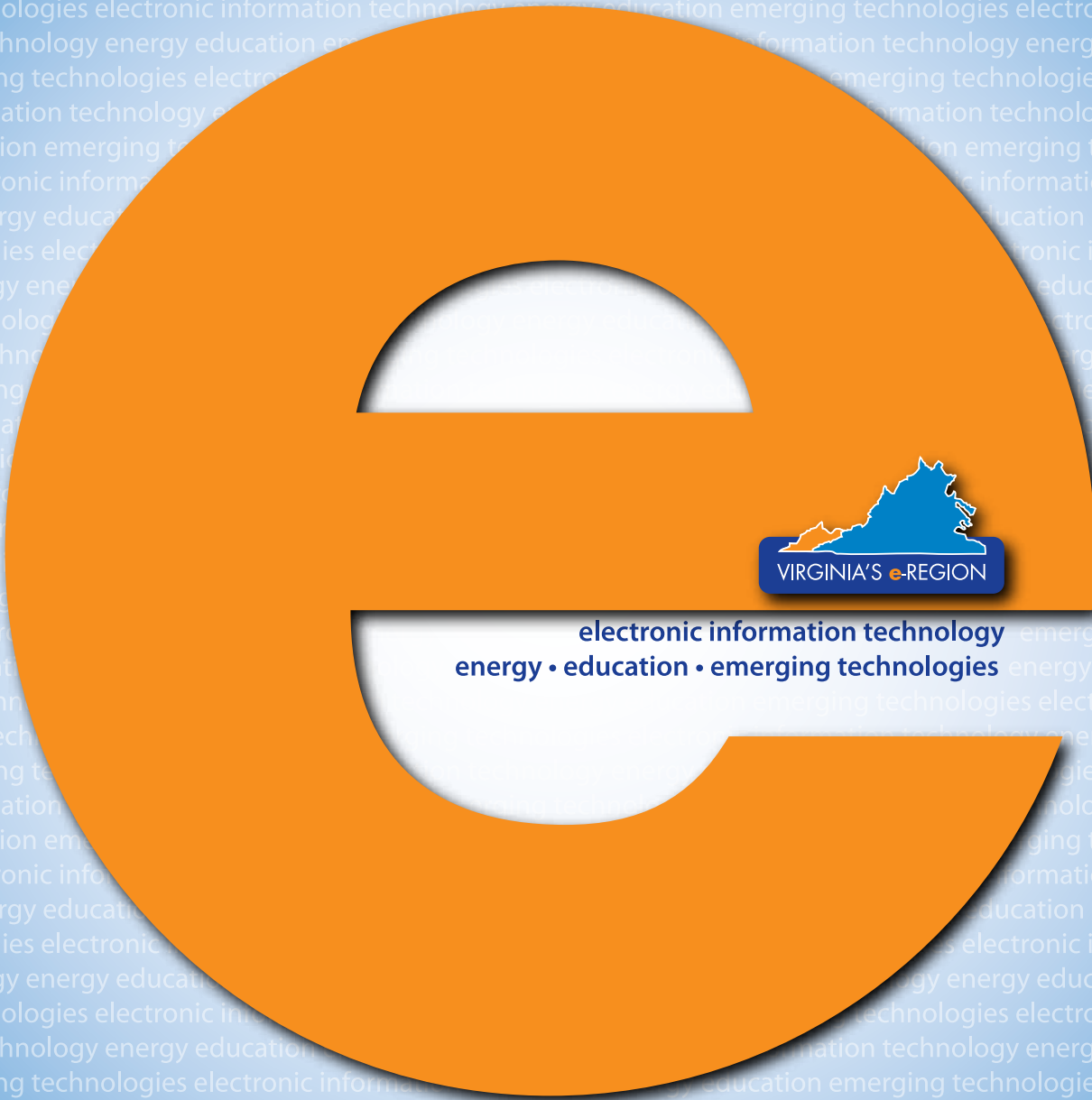


# VCEDA

Virginia Coalfield Economic Development Authority



## 2017 ANNUAL REPORT

# Chairman's Letter

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

**J.P. Richardson**  
Chairman



Dear Governor Northam,

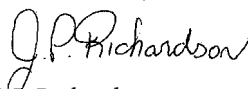
We are pleased to submit to you and the General Assembly the 2017 Annual Report of the Virginia Coalfield Economic Development Authority (VCEDA).

In 2017, VCEDA experienced the highest funding year in the Authority's 29-year history approving and earmarking \$23.6 million for 28 loans and grants including at least one in every county and city of the VCEDA region. VCEDA also closed seven loans and 14 grants during 2017, more than ever in one year, and participated in 51 prospect visits to the region, among the highest number ever, from businesses and firms considering our region for business locations or expansions.

In 2017, VCEDA reported 19 new projects and four existing business expansions with a projected 402 new full-time jobs and 96 part-time jobs with at least one project in every county in the VCEDA region. Highlights included locating a new manufacturer in Russell County, construction of a technology shell building in Tazewell County, installation of a zip line attraction at Breaks Interstate Park, location of two diabetes treatment centers in Buchanan and Tazewell Counties, a new craft brewery, the ribbon cutting of a new Tier III data center in Wise County, the opening of a new ATV trail system in Dickenson County, workforce development initiatives, and expansions at two existing telecommunications businesses and at NorrisBuilt Fabrication and the Appalachian Agency for Senior Citizens, Inc. VCEDA also began a new seed capital program for young, small businesses in the VCEDA region. Small businesses and entrepreneurs responded enthusiastically, and VCEDA approved 12 seed capital matching grants during 2017. Twelve small businesses in the VCEDA region, ranging from a bakery, coffee shop, craft brewery, a digital marketing business, Airbnb lodging, to a rental e-bike business, were approved for the dollar-for-dollar matching grants under the program designed for businesses three years and under with less than 10 full-time employees. An additional highlight of the year was revealing the results of a VCEDA-commissioned study by the Virginia Tech Office of Economic Development of potential agricultural economic development opportunities in the VCEDA region at an Agriculture Summit in October, hosted by VCEDA and Southwest Virginia Community College.

VCEDA is committed to its important mission of helping to enhance and diversify the economy of the coalfield region of Virginia. With the decline of the coal industry and its impact on the economy of our region, the role of VCEDA is more important than ever. We look forward to working with you and the General Assembly to help our region to transition and grow.

Sincerely,



**J.P. Richardson**  
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

# Executive Director's Report

# Director

This year was a very exciting and active year for the Virginia Coalfield Economic Development Authority (VCEDA). Not only did VCEDA experience one of the highest numbers ever of business prospect visits to the region, in 2017 the Authority also approved and earmarked \$23.6 million in loans and grants, the most in the Authority's 29-year history. VCEDA also reported the highest quantity of new projects and expansions in its history.

A number of the new projects were made possible by a new funding program implemented by VCEDA in 2017. At the board's February meeting, VCEDA approved changes to the VCEDA Seed Capital Matching Fund to make it a matching grant program for small businesses three years and under with less than 10 full-time employees. The response was outstanding to the new matching grant program designed to spur entrepreneurship in the coalfield region. Applicants worked with Margie Douglass and Tim Blankenbecler, directors of the Small Business Development Centers at Southwest Virginia Community College and Mountain Empire Community College, to prepare the seed capital applications to VCEDA. During the year, the Authority approved grants to help a dozen new small businesses, including a coffee shop, a botanicals company, a digital marketing business, a pastry shop, an e-bike rental business, and an Airbnb short-stay business, just to name a few.

While supporting entrepreneurship in this new way as a means to further diversify the region's economy, VCEDA also maintained its focus on marketing and supporting the region as a great location for new business and business expansions. Some highlights of such projects include a new manufacturing operation in Russell County by JENNCHEM, LLC, an innovative new diabetes treatment center and a new craft brewery in Tazewell County, and the addition of new jobs at TeleTech and Sykes Enterprises.

Additional highlights of the year include the proposed new Haysi Trails Center and a ribbon cutting on the Ridgeview ATV trail system in Dickenson County, the ribbon cutting on the new Mineral Gap Tier III data center in Wise County, the opening of Southern Gap Outdoor Adventures in Buchanan County, a new zip line attraction at the Breaks Interstate Park, a groundbreaking on a new technology shell building in Tazewell County, a regional Agriculture Summit at which the results of a study commissioned by VCEDA on how to expand the region's agriculture industry were presented, and the closing of a workforce development and training grant by VCEDA to the Southwest Virginia Community College Educational Foundation.

As VCEDA looks forward to its 30-year anniversary in 2018, its role remains as important as ever and it continues to play a key role in the enhancement and diversification of the economy of the coalfield region of Virginia.



**Jonathan Belcher**  
Executive Director/  
General Counsel

VCEDA Marketing Ambassadors Cathy St. Clair, left, and Charlotte Mullins.



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.



# 2017 Projects & Expansions

# Projects

NEW PROJECTS	JOB	INVESTMENT
Haysi Trails Center	7 FT	N/A
Raven Theater and Coal Museum, Inc.	5 FT / 7 PT	\$161,300.00
Breaks Interstate Park Zipline	10 PT	N/A
The Well Coffee Shop, LLC	1 FT / 3 PT	\$20,000.00
Foxtail Orchards Cabins and Campgrounds, LLC	3 FT / 3 PT	\$82,000.00
Ridgeview Deli Mart and Wolfpack Den LLC	3 FT / 7 PT	\$15,000.00
JENNCHEM, LLC	50 FT	\$5,000,000.00
Sugar Hill Brewing Company, LLC	5 FT / 20 PT	\$200,000.00
Painted Peak Brewing Company	15 FT / 10 PT	\$2,516,000.00
Essential Roots & Herbs, LLC	2 FT	\$40,000.00
Trina Health of Pounding Mill, LLC	21 FT / 2 PT	\$900,000.00
Trina Health Town Center	10 FT	\$429,000.00
The Homestead on the Holston, LLC	5 PT	\$15,000.00
Veritas Nurturing Center	7 FT / 2 PT	\$7,000.00
Moore2Come	1 FT	\$7,000.00
Sweet Thang Pastries and Restaurant, LLC	2 FT / 3 PT	\$128,907.00
Southwest Virginia Outdoors, LLC	2 PT	\$20,000.00
Roberts Mill Suites LLC	1 FT / 2 PT	\$137,000.00
Forrest Machines	5 FT	N/A
<b>Total New Projects (19)</b>	<b>138 FT / 76 PT</b>	<b>\$9,678,207.00</b>

EXPANSIONS	JOB	INVESTMENT
TeleTech	100 FT	N/A
Sykes Enterprises (Wise)	110 FT	N/A
NorrisBuilt Fabrication	49 FT	\$925,000.00
Appalachian Agency for Senior Citizens, Inc.	5 FT / 20 PT	\$596,740.00
<b>Total Expansions (4)</b>	<b>264 FT / 20 PT</b>	<b>\$1,521,740.00</b>

<b>TOTAL NEW PROJECTS &amp; EXPANSIONS (23)</b>	<b>402 FT / 96 PT</b>	<b>\$11,199,947.00</b>
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*FT = full-time; PT = part-time*

# Projects

## **JENNCHEM, LLC | RUSSELL COUNTY | \$1.5 MILLION LOAN**

VCEDA approved an up to \$1.5 million loan to the Russell County Industrial Development Authority to help bring a new manufacturing operation to the region with 50 new jobs and a \$5 million investment projected. JENNCHEM, LLC, an affiliate of JENNMAR Corporation, established JM Conveyors, a manufacturing operation for heavy duty conveyor systems in the 103,000 sq. ft. former Clinch Mountain Flooring facility in the Russell County Industrial Park in Lebanon. JENNCHEM plans to invest \$5 million in the operation and manufacture conveyor systems primarily for the mining industry, as well as the transportation, automotive, electronics, construction and aviation industries. JENNMAR operates a roof support manufacturing facility in Tazewell County.



## **BREAKS INTERSTATE PARK BUCHANAN AND DICKENSON COUNTIES | \$188,000 GRANT**

A new zip line attraction at the Breaks Interstate Park began operation in the fall of 2017 financed in part by an up to \$188,000 grant approved by VCEDA. Funds for the grant came from the VCEDA Civil Penalties Fund and were used toward financing the construction and installation of the zip line attraction. The park estimates the project will result in the creation of approximately 10 part-time, seasonal positions within one year.

## **TRINA HEALTH OF POUNDING MILL, LLC TAZEWELL COUNTY | \$400,000 LOAN**

VCEDA took part in the official announcement of the opening of Trina Health of Pounding Mill, LLC, an innovative diabetes treatment center in Tazewell County, which received an up to \$400,000 loan approved by the VCEDA board. The new center is located in an existing building on U.S. Rt. 19/460 in Pounding Mill. Trina Health of Pounding Mill, LLC is a private, for-profit Virginia company which acquired the rights to own and operate the clinic utilizing a breakthrough technology known as “Artificial Pancreas Treatment” for patients with type 1 and type 2 diabetes. Projected employment is 21 full-time and two part-time employees within five years.



# Projects

## **PAINTED PEAK BREWING COMPANY | TAZEWELL COUNTY \$150,000 LOAN**

Up to 25 new jobs are expected to be coming to the region due in part to a loan of up to \$150,000 by VCEDA to Virginia Mountain Brewing LLC, doing business as Painted Peak Brewing Company, a start-up craft brewing company in Tazewell, Va. Funds for the VCEDA loan came from the VCEDA Tourism Capital Improvement Matching Fund and are being used to finance the purchase of equipment for the brewery. Painted Peak is operating a brewing company, tap room and brew pub at 318 W. Main Street in Tazewell. A second planned phase of the project will include adding canning and bottling capabilities.



## **HAYSI TRAILS CENTER | DICKENSON COUNTY \$150,000 GRANT**

VCEDA approved a grant from the VCEDA Tourism Capital Improvement Matching Fund of up to \$150,000 to the Town of Haysi to help with the renovation costs of establishing the Haysi Trails Center in Haysi in Dickenson County. Seven full-time jobs are projected for this project that involves renovating a vacant theater building into an artisan and visitors center. This also will help support the new Ridgeview Trail system of the Spearhead Trails, and other trails in the area.

## **SWCC EDUCATIONAL FOUNDATION | REGIONAL \$500,000 GRANT**

VCEDA approved an up to \$500,000 grant to the Southwest Virginia Community College Educational Foundation to be used for workforce development and training. The funds will be used to provide scholarships to students in emerging workforce fields such as information technology, unmanned aerial systems, agriculture, and advanced manufacturing. Students must be residents of the seven-county, one-city coalfield region served by VCEDA, and the grant also makes funding available to administer National Career Readiness Certification testing to students still in high school or at SWCC.



# Projects

## **TRINA HEALTH TOWN CENTER | BUCHANAN COUNTY \$271,800 LOAN**

VCEDA approved a loan of up to \$271,800 to Trina Health of Pounding Mill, LLC to open a second innovative diabetes treatment center in the VCEDA region in Buchanan County. The new facility called Trina Health Town Center is located in the Grundy Town Center. Loan funds are being used to finance the purchase of furniture, fixtures and equipment. Trina Health of Pounding Mill, LLC is a private, for-profit Virginia company which owns and operates the clinics in Tazewell and Buchanan counties utilizing a breakthrough technology and treatment for patients with type 1 and type 2 diabetes. Ten new full-time jobs are projected.



## **RAVEN THEATER AND COAL MUSEUM | TAZEWELL COUNTY \$125,000 GRANT**

VCEDA approved up to a \$125,000 grant for the Raven Theater and Coal Museum in Tazewell County through the VCEDA Tourism Capital Improvement Matching Fund. The Tobacco Region Revitalization Commission approved matching funds and renovation is ongoing at the historic Raven Theater, originally built during the Great Depression, operating as a movie theater with an ice cream parlor being added around 1948. In recent years, a group of local citizens came together interested in renovating and re-opening the theater as a means of bringing tourism to the area. The Coal Museum is planned in the second phase of development.

## **APPALACHIAN AGENCY FOR SENIOR CITIZENS, INC. TAZEWELL COUNTY | \$250,000 LOAN**

VCEDA approved a loan up to \$250,000 to the Appalachian Agency for Senior Citizens (AASC) to be used to finance building construction for the development of an adult day care/multipurpose senior services facility in the Falls Mills area of Tazewell County. AASC is a non-profit Virginia corporation serving the four-county area of Buchanan, Dickenson, Russell and Tazewell counties. Initial projections call for the facility to provide employment for four full-time and 14 part-time employees. Within five years, AASC projections call for employment to reach five full-time and 20 part-time employees.



# Projects

## **THE WELL COFFEE SHOP, LLC | TAZEWELL COUNTY \$15,000 GRANT**

In 2017, VCEDA implemented a new grant-based Seed Capital Matching Fund for businesses three years and under with less than 10 full-time employees. Tazewell County natives Mike and Venus Laney used their seed capital grant to establish a new business on Tazewell, Va.'s Main Street in an historic structure that once was home to a bank. The Well Coffee Shop is the result of a dream of these entrepreneurs. Renovations inside the building exposed brick and the old bank vault which is being used as a pantry. The coffee shop's menu includes lattes, espressos, teas, smoothies, bagels, ham rolls, pepperoni rolls and pastries.



## **FOXTAIL ORCHARDS CABINS AND CAMPGROUNDS, LLC TAZEWELL COUNTY | \$15,000 GRANT**

Matthew Ratliff and his wife Amy originally bought property in their native Tazewell County to build a home. But after realizing they were located along the popular Back of the Dragon motorcycle route which runs through Tazewell County, they decided instead to use the property as a place to build cabins and to develop a campground to provide lodging for the motorcycle and sports car enthusiasts who frequent the area to ride the roads, as well as for others looking for a quiet getaway in the mountains. The up to \$15,000 seed capital matching grant from VCEDA will be used to help add a second cabin.

## **RIDGEVIEW DELI MART AND WOLFPACK DEN LLC DICKENSON COUNTY | \$15,000 GRANT**

Retired Dickenson County educators Judy and Larry Compton created the Ridgeview Deli Mart just down the road from the new Ridgeview High School in Clintwood, Va. In addition to serving as a convenience store and deli for folks on the ridge, serving family favorite recipes, the store is also supportive of the Dickenson school system, providing concessions and catering services at various athletic events. VCEDA approved up to a \$15,000 seed capital matching grant to assist this new small business. Three full-time and seven part-time jobs are projected.





# Projects

## **SUGAR HILL BREWING COMPANY, LLC | WISE COUNTY \$15,000 GRANT**

Entrepreneurs Jennifer and Greg Bailey opened one of the region's newest craft breweries in the space where they formerly operated a hardware store in the Town of St. Paul, Va. Sugar Hill Brewing Co. is a part of this Wise County town's renaissance with access to ATV trails, new lodging accommodations, a boutique hotel, and the restoration plans of the historic Lyric Theater. The seed capital grant will be used to continue to add to their growing new business that is gaining a reputation in the region as a place to sample a great local beer, delicious food and a gathering place for the locals.



## **ESSENTIAL ROOTS & HERBS, LLC | LEE COUNTY \$15,000 GRANT**

Essential Roots & Herbs in Lee County is one of the region's newest businesses dealing with botanical products of nature, some examples of the more than 400 medicinal plants that grow in the Appalachian region. Owner Latashia Carson and Lee Lipps established the wholesale botanicals company in a building that once housed a furniture store in Dryden, Va. They operate as certified ginseng dealers and buy a variety of botanical plants from 150 diggers from throughout the region to supply their contracts with medicinal companies. The business was approved for up to a \$15,000 seed capital matching grant from VCEDA.

## **THE HOMESTEAD ON THE HOLSTON, LLC | SCOTT COUNTY \$15,000 GRANT**

The Homestead on the Holston is a new outdoor wedding and event venue in Scott County. Linda Burkett and her daughter Kelsey Taylor operate The Homestead on the Holston, a log cabin structure that dates to 1796, situated on four acres along the Holston River in Hiltons, Va. The new business offers an outdoor ceremony only package in the gardens or on the lawn overlooking the Holston River, or an all-inclusive package where Linda and Kelsey take care of everything. The up to \$15,000 seed capital grant from VCEDA is being used to make improvements to the facility and to purchase equipment.



# Projects

## **VERITAS NURTURING CENTER | RUSSELL COUNTY \$7,000 GRANT**

Veritas Nurturing Center, a new daycare center in Lebanon in Russell County for children six weeks to five years old, will use its seed capital grant to continue to grow to provide care for up to 56 children. Opened in September 2017 by The Veritas Campus, the Nurturing Center accepts newborns and children up to five years old. Seven full-time and two part-time jobs are projected. The new business was approved for up to a \$7,000 grant from the VCEDA Seed Capital Matching Fund.



## **MOORE2COME | TAZEWELL COUNTY | \$7,000 GRANT**

Tazewell County native Tom Moore created a new business, Moore2Come, in September 2017 with the idea of providing website, social media and video services to small and medium-size businesses to beef up their online presence. “More service, more visitors to a website or social media page and more customers,” he says. In addition to website development and social media channel audits, development and maintenance, his business also offers email marketing, newsletters, video content, infographics, audience research, marketing plans and other promotional item development. This new small business was approved for up to a \$7,000 grant from the VCEDA Seed Capital Matching Fund.

## **SWEET THANG PASTRIES AND RESTAURANT, LLC DICKENSON COUNTY | \$15,000 GRANT**

When Noreen Fleming was a little girl, she and her mother, Carol Wright, dreamed about opening a bakery together some day. Their seed capital grant is helping that dream come true in a building they purchased and renovated in Dickenson County and opened Sweet Thang Pastries and Restaurant on Dickenson Highway in Clintwood. With a recipe box full of family recipes, including a secret ingredient pastry crust and a cherry pudding cake, the mother-daughter duo incorporates new with the heirloom recipes, uses fresh ingredients, and prepares signature home-cooked meals daily, including lunch specials. Two full-time and three part-time jobs are projected.



# Projects

## **SOUTHWEST VIRGINIA OUTDOORS, LLC WISE COUNTY | \$15,000 GRANT**

A new small business in Big Stone Gap, Va. is offering battery-powered e-bikes to rent for use on the region's mountainous biking trails. Bobby Bloomer and Lorenzo Rodriguez, owners of Southwest Virginia Outdoors, LLC, used their seed capital grant from VCEDA to purchase a fleet of e-bikes that they plan to transport to festivals and other special events for rent at biking trails throughout the region. Cyclists themselves, the pair created this new rental e-bike business to take advantage of the interest in cycling and the new trail networks developing in the region. They also operate Iron Works Cycling in Big Stone Gap.



## **ROBERTS MILL SUITES LLC | SCOTT COUNTY \$15,000 GRANT**

Vickie and Allan "Cotton" Roberts plan to use their up to \$15,000 seed capital matching grant from VCEDA to help with renovation costs at their new business, Roberts Mill Suites LLC in Gate City, Va., that will offer rental lodging for out-of-town guests or tourists. Roberts Mill Suites will offer a one-bedroom studio and two additional larger apartments, all listed with the online Airbnb booking service for rental lodging. The couple purchased the building on West Jackson Street in Gate City that once housed a radio station. One full-time and two part-time jobs are projected.

## **BLUESTONE TECHNOLOGY SHELL BUILDING TAZEWELL COUNTY | \$2,739,700 LOAN**

VCEDA joined in the July 21 groundbreaking ceremony for construction of the 40,000 sq. ft. technology shell building in Tazewell County's Bluestone Regional Business and Technology Center near Bluefield, Va. In April, VCEDA closed on an up to \$2,739,700 loan to the Tazewell County Industrial Development Authority to build the shell building in the technology park which is being marketed to prospective companies.



# Event Highlights

## RIDGEVIEW ATV TRAIL | DICKENSON COUNTY RIBBON CUTTING

VCEDA attended the April 8 ribbon-cutting ceremony for the Spearhead Trail System's Ridgeview ATV Trail with the trailhead located just outside the ATV-friendly Town of Haysi, Va., adjacent to Kiwanis Park. The Ridgeview system is a combination of tree-lined trails and wide open ridge riding and is considered multi-use, open to ATVs, dirt bikes, mountain bikes and hikers. VCEDA approved a loan of up to \$500,000 to the Southwest Regional Recreation Authority for the Ridgeview trail project.



## MINERAL GAP DATA CENTER | WISE COUNTY RIBBON CUTTING

Virginia Secretary of Technology Karen Jackson, VCEDA, and other state and local officials attended the ribbon cutting April 19 for DP Facilities' "Mineral Gap" Tier III data center in the Lonesome Pine Regional Business and Technology Park in Wise, Va. Forty full-time jobs and \$65 million in investment is projected.

## REGIONAL AGRICULTURE SUMMIT SOUTHWEST VIRGINIA COMMUNITY COLLEGE

Dr. Basil Gooden, Virginia's Secretary of Agriculture and Forestry, was the keynote speaker for a regional summit on the economic development of the agriculture industry in the coalfield region hosted by Southwest Virginia Community College and VCEDA at the college October 25. Preliminary results of a study commissioned by VCEDA from the Virginia Tech Office of Economic Development were presented at the summit. The purpose of the study was to help identify opportunities and develop a regional strategic plan for economic development within agriculture.



# Event Highlights

## GO GLOBAL WITH COAL & ENERGY TECHNOLOGY 2017 GRADUATE COMPANIES

Five companies in the VCEDA region are the first graduates of the two-year Go Global with Coal & Energy Technology (GGCET) program, a collaborative effort of the Governor's Office, the Virginia Economic Development Partnership (VEDP) and VCEDA. Collectively these companies increased their international sales by \$2 million representing a 47 percent increase in their two years (2015-2017) in the program. Graduate companies include AMR Pemco, The PBE Group, Simmons Equipment Co., Ceramic Technology and Consolidated Steel. Funding for the GGCET pilot program is being provided by a grant approved by VCEDA in 2015.



## APPALACHIAN SCHOOL OF LAW | BUCHANAN COUNTY \$1 MILLION LOAN DISBURSEMENT

VCEDA presented the second installment in up to a \$6 million loan benefiting the Appalachian School of Law (ASL) on April 4. The second disbursement of \$1 million brought the total presented to \$5 million of the up to \$6 million funding package approved in 2016 by VCEDA to benefit the law school and help with job retention and creation. VCEDA presented \$4 million last March with additional funding contingent upon the law school meeting enrollment and performance criteria. The funds were presented to the Buchanan County IDA which will disburse the funds to ASL.

## SOUTHERN GAP OUTDOOR ADVENTURES BUCHANAN COUNTY | RIBBON CUTTING

Southern Gap Outdoor Adventures opened the cabins and campground portion of their project in Buchanan County on May 19. Southern Gap Outdoor Adventures features a campground with cabins and RV and tent sites located at the Spearhead Trails Coal Canyon ATV/OHV/mountain bike trailhead, ATV rentals, archery tag and seasonal elk tours. VCEDA approved up to a \$500,000 loan and up to a \$250,000 grant to the Buchanan County IDA for a visitor center that is under construction adjacent to this location.



# Marketing

## Marketing Virginia's e-Region

There were 123 inquiries about Virginia's e-Region in 2017, the highest since 2013, and 51 prospect visits to our area, averaging nearly one a week during one of the most active years in the history of VCEDA.

1. VCEDA on Facebook
2. VCEDA e-News Briefs
3. VCEDA website
4. The late Harry Rutherford, right, attending COVITS 2017 as a VCEDA Marketing Ambassador, speaking with Secretary of Technology Karen Jackson and then Lieutenant Governor Ralph Northam.
5. Susan Copeland, VCEDA Marketing Coordinator, and John Kilgore, Executive Director of the Scott County Economic Development Authority, represent the region in Dallas at the AUVSI Xponential, the largest world conference for the robotics and unmanned systems industries.

Much of VCEDA's marketing includes encouraging prospective businesses to come to visit to see for themselves what our seven-county, one-city region has to offer. Often times that first look at Virginia's e-Region is online, with site consultants especially relying heavily on information gleaned from our website. In 2017, VCEDA launched a revamped website ([vaceda.org](http://vaceda.org) and [e-Region.org](http://e-Region.org)) that tells the story of what it's like to live and operate a business in our region and offers downloadable information on not only available sites and buildings, but also on VCEDA's unique financing programs, news releases, maps, workforce and training information, and information on the region's growing outdoor recreation segment. VCEDA's website received more than 356,000 hits in 2017.

VCEDA also initiated an aggressive social media presence on Facebook and Twitter during 2017. In addition to frequent news releases and regular e-News Briefs, Facebook and Twitter are being utilized as effective marketing channels to spread the word about the VCEDA region, including posts featuring the first recipients of a new seed capital matching grant program for small businesses and entrepreneurs, with some of those posts receiving 10,000 views.

Virginia Coalfield Economic Development Authority  
February 2 at 7:00pm · 🌐

1

Make it in the USA. Make it in Virginia's e-Region is a slogan we use to let prospective businesses know that this U.S. location can accommodate today's high-tech businesses. It gives meaning to home shoring, and everything from software to mattresses is being produced, and businesses are operating successfully and cost effectively here in Virginia's e-Region.

**MAKE IT IN THE USA**

**MAKE IT IN Virginia's e-Region**

Like Comment Share

VCEDA e-News Briefs  
Virginia Coalfield Economic Development Authority

2

November 30, 2017

VCEDA Approves Up to \$500,000 Grant to SWCC for Workforce Development Initiative; Sweet Thang Pastries & Restaurant in Clintwood and Roberts Mill Suites LLC in Gate City Receive Seed Capital Matching Grants

**VCEDA Approves up to \$500,000 Grant to SWCC Educational Foundation for Workforce Development**

Jonathan Belcher, VCEDA Executive Director/General Counsel, presents a ceremonial check to the SWCC Educational Foundation for workforce development and training to Susan Lowe, SWCC Educational Foundation Director; and Dr. Mark Estep, SWCC president.

The Virginia Coalfield Economic Development Authority (VCEDA) closed on Nov. 15 an up to \$500,000 grant to the Southwest Virginia Community College Educational Foundation to be used for workforce development and training at Southwest Virginia Community College (SWCC).

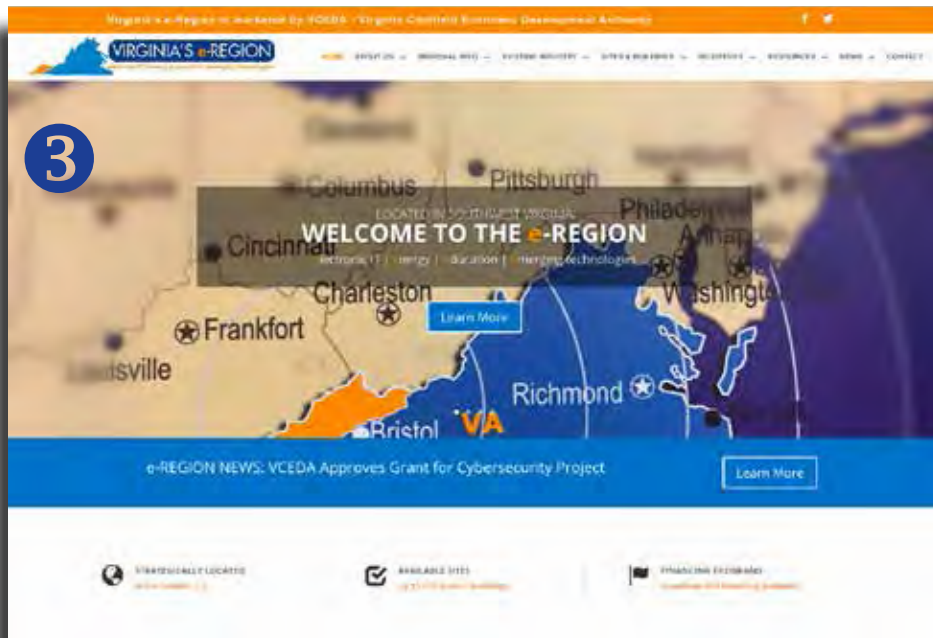
The funds will be used to provide scholarships to students in emerging workforce fields such as information technology, unmanned aerial systems, agriculture, and advanced manufacturing. The grant also makes funding available to administer National Career Readiness Certification testing to students still in high school or at SWCC who are interested in earning a trade or IT certification to immediately transfer to the workforce upon graduation and completion of the testing. The students must be

Marketing and promoting the region to target industries and establishing relationships with prospective businesses and site consultants are central to VCEDA's mission to diversify the region and create jobs. VCEDA participated in 28 marketing events throughout the year in addition to various other marketing initiatives including a targeted lead generation campaign and a shell building marketing campaign, just to name a few.

Key events for VCEDA included joining the Virginia Economic Development Partnership (VEDP) and the Mid-Atlantic Aviation Partnership in a booth at the AUVSI Xponential conference in Dallas, the largest conference for the unmanned systems and robotics industries, where Governor Terry McAuliffe was a keynote speaker and host to a Virginia reception. VCEDA also joined VEDP and Governor McAuliffe in San Francisco at the RSA Conference, the world's leading security conference, which had over 40,000 attendees.

Foreign direct investment (FDI) is a growing target area, and VCEDA was accepted and exhibited in the U.S. Department of Commerce's SelectUSA Conference in Washington, DC and attended an event by the European American Investment Council (EAIC) held in Charlottesville, Va. VCEDA is a member of the Southwest Virginia Alliance for Manufacturing and the Southwestern Virginia Technology Council and participates with these groups in various events throughout the region.

VCEDA welcomed Cathy St. Clair and Charlotte Mullins as VCEDA Marketing Ambassadors in 2017. Harry Rutherford, a long-time economic developer, friend and supporter of VCEDA who also was serving as a VCEDA Marketing Ambassador, passed away in early 2018.



# 2017 VCEDA Marketing Events

EVENT	DATE	LOCATION	TARGET
Automotive News World Congress	1/10-11/17	Detroit, MI	Automotive
SW VA Legislative Reception	1/26/17	Richmond, VA	All target sectors
RSA Conference 2017	2/13-17/17	San Francisco, CA	Cybersecurity
VEDP/VCEDA Marketing Meeting	3/15/17	Lebanon, VA	All target sectors
Manufacturing Resources Fair	3/21/17	Abingdon, VA	Advanced manufacturing
SW VA Outdoor Lovers Expo	4/22/17	Radford, VA	Tourism
AUVSI Xponential Conference	5/8-11/17	Dallas, TX	UAV/UAS
SW VA Economic Forum	5/10/17	Wise, VA	All target sectors
VCEA Annual Conference & Expo	5/22-23/17	Kingsport, TN	Energy
IMN Data Center/Cloud Forum East	6/8-9/17	Washington, DC	Data centers
SVTC Annual Awards Gala	6/15/17	Abingdon, VA	Information technology
SelectUSA Investment Summit	6/19-20/17	Washington, DC	Foreign direct investment
SVAM Annual Meeting	6/20/17	Abingdon, VA	Advanced manufacturing
VEDP Familiarization Tour	7/11-12/17	VCEDA Region	All target sectors
SW VA Manufacturers Expo	8/8/17	Abingdon, VA	Advanced manufacturing
COVITS 2017	9/6-7/17	Richmond, VA	Information technology
Governor's Summit on Rural Prosperity	9/25-26/17	South Boston, VA	All target sectors
United Way of SWVA Leaders' Breakfast	9/27/17	Abingdon, VA	All target sectors
EAIC FDI Seminar and Fam Tour	9/28-29/17	Charlottesville, VA	Foreign direct investment
Energy Expo	10/5/17	Clintwood, VA	Energy
SVAM Manufacturers Appreciation Dinner	10/5/17	Abingdon, VA	Advanced manufacturing
AUVSI Autonomous Systems Symposium	10/15-17/17	Blacksburg, VA	UAV/UAS
Virginia Conference on World Trade	10/17-18/17	Williamsburg, VA	All target sectors
Agriculture Summit	10/25/17	Richlands, VA	Agriculture
Fall Employer Conference	10/26/17	Big Stone Gap, VA	Existing businesses
Tazewell County Business to Business Showcase	10/27/17	Tazewell, VA	Existing businesses
Cybersecurity/Manufacturing Summit	11/16/17	Abingdon, VA	IT/Advanced manufacturing
Virginia Economic Summit	12/1/17	Williamsburg, VA	All target sectors

## 2017 Business Development Statistics

PROSPECT VISITS	51
INQUIRIES	123
WEBSITE HITS	356,000+
NEW PROJECTS	19
EXPANSIONS	4
PROJECTED JOBS	498 (402 FULL-TIME; 96 PART-TIME)
PROJECTED INVESTMENT	\$11,199,947



VCEDA markets the region as Virginia's e-Region with a focus on electronic information technology, energy, education and emerging technologies.



# 2017 VCEDA Loan & Grant Approvals

LOANS		APPROVED	AMOUNT
Buchanan County	Trina Health Town Center	8/17/17	\$271,800.00
Lee County	Lee County IDA/Project Stitch	12/21/17	\$250,000.00
Russell County	Russell County IDA/JENNCHEM, LLC	4/20/17	\$1,500,000.00
Scott County	Scott County EDA/Riverside Industrial Site	10/19/17	\$300,000.00
Tazewell County	Virginia Mountain Brewing LLC	2/6/17	\$150,000.00
Tazewell County	Appalachian Agency for Senior Citizens, Inc.	2/6/17	\$250,000.00
Tazewell County	Tazewell County IDA/Technology Shell Building	2/6/17	\$2,739,700.00
Tazewell County	Trina Health of Pounding Mill, LLC	4/20/17	\$400,000.00
Tazewell/Russell Counties	Project Jonah	8/17/17	\$10,000,000.00
<b>Total Loans (9)</b>			<b>\$15,861,500.00</b>

GRANTS		APPROVED	AMOUNT
Buchanan County	Buchanan County IDA/Cybersecurity Pilot Program	10/19/17	\$509,895.00
Buchanan County*	Buchanan County IDA/Southern Gap Workforce COE	10/19/17	\$2,000,000.00
Buchanan County*	Buchanan County IDA/Southern Gap Workforce COE	10/19/17	\$3,729,000.00
Buchanan/Dickenson Counties	Breaks Interstate Park/Zip Line Attraction	4/20/17	\$188,000.00
Dickenson County	Ridgeview Deli Mart and Wolfpack Den LLC	6/15/17	\$15,000.00
Dickenson County	Sweet Thang Pastries and Restaurant, LLC	10/19/17	\$15,000.00
Lee County	Essential Roots & Herbs, LLC	6/15/17	\$15,000.00
Russell County	Veritas Nurturing Center	10/19/17	\$7,000.00
Scott County	The Homestead on the Holston, LLC	8/17/17	\$15,000.00
Scott County	Roberts Mill Suites LLC	10/19/17	\$15,000.00
Tazewell County	Foxtail Orchards Cabins and Campgrounds, LLC	6/15/17	\$15,000.00
Tazewell County	The Well Coffee Shop, LLC	6/15/17	\$15,000.00
Tazewell County	Moore2Come	10/19/17	\$7,000.00
Wise County	Sugar Hill Brewing Company, LLC	6/15/17	\$15,000.00
Wise County	Southwest Virginia Outdoors, LLC	10/19/17	\$15,000.00
City of Norton	Stone Mountain Adventures, LLC	12/21/17	\$15,000.00
Regional	SWCC Educational Foundation, Inc.	10/19/17	\$500,000.00
Regional *	MECC Foundation	12/21/17	\$500,000.00
Regional	Heart of Appalachia Tourism Authority	12/21/17	\$150,000.00
<b>Total Grants (19)</b>			<b>\$7,740,895.00</b>

<b>TOTAL LOANS &amp; GRANTS (28)</b>			<b>\$23,602,395.00</b>
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\*Earmarked

**Virginia Coalfield Economic Development Authority**  
**Statement of Cash Receipts & Disbursements—Year Ended December 31, 2017**

Coal & Gas Fund	CASH RECEIPTS				CASH DISBURSEMENTS			
	Fund Balance 1/1/17	Receipts	Interest Earned	Loans Collections	Administrative & Business Dev. Expenses	Project Loans & Grants	Fund Balance 12/31/17	Uncommitted Available Balance
Buchanan County	\$ 10,032,208	\$ 2,395,537	\$ 54,573	\$ 2,718	\$ 307,083	\$ 1,937,075	\$ 10,240,878	\$ 126,325
Dickenson County	11,151,026	1,181,408	63,767	96,600	134,414	401,465	11,956,922	10,411,521
Lee County	232,503	1,791	1,383	25,000	73	-	260,604	10,604
City of Norton	61,742	-	344	-	-	-	62,086	62,086
Russell County	849,138	137,126	2,356	262,322	13,962	1,236,925	55	-
Scott County	66,969	1,080	375	-	109	-	68,315	68,315
Tazewell County	5,006,503	201,858	24,826	44,793	32,267	2,186,021	3,059,692	1,815,591
Wise County	4,228,367	191,469	19,646	220,803	15,980	1,314,053	3,330,252	3,119,429
Regional	6,375,406	630,212	33,490	245,467	288,218	1,197,624	5,798,733	4,279,837
<b>Total Coal &amp; Gas Fund</b>	<b>38,003,862</b>	<b>4,740,481</b>	<b>200,760</b>	<b>897,703</b>	<b>792,106</b>	<b>8,273,163</b>	<b>34,777,537</b>	<b>19,893,708</b>
<b>Other Funds:</b>								
Tax Credit	30,114,409	2,869,742	206,377	-	-	-	33,190,528	17,951,633
Civil Penalties	140,013	123,118	855	-	-	205,773	58,213	44,206
CFO Funds	290,588	-	372	54,983	-	-	345,943	345,943

**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, 2017.

**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.

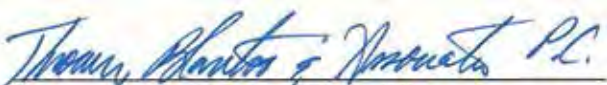
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**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, 2017, 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 26, 2018

**VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY**  
**NOTE TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**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.



The Board of the Virginia Coalfield Economic Development Authority (left to right): Jonathan Belcher, Executive Director/General Counsel; Jay Langston; Mark T. Leonard; Rick Axthelm, Vice Chairman; Maggie Asbury; J.P. Richardson, Chairman; Esther Bolling, Treasurer; Becky Coleman; Frank Underwood, Secretary; Duane Miller; Harry Childress, and Larry Mosley. Not pictured are Jim Baldwin, Carroll Branham, Kevin Elkins, Dana Kilgore, and David Perry.

# Virginia Coalfield Economic Development Authority Board of Directors

## OFFICERS

**J.P. Richardson**  
Chairman

**Rick Axthelm**  
Vice Chairman

**Frank Underwood**  
Secretary

**Esther Bolling**  
Treasurer

## GOVERNOR'S APPOINTEES

**Maggie Asbury**  
**Esther Bolling**  
**Becky Coleman**  
**Mark T. Leonard**  
**Larry Mosley**

## COAL PRODUCERS

**Rick Axthelm**  
Paramont Coal Company Virginia, LLC

**J. P. Richardson**  
Surface Minerals Company

**Frank Underwood**  
CBMC/Buchanan Minerals, LLC

## GAS PRODUCER

**Kevin Elkins**  
CNX Gas

## VIRGINIA COAL & ENERGY ALLIANCE

**Harry Childress**

## PLANNING DISTRICT COMMISSIONS

**Jim Baldwin**  
Cumberland Plateau PDC

**Duane A. Miller**  
LENOWISCO PDC

## COUNTY BOARD OF SUPERVISORS

**Carroll Branham**  
Buchanan County

**David Perry**  
Dickenson County

**Dana G. Kilgore**  
Wise County

## VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

**Jay Langston**

## VCEDA Fast Facts

**In 2017, VCEDA approved and earmarked the highest amount of funding (over \$23.6 million) in its 29-year history.**

**From 1988-2017, VCEDA approved more than \$205 million in funding for 314 projects throughout the coalfield region.**

**In 2017, there were 19 new projects and 4 expansions for a projected total of 498 full-time and part-time jobs and over \$11 million in investment.**

**Since 2009, VCEDA has been involved in 324 prospect visits to the region. VCEDA was the lead source on 42% of these visits.**

**Since 2009, VCEDA has handled 1,099 inquiries about the region. VCEDA was the lead source on 66% of these inquiries.**

**There were 51 prospect visits in 2017, averaging nearly one a week.**

**Since 2007, VCEDA has completed 173 outreach business development and marketing events.**

**According to a 2015 study by Chmura Economics & Analytics:**

**“The total annual economic impact (direct, indirect, and induced) of VCEDA-attracted businesses in Virginia was estimated to be \$5.8 billion that supported 37,340 jobs in the state in 2014. VCEDA has helped to significantly diversify the regional economy....**

**VCEDA has made considerable contributions in reducing the unemployment in Southwest Virginia.... Without jobs attracted to the region by VCEDA, the region’s unemployment rate would be much higher – at 22.1% in 2014.”**

