressure Vessel Group
<i>CGI</i>	Serco
<i>Clinch River Hemp Company</i>	Simmons Equipment Company
Clintwood Sleep Inn & Suites	Southern Gap Outdoor Adventures
Dickenson Community Hospital	<i>Southwest Virginia Community College</i>
Dominion Hybrid Energy Center	Spearhead Trails
England Furniture	Sykes Enterprises
Forest BioProducts	Synergy Biofuels
Grundy Town Center/Walmart	<i>Tadano Mantis</i>
Heart of Appalachia	TeleMed
Inn at Wise	<i>Tempur Sealy</i>
Issues & Answers	<i>TDEC</i>
JM Conveyors	TTEC
Lawrence Brothers	<i>University of Virginia's College at Wise</i>
Lebanon Holiday Inn Express	VFP, Inc.
Maine Five	Virginia Employment Commission Call
Mineral Gap Data Center	Center
<i>Mountain Empire Community College</i>	West River Conveyors and Machinery
NorrisBuilt Fabrication	Western Front Hotel

Note: This is a sample list only and represents only a fraction of the hundreds of projects with which VCEDA has been involved in the region. Not included are any Seed Capital Fund projects and most Tourism Fund and infrastructure-related projects, all of which are numerous. Also not included are any projects believed to be closed or no longer in the region. Those listed in *italics* are examples of projects involving coal tax credit funds.

7/6/2021

September 23, 2021

ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

Dear Mr. Warren,

As the legislative delegation representing the counties that produce the majority of the coal and natural gas in Virginia, and therefore those most affected by the declines in those industries, we are writing to express our strong support for the Virginia Coalfield Economic Development Authority (VCEDA).

VCEDA has been involved in nearly every significant economic development project in our region over the last three decades. VCEDA has helped to create more than 20,000 jobs and over \$2 billion in private investment in Southwest Virginia. Just in 2020 alone, even despite the negative impacts of the COVID-19 pandemic, VCEDA helped create and retain 1,259 full-time and 227 part-time jobs and \$237 million in private investment. Those are the kind of solid results that are needed to continue the economic transition of Southwest Virginia.

The record is clear, and studies have shown, that VCEDA has helped to significantly reduce the unemployment rate in the area, and the diversity index of the region's industries is almost three times what it was before VCEDA was created. Numerous localities and other organizations have expressed their support for VCEDA and its important role in the economic development of the area.

For reasons such as these, we respectfully request that the Reenergize Southwest Virginia report favorably support VCEDA.

Sincerely,



Delegate James W. Morefield
Third District



Senator Travis Hackworth
38th District



July 28, 2021

Virginia Department of Mines, Minerals, and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219
Attention: Reenergize SWVA
reenergizeswva@dmme.virginia.gov

To Whom It May Concern,

As President of Mountain Empire Community College, in light of in HB 1899\SB1252 I wish to express our support for continued direction of funding to support VCEDA.

The Virginia Coalfield Economic Development Authority has served as a primary funder of career training for Mountain Empire Community College students since 2018, providing more than \$500,000 in scholarships to hundreds of students to support tuition, credential, and certification costs. VCEDA also works directly with MECC's Small Business Development Center, providing small business loans and grants to further diversify Southwest Virginia's economy.

These funding mechanisms have provided a pathway for students, employees, and small businesses in our region to earn nationally recognized credentials that further their skill set, contributing to a strong, vibrant economic base. Employers in our region have benefitted from the ability to train their workforce at reduced cost, therefore increasing their ability to locate and invest in the Southwest Virginia region.

In conclusion, I encourage you to recognize the many benefits this program has provided to our area of the state and to support their continued work. Without these funds, I believe the workforce of our region would be significantly impacted.

Sincerely,

Dr. Kristen Westover
President



Buchanan County Chamber of Commerce
PO Box 995
Grundy, VA 24614-995
276-935-4147

Resolution Requesting Restored Funding to VCEDA As A Result of Coal Tax Credit Funds Elimination

WHEREAS, since its creation in 1988, the Virginia Coalfield Economic Development Authority (VCEDA) has helped bring tens of thousands of jobs and hundreds of millions of dollars in approved funding for hundreds of projects throughout the coalfield region, including those in Buchanan County; and

WHEREAS, the Virginia General Assembly repealed legislation establishing Coal Tax Credits, which had the effect of reducing a primary source of funding for three specific VCEDA programs, including the Coalfield Revolving Loan Fund which is a region-wide fund providing low-interest loans for projects to help the region's economic development and diversification; the Workforce Development and Training Fund which provides a source of loan and grant funds for workforce development and training in the region; and the VCEDA Renewable Energy Fund: a \$1 million fund established from a portion of the Coalfield Revolving Loan Fund and Coalfield Workforce Development and Training Fund to assist renewable energy projects and promote the economic diversification of far Southwest Virginia; and

WHEREAS, the loss of funding for those programs will impact the future viability of each of those programs; and

WHEREAS, the state established a process to consider how to assist the region in its economic transition, known as Reenergize Southwest Virginia, establishing listening sessions in the region at which public comment was accepted; and


WHEREAS, in 2020, VCEDA began providing staff support for the new Virginia Coalfields Expressway Authority, as directed by the General Assembly – with no new funding from the state provided for that initiative -- and VCEDA helped that new authority become operational in 2020 as the final members to it were appointed by the state; and in recognition of the fact that the roadway for which the authority is advocating is a critical infrastructure need in Buchanan and surrounding counties; and

WHEREAS, now is not the time to scale back on economic development for VCEDA's e-Region and instead, now is the time to continue to support economic development efforts in far Southwest Virginia; and

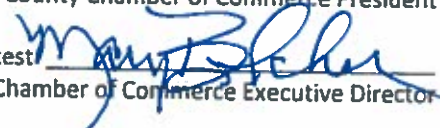
WHEREAS, an overwhelming number of comments at the Reenergize listening sessions advocated for restored funding specifically to VCEDA;

NOW THEREFORE, the Buchanan County Chamber of Commerce and its membership requests that the Reenergize Southwest Virginia recommendation be that funding should be restored to VCEDA by the Commonwealth at a level equal to, or greater than, the amount of funding being lost through the elimination of Coal Tax Credit funds to allow for the continuation of critical economic development efforts and diversification in the region.

Signed this 9 day of August, 2021


Rhonda Vandyke

Buchanan County Chamber of Commerce President

Attest 

Mary Belcher, Buchanan County Chamber of Commerce Executive Director

BUCHANAN COUNTY BOARD OF SUPERVISORS

Drew Keene, Chairman
Prater District
Jeff Cooper, Vice-Chairman
Garden District
Tim Hess
Hurricane District
G. Roger Rife
South Grundy District
James Carroll Branham
North Grundy District
Craig Stiltner
Rocklick District
Trey Adkins
Knox District



Robert Craig Horn
County Administrator

Lawrence L. Moise, III Esq.
County Attorney

August 9, 2021

ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

RE: Resolution

Dear Madam/Sir:

A regular meeting of the Buchanan County Board of Supervisors was held on Monday the 2nd day of August 2021. Upon motion by Craig Stiltner seconded by J. Carroll Branham and with a roll call vote of seven (7) yeas and zero (0) nays, this board did hereby adopt the enclosed Resolution supporting restoration of coal tax credit funds to the Virginia Coalfield Economic Development Authority.

If you have any questions, please don't hesitate to contact me. Thank you.

Sincerely,

Robert C. Horn, County Administrator

Enclosure

**RESOLUTION OF THE BUCHANAN COUNTY BOARD OF
SUPERVISORS SUPPORTING RESTORATION OF COAL
TAX CREDIT FUNDS TO THE VIRGINIA COALFIELD
ECONOMIC DEVELOPMENT AUTHORITY**

WHEREAS, coal and gas resources are continually extracted from Buchanan County as the largest producer of coal and gas in the Commonwealth of Virginia; and,

WHEREAS, automation of industry and environmental regulations have greatly diminished the local employment and investment created by the coal and gas industries in Buchanan County; and,

WHEREAS, the Virginia Coalfield Economic Development Authority (VCEDA) is the primary means of fostering diversification of Buchanan County's economy away from dependence on the coal and natural gas industries; and,

WHEREAS, the Board finds that VCEDA is a critical economic development tool for Buchanan County and remains a primary resource for the incentivization of important economic development recruitment and expansion projects; and,

WHEREAS, pursuant to legislation passed in the 2021 Session of the General Assembly a commission has been appointed to discuss reallocation of VCEDA's primary source of funding to institutions which may or may not be as successful in the field of economic development and may or may not concentrate their efforts in Buchanan County; and,

NOW, THEREFORE, BE IT RESOLVED that the Buchanan County Board of Supervisors hereby reaffirms its support of VCEDA and its opposition to any defunding of its programs or diversion of its resources to other entities.

ADOPTED at a meeting of the Buchanan County Board of Supervisors held on August 2nd, 2021.

Recorded vote:

Moved: Craig Skiltner
Seconded: J. Carroll Brankham
Yeas: 7
Nays: 0

Drew Keene
Drew Keene, Chairman
Buchanan County Board of Supervisors

ATTEST:

Robert C. Horn
Robert Craig Horn, County Administrator



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

13 August 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

Dear Mr. Skiffington,

Mr. Skiffington, I am writing you to express my deepest concern over future funding for VCEDA with the tax credit phase out for coal production and use. It is estimated that twenty-five percent of VCEDA's revenue will be lost. Specifically, three VCEDA programs will be adversely affected-the Coalfield Revolving Loan Fund, the Workforce Development and Training Fund and the VCEDA Renewable Energy Fund.

VCEDA has helped bring tens of thousands of jobs and hundreds of millions of dollars in approved funding for hundreds of projects to the coalfield counties since 1988. Many studies have shown that VCEDA's job creation projects have reduced the unemployment rate and improved the diversification of the coalfield regional economy. Even during 2020 and the COVID-19 pandemic, VCEDA approved 16 loans valued at \$6.8 million and 37 grants totaling \$3.76 million in 2020. These loans and grants are projected to create or retain approximately 1,260 full-time jobs, 225 part-time jobs and generating \$237 million in private investment. In addition to bringing companies to the coalfield region, VCEDA supports small business start-ups through its Seed Capital Program. Since 2017 through 2020, 300 jobs and \$34 million in economic impact were attributed to the Seed Capital Program. Also in 2020 and as directed by the General Assembly, VCEDA began providing support staff for the new Virginia Coalfields Expressway Authority; however, no new funding was provided by the Commonwealth for this initiative.

It is not the time to reduce VCEDA's funding for economic development; but, to restore funding being lost through the elimination of coal tax credits. VCEDA has proven itself for many years as a much-needed authority to create jobs, financing and private investment for the coalfield counties. I hope you will support finding the necessary financial support to keep VCEDA viable for the ensuing years.

Sincerely,

Jarred Glass
Russell County IDA
Member



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

16 August 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

Dear Mr. Skiffington,

I am writing you to express my legitimate concern over future funding for the Virginia Coalfield Economic Development Authority (VCEDA) with the tax credit phase out for coal production and use. It is estimated that twenty-five percent of VCEDA's revenue will be lost. Specifically, three VCEDA programs will be adversely affected-the Coalfield Revolving Loan Fund, the Workforce Development and Training Fund and the VCEDA Renewable Energy Fund.

Mr. Skiffington, since 1988 VCEDA has helped bring tens of thousands of jobs and hundreds of millions of dollars in approved funding for hundreds of projects to the coalfield region. Studies have shown that VCEDA's job creation projects have reduced the unemployment rate and improved the diversification of the coalfield regional economy. Even during the COVID-19 pandemic, VCEDA approved 16 loans valued at \$6.8 million and 37 grants totaling \$3.76 million in 2020. These loans and grants are projected to create or retain approximately 1,260 full-time jobs, 225 part-time jobs and generating \$237 million in private investment. In addition to getting companies to the coalfield region, VCEDA supports small business start-ups through its Seed Capital Program. Since 2017 through 2020, 300 jobs and \$34 million in economic impact were attributed to the Seed Capital Program. Lastly in 2020 and as directed by the General Assembly, VCEDA began providing support staff for the new Virginia Coalfields Expressway Authority; however, no new funding was provided by the Commonwealth for this program.

Mr. Skiffington, it is not the time to reduce VCEDA's funding for economic development; but, to restore funding being lost through the removal of coal tax credits. VCEDA has proven itself for many years as a much-needed authority to create jobs, funding and private investment for the coalfield region. I hope you will support finding the necessary financial support to keep VCEDA viable for the ensuing years.

Sincerely,

Nelson A. Dodi
Russell County IDA Member
Mayor, Town of Lebanon



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

7 September 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

Dear Mr. Skiffington,

Mr. Skiffington, I am writing you to express my deepest concern over future funding for VCEDA with the tax credit phase out for coal production and use. It is estimated that twenty-five percent of VCEDA's revenue will be lost. Specifically, three VCEDA programs will be adversely affected-the Coalfield Revolving Loan Fund, the Workforce Development and Training Fund and the VCEDA Renewable Energy Fund.

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Sincerely,

Scott J. Gilmer
Russell County IDA
Member



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

7 September 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

Dear Mr. Skiffington,

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Sincerely,

Carlton Elliott
Russell County IDA
Secretary-Treasurer

Partnering for Progress, Connected for Success

133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

20 September 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

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Sincerely,

John M. Stamper
Russell County IDA
Member



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

23 September 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

Dear Mr. Skiffington,

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Sincerely,

Richard Lockridge
Russell County IDA
Vice Chairman

Partnering for Progress, Connected for Success
133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org

From: Jay Rife <rifeassoc@yahoo.com>
Sent: Monday, August 16, 2021 10:01 AM
To: reenergizeswva@dmme.virginia.gov
Cc: Jonathan Belcher <jonathan@vceda.us>
Subject: Coalfields Expressway Request

As both the Chairman of the Buchanan County Industrial Development Authority and the Chairman of the Virginia Coalfields Expressway Authority, I would like for DMME to consider as part of the Reenergize SWVA process to recommend some funding for the operations of the Virginia Coalfields Expressway Authority. The Virginia Coalfields Expressway Authority was created by the Virginia General Assembly in 2017 to promote the development of the Coalfields Expressway (proposed US Route 121), however no funding has ever been allocated to it by the Commonwealth. Without any funding, it will be difficult for the Coalfields Expressway Authority to achieve its mission. In my opinion, the Coalfields Expressway is the single most important economic development tool for Buchanan, Dickenson and Wise Counties with Lee and Scott counties to benefit also. Therefore, I would respectfully like to request that DMME consider recommending some level of funding for the operations of the Virginia Coalfields Expressway Authority.

As a former chairman of VCEDA, I also would like to recommend that DMME include a recommendation that the funding VCEDA lost from the repeal of the coal tax credit be restored to VCEDA. VCEDA is our primary means of economic development in Buchanan County, and this funding is very important to the future of the county and the region.

Thank you for your consideration,

Jay Rife, Chairman



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

7 September 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

Dear Mr. Skiffington,

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Sincerely,

p.p. Richard V. Lockridge

Carlton Elliott
Russell County IDA
Secretary-Treasurer

Partnering for Progress, Connected for Success

133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

23 September 2021

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ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

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Sincerely,

Richard V. Lockridge

Richard Lockridge
Russell County IDA
Vice Chairman

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russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

16 August 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

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Sincerely,

p.p. Richard V. Lockridge

Ernest McFaddin
Russell County IDA
Chairman

Partnering for Progress, Connected for Success

133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

13 August 2021

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Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

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Sincerely,

p.p. Richard V. Lockridge

Jarred Glass
Russell County IDA
Member

Partnering for Progress, Connected for Success

133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

19 August 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

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Sincerely,

p.p. Richard V. Lockridge

Roger D. Sword
Russell County IDA
Member

Partnering for Progress, Connected for Success

133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

7 September 2021

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ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

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Sincerely,

p.p. Richard V. Lockridge

Scott J. Gilmer
Russell County IDA
Member

Partnering for Progress, Connected for Success

133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

20 September 2021

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Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

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Sincerely,

p.p. Richard V. Lockridge

John M. Stamper
Russell County IDA
Member

Partnering for Progress, Connected for Success

133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

2 September 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

Dear Mr. Skiffington,

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Sincerely,

p.p. Richard V. Lockridge

Donnie Christian
Russell County IDA
Member

Partnering for Progress, Connected for Success

133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

16 August 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

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Sincerely,

p.p. Richard V. Lockridge

Nelson A. Dodi
Russell County IDA Member
Mayor, Town of Lebanon

Partnering for Progress, Connected for Success

133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

2 September 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

Dear Mr. Skiffington,

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Sincerely,

p.p. Richard V. Lockridge

Jarred Glass
Russell County IDA
Member

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133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

13 August 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

Dear Mr. Skiffington,

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Sincerely,

p.p. Richard V. Lockridge

Roger D. Sword
Russell County IDA
Member

Partnering for Progress, Connected for Success

133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

23 September 2021

Mr. Michael Skiffington
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

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Scott J. Gilmer
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Industrial Development Authority of
Russell County, Virginia

20 September 2021

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John M. Stamper
Russell County IDA
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Carlton Elliott
Russell County IDA
Secretary-Treasurer

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IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

13 August 2021

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Sincerely,

p.p. Richard V. Lockridge

Ernest McFaddin
Russell County IDA
Chairman

Partnering for Progress, Connected for Success

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Sincerely,

Richard V. Lockridge

Richard Lockridge
Russell County IDA
Vice Chairman

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Sincerely,

p.p. Richard V. Lockridge

Donnie Christian
Russell County IDA
Member

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russellcountyida.org



IDA Russell County, VA

Industrial Development Authority of
Russell County, Virginia

7 September 2021

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1100 Bank Street, 8th Floor
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Nelson A. Dodi
Russell County IDA Member
Mayor, Town of Lebanon

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p.p. Richard V. Lockridge

John M. Stamper
Russell County IDA
Member

16 August 2021

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Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

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Sincerely,

p.p. Richard V. Lockridge

Donnie Christian
Russell County IDA
Member

9 September 2021

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Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

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Nelson A. Dodi
Russell County IDA Member
Mayor, Town of Lebanon

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Sincerely,

p.p. Richard V. Lockridge

Jarred Glass
Russell County IDA
Member

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Roger D. Sword
Russell County IDA
Member

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Mr. Warren, since 1988 VCEDA has helped bring tens of thousands of jobs and hundreds of millions of dollars in approved funding for hundreds of projects to the coalfield region. Studies have shown that VCEDA's job creation projects have reduced the unemployment rate and improved the diversification of the coalfield regional economy. Even during the COVID-19 pandemic, VCEDA approved 16 loans valued at \$6.8 million and 37 grants totaling \$3.76 million in 2020. These loans and grants are projected to create or retain approximately 1,260 full-time jobs, 225 part-time jobs and generating \$237 million in private investment. In addition to getting companies to the coalfield region, VCEDA supports small business start-ups through its Seed Capital Program. Since 2017 through 2020, 300 jobs and \$34 million in economic impact were attributed to the Seed Capital Program. Lastly in 2020 and as directed by the General Assembly, VCEDA began providing support staff for the new Virginia Coalfields Expressway Authority; however, no new funding was provided by the Commonwealth for this program.

Mr. Warren, it is not the time to reduce VCEDA's funding for economic development; but, to restore funding being lost through the removal of coal tax credits. VCEDA has proven itself for many years as a much-needed authority to create jobs, funding and private investment for the coalfield region. I hope you will support finding the necessary financial support to keep VCEDA viable for the ensuing years.

Sincerely,

Richard V. Lockridge

Richard Lockridge
Russell County IDA
Vice Chairman

13 August 2021

Mr. John Warren
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

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Sincerely,

p.p. Richard V. Lockridge

Ernest McFaddin
Russell County IDA
Chairman

2 September 2021

Mr. Larry Corkey
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

Dear Mr. Corkey,

I am writing you to express my concern over future funding for the Virginia Coalfield Economic Development Authority (VCEDA) with the tax credit phase out for coal production and use. It is estimated that twenty-five percent of VCEDA's revenue will be lost. Specifically, three VCEDA programs will be adversely affected-the Coalfield Revolving Loan Fund, the Workforce Development and Training Fund and the VCEDA Renewable Energy Fund.

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Sincerely,

p.p. Richard V. Lockridge

Carlton Elliott
Russell County IDA
Secretary-Treasurer

Partnering for Progress, Connected for Success
133 Highland Drive, Suite B • Lebanon, VA 24266 • 276-971-0690

russellcountyida.org

13 August 2021

Mr. Larry Corkey
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

Dear Mr. Corkey,

I am writing you to express my concern over future funding for the Virginia Coalfield Economic Development Authority (VCEDA) with the tax credit phase out for coal production and use. It is estimated that twenty-five percent of VCEDA's revenue will be lost. Specifically, three VCEDA programs will be adversely affected-the Coalfield Revolving Loan Fund, the Workforce Development and Training Fund and the VCEDA Renewable Energy Fund.

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Sincerely,

p.p. Richard V. Lockridge

Ernest McFaddin
Russell County IDA
Chairman

23 September 2021

Mr. Larry Corkey
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

Dear Mr. Corkey,

I am writing you to express my concern over future funding for the Virginia Coalfield Economic Development Authority (VCEDA) with the tax credit phase out for coal production and use. It is estimated that twenty-five percent of VCEDA's revenue will be lost. Specifically, three VCEDA programs will be adversely affected-the Coalfield Revolving Loan Fund, the Workforce Development and Training Fund and the VCEDA Renewable Energy Fund.

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Sincerely,

p.p. Richard V. Lockridge

Scott J. Gilmer
Russell County IDA
Member

16 August 2021

Mr. Larry Corkey
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

Dear Mr. Corkey,

Mr. Corkey, I am writing you to express my deepest concern over future funding for VCEDA with the tax credit phase out for coal production and use. It is estimated that twenty-five percent of VCEDA's revenue will be lost. Specifically, three VCEDA programs will be adversely affected-the Coalfield Revolving Loan Fund, the Workforce Development and Training Fund and the VCEDA Renewable Energy Fund.

VCEDA has helped bring tens of thousands of jobs and hundreds of millions of dollars in approved funding for hundreds of projects to the coalfield counties since 1988. Many studies have shown that VCEDA's job creation projects have reduced the unemployment rate and improved the diversification of the coalfield regional economy. Even during 2020 and the COVID-19 pandemic, VCEDA approved 16 loans valued at \$6.8 million and 37 grants totaling \$3.76 million in 2020. These loans and grants are projected to create or retain approximately 1,260 full-time jobs, 225 part-time jobs and generating \$237 million in private investment. In addition to bringing companies to the coalfield region, VCEDA supports small business start-ups through its Seed Capital Program. Since 2017 through 2020, 300 jobs and \$34 million in economic impact were attributed to the Seed Capital Program. Also in 2020 and as directed by the General Assembly, VCEDA began providing support staff for the new Virginia Coalfields Expressway Authority; however, no new funding was provided by the Commonwealth for this initiative.

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Sincerely,

Richard V. Lockridge

Richard Lockridge
Russell County IDA
Vice Chairman

13 August 2021

Mr. Larry Corkey
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

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Sincerely,

p.p. Richard V. Lockridge

Donnie Christian
Russell County IDA
Member

7 September 2021

Mr. Larry Corkey
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

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Sincerely,

p.p. Richard V. Lockridge

Nelson A. Dodi
Russell County IDA Member
Mayor, Town of Lebanon

20 September 2021

Mr. Larry Corkey
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

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Sincerely,

p.p. Richard V. Lockridge

John M. Stamper
Russell County IDA
Member

13 August 2021

Mr. Larry Corkey
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

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Sincerely,

p.p. Richard V. Lockridge

Jarred Glass
Russell County IDA
Member

23 August 2021

Mr. Larry Corkey
ATTN: Reenergize SWVA
Washington Building
1100 Bank Street, 8th Floor
Richmond, VA 23219

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Sincerely,

p.p. Richard V. Lockridge

Roger D. Sword
Russell County IDA
Member