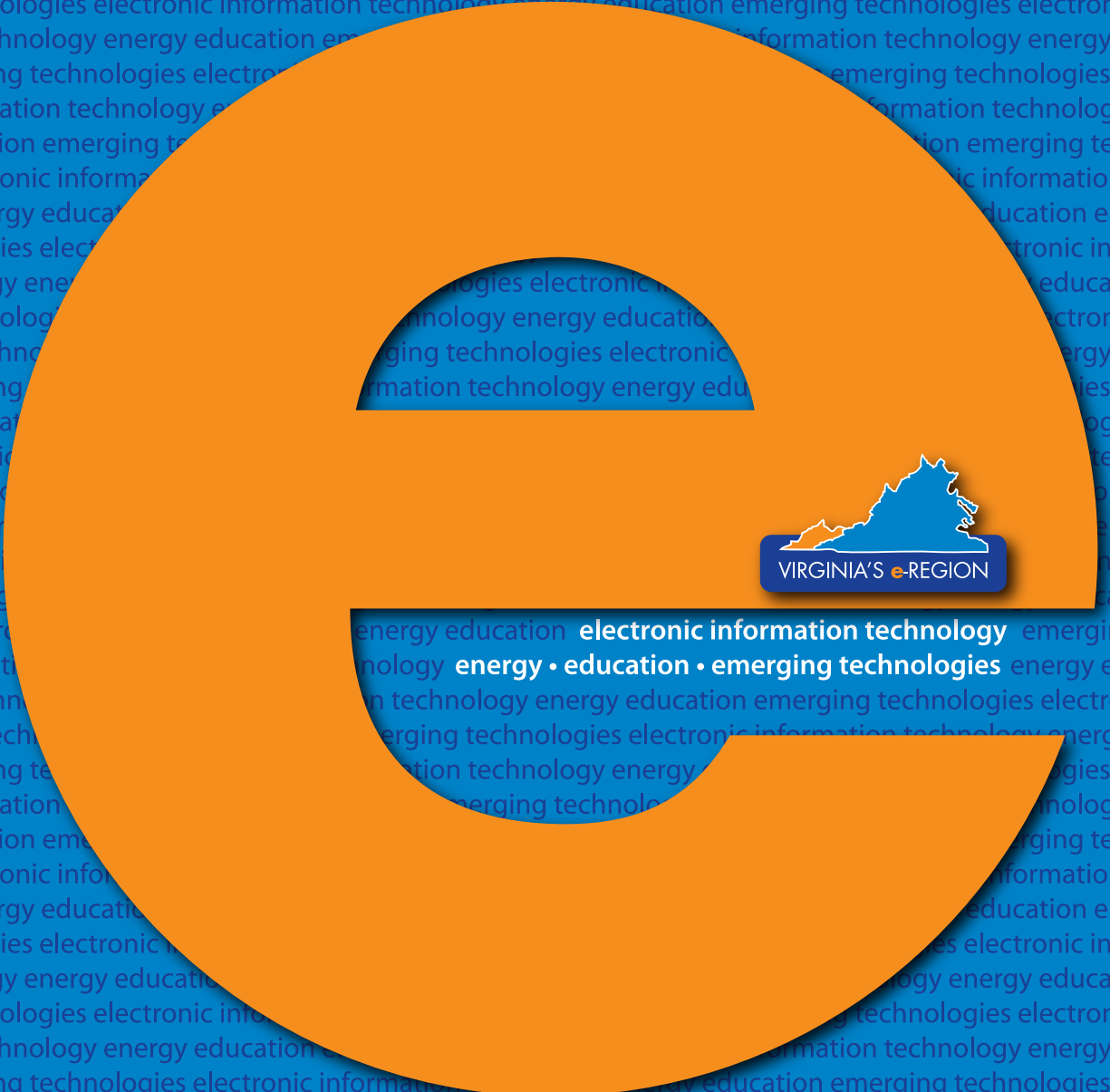


VCEDA

Virginia Coalfield Economic Development Authority



electronic information technology
energy • education • emerging technologies

2015 ANNUAL REPORT

Chairman's Letter

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



Ron McCall
Chairman

Dear Governor McAuliffe,

We are pleased to submit to you and the General Assembly the 2015 Annual Report of the Virginia Coalfield Economic Development Authority (VCEDA).

In 2015, VCEDA approved nearly \$14 million in funding with 12 loans and three grants for coalfield area projects. There were five new projects and five existing business expansions in 2015, which are projected to result in 649 new jobs and over \$93 million in investment. Highlights of the year include the announcements by two information technology companies, TeleTech Holdings and DP Facilities, to locate a customer experience center in Scott County and a Tier III data center in Wise County; the new business announcement by Trailhead Lodging; the expansion announcements of Tadano Mantis Corporation, Simmons Equipment Company and Blue Wolf Sales and Service in Tazewell County; the expansion plans of 3B Consulting Services in Russell County, NorrisBuilt Fabrication in the City of Norton, Sunset Digital Communications and AT&T Wireless; improvements at Breaks Interstate Park and the grand opening of the Coal Canyon OHV trail in Buchanan County; creation of the Go Global with Coal and Energy Technology program to assist participating coalfield companies in marketing their businesses internationally; and a study commissioned by VCEDA to identify industrial sites that could attract projects that could transform the region.

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,

Ron McCall
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

On Oct. 21, Governor Terry McAuliffe announces that TeleTech Holdings, Inc. will locate a customer experience center in Scott County, creating 300 new jobs. VCEDA helped recruit the project and approved up to a \$2,853,000 loan to the Scott County EDA to assist. In the photo, Delegate Terry Kilgore announces the project, joined by, from left, Chad Hood and Joe Herron, Scott County Board of Supervisors; Roger Fraysier, Scott County EDA chairman; and Joe Horton, Scott County Board of Supervisors.



On July 17, Governor Terry McAuliffe and Secretary of Commerce and Trade Maurice Jones joined Russell County officials, VCEDA and others to officially cut the ribbon on the 76,000 square foot shell building in the Cumberland Plateau Regional Industrial Park in Lebanon. VCEDA approved up to a \$1,544,087.44 loan to the Russell County IDA to construct the building.

Virginia Secretary of Commerce and Trade Maurice Jones is joined by VCEDA and local and state officials on March 25 at Simmons Equipment Company to announce the company's \$1 million expansion and relocation in Tazewell County. The manufacturer of battery-powered mining equipment projects 30 new jobs will be created. VCEDA approved a \$250,000 loan to assist with this project.



VCEDA closes an up to \$450,000 loan to Sunset Digital Communications, Inc. on Oct. 21 to assist with an expansion and the installation of broadband in Virginia's e-Region. Jonathan Belcher, VCEDA executive director/general counsel, left, presents a ceremonial check to Paul Elswick and Ryan Elswick, Sunset Digital officials. Sunset Digital projects up to 20 new jobs with the expansion.



On Dec. 11, VCEDA closes a loan up to \$2,853,000 to the Scott County EDA to help build a new building for the TeleTech project that is expected to create 300 new jobs in Scott County. In photo, from left, are John Kilgore, Scott County EDA executive director; Jonathan Belcher, VCEDA executive director/general counsel; and Roger Fraysier, Scott County EDA chairman.



Governor Terry McAuliffe announces on Aug. 7 at Pemco Corporation in Bluefield the Go Global with Coal and Energy Technology (GGCET) program to assist coal and energy technology companies in the VCEDA region in expanding their international business. A collaboration with the Governor's Office, VCEDA and the Virginia Economic Development Partnership (VEDP), the program has six VCEDA region companies participating in the initial class.



On March 23, VCEDA participates in the groundbreaking ceremony for the Coal Canyon OHV trail system in Buchanan County, a part of the Southwest Regional Recreation Authority's (SRRA) Spearhead Trails. VCEDA approved up to a \$220,000 forgivable loan to SRRA to assist with development of the Coal Canyon OHV trail system. In photo, from left, are Wade McGeorge, Buchanan County IDA; Craig Stiltner, Buchanan County Board of Supervisors; William "Buzz" Witt, chairman of SRRA; Jonathan Belcher, VCEDA executive director/general counsel; and Buddy Fuller, Buchanan County Board of Supervisors.

VCEDA presents a ceremonial check to the Wise County IDA on Oct. 28 for up to a \$825,000 loan to assist NorrisBuilt Fabrication to expand in Norton and create 24 new jobs. In the photo, from left, are Carl Snodgrass, Wise County IDA executive director; Tiffany and Ron Norris, owners of NorrisBuilt Fabrication; Kenny Gilley, chairman of the Wise County IDA; Ron McCall, VCEDA chairman; and Jonathan Belcher, VCEDA executive director/general counsel.

Virginia Secretary of Commerce and Trade Maurice Jones joins VCEDA, local and state officials on March 25 to announce that Tadano Mantis Corporation will create 25 new jobs and invest \$2.5 million to expand its manufacturing facility in Richlands. The Japanese-owned company produces 35-75 cranes per year in two Tazewell County manufacturing locations. VCEDA approved an up to \$400,000 loan to assist with this project.

VCEDA joins Russell County officials and others in cutting the ribbon on May 27 for the official opening of the Holiday Inn Express & Suites hotel in Lebanon. VCEDA approved \$3.3 million to the Russell County IDA in loan financing to help develop the hotel, which is leased to Lebanon Inn, LLC and managed by Newport Hospitality Group.



Governor Terry McAuliffe announces in Wise July 17 that Dhiyohouse Inc., a specialty supplier of belting for the conveyor and power transmission industries, will build its first U.S. manufacturing facility in Wise County, investing \$6.1 million and creating 80 jobs. VCEDA approved up to \$2 million to the Wise County IDA to assist with construction of a 40,000 sq. ft. building in the Wise County Industrial Park. Donald Baker, VCEDA executive committee chairman, right, presents a ceremonial check to Kenny Gilley, chairman of the Wise County IDA, left, and Bob Adkins, chairman of the Wise County Board of Supervisors.



Executive Director's Report



Jonathan Belcher
Executive Director/
General Counsel

In 2015, the region saw one of the highest numbers of projects and jobs announced in a decade, and the Virginia Coalfield Economic Development Authority (VCEDA) reported one of the highest levels of loans and grants approved in many years. There were five new projects and five existing business expansions in the seven-county,

one-city area served by VCEDA, for a total of more than 600 projected new jobs and more than \$93 million in projected investment. It was another active year for VCEDA despite a now long-term decline in VCEDA's primary funding source of coal and natural gas severance taxes.

New project announcements included TeleTech, which is locating a new customer experience center in Scott County that is projected to create 300 new information technology jobs, and DP Facilities Inc., which is constructing a new Tier III co-location data center at the Lonesome Pine Regional Business and Technology Park in Wise County. Sunset Digital Communications, Inc. announced it is expanding its broadband infrastructure within the region with assistance from VCEDA, and AT&T Wireless also added jobs in Russell County. Such projects reinforce the e-Region's appeal as a great location for technology jobs and businesses.

The region is focused on becoming a new East Coast center for advanced manufacturing as well. In 2015, VCEDA approved funding to assist with an advanced manufacturing center of excellence satellite facility at Duffield. Several manufacturers made announcements during the year, including expansion announcements by Tadano Mantis Corporation, Simmons Equipment Company, and Blue Wolf Sales and Service in Tazewell County, and NorrisBuilt Fabrication in the City of Norton.

The region has worked together for many years to help develop the tourism industry, and several advancements were made in this field during the year. VCEDA approved funding to assist the Southwest Regional Recreation Authority with two new major OHV trail systems – the "Coal Canyon" trail in Buchanan County and the "Original Pocahontas" trail in Tazewell County. A new Holiday Inn Express & Suites hotel opened in Lebanon, made possible by funding from VCEDA. VCEDA also approved a grant to the Breaks Interstate Park to help with improvements at this important tourism destination.

In summary, statistics for 2015 were strong. During the year, VCEDA reported 41 prospect visits, 27 outreach business development events, 10 new projects and expansions, 649 projected jobs, over \$93 million in projected investment, and nearly \$14 million in VCEDA loans and grants approved. These measures were some of the highest in years, despite the fact that VCEDA's revenues from coal and natural gas severance taxes continue to decline.

VCEDA closes up to a \$96,150 grant to Breaks Interstate Park Commission on July 20 for a roof replacement project at Breaks Interstate Park. Jonathan Belcher, VCEDA executive director/general counsel, left, presents the grant documents to Austin Bradley, Breaks Park superintendent.



On Sept. 3, VCEDA closes up to a \$2,080,000 loan to the Buchanan County IDA to construct an 80,000 sq. ft. shell building in the Southern Gap development in Buchanan County. In photo, from left, are Brenda Ward, Buchanan County IDA secretary/treasurer; Jay Rife, Buchanan County IDA chairman; Jonathan Belcher, VCEDA executive director/general counsel; and Craig Horn, Buchanan County administrator and IDA executive director.



The VCEDA board passes a resolution honoring the late Richard Settle at its May 14 meeting. Richard L. Settle, who was appointed to serve on the board by two governors of Virginia, was a member of the VCEDA board from 1996 to 2004 and served in a number of positions during his tenure, including chairman, vice chairman and secretary. Janet Settle receives the framed resolution presented by Donald Baker, chairman of the VCEDA executive committee.



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



On July 17, Governor Terry McAuliffe and Virginia Secretary of Commerce and Trade Maurice Jones join county and regional officials in a groundbreaking ceremony for 3B Consulting Services, LLC for a new headquarters building in Russell County. The local engineering firm announced it would invest \$2.5 million, construct a new headquarters building in the Russell County Industrial Park, and create 15 new jobs.



A ceremony was held on Oct. 27 in Bluefield, VA to cut the ribbon on the facility for Blue Wolf Sales and Service, a manufacturer and supplier of industrial strength cleaners. On Oct. 15, Governor Terry McAuliffe announced that Blue Wolf will expand in Tazewell County, adding 15 new jobs and investing \$1.56 million.



VCEDA attends and exhibits at the 15th annual National HUBZone Conference held in Chantilly, VA Oct. 29-30. The e-Region team included, from left, Mitzi Sykes, Dickenson County; Jean Jordan, VCEDA; Donnie Rife, VCEDA board member and Dickenson County Board of Supervisors; and Susan Copeland, VCEDA.



VCEDA closes up to a \$100,000 loan to the Scott County EDA on Dec. 11 to help purchase equipment for the advanced manufacturing center of excellence satellite location in the Pioneer Center in Duffield. In the photo, from left, are Jonathan Belcher, VCEDA executive director/general counsel; Roger Fraysier, Scott County EDA chairman; and John Kilgore, Scott County EDA executive director.



VCEDA closes an additional up to \$500,000 loan to the Russell County IDA on March 3 to assist with completion of the Holiday Inn Express & Suites hotel in Lebanon, bringing VCEDA total approved financing on this project to \$3.3 million. In photo, from left, are Senator Ben Chafin; Sam Whited, Russell County IDA; Jonathan Belcher, VCEDA executive director/general counsel; and Harry Rutherford, chairman of the Russell County IDA.



VCEDA closes a loan Sept. 2 for up to \$428,000 to the Dickenson County IDA to be used to finance the purchase of equipment, furniture and building improvements to assist with Bird Dog Distributors, which is projecting 50 new jobs. In photo, from left, are Mitzi Sykes, Dickenson County IDA director; Danny Lambert, Dickenson County IDA secretary/treasurer; Scott Maier, Bird Dog Distributors; Talbert Bolling, Dickenson County IDA chairman; Jonathan Belcher, VCEDA executive director/general counsel; and Donnie Rife, Dickenson County Board of Supervisors and VCEDA board member.



VCEDA closes a loan for up to \$100,000 to the Southwest Regional Recreational Authority (SRRA) on June 30 to assist with the development and expansion of the Original Pocahontas OHV trail system in Tazewell County, which is part of SRRA's Spearhead Trails initiative. In photo, from left, are Jonathan Belcher, VCEDA executive director/general counsel; Ron McCall, VCEDA chairman; Chuck Riedhammer and Buzz Witt, SRRA.

2015 HIGHLIGHTS

January 9

VCEDA participates in the Conference on the Economy of the Coalfield Region of Virginia, Appalachian College of Pharmacy, Oakwood, VA.

January 22

VCEDA is a sponsor and attends the Coalfield Regional Legislative Reception, Richmond, VA.

February 21

VCEDA attends and exhibits at the Drone Jamboree held at the University of Virginia's College at Wise.



March 3

VCEDA closes an additional up to \$500,000 loan, approved in November 2014, to the Russell County IDA to assist with the completion of the Holiday Inn Express & Suites hotel in Lebanon.

March 19

The VCEDA board meets and approves up to a \$428,000 loan to the Dickenson County IDA to assist with the location of Bird Dog Distributors, LLC to Dickenson County. The VCEDA board also approves up to a \$220,000 loan to the Southwest Regional Recreation Authority to assist with the development of the Coal Canyon OHV trail system in Buchanan County, up to a \$60,030 grant to the Breaks Interstate Park Commission to help with a roof replacement project at the park, and up to a \$2,080,000 loan to the Buchanan County IDA for the construction of an 80,000 square foot shell building at the Southern Gap development. The VCEDA board also extended the maturity date for an additional 10 years on a \$200,000 loan to the Lee County IDA concerning the Constitutional Oaks Industrial Park.

March 23

VCEDA participates in a groundbreaking ceremony for the new Coal Canyon OHV trail system in Buchanan County, and closes an up to \$220,000 loan to the Southwest Regional Recreation Authority to assist with the development of the trail system.

March 25

Governor McAuliffe announces that Tadano Mantis Corporation, a crane manufacturer located in Richlands, is expanding and adding 25 new jobs with a \$2.5 million investment. VCEDA approved up to a \$400,000 loan to assist on the project in 2014.

March 25

Governor McAuliffe announces that Simmons Equipment Company is expanding in Tazewell County, adding 30 new jobs with a \$1 million investment. VCEDA provided a \$250,000 loan to the company to assist with the expansion.

March 25

VCEDA hosts Virginia Secretary of Commerce & Trade Maurice Jones on a tour of Buchanan, Tazewell, and Russell counties.

March 27

VCEDA holds a workshop with economic developers from the region to discuss economic development marketing.

March 31-April 1

VCEDA co-sponsors and attends the Southern Economic Development Council (SEDC) Meet the Consultants event, Chicago, IL.

May 13

VCEDA attends a workshop meeting on the Coalfields Expressway, Breaks, VA.

May 14

The VCEDA board holds a strategy session to discuss the economic development of the region and proposes that potential regional industrial sites that are capable of attracting projects that could transform the economy of the region be identified.

May 18

VCEDA participates in a SWVA Economic Roundtable follow-up meeting hosted by Secretary of Commerce & Trade Maurice Jones at Mountain Empire Community College.

May 18-19

VCEDA exhibits and participates at the 36th Annual Conference and Exposition of the Virginia Coal & Energy Alliance held in Kingsport, TN.

May 27

The Russell County IDA holds a ribbon cutting for the Lebanon Holiday Inn Express & Suites hotel.

June 2

VCEDA holds a kick-off meeting for the Go Global with Coal & Energy Technology program.

June 4

VCEDA attends and exhibits at the annual awards banquet and gala of the Southwestern Virginia Technology Council.



June 11

VCEDA holds a meeting of local economic developers at the VCEDA office in Lebanon.

June 17

VCEDA exhibits at the Russell County Chamber of Commerce annual Business Showcase.

June 18

The VCEDA board meets and approves over \$6.1 million in funding for several projects, including an increase in the amount of the grant approved to the Breaks Interstate Park Commission on March 19, 2015 for a roof replacement project at the park to up to \$96,150 total. VCEDA also approves up to a \$100,000 loan to the Scott County EDA to assist with development of an advanced manufacturing center of excellence satellite location at the Pioneer Center in Duffield. VCEDA also approves up to a \$2,853,000 loan to the Scott County EDA to assist with the construction and development of a building at Weber City for the TeleTech project. VCEDA approves up to a \$100,000 loan to the Southwest Regional Recreation Authority to assist with development and expansion of the Original Pocahontas OHV trail system in Tazewell County. VCEDA approves up to a \$1 million loan to the Town of St. Paul IDA to assist with the redevelopment of the historic Willis Building in the Town of St. Paul, Virginia into a boutique hotel, restaurant, and retail center. VCEDA also approves up to a \$450,000 loan to Sunset Digital Communications, Inc. to assist with an expansion and the connection of homes and businesses in the region to fiber optic broadband service. VCEDA also approves up to a \$425,000 loan to the Wise County IDA to assist with the location of Energy Enterprises of Norton, VA to the Blackwood Industrial Park in Wise County. VCEDA approves up to a \$825,000 loan to the Wise County IDA to assist with the expansion of NorrisBuilt Fabrication and Mobile Welding, LLC in the City of Norton.

June 30

VCEDA closes up to a \$100,000 loan to the Southwest Regional Recreation Authority to assist with the development and expansion of the Original Pocahontas OHV trail system in Tazewell County.

July 14-15

VCEDA attends an orientation event for companies participating in the Go Global with Coal & Energy Technology program in Richmond, VA.

July 17

Governor McAuliffe announces that Dhiyohouse Inc., a manufacturer of conveyor belts, will locate in Wise County and create 80 new jobs with a \$6.1 million investment.

July 17

Governor McAuliffe announces that 3B Consulting Services, LLC, a consulting and engineering firm, will establish a headquarters facility in Russell County and create 15 new jobs with a \$2.5 million investment.

July 17

Governor McAuliffe helps the Russell County IDA and VCEDA cut the ribbon on the new shell building in the Cumberland Plateau Regional Industrial Park.

July 20

VCEDA closes up to a \$96,150 grant to the Breaks Interstate Park Commission for a roof replacement project at the park.

August 4

VCEDA exhibits at the Southwest Virginia Alliance for Manufacturing (SVAM) Expo, Abingdon, VA.

August 7

At a ceremony held at Pemco Corporation in Bluefield, Governor McAuliffe announces a partnership with VCEDA for the Go Global with Coal & Energy Technology program, which is designed to assist coal and energy technology companies in the VCEDA region with expanding their international business.

August 17-19

VCEDA hosts the Virginia Economic Development Partnership on a tour of all seven VCEDA counties and the City of Norton.



August 20

The VCEDA board meets and approves the release of approximately 22 acres of land in the Lonesome Pine Regional Business and Technology Park in order to allow the DP Facilities Inc. data center project to proceed in Wise County.

August 25

VCEDA participates in the Advanced Manufacturing Blueprint Implementation Team meeting, Abingdon, VA.

September 2

VCEDA closes up to a \$428,000 loan to the Dickenson County IDA to assist on the Bird Dog Distributors project, which projects 50 new jobs.

September 3

VCEDA closes up to a \$2,080,000 loan to the Buchanan County IDA to construct an 80,000 square foot shell building at the Southern Gap development in Buchanan County.

September 9-10

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

September 12

VCEDA exhibits at the Southwest VA Outdoor Expo, Abingdon, VA.

September 18

VCEDA makes a presentation to the 2015 class of LEAD Virginia at the Inn at Wise.

September 21-22

VCEDA attends the Southwest Virginia Creative Economy Conference 2015.

September 30-October 1

VCEDA attends and exhibits at the Cyber Security Unmanned Systems Technology Showcase, Chester, VA.

October 8

VCEDA holds a meeting of local economic developers at the VCEDA office.

October 11

VCEDA attends the Virginia Economic Development Partnership event with site location consultants, Atlanta, GA.

October 15

Governor McAuliffe announces that Blue Wolf, a manufacturer and supplier of industrial strength cleaners, will expand in Tazewell County adding 15 new jobs with a \$1.56 million investment.

October 15

The VCEDA board meets in Lebanon, VA.

October 21

Governor McAuliffe announces that TeleTech will establish a customer experience center in Scott County, creating 300 new jobs.

October 21

VCEDA closes up to a \$450,000 loan to Sunset Digital Communications, Inc. to assist with an expansion and the installation of broadband in the e-Region. Sunset Digital projects up to 20 new jobs with the expansion.

October 22

VCEDA attends the Southwest 2020 Summit, Abingdon, VA.

October 23

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



October 28

Governor McAuliffe announces that NorrisBuilt Fabrication will expand and create 24 new jobs with a \$1.5 million investment.

October 29

VCEDA attends the EAC Fall Employer Conference held at Mountain Empire Community College.

October 29

DP Facilities Inc. announces the construction of the Mineral Gap Tier III data center at the Lonesome Pine Regional Business and Technology Park in Wise County, with 30 new jobs projected.

October 29

VCEDA attends the F15 Security Leaders Dinner hosted by the MACH37 cyber security accelerator at the CIT building, Herndon, VA.

October 29-30

VCEDA attends and exhibits at the National HUBZone Conference, Chantilly, VA.

November 4-5

VCEDA attends the Virginia Conference on World Trade, Norfolk, VA.

November 10

VCEDA attends a meeting of the GO Virginia initiative held at the Southwest Virginia Higher Education Center, Abingdon, VA.

November 12

VCEDA attends the Appalachian Power Economic Development Forum, Roanoke, VA.

November 12-13

VCEDA attends and exhibits at the Virginia Manufacturers Association Industry Forum, Charlottesville, VA.

November 18

VCEDA hosts a kick-off meeting of stakeholders for a regional industrial sites study that VCEDA has commissioned the Timmons Group to complete.

December 4

VCEDA meets with local economic developers and hosts a regional Allies Summit at the VCEDA office in Lebanon.



December 11

VCEDA closes up to a \$2,853,000 loan to the Scott County EDA to help construct a new building for the TeleTech project, which projects at least 300 new jobs.

December 11

VCEDA closes up to a \$100,000 loan to the Scott County EDA to help purchase equipment for the advanced manufacturing center of excellence satellite location at the Pioneer Center, Duffield, VA.

December 15

VCEDA participates in an Advanced Manufacturing Blueprint Implementation Team meeting.

December 17

The VCEDA board meets and approves up to a \$500,000 loan to Clinch River, LLC for a pending expansion project in Tazewell County. VCEDA also approves up to a \$4,500,000 loan to the Wise County IDA for the build-out and development of the Lonesome Pine Technology Center and the construction of additional parking for a pending project. Ron McCall is re-elected as chairman, J.P. Richardson as vice chairman, Mike Quillen as treasurer, and Frank Underwood as secretary, of the VCEDA board.

Marketing Virginia's e-Region

VCEDA continued a robust focus on marketing and business development in 2015, handling a high number of inquiries about the region and prospect visits to the area. VCEDA responded to 79 inquiries about Virginia's e-Region, was involved in 41 prospect visits, and participated in 27 outreach marketing and business development events throughout the year.

Through contacts made from our website, which received nearly 140,000 hits during the year, by conducting outreach events, activities, and marketing campaigns, within the region and outside, and with VCEDA's membership in organizations such as the Southern Economic Development Council, the message about Virginia's e-Region as an excellent location choice for new and expanded business is being heard.

Existing business has always been a key focus for the region, and in 2015, VCEDA helped initiate a new program, Go Global with Coal and Energy Technology (GGCET), in a cooperative effort with the Governor's Office and the Virginia Economic Development Partnership (VEDP).

VCEDA also contracted with 310 Ltd. to conduct a lead generation campaign for the e-Region, and the Timmons Group to undertake a study to identify regional industrial sites in the region.

Key outreach events for the year included VCEDA's participation in the Drone Jamboree at UVA-Wise, the Drone Law program held at the Inn at Wise, and the familiarization tour for Virginia Economic Development Partnership staff. VCEDA also led a team of economic developers from Virginia's e-Region to the National HUBZone Conference in Chantilly, VA, and to the Southern Economic Development Council's Meet the Consultants event in Chicago. VCEDA also exhibited at and attended Virginia's first Cyber Security and Unmanned Systems Technology Showcase in Chester, VA, the Virginia Manufacturers Association Industry Forum in Charlottesville, VA; the Southwest Virginia Alliance for Manufacturing (SVAM) Expo in Abingdon, VA, and the Virginia Coal and Energy Alliance (VCEA) Conference and Expo in Kingsport, TN. VCEDA also attended COVITS (Commonwealth of Virginia's Innovative Technology Symposium) in Short Pump, VA; the Virginia Conference on World Trade in Norfolk, VA; and the F15 Security Leaders dinner hosted by MACH37, a cyber security accelerator in Northern Virginia. VCEDA also participated with VEDP in a site consultants event held in Atlanta.

VCEDA hosted an Allies Summit in early December attended by local, regional and state officials involved in economic development, including Mary Rae Carter, Special Advisor for Rural Partnerships, Office of Governor Terry McAuliffe. Outreach in and around the region includes exhibiting at various business showcases and conferences including the Southwestern Virginia Technology Council's annual awards gala.

On Nov. 12-13, Susan Copeland, left, and Marketta Horton attend and man the Virginia's e-Region exhibit at the Virginia Manufacturers Association Industry Forum in Charlottesville, VA, to promote the advantages of the region to manufacturing companies.



VCEDA exhibits at and attends Virginia's first Cyber Security and Unmanned Systems Technology Showcase held Sept. 30-Oct. 1 in Chester, VA. Virginia Secretary of Technology Karen Jackson stops by the Virginia's e-Region booth featuring the "Kitty Hawk" moment drone delivery of medicine July 17 in Wise.



VCEDA attends and exhibits at the 36th annual Conference and Exposition of the Virginia Coal and Energy Alliance held May 18-19 at the Meadowview Convention Center in Kingsport, TN. Susan Copeland, VCEDA marketing coordinator, represents VCEDA.

2015 New Projects and Expansions

New Projects	Jobs	Investment
Dhiyohouse Inc.	80	\$6,100,000
Bird Dog Distributors, LLC	50	\$517,000
Trailhead Lodging LLC	10	\$800,000
TeleTech Holdings, Inc.	300	\$4,070,000
DP Facilities Inc.	30	\$75,000,000
Expansions	Jobs	Investment
3B Consulting Services, LLC	15	\$2,500,000
Blue Wolf Sales and Service	15	\$1,560,000
Sunset Digital Communications	20	\$1,062,000
NorrisBuilt Fabrication	24	\$1,500,000
AT&T Wireless	105	N/A
TOTAL	649	\$93,109,000

NOTE: Simmons Equipment and Tadano Mantis expansions not included in VCEDA 2015 totals because they were included in 2014 statistics based on VCEDA financing being closed on in 2014.



VCEDA exhibits at the Aug. 4 Southwest Virginia Alliance for Manufacturing (SVAM) Expo held at the Southwest Virginia Higher Education Center in Abingdon. Susan Copeland and Marketta Horton represent VCEDA.



VCEDA attends and exhibits at the Southern Economic Development Council's (SEDC) Meet the Consultants event March 31-April 1 in Chicago. In photo, from left, Harry Rutherford, Russell County; Susan Copeland, VCEDA; and John Kilgore, Scott County.



VCEDA attends the annual COVITS (Commonwealth of Virginia's Innovative Technology Symposium) September 9-10 in Short Pump, VA. In photo, from left, are Jean Jordan, VCEDA; Karen Jackson, Virginia Secretary of Technology; Harry Rutherford, Russell County IDA; and Susan Copeland, VCEDA.



VCEDA hosts the Virginia Economic Development Partnership Aug. 17-19 on a tour of the e-Region's seven counties and the City of Norton. The group visits communities, sites and buildings throughout the region.

Six companies in Virginia's e-Region attend orientation for the Go Global with Coal and Energy Technology (GGCET) program July 14-15 in Richmond. In photo, from left, front, Jody Deel, Pemco Corporation; Carolyn Dye, MineQuest, Inc.; Dawn Baker, PBE USA; Jean Jordan, VCEDA; Greg Kiser, Ceramic Technology, Inc.; Jay Johnson, Pemco; and Diane Thomas, VEDP. Back row, Susan Copeland, VCEDA; Matt Simmons, Simmons Equipment Company; Tom Lester, Consolidated Steel; Scott Matney, Consolidated Steel; and Larry Dye, MineQuest, Inc.

VCEDA attends the GO Virginia meeting Nov. 10 at the Southwest Virginia Higher Education Center in Abingdon. Mike Quillen moderates the event for GO Virginia, a grassroots group of Virginia business leaders who want to improve economic development in Virginia.



Virginia Coalfield Economic Development Authority Board of Directors



VCEDA board members include, from left, Joe Gillespie, Dana Kilgore, Skip Skinner, J.P. Richardson, Ross Jenkins, Ron McCall, Mike Hymes, Donald Baker, Donnie Ratliff, Frank Underwood, Donnie Rife, Mike Quillen, Steve Greer, VCEDA Executive Director/General Counsel Jonathan Belcher, and Carroll Branham. Not pictured are Stacy Munsey and Jim Baldwin.

Officers

Ron D. McCall
Chairman

J.P. Richardson
Vice Chairman

Frank Underwood
Secretary

Michael J. Quillen
Treasurer

Members

Governor's Appointees

Donald Baker
Ross C. Jenkins
Ron D. McCall
Stacy Estep Munsey
Mike Hymes

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

2015 VCEDA Loan and Grant Approvals

LOANS			
COUNTY	PROJECT	APPROVED	AMOUNT
Buchanan County	Southwest Regional Recreation Authority (Coal Canyon Trail)	3/19/15	\$ 220,000.00
Buchanan County	IDA/Southern Gap Shell Building	3/19/15	\$ 2,080,000.00
Dickenson County	IDA/Bird Dog Distributors, LLC	3/19/15	\$ 428,000.00
Scott County	EDA/Advanced Manufacturing Center of Excellence	6/18/15	\$ 100,000.00
Scott County	EDA/TeleTech	6/18/15	\$ 2,853,000.00
Tazewell County	Southwest Regional Recreation Authority (Original Pocahontas Trail)	6/18/15	\$ 100,000.00
Tazewell County	Clinch River, LLC	12/17/15	\$ 500,000.00
Wise County	St. Paul IDA/Willis Building	6/18/15	\$ 1,000,000.00
Wise County	IDA/Energy Enterprises of Norton, VA, LLC	6/18/15	\$ 425,000.00
Wise County	IDA/NorrisBuilt Fabrication and Mobile Welding, LLC	6/18/15	\$ 825,000.00
Wise County	IDA/Frontier	12/17/15	\$ 4,500,000.00
Regional	Sunset Digital Communications, Inc.	6/18/15	\$ 450,000.00
TOTAL LOANS			\$ 13,481,000.00
GRANTS			
COUNTY	PROJECT	APPROVED	AMOUNT
Dickenson County	Breaks Interstate Park/Replacement of Roofs	3/19/15	\$ 96,150.00
Regional	Go Global with Coal and Energy Technology Program FY2016	6/18/15	\$ 200,000.00
Regional	Go Global with Coal and Energy Technology Program FY2017	6/18/15	\$ 200,000.00
TOTAL GRANTS			\$ 496,150.00
TOTAL LOANS & GRANTS			\$ 13,977,150.00

Virginia Coalfield Economic Development Authority

Statement of Cash Receipts & Disbursements—Year Ended December 31, 2015

	Fund Balance 1/1/2015	Cash Receipts			Cash Disbursements		Fund Balance 12/31/2015	Uncommitted Available Balance
		Receipts	Interest Earned	Loans Collections	Administrative & Business Dev. Expenses	Project Loans & Grants		
Buchanan County	\$ 14,143,030	\$ 1,795,943	\$ 60,230	\$ —	\$ 231,844	\$ 350,084	\$ 15,417,275	\$ 6,016,405
Dickenson County	\$ 9,694,304	\$ 923,106	\$ 41,408	\$ 167,230	\$ 98,520	\$ 100,929	\$ 10,626,599	\$ 9,301,550
Lee County	\$ (251,152)	\$ 1,694	\$ (960)	\$ 26,600	\$ 140	\$ —	\$ (223,958)	\$ (223,958)
City of Norton	\$ 61,167	\$ —	\$ 249	\$ —	\$ —	\$ —	\$ 61,416	\$ 61,416
Russell County	\$ 937,319	\$ 196,088	\$ 2,682	\$ 178,776	\$ 29,803	\$ 641,969	\$ 643,093	\$ 530,580
Scott County	\$ 64,469	\$ 1,429	\$ 265	\$ —	\$ 168	\$ —	\$ 65,995	\$ 65,995
Tazewell County	\$ 4,554,181	\$ 255,554	\$ 19,196	\$ 68,331	\$ 39,419	\$ 16,217	\$ 4,841,626	\$ 4,257,842
Wise County	\$ 9,965,254	\$ 318,556	\$ 38,644	\$ 989,158	\$ 35,735	\$ 1,638,134	\$ 9,637,743	\$ 1,679,638
Regional	\$ 10,908,973	\$ 698,776	\$ 41,348	\$ 106,878	\$ 222,432	\$ 2,052,270	\$ 9,481,273	\$ 4,218,732
Tax Credit	\$ 23,368,772	\$ 4,226,615	\$ 90,951	\$ 30,000	\$ —	\$ —	\$ 27,716,338	\$ 17,316,338
Civil Penalties	\$ 97,776	\$ 299,245	\$ 484	\$ —	\$ —	\$ 103,971	\$ 293,534	\$ 289,914
CFO Funds	\$ 206,916	\$ —	\$ 178	\$ 89,485	\$ —	\$ 99,990	\$ 196,589	\$ 196,589
TOTALS	\$ 73,751,009	\$ 8,717,006	\$ 294,675	\$ 1,656,458	\$ 658,061	\$ 5,003,564	\$ 78,757,523	\$ 43,711,041

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, 2015.

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, 2015, 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 11, 2016

VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY
NOTE TO FINANCIAL STATEMENTS
December 31, 2015

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.

