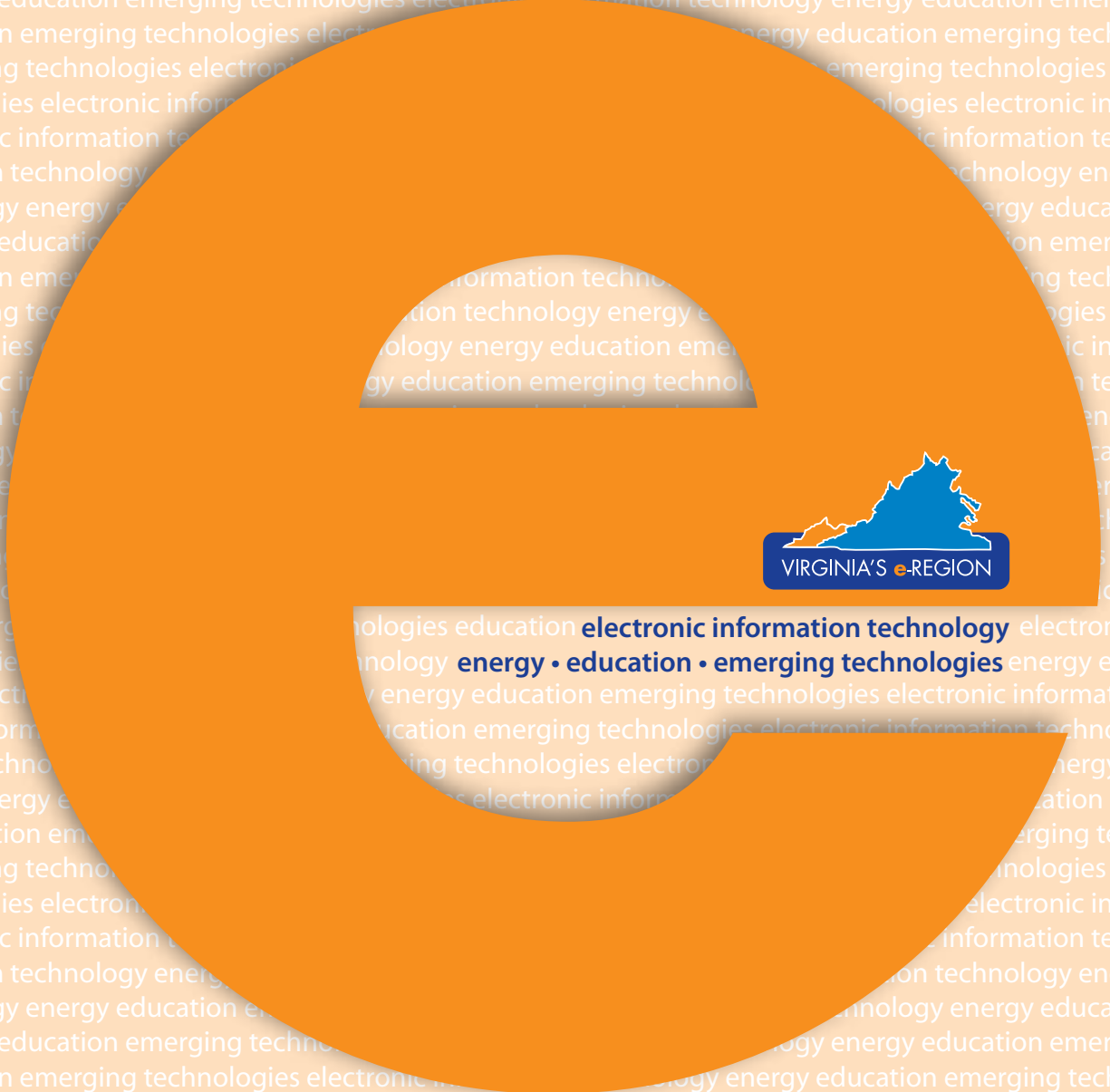


# VCEDA

Virginia Coalfield Economic Development Authority



**technology • energy • education • emerging technologies**

## 2014 ANNUAL REPORT

# Chairman's Letter

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



**Donald Baker**  
Chairman

Dear Governor McAuliffe,

We are pleased to submit to you and the General Assembly the 2014 Annual Report of the Virginia Coalfield Economic Development Authority (VCEDA).

In 2014, VCEDA approved nearly \$9 million in funding with nine loans, one loan increase, and six grants for coalfield area projects, several to be used for continuing development of the region's infrastructure. This funding is projected to result in 339 new and retained jobs and over \$7.6 million in investment. Three new announcements, and four expansion projects by existing industries, are expected to retain and create a total of over 250 jobs with a projection of more than \$9.4 million in investment in the coalfield region. Highlights of the year include the new announcements by Appalachian Biofuels, LLC and Micronic Technologies; the expansion plans of Forest BioProducts in Dickenson County, Simmons Equipment Company and Tadano Mantis Corporation in Tazewell County, and Tri-State Energy in Russell County; the grand opening of the Inn at Wise in Wise County; plans for two new industrial buildings; improvements and upgrades at Breaks Interstate Park; and continued progress on completion of 4G wireless towers in Buchanan, Russell and Wise counties.

We look forward to continuing to work with you to further diversify the economy and to bring jobs to the coalfield region of the Commonwealth. We thank the Governor's Office and the General Assembly for your leadership and support as the role of VCEDA continues to be very important to the region.

Sincerely,

Donald Baker  
Chairman



## 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



▲ Governor Terry McAuliffe and Secretary of Commerce and Trade Maurice Jones visit the region Dec. 3 to participate in a ribbon-cutting ceremony for new industry, Appalachian Biofuels, LLC, locating in a portion of the former Bush building in St. Paul. VCEDA approved up to an \$800,000 loan to the green energy company to assist with the project, which is projected to create up to 40 jobs. From left, Payton Johnson, Appalachian Biofuels; Jon Bowerbank, Russell County Board of Supervisors; Secretary Jones; Donnie Rife, VCEDA board; Harry Rutherford, Russell County IDA; Governor McAuliffe; Chuck Lessin, Appalachian Biofuels; Akiva Lessin, Appalachian Biofuels; and Kyle Fletcher, mayor, Town of St. Paul.



▲ Mary Rae Carter, Special Advisor for Rural Partnerships, Office of the Virginia Secretary of Commerce and Trade, participates in the Oct. 14 groundbreaking ceremony for a new 70,000 sq. ft. shell building being constructed by the Russell County IDA in Lebanon. VCEDA approved an up to \$1,544,087.44 loan to the IDA for construction of the new building. From left, Jonathan Belcher, VCEDA executive director/general counsel; Donald Baker, VCEDA chairman; Mary Rae Carter; and Harry Rutherford, Russell County IDA chairman. ▼







▲ On Sept. 30, VCEDA closes an up to \$1,278,000 loan to the Wise County IDA to be used to finance build-out of the unfinished section of the Appalachia America Research Center in Wise. The IDA has negotiated a lease for this space with Micronic Technologies, a company with new technologies in water purification that projects up to 21 jobs. From left at the VCEDA loan closing, Kenny Gilley, chairman of the Wise County IDA, and Donald Baker, VCEDA chairman.



▲ VCEDA provided \$2.7 million in funding for the Inn at Wise that held a Dec. 9 ribbon cutting. Operated by Guest Services, the project is expected to create 52 jobs. From left, James "Cotton" Stone, Quesenberry's, Inc.; Caynor Smith, mayor, Town of Wise; Shelly Logan, Wise County IDA; Karen Mullins, county attorney; Carl Snodgrass, executive director, Wise County IDA; Cliff Carson, Wise County IDA; Kimberly Mullins, vice chair, Wise County IDA; Teresa Robinette, Inn at Wise art curator; Bill Thompson, Thompson & Litton; Kenny Gilley, chairman, Wise County IDA; Barry Trice, Guest Services, Inc.; and Jeff Marquis, Guest Services, Inc.



▲ VCEDA closes an up to \$400,000 loan on Nov. 18 to Tadano Mantis Corporation to help this crane manufacturer to expand at its Richlands facility in Tazewell County. From left, Curtis Breeding, Tazewell County IDA; Jonathan Belcher, VCEDA executive director/general counsel; Shiro Morita and Barry Reeves, Tadano Mantis. The company projects up to 74 new jobs and \$2.5 million in investment with the project.

▶ VCEDA closes a \$250,000 loan on Oct. 29 to Simmons Equipment Company to help this Tazewell County mining equipment manufacturer expand into a new facility. Up to 47 new and retained jobs and over \$1 million in investment are projected. From left, Simmons representatives Gary Hearl, John Simmons, Matt Simmons, Jonathan Simmons; and Jonathan Belcher, VCEDA executive director/general counsel.



▶ VCEDA joins local, state, and federal officials in a ribbon-cutting ceremony held Dec. 11 by the Russell County IDA to announce plans by Tri-State Energy, Inc. to expand and create up to 20 jobs in Lebanon. The company specializes in compressed natural gas vehicle conversions and CNG filling stations.



▶ VCEDA closes a \$300,000 loan to Forest BioProducts, LLC on Oct. 8 to be used to finance the purchase of equipment for an expansion of this wood biomass business which is headquartered in Dickenson County. From left, Jonathan Belcher, VCEDA executive director/general counsel; Stephen Morris and Karl Kindig, Forest BioProducts; and Donald Baker, VCEDA chairman.



# Executive Director's Report



**Jonathan Belcher**  
Executive Director/  
General Counsel

Many jobs were lost in 2014 in the mining industry, which remains the single most important economic driver to this area's economy, making this a difficult year for the coalfield region of Virginia. This had a ripple effect across other industries in the area as the region struggled to keep pace.

Fortunately, gains were made in other diversified industry sectors that will help to offset some of these losses. New announcements by Appalachian Biofuels, LLC, Buchanan County – Dickenson County Community Health, and Micronic Technologies, as well as expansion projects by Forest BioProducts, Simmons Equipment Company, Tadano Mantis Corporation, and Tri-State Energy, hold the promise of over 250 new and retained jobs. The grand opening of the historic Inn at Wise, and the 52 jobs to be created by that project, also will help.

VCEDA did its part to assist. In 2014, the Authority approved nearly \$9 million in new funding with nine loans, one loan increase, and six grants. This was despite a continued slowdown in coal-related tax revenues coming into the Authority.

Many of VCEDA's investments in 2014 were infrastructure related, and developing the region's infrastructure remains a critical part of planning for its future. This year VCEDA approved funding for two new industrial buildings, additional build-out of the Appalachia America Energy Research Center, and utilities to serve two of the region's industrial parks. VCEDA closed up to a \$1.5 million loan to help complete 4G wireless towers in Buchanan, Russell, and Wise counties, further adding to broadband deployment in the e-Region. VCEDA also made investments at the Breaks Interstate Park, an important part of the region's tourism economy.

VCEDA also maintained a focus on marketing and business development, handling 90 inquiries concerning the region in 2014, participating in 32 prospect visits and 17 outreach marketing events to promote the region for new business. VCEDA contracted with Sanford Holshouser Economic Development Consulting to analyze VCEDA's target market sectors, as well as conduct a lead generation campaign for the region.

In conclusion, while job losses in mining continue to plague the region, the role of VCEDA is now as important as ever.



VCEDA participates in the announcement by Emory & Henry College on Jan. 30 of plans to affiliate on the college of optometry project in Buchanan County, for which VCEDA has approved up to \$5.6 million. Jake Schrum, President, Emory & Henry College, left, and Dr. Brian Looney, President, Appalachian College of Optometry.



VCEDA attends the annual Commonwealth of Virginia Innovative Technology Symposium (COVITS) Sept. 3-4 in Short Pump, VA. From left, Jean Jordan, VCEDA; Susan Copeland, VCEDA; Virginia Secretary of Technology Karen Jackson; and Harry Rutherford, Russell County IDA.

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.

Construction on a new Holiday Inn Express continues in Lebanon, with the 54-room hotel scheduled to open during the spring of 2015. VCEDA has approved up to \$3.3 million in financing to the Russell County IDA to assist with the construction, with up to \$500,000 of that being approved at the November meeting of the VCEDA Board. The Virginia Small Business Financing Authority and Cumberland Plateau Planning District Commission also have provided funding for the project.



On May 12, VCEDA closes an up to \$30,000 grant to the Russell County IDA to help the IDA develop an economic development website. From left, Jonathan Belcher, executive director/general counsel, VCEDA; Sam Whited, secretary, Russell County IDA; and Harry Rutherford, chairman, Russell County IDA.

VCEDA closes up to a \$1.5 million loan to the Virginia Coalfield Coalition, Inc. on April 1. The loan is to be used to finance the construction of 4G wireless towers in Buchanan, Russell and Wise counties, further adding to broadband deployment in the e-Region. From left, Donald Baker, VCEDA chairman; Seth White, Virginia Coalfield Coalition chairman; and Robert Picchi, Blue Ridge Advisory Services Group.



On Feb. 10, VCEDA closes a \$24,552.05 grant to the Breaks Interstate Park Commission to assist with building renovations and improvements at the Breaks Interstate Park. On July 10, VCEDA also closes a \$16,440 grant to the Commission to install new telephone equipment at the park. From left, Austin Bradley, Breaks Interstate Park superintendent; Donnie Rife, Dickenson County Board of Supervisors and VCEDA board member; and Donald Baker, VCEDA chairman.



VCEDA closes an up to \$225,000 grant on Aug. 29 to the Russell County IDA to be used to finance utilities installations and extensions to serve the new sites at the Cumberland Plateau Regional Industrial Park. From left, Harry Rutherford, chairman, Russell County IDA; Jean Jordan, funds administrator, VCEDA; and Sam Whited, secretary, Russell County IDA.



VCEDA closes an up to \$147,000 loan to the Dickenson County IDA on Feb. 10 to acquire approximately 100 acres for the new Coalfield Regional Industrial Park in the Red Onion area of the county. VCEDA also closed an up to \$15,000 grant to the IDA to obtain a preliminary engineering report on this location. From left, Talbert Bolling, chairman, Dickenson County IDA; Donald Baker, chairman, VCEDA; and Danny Lambert, secretary/treasurer, Dickenson County IDA.





# 2014 Highlights

## January 16

VCEDA attends and co-sponsors the Coalfield Region Legislative Reception in Richmond, VA.

## January 30

VCEDA participates in Emory & Henry College's announcement of plans to affiliate on the college of optometry project in Buchanan County, for which VCEDA has approved up to \$5.6 million.

## January 31

VCEDA presents at the LEAD Russell County meeting in Lebanon, VA.

## February 10

VCEDA closes a \$24,552.05 grant to the Breaks Interstate Park Commission to assist with building renovations and improvements at Breaks Interstate Park.

## February 10

VCEDA closes an up to \$147,000 loan to the Dickenson County IDA to acquire approximately 100 acres for a new industrial park in the county's Red Onion area, and closes an up to \$15,000 grant to the IDA for a preliminary engineering report on this location.

## March 10

VCEDA attends the Appalachian Spring Marketing Retreat.



## March 19

VCEDA exhibits at the Russell County Business & Career Expo.

## March 20

In its first meeting of the year, the VCEDA board approves up to a \$225,000 grant to the Russell County IDA to help install utilities for newly developed sites at the Cumberland Plateau Regional Industrial Park, and approves a loan to the Russell County IDA to construct a new shell

building in this industrial park. VCEDA approves requests from the Wise County IDA for up to a \$500,000 increase in the loan for the Inn at Wise project, up to a \$1,278,000 loan to assist with build-out at the Appalachia America Energy Research Center, and up to a \$2 million loan for the construction of an industrial building at the Wise County Industrial Park. VCEDA holds a ceremony to shred the promissory notes on a \$780,000 loan paid in full by Buchanan Pump Service & Supply Co. and a \$250,000 loan paid in full by Forest BioProducts, which helped these businesses to expand and create new jobs.

## April 1

VCEDA closes an up to \$1.5 million loan to the Virginia Coalfield Coalition, Inc. to be used to help finance construction of 4G wireless towers in Buchanan, Russell and Wise counties, further adding to broadband deployment in the e-Region.

## April 2

VCEDA holds a meeting with local economic developers from the region.

## April 15-16

VCEDA leads a team of economic developers from the region to the Automation Technology Expo South trade show held in Charlotte, NC. The six-member team had an exhibit booth and also met with 321 companies at the show.

## May 8

VCEDA exhibits and participates in the 2014 Opportunity Summit, a day filled with networking, business training and marketing resources for those who plan to start their own business in the region. VCEDA had available its Business Briefcase, a notebook of materials to assist entrepreneurs. VCEDA also serves on the entrepreneurial steering committee that helped develop a Blueprint for Entrepreneurial Growth in Southwest Virginia.

## May 12

VCEDA closes a grant of up to \$30,000 to the Russell County IDA for design, development and maintenance of an economic development website for the IDA. VCEDA also implements a new marketing stipend program for FY2015 to assist the IDAs with marketing and websites.

## May 13

VCEDA exhibits and participates at the Procurement Technical Assistance Center (PTAC) Procurement Fair, an event designed to help area businesses interested in governmental contracting.



## May 19-20

VCEDA exhibits and participates in the 35th Annual Conference and Exposition of the Virginia Coal & Energy Alliance held in Kingsport, TN. This is an event that VCEDA uses to promote the region to energy and affiliated industries.

## May 22

VCEDA participates in Russell County trip to Danville, VA to view shell buildings.

## May 29

VCEDA attends the Southwest 2020 Summit in Abingdon, VA.

## June 12

VCEDA exhibits at the annual banquet of the Southwestern Virginia Technology Council.

## June 17

The VCEDA board meets and approves up to a \$16,440 grant to the Breaks Interstate Park Commission for new telephone equipment for the interstate park, and up to a \$46,780 grant to the Wise County IDA for preliminary engineering on approximately 203 acres of new property added to the Lonesome Pine Regional Business and Technology Park. VCEDA also approves up to a \$400,000 loan to Tadano Mantis Corporation for a pending expansion project in Tazewell County. VCEDA approves a contract with Sanford Holshouser Economic Development Consulting to conduct a targeted business and industry analysis and lead generation campaign for the region. VCEDA holds a ceremony to shred the \$1,772,415 and \$250,000 promissory notes paid in full by the Dickenson County IDA on the Nexus Communications (Serco) building.

## July 24

VCEDA exhibits at the 2014 Manufacturing Summit held at Southwest Virginia Community College.

## August 3-5

VCEDA attends the Southern Economic Development Council (SEDC) 2014 annual conference held in Memphis, TN.

## August 20

VCEDA holds a meeting with local economic developers from the region.

## August 25-27

VCEDA hosts Sanford Holshouser Economic Development Consulting on a tour of the e-Region.

## August 28

The VCEDA board meets and approves up to a \$300,000 loan to Forest BioProducts, LLC, up to an \$800,000 loan to Appalachian Biofuels, LLC, and up to a \$250,000 loan to Simmons Equipment Company. These loans are projected to result in a total of 93 new and retained jobs. The VCEDA board also approves increasing the loan approved earlier in the year to the Russell County IDA for a new shell building to up to \$1,544,087.44 total.

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**August 29**

VCEDA closes an up to \$225,000 grant to the Russell County IDA to be used to finance utilities installations and extensions to serve the newly developed sites at the Cumberland Plateau Regional Industrial Park in Lebanon.

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**September 3-4**

VCEDA attends the Commonwealth of Virginia Innovative Technology Symposium (COVITS) at Short Pump, VA.

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**September 22**

The VCEDA board meets and approves up to a \$193,893 loan to the Appalachian School of Law to assist with a Digital Learning Center project.

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**September 26**

VCEDA exhibits at the Energy Expo held at the Dickenson Center for Education and Research.

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**September 29**

VCEDA attends a Small Business Innovation Research (SBIR) meeting hosted by the Procurement Technical Assistance Center at Southwest Virginia Community College.

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**September 30**

VCEDA closes an up to \$1,278,000 loan to the Wise County IDA to be used to finance build-out of the unfinished section of the Appalachia America Energy Research Center in Wise. The IDA has negotiated a lease with Micronic Technologies for this space, which plans to create up to 21 jobs.

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**October 8**

VCEDA closes a \$300,000 loan to Forest BioProducts, LLC to be used to finance the purchase of equipment for an expansion, with projections of six new jobs for this wood biomass company headquartered in Dickenson County.

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**October 9**

VCEDA attends the Southwest Virginia Alliance for Manufacturing Annual Manufacturers Appreciation Dinner and receives a certificate for being a new member.

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**October 14**

VCEDA participates in the groundbreaking ceremony for the new 70,000 sq. ft. shell building being constructed by the Russell County IDA in Lebanon. On Oct. 1, VCEDA closed an up to \$1,544,087.44 loan to the IDA for the construction of this facility.

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**October 22**

VCEDA offers comments on the importance and impact of the proposed Coalfields Expressway at the Bristol District VDOT Six-Year Plan meeting held in Bristol, VA.

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**October 23**

VCEDA exhibits at the Virginia Employment Commission's Employers Advisory Conference held at Mountain Empire Community College.

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**October 27**

VCEDA attends and is a co-sponsor of the Virginia reception held at George Washington's Mount Vernon for CoreNet attendees. CoreNet Global is the world's leading association for corporate real estate professionals.



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**October 29**

VCEDA attends the Appalachian Biofuels announcement ceremony at St. Paul, VA. VCEDA approved an up to \$800,000 loan to assist with the project, a start-up biodiesel company that projects 40 new jobs.

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**October 29**

VCEDA closes a \$250,000 loan to Simmons Equipment Company to help this Tazewell County mining equipment manufacturer expand into a new facility. The company projects 47 new and retained jobs at an average salary of \$50,000 annually.

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**October 31**

VCEDA exhibits at the Tazewell County Business-to-Business Showcase held at the Tazewell County Fairgrounds.

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**November 4**

VCEDA attends the Virginia Secretary of Commerce & Trade's Economic Development Roundtable held at the University of Virginia's College at Wise.

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**November 5-6**

VCEDA attends the Center for Rural Virginia Strategic Plans Assessment meetings held at Big Stone Gap and Cedar Bluff, VA.

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**November 17-18**

VCEDA attends the Governor's Summit on Rural Prosperity in Roanoke, VA.

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**November 18**

VCEDA closes an up to \$400,000 loan to Tadano Mantis Corporation to help this crane manufacturer expand at Richlands in Tazewell County. The company projects up to 74 new jobs with the expansion.

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**November 20**

At its final meeting of the year, the VCEDA board approves an up to \$850,000 grant to the Dickenson County IDA to assist with the extension of sewer to the new industrial park in the Red Onion area of the county. The board also approves an \$11,440.86 grant to the Breaks Interstate Park Commission for flooring improvements at the park's restaurant, and approves up to a \$500,000 loan requested by the Russell County IDA to help complete the Lebanon Holiday Inn Express project. Ron McCall is elected chairman of VCEDA for 2015, with J.P. Richardson as Vice Chairman, Mike Quillen as Treasurer, and Frank Underwood as Secretary. Sanford Holshouser gives the board a report on its targeted business and industry analysis and lead generation efforts. Martin Briley, President & CEO, and Chris Lumsden, Vice Chair, of the Virginia Economic Development Partnership, update the board on VEDP organization and activities.

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**November 24**

VCEDA attends the Southwest Virginia Legislative Breakfast in Clintwood, VA.

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**December 3**

Governor Terry McAuliffe speaks at a ribbon cutting for the Appalachian Biofuels project at St. Paul, VA.



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**December 9**

The Wise County IDA holds ribbon-cutting and grand opening ceremonies for the Inn at Wise. VCEDA provided \$2.7 million in funding for the project, which is projected to create 52 new jobs.

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**December 9**

VCEDA participates in the LEAD Russell County meeting in Lebanon, VA.

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**December 11**

VCEDA participates in an announcement ceremony held by the Russell County IDA on the Tri-State Energy expansion project in Lebanon. Up to 20 jobs and \$1 million in investment are projected.

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**December 12**

VCEDA holds an Allies Meeting of local, regional, state, and federal economic development allies at the VCEDA office in Lebanon.

# Marketing Virginia's e-Region

VCEDA maintained a strong focus on marketing and business development in 2014, handling 90 inquiries about the region, and participating in 32 prospect visits and 17 outreach marketing events to promote the region for new and expanded businesses.

One of the newest marketing tools is the unveiling of a redesigned, mobile compatible website for VCEDA and Virginia's e-Region – [vaceda.org](http://vaceda.org) ([e-Region.org](http://e-Region.org)). The revamped website can be easily accessed from any mobile device with links to all the downloadable material from the main website, including sites and buildings information, directions to sites throughout the region, VCEDA's unique financing programs and more. A new feature added to the website is a blog that further helps describe what it's like to operate a business and live in Virginia's e-Region. During the year, the website had over 169,000 hits.

VCEDA also contracted with respected site consultants Sanford Holshouser Economic Development Consulting to analyze VCEDA's target market sectors and to conduct a lead generation campaign for the region.

Key outreach events for VCEDA during the year include being one of the co-sponsors along with the Virginia Economic Development Partnership for an October reception at Mt. Vernon for invited guests attending CoreNet Global, the world's leading association for corporate real estate professionals. VCEDA also led a team of economic developers from Virginia's e-Region to the Automation Technology Expo South trade show in Charlotte, NC, in April, where they met with more than 321 companies. VCEDA also attended the annual conference of the Southern Economic Development Council at Memphis, TN, the Commonwealth of Virginia Innovative Technology Symposium at Short Pump, VA, and the Governor's Summit on Rural Prosperity at Roanoke, VA.

Outreach in and around the region includes exhibiting at various business showcases and conferences, at the annual Conference and Exposition of the Virginia Coal & Energy Alliance, and at the Southwestern Virginia Technology Council annual awards gala.

VCEDA also uses a number of other business development methods including direct mail, telephone calls, company visits, and communications with site location consultants and industrial real estate agents.



VCEDA leads the Virginia's e-Region team to the Automation Technology Expo South trade show in Charlotte, NC, in April, where they met with more than 321 companies. From left, Susan Copeland, VCEDA; Harry Rutherford, Russell County; Jean Jordan, VCEDA; Yvonne Rutherford, Russell County; Charlotte Mullins, Dickenson County; and Mike Thompson, Tazewell County.



Site consultants, Bob Leak, David Denny and Bob Goforth from Sanford Holshouser Economic Development Consulting, visit the Bluestone Regional Business & Technology Center in late August as part of a two-day tour of Virginia's e-Region sites and buildings. The consultants analyzed VCEDA's target market sectors and conducted a lead generation campaign for the region.

## 2014 New Projects and Expansions

New Projects	Jobs	Investment
Micronic Technologies	21	\$925,000
Appalachian Biofuels, LLC	40	\$3,500,000
Inn at Wise	12*	-
Buchanan County – Dickenson County Community Health	51	\$75,000
<b>Total</b>	<b>124</b>	<b>\$4,500,000</b>
Expansions		
Forest BioProducts, LLC	6	\$400,000
Simmons Equipment Company	47**	\$1,001,906
Tadano Mantis Corporation	74	\$2,500,000
Tri-State Energy, Inc.	20	\$1,000,000
<b>Total</b>	<b>147</b>	<b>\$4,901,906</b>
<b>Grand Total</b>	<b>271**</b>	<b>\$9,401,906</b>

\*Increase over previous announcement. \*\*Includes 11 retained jobs.





One of the newest marketing tools is the unveiling of a redesigned, mobile compatible website for VCEDA and Virginia's e-Region – [vaceda.org](http://vaceda.org) (e-Region.org). The revamped website can be easily accessed from any mobile device with links to all the downloadable material from the main website, including sites and buildings information, directions to sites throughout the region, VCEDA's unique financing programs and more. A new feature added to the website is a blog that further helps describe what it's like to operate a business and live in Virginia's e-Region.



▲ Marketta Horton represents VCEDA at its exhibit booth for the Manufacturing Summit held July 24 at Southwest Virginia Community College. Keynote speaker was Elizabeth Creamer, Advisor for Workforce Development, Office of the Virginia Secretary of Commerce and Trade.



▲ VCEDA is a co-sponsor of the reception at George Washington's Mt. Vernon, Oct. 27, hosted by the Virginia Economic Development Partnership for invited guests attending CoreNet Global, the world's leading association for corporate real estate professionals. From left, Jean Jordan, VCEDA; Virginia Secretary of Commerce and Trade Maurice Jones; and Susan Copeland, VCEDA.

# Virginia Coalfield Economic Development Authority Board of Directors



VCEDA Board members include, from left, front, Ron McCall, Michael Quillen, Donald Baker, VCEDA Executive Director/General Counsel Jonathan Belcher, and Carroll Branham. Back, from left, Donald Ratliff, Frank Underwood, Steve Greer, Dana Kilgore, Donnie Rife, J. P. Richardson, Ross Jenkins, Jim Baldwin, Joe Gillespie and Glen Skinner. Not pictured are Stacy Estep Munsey and Joe Gary Street.

## Officers

**Donald Baker**  
Chairman

**Stacy Estep Munsey**  
Vice Chairman

**Joe Gary Street**  
Secretary

**Michael J. Quillen**  
Treasurer

## Members

### Governor's Appointees

Donald Baker  
Ross C. Jenkins  
Ron D. McCall  
Stacy Estep Munsey  
Joe Gary Street

## Coal Producers

**Michael J. Quillen**  
Paramont Coal Company

**Donald Ratliff**  
Dickenson-Russell Coal  
Company

**Frank Underwood**  
CONSOL Buchanan Mining  
Company, LLC

**Gas Producer**  
**Steve Greer**  
CNX Gas Company

## Virginia Economic Development Partnership

**Joe Gillespie**

**Planning District  
Commissions**

**Jim Baldwin**  
Cumberland Plateau PDC

**Glen A. Skinner**  
LENOWISCO PDC

## County Boards of Supervisors

**Carroll Branham**  
Buchanan County

**Donnie Rife**  
Dickenson County

**Dana G. Kilgore**  
Wise County

**Virginia Coal & Energy  
Alliance**  
**J.P. Richardson**

## 2014 VCEDA Loan and Grant Approvals

### LOANS

COUNTY	PROJECT	APPROVED	AMOUNT
Buchanan County	Appalachian School of Law	9/22/14	\$ 193,893.00
Dickenson County	Forest BioProducts, LLC	8/28/14	\$ 300,000.00
Russell County	IDA/Lebanon Shell Building	3/20/14	\$ 1,544,087.44
Russell County	Appalachian Biofuels, LLC	8/28/14	\$ 800,000.00
Russell County	IDA/Lebanon Inn, LLC	11/20/14	\$ 500,000.00
Tazewell County	Tadano Mantis Corporation	6/17/14	\$ 400,000.00
Tazewell County	Simmons Equipment Company	8/28/14	\$ 250,000.00
Wise County	IDA/Energy Research Center Build-Out	3/20/14	\$ 1,278,000.00
Wise County	IDA/Industrial Building Construction	3/20/14	\$ 2,000,000.00
Wise County	IDA/Inn at Wise (loan increase)	3/20/14	\$ 500,000.00
<b>TOTAL LOANS</b>			<b>\$ 7,765,980.44</b>

### GRANTS

COUNTY	PROJECT	APPROVED	AMOUNT
Dickenson County	Breaks Interstate Park/Telephone Equipment	6/17/14	\$ 16,440.00
Dickenson County	Breaks Interstate Park/Improve Rhododendron Rest.	11/20/14	\$ 11,440.86
Dickenson County	IDA/Coalfield Regional Industrial Park Sewer	11/20/14	\$ 850,000.00
Russell County	IDA/Cumberland Plateau Regional Industrial Park Utilities	3/20/14	\$ 225,000.00
Russell County	IDA/Website Development and Maintenance	3/20/14	\$ 30,000.00
Wise County	IDA/Lonesome Pine Reg. Bus. & Tech. Park Engineering	6/17/14	\$ 46,780.00
<b>TOTAL GRANTS</b>			<b>\$ 1,179,660.86</b>
<b>TOTAL LOANS &amp; GRANTS</b>			<b>\$ 8,945,641.30</b>



# Virginia Coalfield Economic Development Authority

## Statement of Cash Receipts & Disbursements—Year Ended December 31, 2014

	Fund Balance 1/1/2014	Cash Receipts			Cash Disbursements		Fund Balance 12/31/2014	Uncommitted Available Balance
		Receipts	Interest Earned	Loans Collections	Administrative & Business Dev. Expenses	Project Loans & Grants		
Buchanan County	\$ 13,827,934	\$ 2,609,551	\$ 38,037	\$ -	\$ 256,323	\$ 2,076,169	\$ 14,143,030	\$ 6,692,139
Dickenson County	\$ 8,792,954	\$ 983,048	\$ 25,930	\$ 423,121	\$ 94,853	\$ 435,896	\$ 9,694,304	\$ 8,696,326
Lee County	\$ (260,248)	\$ 1,376	\$ (710)	\$ 7,500	\$ (930)	\$ -	\$ (251,152)	\$ (251,152)
City of Norton	\$ 60,999	\$ -	\$ 168	\$ -	\$ -	\$ -	\$ 61,167	\$ 61,167
Russell County	\$ 1,451,783	\$ 338,451	\$ 3,243	\$ 156,870	\$ 27,919	\$ 985,109	\$ 937,319	\$ 182,837
Scott County	\$ 63,042	\$ 1,397	\$ 178	\$ -	\$ 148	\$ -	\$ 64,469	\$ 64,469
Tazewell County	\$ 4,824,362	\$ 458,287	\$ 12,817	\$ 113,955	\$ 43,296	\$ 811,944	\$ 4,554,181	\$ 1,054,181
Wise County	\$ 10,682,927	\$ 498,360	\$ 28,028	\$ 313,210	\$ 44,184	\$ 1,513,087	\$ 9,965,254	\$ 6,694,015
Regional	\$ 10,614,669	\$ 1,041,972	\$ 30,324	\$ 172,363	\$ 258,824	\$ 660,800	\$ 10,939,704	\$ 8,477,312
Tax Credit	\$ 21,673,585	\$ 1,803,074	\$ 58,490	\$ -	\$ -	\$ 197,108	\$ 23,338,041	\$ 12,138,041
Civil Penalties	\$ 41,374	\$ 97,212	\$ 182	\$ -	\$ -	\$ 40,992	\$ 97,776	\$ 86,335
CFO Funds	\$ 1,191,947	\$ -	\$ 655	\$ 69,991	\$ 51	\$ 1,055,626	\$ 206,916	\$ 106,927
<b>TOTALS</b>	<b>\$ 72,965,328</b>	<b>\$ 7,832,728</b>	<b>\$ 197,342</b>	<b>\$ 1,257,010</b>	<b>\$ 724,668</b>	<b>\$ 7,776,731</b>	<b>\$ 73,751,009</b>	<b>\$ 44,002,597</b>

### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Virginia Coalfield Economic Development Authority, for the year ended December 31, 2014.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash receipts and disbursements basis of accounting described in Note 1. 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of cash receipts and disbursements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.


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 statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the recorded cash transaction of the cash receipts and disbursements of the Virginia Coalfield Economic Development Authority, for the year ended December 31, 2014, on the basis of accounting described below.

#### Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements of the Virginia Coalfield Economic Development Authority are 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 that matter.



**THROWER, BLANTON & ASSOCIATES, P.C.**  
Certified Public Accountants  
Norton, Virginia  
February 5, 2015

VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY  
NOTE TO FINANCIAL STATEMENTS  
December 31, 2014

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Accounting

Virginia Coalfield Economic Development Authority's policy is to prepare its financial statements on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

