

ANNUAL
REPORT

2021



VceDA

VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

CHAIRMAN'S LETTER

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

Larry Mosley
Chairman



Dear Governor Youngkin,

We are pleased to submit to you and the General Assembly the 2021 Annual Report of the Virginia Coalfield Economic Development Authority (VCEDA).

Sixty new projects and expansions/retentions in all eight VCEDA localities were announced in 2021, involving 1,015 full-time and 171 part-time new and retained jobs. These projects plan more than \$211 million in private investment in the region. New project announcements included Italy-based Ceccato USA establishing its first U.S. manufacturing operation in Russell County, Maine Five establishing a new apparel manufacturing operation in Buchanan County, and EarthLink, LLC in Norton. Several of the region's leading businesses, Tempur Sealy, VFP, Inc., Lawrence Brothers, Inc., and Skyline Fabricating, Inc., were among the 14 expansion projects announced. Funding from VCEDA's Seed Capital grant program assisted regional entrepreneurs in creating 40 new small business start-ups in the region.

In 2021, VCEDA approved 64 loans and grants for more than \$6.1 million in new VCEDA funding. This involved the first funding approvals from the VCEDA Renewable Energy Fund for a solar talent accelerator initiative and workforce and development training in support of renewable and alternative energy.

VCEDA is committed to its mission and crucial role in helping to diversify the region's economy. We look forward to working with the Governor's Office and the General Assembly to help our region continue to diversify and grow.

Sincerely,



Larry Mosley

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VCEDA

VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

Mission of the Virginia Coalfield Economic Development Authority

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

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

EXECUTIVE DIRECTOR'S REPORT

Despite the continued impacts of the COVID-19 pandemic, 2021 was a very active year for the Virginia Coalfield Economic Development Authority (VCEDA) and the seven-county, one-city region which VCEDA promotes as “Southwest Virginia’s e-Region.”

There were 46 new project announcements and 14 expansion/retention project announcements, for a total of 60 projects announced during the year. With these 60 projects, 1,015 full-time jobs and 171 part-time jobs, including new and retained, are projected. In addition, these projects plan more than \$211 million in new private investment in the region. Projects were announced in all eight localities in the region.



Jonathan Belcher
Executive Director/
General Counsel

New projects announced in the region include Maine Five, BEAST Company, and Edelen Renewables in Buchanan County, Ceccato USA in Russell County, Rambler Wood Products in Russell and Wise Counties, and EarthLink, LLC in Wise County and the City of Norton. Expansions announced include the Virginia Employment Commission, Issues & Answers Network, SunCoke Energy, and Skyline Fabricating, Inc. in Buchanan County, the SRRA Sportman’s Complex in Dickenson County, Riverbound Trout Farms, LLC in Russell County, Tempur Sealy and VFP, Inc. in Scott County, and Bruneaux Bait and Lawrence Brothers, Inc. in Tazewell County.

The region is finding great success with entrepreneurship and small business development. Notably, 40 of the new projects announced were new small businesses being assisted by VCEDA’s Seed Capital Matching Fund, which provides up to \$10,000 seed capital grants in consort with services provided by the area’s Small Business Development Centers (SBDCs). These 40 small businesses project 238 full-time and part-time jobs and nearly \$2 million in private investment.

Nearly all of the 60 projects announced during the year are benefitting from some type of financial assistance approved by VCEDA. In 2021, VCEDA approved 64 loans and grants, the highest quantity of loans and grants in its history, for more than \$6.1 million in new VCEDA funding. This funding continues to play a crucial role in the improvement and diversification of the region’s economy. These 64 loans and grants involve projects throughout the entire region. Included in these were the first funding approvals from VCEDA’s new Renewable Energy Fund.

VCEDA also continues to maintain an aggressive business attraction program, an active business expansion and retention (BRE) program, a tourism capital improvement fund, and continues to assist with the administration of the Virginia Coalfields Expressway Authority. VCEDA also made strategic investments in workforce development and training and broadband deployment during the year.

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.



2021 NEW PROJECTS

| NEW PROJECTS | LOCALITY | JOBS | PRIVATE INVESTMENT |
|---------------------------------------------|--------------|--------------|--------------------|
| Maine Five | Buchanan | 100 FT | \$350,000 |
| BEAST Company | Buchanan | 15 FT | \$1,000,000 |
| Edelen Renewables | Buchanan | 10 FT | \$100,000,000 |
| Competitive Performance | Buchanan | 1 FT / 5 PT | \$10,000 |
| Country Roads Cabin Rental LLC | Buchanan | 2 FT | \$58,500 |
| Deskins HomeTown Pharmacy, Inc. | Buchanan | 5 FT / 3 PT | \$58,136 |
| Hand in Hand, PLLC | Buchanan | 3 FT / 2 PT | \$9,000 |
| Bass and Brass LLC | Dickenson | 1 FT | \$41,000 |
| Levisa Adventures, LLC | Dickenson | 2 FT / 4 PT | \$7,000 |
| Lilly's Pad, LLC | Dickenson | 1 FT / 2 PT | \$33,250 |
| Porter's Lawncare, LLC | Dickenson | 1 FT / 2 PT | \$20,200 |
| American Muscle Detailing, LLC | Dickenson | 2 FT / 3 PT | \$10,000 |
| Appa Valley LLC d/b/a SoVa Gardens | Lee | 3 FT / 1 PT | \$33,000 |
| Lee Driving School | Lee | 6 FT | \$53,272 |
| Ceccato USA | Russell | 50 FT | \$1,750,000 |
| Trendy Belle Salon LLC | Russell | 2 FT | \$11,642 |
| Simona Corporation | Russell | 1 FT / 4 PT | \$20,000 |
| Fitness Authority LLC | Russell | 4 FT / 2 PT | \$23,900 |
| Southern Charm Décor LLC | Russell | 1 FT / 1 PT | \$11,815 |
| The Weeping Willow Café & Tap House Inc. | Russell | 3 FT / 3 PT | \$25,000 |
| Rambler Wood Products | Russell/Wise | 73 FT | \$21,800,000 |
| Henrys Produce & Market LLC | Scott | 8 FT / 7 PT | \$10,000 |
| Highland Monument Conservation LLC | Scott | 1 FT / 2 PT | \$10,000 |
| ClearSight Eye Care, Amber Hurley, OD, PLLC | Tazewell | 5 FT | \$363,200 |
| Pinkway | Tazewell | 1 FT / 2 PT | \$79,000 |
| Craft Connection, LLC | Tazewell | 2 FT / 2 PT | \$22,000 |
| Elite Fitness @ Richlands, LLC | Tazewell | 2 FT | \$65,750 |
| Nancy's Downtown Boutique | Tazewell | 2 FT / 2 PT | \$67,000 |
| Southwest Virginia Energy Consultants, Inc. | Tazewell | 3 FT | \$25,000 |
| Appalachian Adventures & Outfitters, Inc. | Tazewell | 2 FT / 3 PT | \$65,000 |
| Arsenal Development LLC | Tazewell | 4 FT / 6 PT | \$10,000 |
| LECOWATIPA LLC | Tazewell | 6 FT / 10 PT | \$38,000 |
| Ole No. 3 Restaurant & Bar, LLC | Tazewell | 4 FT / 5 PT | \$70,000 |
| Snuckle Butter, LLC | Tazewell | 3 FT / 6 PT | \$78,300 |
| Big Stone Gap Pottery Shop LLC | Wise | 4 FT | \$10,000 |

FT = full-time; PT = part-time

2021 NEW PROJECTS

| NEW PROJECTS | LOCALITY | JOB | PRIVATE INVESTMENT |
|--------------------------------------------------|-------------|------------------------|----------------------|
| Black Bear BBQ LLC | Wise | 8 FT / 6 PT | \$80,000 |
| Hughes Enterprises LLC | Wise | 3 FT / 4 PT | \$10,000 |
| OH Rentals LLC | Wise | 1 FT / 1 PT | \$153,500 |
| Ruby Bea's Boutique, LLC | Wise | 4 FT / 5 PT | \$20,000 |
| Breads by Marla, LLC | Wise | 1 FT / 3 PT | \$27,500 |
| The Coffee Station LLC | Wise | 3 FT / 2 PT | \$25,312 |
| Engine 343 Wood Fired Brick Oven Pizza LLC | Wise | 3 FT / 3 PT | \$30,813 |
| 404 Café and Creamery, LLC | Wise | 2 FT / 8 PT | \$180,000 |
| Huff Daddy BBQ LLC | Wise | 4 FT / 7 PT | \$42,500 |
| Big Stone's Gap Golf, Miniature Golf Course, LLC | Wise | 3 FT / 5 PT | \$51,500 |
| Earthlink, LLC | Wise/Norton | 285 FT | \$5,400,000 |
| TOTAL NEW PROJECTS (46) | | 650 FT / 121 PT | \$132,260,090 |

2021 EXPANSIONS/RETENTIONS

| EXPANSIONS/RETENTIONS | LOCALITY | JOB | PRIVATE INVESTMENT |
|------------------------------------------------------------|-----------|---------------------------|----------------------|
| VEC Customer Support Center | Buchanan | 110 FT | N/A |
| Issues & Answers Network | Buchanan | 40 PT | N/A |
| SunCoke Energy | Buchanan | 100 FT* | \$50,000,000 |
| Theatre Guild of Buchanan County | Buchanan | 2 FT / 4 PT | \$50,000 |
| Skyline Fabricating, Inc. | Buchanan | 22 FT | \$675,000 |
| SRRA Sportsman's Complex | Dickenson | 2 FT / 1 PT | N/A |
| Riverbound Trout Farms, LLC | Russell | 17 FT | \$888,626 |
| Heart of Appalachia Destination Center | Russell | 1 FT / 1 PT | N/A |
| Tempur Sealy | Scott | 25 FT | \$16,700,000 |
| VFP, Inc. | Scott | 30 FT | \$7,200,000 |
| Bruneaux Bait | Tazewell | 12 FT | \$100,000 |
| Lawrence Brothers, Inc. | Tazewell | 40 FT | \$3,200,000 |
| Historic Crab Orchard Museum | Tazewell | 3 FT / 3 PT | \$225,000 |
| SRRA Coeburn STAR Center | Wise | 1 FT / 1 PT | N/A |
| TOTAL EXPANSIONS (14) | | 365 FT / 50 PT* | \$79,038,626 |
| TOTAL NEW PROJECTS & EXPANSIONS/RETENTIONS (60) | | 1,015 FT / 171 PT* | \$211,298,716 |

FT = full-time; PT = part-time; * = includes 100 Retained Full-Time Jobs

HIGHLIGHTS

Ceccato USA Corporation / Russell County / New Project

Italy-based Ceccato S.P.A. is locating its first United States subsidiary, Ceccato USA Corporation, in the Russell Place building in Lebanon, bringing with it up to 50 new jobs within three to five years. Ceccato is one of the leading Italian manufacturers of washing systems and equipment for all vehicles, from cars to trains, in more than 60 countries. In its new Lebanon location, initially, the company will assemble and sell car wash units and manufacture truck wash units, sourcing items needed to manufacture those from U.S. companies. VCEDA approved an up to \$900,000 loan to be used by the Russell County Industrial Development Authority to acquire and renovate the Russell Place building, one of several locations that VCEDA and the Russell County IDA proposed to Ceccato USA during the company's site selection process.



Earthlink, LLC / Wise & Norton / \$100,000 Grant

VCEDA approved an up to \$100,000 grant from the VCEDA Coalfield Workforce Development and Training Fund to assist EarthLink, LLC with its location to the Wise/Norton area of the VCEDA region. In September, Governor Ralph Northam announced that EarthLink, a leading high-speed internet service provider, will invest \$5.4 million to establish a major customer support center on a site in the 200-acre Project Intersection development in Norton, which will create 285 new jobs. The VCEDA board also approved a request from the Wise County Industrial Development Authority (IDA) to consent to the IDA's leasing of a portion of the former Sykes Enterprises building which VCEDA previously helped to fund, to EarthLink as a temporary facility while a permanent facility is constructed in Norton.

Rambler Wood Products / Russell & Wise Counties / \$2.5 Million Loan

Governor Ralph Northam announced Rambler Wood Products will establish a new value-added wood products manufacturing facility in the former Bush Furniture Industries building in St. Paul, making an initial private investment of \$7.6 million and 73 new jobs. VCEDA approved a \$2.5 million loan to the Russell County Industrial Development Authority which was used to acquire the facility for the project. The nearly 300,000-square-foot facility will enable Rambler Wood Products to become the first business of its kind to operate entirely indoors, allowing for full capacity production year-round. Rambler will convert high-quality white oak into barrel staves, and use red oak and lower value hardwoods to produce lumber for flooring manufacturers, pallet production and for use in the mining industry, committing to source at least 55 percent of its timber from the Commonwealth.



Maine Five / Buchanan County / New Project

VCEDA introduced Maine Five to Buchanan County and also served as a communications liaison for the company and county officials as discussions resulted in a lease agreement for the use of the Council Industrial Park building at Council, Va. Maine Five has located its new sewing factory at the park, projecting up to 100 new jobs within five years including 12 new jobs to start and an estimated \$350,000 in private investment. Maine Five has been in business since 2020 creating medical supplies, bags and field kits, and employees at the Council location will expand its offerings into more textile products, including nylon backpacks, uniforms and outdoor apparel. The Council Industrial Park was one of the earliest industrial parks and industrial buildings financed by VCEDA.



BEAST Company / Buchanan County / New Project

BEAST – Best Equipment and Sport Trailers - a new company focused on the manufacture of custom aluminum sport and utility trailers, was launched in 2021 and will operate out of the Paul's Fan Company location in Southern Gap Park in Buchanan County. The BEAST brand was developed as part of the 2019 expansion of Paul's Fan Company to Southern Gap in Buchanan County and Lee County, Virginia in partnership with VCEDA and the Buchanan County and Lee County industrial development authorities. In 2019, VCEDA approved an up to \$5.6 million loan to the Buchanan County IDA which brought Paul's Fan Company to Southern Gap with 40 new full-time jobs and the retention of 42 jobs over a 10-year period. The BEAST Company manufacturing line of aluminum trailers is projected to add 15 jobs.

Edelen Renewables / Buchanan County / New Project

Virginia lawmakers Delegate Will Morefield and Senator Travis Hackworth announced in April that a 700-acre solar farm that will create 250 construction jobs and generate 60 megawatts of electricity is planned for development on a reclaimed surface mine operation near Hurley in Buchanan County. Described as the second largest solar farm in the U.S. Appalachian Mountain Range and the largest in Virginia's coalfields, the planned site will utilize approximately 700 acres and produce a minimum of 60 megawatts with the capability of expanding up to 75 megawatts. The Buchanan County Board of Supervisors voted unanimously to support a county application for federal Abandoned Mine Land Pilot (AML) funds to assist the project on behalf of Savion, LLC and Edelen Renewables, national leaders in renewable energy development, who are developing the solar project.



HIGHLIGHTS

Virginia Employment Commission / Buchanan County / Expansion

VCEDA was involved in the Virginia Employment Commission's (VEC) initial customer service call center location to Buchanan County 20 years ago. Upon learning of their need for additional employees and capacity created by the COVID-19 pandemic, Buchanan County and VCEDA reached out to VEC and proposed an expansion of the center to a larger facility, the former SYKES Enterprises building in the Southern Gap park. The Buchanan County Industrial Development Authority (IDA) purchased the property from SYKES to lease to the VEC for the expanded customer service call center. Up to 110 new jobs are projected be added to the workforce of 100 employed at the existing VEC call center at the Buchanan Information Park at Slate Creek.



Issues & Answers / Buchanan County / Expansion

Issues & Answers, one of Virginia's largest market research polling companies, and one of the first information technology businesses VCEDA helped recruit to the region, announced an increase in its hourly rate and plans to increase staff by an additional 40 employees at its Grundy Call Center and its remote interviewers in Virginia. Forecasting an increase in business because of the effects of the COVID-19 pandemic on large and small businesses, the company said the wage rate reflects an increase of 10 percent over the current pay rate, and the higher rate puts Issues & Answers in a leadership position in the market research telephone polling industry. The Grundy location has been in operation since 1995.

SunCoke Energy / Buchanan County / Expansion

Governor Ralph Northam announced in May that SunCoke Energy, Inc. (NYSE: SXC), the largest independent producer of high-quality coke for blast furnace steel production in the Americas, will invest \$50 million in its manufacturing operation in Buchanan County to refurbish the facility as well as perform upgrades to enable the production of foundry coke, which will retain approximately 100 jobs. SunCoke has been operating the Jewell Coke plant for more than 60 years. The Virginia Economic Development Partnership (VEDP) worked with Buchanan County and VCEDA to secure the project for Virginia, and Governor Northam approved a performance-based grant of \$1.2 million from the Virginia Investment Performance Grant (VIP), an incentive that encourages continued capital investment by existing Virginia companies.



SunCoke Energy

Skyline Fabricating, Inc. / Buchanan County / \$538,030 Loan

VCEDA approved a loan of up to \$538,030 to the Buchanan County Industrial Development Authority (IDA) to assist with the expansion of Skyline Fabricating, Inc. to Southern Gap, bringing up to 22 new jobs. Skyline, a turn-key fabrication shop that began operations in 2017 in Buchanan County, is currently located in Raven, Virginia. The new location will include the development of a 25,000 square foot steel building on a 7.5-acre site near the new Southern Gap Transportation and Logistics Center (SGTLC). The VCEDA funds to the IDA will be used toward site development, building construction, access road construction, utilities installation, the purchase and installation of overhead cranes and other improvements.



SRRA Sportman's Complex / Dickenson County / \$150,000 Grant

VCEDA approved an up to \$150,000 grant to assist with the continued development of the Southwest Regional Recreation Authority's (SRRA) Sportsman's Complex in Dickenson County. The funds will be used to finance site development, building construction and improvements, road, trail, picnic area and parking area improvements, along with the design and engineering to assist with the continued development of the SRRA Sportsman's Complex. In August 2019, SRRA was approved for a \$149,945 grant from the VCEDA Tourism Capital Improvement Matching Fund to assist with the development of an archery complex in the Sportsman's Complex. The additional \$150,000 grant, which will come from the VCEDA Dickenson County Account, builds upon the original grant, bringing VCEDA's total commitment to the project to up to \$299,945.



Riverbound Trout Farms, LLC / Russell County / \$500,000 Loan

VCEDA approved a \$500,000 loan in 2020 to assist in the expansion of Riverbound Trout Farms, LLC as they move forward with plans to construct and operate a new fish processing facility in Russell County. In addition to the construction and operation of a new fish processing facility, a workforce development and educational component is also part of the overall project. The owner has had discussions with Southwest Virginia Community College (SWCC) about the new facility being used as a teaching tool for students enrolled in science and agriculture programs. Future plans include an on-site educational center to offer classes in aquaculture and seminars and non-credit courses in fish farm development and operation, and a laboratory. Currently, the business has three full-time employees, and 17 new full-time employees within five years are projected.



HIGHLIGHTS

Tempur Sealy International, Inc. / Scott County / \$100,000 Grant

Governor Ralph Northam announced in March that Tempur Sealy International, Inc. (NYSE: TPX) will invest \$16.7 million to expand its manufacturing operation in Scott County. The company will increase production to meet growing demand for its proprietary foam mattress and pillow products which will create 25 new jobs. VCEDA approved a \$100,000 grant to the Scott County Economic Development Authority to be used for workforce development and training needs to support the expansion. Governor Northam approved a \$110,000 grant from the Commonwealth's Opportunity Fund to assist Scott County with the project. Tempur Sealy employs more than 5,000 throughout the United States, with 300 employees at its Duffield facility, which was established as the company's first U.S. manufacturing operation nearly two decades ago.

TEMPUR+SEALY



VFP, Inc. / Scott County / \$100,000 Grant

VCEDA approved an up to \$100,000 grant from the Coalfield Workforce Development and Training Fund to the Scott County Economic Development Authority to assist with an expansion of VFP, Inc., which is projected to bring 30 new jobs to Scott County. The VCEDA funds will be used for workforce development and training to benefit VFP, Inc., a manufacturing company located in the Duffield Regional Industrial Park in Scott County. VFP produces quality, prefabricated structures for the telecommunications, utility, public safety and renewable energy markets. Its utility customers are now requesting wider and longer shelters. The company plans to invest \$7.2 million in the expansion, which will involve increasing production to meet growing demand for its products. VCEDA has assisted VFP, Inc. with previous expansions at its Scott County location.

Bruneaux Bait / Tazewell County / \$400,000 Loan

Bruneaux Bait, a manufacturer of eco-friendly crawfish and crab bait used in traps mainly in Louisiana, becomes the first business to locate in the Bluestone Regional Business and Technology Center in Tazewell County, bringing with it 12 full-time jobs.

VCEDA approved an up to \$400,000 loan to the Tazewell County Industrial Development Authority (IDA) to be used to finance site development, site grading, building construction, the installation and extension of utilities and other improvements to assist with the expansion and its location to the Bluestone. The locally owned company brings with it a projected \$100,000 in private investment by the company and a projection of up to 12 full-time jobs within five years.



Lawrence Brothers, Inc. / Tazewell County / \$400,000 Loan

Lawrence Brothers, Inc., an industry leader in battery tray fabrication and manufacturing of motive power trays, ground support systems and transformer components, plans to invest \$3.2 million and expand its operations in Bluefield, Virginia, adding 40 new jobs. VCEDA approved a \$400,000 loan to help purchase equipment for the expansion which includes upgrading and modernizing machinery and equipment to increase capacity and double production at the facility. At the time of application to VCEDA, Lawrence Brothers, Inc., founded in 1974, employed 70. The new expansion will see the company's employment numbers grow to 110 within five years.



Historic Crab Orchard Museum / Tazewell County / \$50,000 Grant

VCEDA approved an up to a \$50,000 grant from the VCEDA Tourism Capital Improvement Matching Fund to be used to renovate and expand the Farm and Transportation Exhibit Building at the Historic Crab Orchard Museum and Pioneer Park in Tazewell County. The building, most often referred to as "the red barn," houses museum exhibits, but is also used for musical events, educational and cultural meetings and has been used as a wedding venue. The red barn, which will be renovated, was built in 1988 as an additional exhibit space specifically for farm heritage and vintage transportation equipment. The museum plans to use the VCEDA funds to add on to the existing red barn structure, to update the exhibit area behind a plexiglass partition and to add restrooms and a catering kitchen. The museum projects adding three full-time and three part-time jobs.

New Industrial Site / Dickenson County / \$1.175 Million Loan

VCEDA approved an up to \$1.175 million loan to the Dickenson County Industrial Development Authority (IDA) to be used to finance the purchase of the former Mountain Forest Products chip mill site located adjacent to the IDA's Red Onion industrial site. The property is comprised of some 433.17 acres of real estate located in Dickenson and Wise counties. In addition to the land, the site houses three steel frame structures and a rail siding on site. The property has three phase power, natural gas, redundant broadband, public water and public sewer. Located near the intersection of State Route 361 which connects with State Route 83, it is near Clintwood, Virginia and Pound, Virginia.



HIGHLIGHTS

Russell Place / Russell County / \$900,000 Loan

Faced with a lack of buildings or properties in Russell County to offer prospects, VCEDA approved an up to \$900,000 loan to be used by the Russell County Industrial Development Authority (IDA) to acquire and develop the Russell Place building and site located in downtown Lebanon, Virginia. One prospect shown the facility decided to locate there and Italy-based Ceccato S.P.A. announced it is locating its first United States subsidiary, Ceccato USA Corporation, in the Russell Place building, bringing with it up to 50 new jobs within three to five years. Ceccato is one of the leading Italian manufacturers of washing systems and equipment for all vehicles, from cars to trains, in more than 60 countries. In its new Lebanon location, initially, the company will assemble and sell car wash units and manufacture truck wash units, sourcing items needed to manufacture those from U.S. companies.



Medical Device Manufacturing Study / Dickenson County / \$170,000 Grant

VCEDA approved an up to \$170,000 grant for the Dickenson County Industrial Development Authority (IDA) to be used to finance a medical device manufacturing feasibility study. The IDA is partnering on the study with Medentum Innovations Inc., a Virginia corporation formed by Dickenson County native Dr. Starla Kiser and Dr. Vivek Shinde Patil and other co-founders, including students and teachers at Ridgeview High School, in the development of Medentum's signature 'Diagnostick' medical testing technology. The company seeks to do all its design, R&D, testing and product assembly in Dickenson County.

Clintwood Lot / Dickenson County / \$60,000 Loan

VCEDA approved an up to a \$60,000 loan to be used to finance additional site development at the Dickenson County Industrial Development Authority's (IDA) approximately one-acre lot in the Town of Clintwood, including the required installation of a stormwater detention system. In 2016, VCEDA approved an up to \$300,000 loan to the IDA to be used to finance the purchase of real estate, site grading, site development, construction of a retaining wall, installation of utilities and other improvements for the lot. This will add to the IDA's inventory of available economic development sites.



Sunnyside Lodging / Town of Tazewell / \$100,000 Grant

VCEDA approved an up to \$100,000 grant from the VCEDA Tourism Capital Improvement Matching Fund for the Town of Tazewell Industrial/Economic Development Authority to be used to help advance the development of a short-stay lodging facility in downtown Tazewell. The new project seeks to develop the former Sunnyside Manor apartment complex into a 13-unit short-stay lodging property with 34 beds. Plans call for the town to lease the facility to Dragon Property Holdings, LLC, an affiliate of Back of the Dragon Properties. The Sunnyside location is just a short distance from the Back of the Dragon Welcome Center (which VCEDA helped to finance with a \$150,000 loan in 2019) and seeks to capitalize on the regional tourist traffic as visitors come to drive the Back of the Dragon motorcycle and sports car route.



Emerging Workforce Training / Southwest Virginia Community College / \$100,000 Grant

VCEDA approved an up to \$100,000 grant to the Southwest Virginia Community College (SWCC) Educational Foundation to be used for emerging workforce development and training. Funding for the grant came from the VCEDA Coalfield Workforce Development and Training Fund which is funded by coal tax credit monies previously allocated to VCEDA. The funds will be used by SWCC to provide scholarships in emerging workforce programs to coalfield area residents and/or those who work in the VCEDA region. The funds also will be used for training instructional costs, customized workforce training for area businesses, costs of assessments and costs of administering National Career Readiness Certificates and other workforce testing.

Clinch River State Park / Region

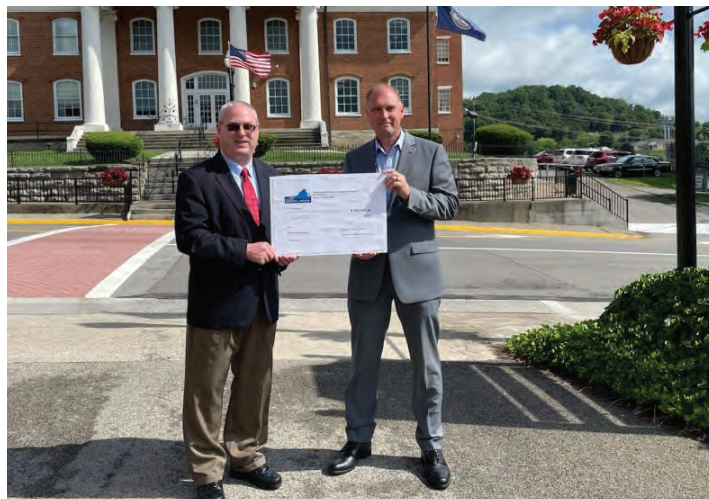
Governor Ralph Northam joined state Department of Conservation and Recreation staff, area legislators and officials in June for the dedication of the Clinch River State Park near St. Paul, Va., the newest park in the Virginia State Park system. It is considered the first state blueway park of several sites along the Clinch River's 135-mile length in the state. Once developed, the park will highlight the Clinch River's natural, historical and recreational resources. It will consist of several smaller (250-400 acres) anchor properties connected by multiple canoe/kayak access points along a 100-mile stretch of the Clinch River. Some of the access points will be part of the state park, while other partner agencies and localities will own additional launch access points for outdoor enthusiasts.



HIGHLIGHTS

Medical Manufacturing Study / Tazewell County / \$170,000 Grant

VCEDA approved an up to \$170,000 grant to the Tazewell County Industrial Development Authority (IDA) to be used to finance a medical screening convenience kit manufacturing feasibility study and the build-out of a medical incubator site in Tazewell County. The Tazewell County IDA is partnering with Moein Health, LLC on the project which has developed a patented new screening method for cervical cancer which can be done in one clinic visit. The screening kits are cost-effective, not highly technical and designed for use in mobile units and mission clinics. According to the project application, a key to the success of the project is collaboration with Clinch Valley Medical Center. The project also seeks to provide the test kits it produces through the Health Wagon and Remote Area Medical (RAM) clinics.



Acme Building Renovation / Russell County / \$500,000 Loan

VCEDA approved an up to \$500,000 loan to be used to increase the Russell County Industrial Development Authority's (IDA) portfolio of available buildings, and the funds will be used to finance the purchase of the former Acme building in Russell County and for site development, building rehabilitation and improvements to the building located on East Main Street in Lebanon. Constructed around 1980, the 41,602 square foot building is situated on approximately 2.19 acres and has public water, sewer and natural gas nearby, and broadband providers. Having an inventory of existing buildings is important to the region's economic development efforts. As examples of this, just in the Lebanon area alone, Samuel Pressure Vessel Group, JM Conveyors, Polycap and TDEC all located in existing buildings.

Space-Based Broadband / Region / \$500,000 Grant

An up to \$500,000 grant from the VCEDA Education and Telehealth Access Fund was awarded to the Appalachian Council for Innovation (ACI) to be used toward the development of space-based broadband service in the VCEDA e-Region. VCEDA was appropriated \$500,000 in the Virginia state budget during FY2022 for initiatives intended to expand education and telehealth access. A budget amendment for this purpose was patroned in the General Assembly by Senator Jeremy McPike and legislators from the VCEDA region. The funds will be used to help provide low earth orbit space-based broadband service to unserved and underserved children in the VCEDA region. This followed a successful beta test of Starlink service through the Wise County, Va. public school system.



Energy Storage and Electrification Manufacturing / Region

VCEDA is a partner in the Energy Storage and Electrification Jobs Manufacturing Jobs Project (ESEM), which held a community meeting in July at Southwest Virginia Community College to introduce the project and to gain community input. VCEDA is part of this collaborative GO-Virginia funded initiative to help existing companies expand and to recruit new industries in the fields of energy storage and electrification manufacturing. The ESEM project aims to facilitate the development of a vibrant energy storage and electrification economy in Southwest Virginia by creating jobs in the local manufacturing sector, attracting new investments to the region and expanding the local tax base. Regional companies participating in the project include AMR Pemco, Lawrence Brothers, Simmons Equipment and West River Conveyors.



Workforce Development and Training / Mountain Empire Community College / \$100,000 Grant

VCEDA approved an up to \$100,000 grant to the Mountain Empire Community College Foundation that will be used by the college for workforce development and training. The college may use the funding for scholarships, training instructional costs, retraining costs and customized workforce training for area businesses and for assessments, including, but not limited to, costs of administering National Career Readiness Certificate testing for residents of Southwest Virginia's e-Region. The nationally recognized certificate can be administered to students in career and technical schools in local high schools to ensure that students complete high school with not only a diploma, but a nationally recognized workforce credential, simultaneously. Funding for the grant came from the VCEDA Coalfield Workforce Development and Training Fund which is funded by coal tax credit monies previously allocated to VCEDA.

Entrepreneurial Skills Training / Region / \$50,000 Grant

VCEDA approved an up to \$50,000 grant from the VCEDA Coalfield Workforce Development and Training Fund to the Napoleon Hill Foundation in Wise, Va., to be used for workforce development and training. The funds will be used to assist with the development of a free online interactive course in entrepreneurial skills for high school students in the VCEDA region. The course, "Keys to Success," is a series of 17 modules which students enrolled in the course can complete at their own pace and based on their own schedules. The Napoleon Hill Foundation, currently located on the campus of the University of Virginia's College at Wise, is a 501c3 non-profit corporation.



HIGHLIGHTS

Southern Gap Transportation & Logistics Center / Buchanan County / \$5.7 Million

VCEDA participated in a ribbon-cutting ceremony in October for the new Southern Gap Transportation and Logistics Center in Buchanan County, which was developed with up to \$5.7 million in grants approved in 2018 by VCEDA to the Buchanan County Industrial Development Authority (IDA). The center was made possible through a partnership of the Buchanan County IDA, VCEDA, and Southwest Virginia Community College which is operating the center. The center offers Commercial Driver's License (CDL), diesel repair mechanic program, as well as additional credentialing programs including SNAP-ON certifications, and other in-demand workforce training to support the workforce needs of various businesses in the region.



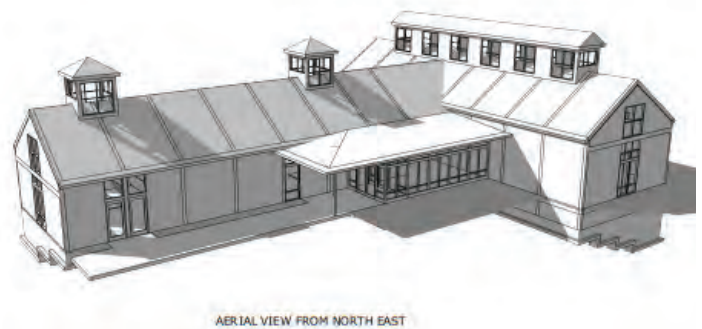
Theatre Guild of Buchanan County / Buchanan County / \$50,000 Grant

VCEDA approved a \$50,000 grant from the Virginia Coalfield Economic Development Authority (VCEDA) Tourism Capital Improvement Matching Fund to the Theatre Guild of Buchanan County to finance building renovations and improvements to assist with the location of the Theatre Guild to Vansant to the former Coca-Cola bottling facility, which has been renamed by the group as the Community Arts Mainstage (CAM). The funding also will be used for the purchase of furniture, fixtures and equipment, stage construction, other improvements and engineering expenses. The Theatre Guild of Buchanan County was formed in 2016 as a Virginia non-stock corporation and is also a 501c3 non-profit organization. Its goal is to bring the highest standard of community theatre to the county and to cultivate arts appreciation.



Three Rivers Destination – Discovery Center / Russell County / \$50,000 Grant

VCEDA approved an up to \$50,000 grant from the VCEDA Tourism Capital Improvement Matching Fund to be used toward financing the development and construction of the Heart of Appalachia Tourism Authority's new Three Rivers Destination – Discovery Center in St. Paul, a regional tourism visitor center in VCEDA's e-Region. Described as a one-stop location to provide information about the many tourism opportunities in the region, the new center will be beneficial not only to travelers, but to the various regional businesses and tourism assets which will be marketed through the Three Rivers center. One new full-time and one new part-time job is projected to be added within two years, adding to the Heart of Appalachia's existing employment of five full-time and one part-time employees.



Spearhead Trails Adventure Recreation Center / Wise County / \$50,000 Grant

VCEDA approved a \$50,000 grant from the VCEDA Tourism Capital Improvement Matching Fund to the Southwest Regional Recreation Authority (SRRA) to be used to assist with building renovations and improvements to the Spearhead Trails Adventure Recreation Center at Coeburn. The SRRA, which oversees the Spearhead Trails system, will use the funding to develop the Coeburn center which will house its main offices, shop, an activity center and supply storage. Activities planned for the Coeburn center include indoor climbing, indoor batting cages, indoor ax throwing, sling shot/knife throwing, an indoor skate park, picnic pavilion, board room/party room, games, events/programs, shopping and concessions. The SRRA plans to develop recreation and activity centers throughout the region with each featuring unique activities to add to the tourism and amenities of the area.



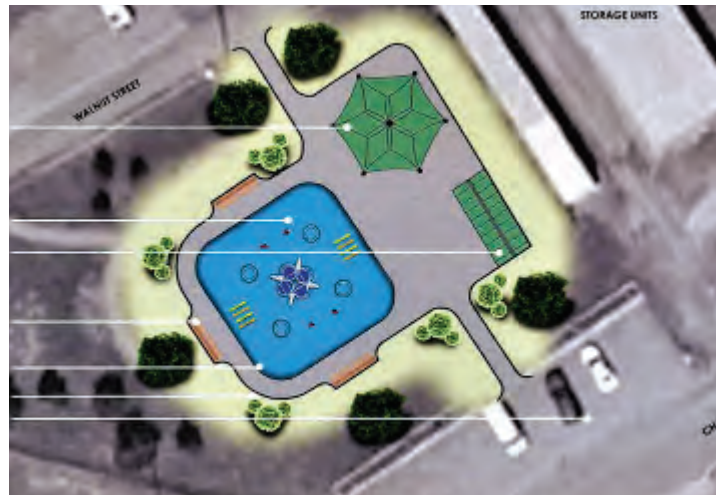
Heart Stone Lodge / Buchanan County / \$700,000 Loan

VCEDA approved a \$700,000 loan to the Buchanan County Industrial Development Authority (IDA) to be used to assist in the development of Heart Stone Lodge, a 53-suite, 61-bed assisted living facility to be located in the Southern Gap area. Coalfields Health Foundation, Inc., a local 501(c)3 not-for-profit, is developing the project. Heart Stone is being designed with individual suites of different sizes, surrounding a large, spacious central area containing two living room areas with fireplaces, sofas, lounge chairs, and coffee tables, a community dining room, library/chapel, salon/spa, and multi-purpose activity areas. The developers of Heart Stone project 30-40 new jobs by its fifth year of operation.

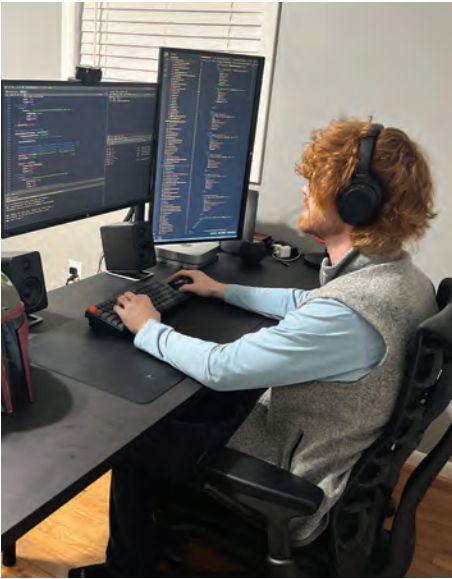


Clintwood Splash Pad / Dickenson County / \$50,000 Grant

VCEDA approved an up to \$50,000 grant from the VCEDA Tourism Capital Improvement Fund to the Dickenson County Industrial Development Authority (IDA) to assist with the development of a splash pad recreational area at Clintwood. The funds are to be used to finance site development, paving, splash pad construction, building construction, the purchase of equipment, other improvements, and costs associated with the project designed to enhance outdoor recreation areas for its citizens. The project will include the water feature, picnic area and restroom facility.



SEED CAPITAL PROJECTS



Arsenal Development



Porter's Lawncare, LLC



Lee Driving School



Craft Connection, LLC



Appalachian Adventures & Outfitters, Inc.



SoVa Gardens



Country Roads Cabin Rental LLC

VCEDA SEED CAPITAL MATCHING FUND

VCEDA established the VCEDA Seed Capital Matching Grant Fund in 2017 to provide a source of matching grant funds to assist new, start-up, and emerging small businesses located within the region, and to attract such small businesses from outside the region to locate within the region.

A February 2021 study of the Seed Capital Matching Fund completed by Virginia Tech’s Center for Economic & Community Engagement found that the VCEDA program had a very high return on VCEDA’s investment of \$1 million that has resulted in a \$34.2 million impact on the region’s economy in the course of three years.

The study noted that data shows for every year the program has existed, job numbers have exponentially grown by 10-20 positions. Since the program started, the study found VCEDA has played a critical role in the development of small businesses and in support of entrepreneurship.

In addition to the 300 direct and indirect jobs VCEDA’s seed capital program investments have created and retained in Southwest Virginia during the study period:

- » A return on investment of 34:1 has been realized;
- » Some \$9.4 million in wages and compensation have been paid by the new businesses;
- » \$24.1 million in direct economic impact to the VCEDA region has resulted; and
- » \$6.8 million in employee compensation has been earned as a result of the small businesses becoming operational.

| STATISTICS | |
|---------------------------------------------------|-----------------------------------------|
| Stats on Seed Capital Matching Fund SINCE 2017 | |
| NEW START-UPS | 137 |
| PROJECTED JOBS | 1,030 (597 FULL-TIME; 433 PART-TIME) |
| PROJECTED INVESTMENT | \$7,653,145 |

As that money circulates within the region’s economy through business and employee spending, the study found additional money and jobs are created (indirect and induced effects), generating an additional economic impact of \$9.7 million, an equivalent of 78 full-time jobs and \$2.6 million in employee compensation. The study found the impact of the Seed Capital program on the entrepreneurial ecosystem of Southwest Virginia has been significant in a number of ways:

- » 84 percent of seed capital grantees who responded to the survey reported VCEDA’s involvement was significant or highly significant to the success of their business;
- » More than half of the survey respondents stated it was unlikely their business would exist without the investment and support of VCEDA.

Competitive Performance / Buchanan County

From mobile welding to handyman and carpentry-related services, Competitive Performance owner Scott Davis said his new business in Buchanan County, Va., caters to both commercial and residential clients. Davis noted while the new business primarily focuses on welding repairs and construction, the handyman services he also provides have been utilized from the start. Trained and certified in various welding techniques, Davis is also committed to continuing his education and expanding his knowledge in the field and to keeping up to date on the variety of certifications offered in the field. Future plans for the business include to add welding assistants and other general laborers, who he said will also be required to hold all necessary certifications before being assigned to specific jobs.

SEED CAPITAL PROJECTS

Country Roads Cabin Rental LLC / Buchanan County

When Raymond and Melissa Webb bought 30 acres of property on Hoot Owl Mountain in Buchanan County, Va., they did so with the intent to develop a cabin rental business and camping location — Country Roads Cabin Rental LLC — to augment lodging opportunities related to the Spearhead Trails' Coal Canyon Trail. With ride-out access to the trail and to the town of Grundy, Raymond Webb said they are already seeing a return on their investment as rentals are picking up and the property is becoming known. The Webbs have been using Airbnb to rent the property and have been finding success with that. Country Roads Cabin Rental LLC projects creating up to two full-time jobs within two years.

Deskins HomeTown Pharmacy, Inc. / Buchanan County

Serving the needs of their community is important to Hilary and Tony Deskins and utilizing Hilary's pharmacy degree from the Appalachian College of Pharmacy in nearby Oakwood, Va., the Deskins' opened a full-service pharmacy, HomeTown Pharmacy, earlier this year in Marvin, Va., to do just that. In addition to offering a full selection of common over the counter medications as well as prescription medications, HomeTown Pharmacy offers a gift section complete with florals, wreaths, wooden signs, home décor, greeting cards, jewelry and more. Blister packaging services for medications are also available to physicians and customers. The business projects five full-time and three part-time jobs within three years.

Hand in Hand, PLLC / Buchanan County

Helping area children reach developmental milestones and working with adults to help them regain their independence after an illness or injury are two of the primary areas in which Hand in Hand, PLLC, focuses. Amy Cook will be opening the outpatient therapy clinic at 17447 Riverside Drive in Vansant, Va., to work with children and adults and to provide specialized hand therapy services for both, addressing the shoulder, elbow, wrist and hand. In the future Cook said, plans call for the addition of a speech and language therapist and the development of a sensory gym for children. The business projects three full-time and two part-time jobs within three years.

Bass and Brass LLC / Dickenson County

When Bass and Brass LLC at 563 Greenbrier Road in Haysi, Va., opened, owner Tessa Deel's goal was to create a one-stop shop for hunting and fishing supplies and a place where sportsmen could buy, sell and trade their gear and equipment. Bass and Brass sells hunting and fishing supplies, as well as guns, ammunition, archery supplies and more. Full gunsmithing services are offered including cleaning, maintenance, repairs, bluing and hydro dipping of all firearms. Accessories, metal signs, live bait and more round out the store's offerings. Deel's husband, Chad, operates the store on a day-to-day basis and Deel provides bookkeeping support, as well as help in the store evenings and weekends. The business created one full-time job.

Levisa Adventures, LLC / Dickenson County

Providing a fun, safe water experience for all is the primary goal of Levisa Adventures, LLC, which operates a tubing and kayaking business utilizing the Levisa and Russell Fork Rivers in Buchanan and Dickenson counties. Levisa Adventures offers guided tours on the two rivers, partnering with the Breaks Interstate Park and Southern Gap Outdoor Adventure to offer the tours. Several options for time on the river are available -- from a two and a half hour tour, up to seven hours on the river if participants opt to travel it to Pikeville, Ky. Earlier this year, owners Michael Owens and Loni Web began exploring offering night tubing on the river. The new business projects two full-time and four part-time employees within a year.

Lilly's Pad, LLC / Dickenson County

While materials availability issues pushed back the planned opening of Lilly's Pad, LLC, owner Lilly Thacker said the project to renovate property at 24390 Dickenson Highway, near Spearhead Trails' Ridgeview Trail in Haysi, Va., as a short-stay rental option in Dickenson County, continued. Lilly's Pad is a one-bedroom unit, located in the heart of downtown Haysi. It features a full kitchen, a bathroom and living area. Ride-out access from the property through town to the trails which are less than one-quarter of a mile away is an added benefit at the property. The business projects one full-time and two part-time jobs within five years as it grows.

Porter's Lawncare, LLC / Dickenson County

When it comes to lawncare and landscaping services, Porter's Lawncare, LLC, owned and operated by Michael Porter in Clintwood, Va., provides a variety of services to meet both business and homeowner needs throughout the year. Landscaping, mulching, driveway sealing, gutter cleaning, brush and leaf removal, pressure washing, mowing and weed eating services are offered. Fees are by the job and free estimates are available. Porter Lawncare's primary service areas are in Dickenson and Wise counties and the city of Norton. The business projects one full-time and two part-time jobs within three years.

American Muscle Detailing, LLC / Dickenson County

Matthew Mullins' love of fast cars and luxury vehicles translated into a business recently as he opened American Muscle Detailing, LLC on 23802 Dickenson Highway in Haysi, Va. The new business provides exterior and interior detailing, as well as waxing and ceramic coating vehicle service options. Services are available to both individual car owners and to automobile dealers located in the vicinity of the shop. Looking to the future, Mullins plans to offer full vinyl wrap and PPF film wrapping services, as well as windshield repair and window tinting. The business projects two full-time and three part-time employees within three years.

Appa Valley LLC d/b/a SoVa Gardens / Lee County

Smart solutions to agricultural issues are what SoVa Gardens in Pennington Gap, Va., strives to provide for its customers. Organic farming is a primary focus of the business co-owned by Orville Overton and Brandon Moore. SoVa Gardens offers industry leading products, services and support to all types of gardeners – from farmers to hobbyists -- whether they are growing vegetables, herbs, flowers, or delving into new markets created by changes in Virginia law. Products proven to provide savings in money, time and effort while also generating greater crop yields and sustainable solutions are stocked in the store to meet the demands of its customer base. The business projects three full-time jobs and one part-time job within three years.

Lee Driving School / Lee County

Driver education — both classroom and behind the wheel instruction — as well as driver improvement and tutoring for license and learner's permits are among the multiple services offered by Lee Driving School in Pennington Gap, Va. The new business is owned by Connie Daugherty, Deborah McCoy and Annette Tomlinson, lifelong educators, having served in multiple capacities. All three are active participants in the community where they grew up and currently reside. Daugherty, McCoy and Tomlinson decided to open the new business to offer additional components of driver education after hearing requests for additional services. All three are certified instructors through the state. The business projects creating six full-time jobs within five years.

SEED CAPITAL PROJECTS



Nancy's Downtown Boutique



Stone Cellar



Levisa Adventures



Pinkway



Deskens HomeTown Pharmacy



Henrys Produce and Market

Trendy Belle Salon LLC / Russell County

An upscale salon to cater to the hair styling and beauty needs of area women is what Natasha Hughes had in mind when she began planning for her new business, Trendy Belle Salon in Lebanon, Va. In addition to her, one full-time and one part-time stylist are working in the salon as growing the customer base remains a primary focus. The salon offers all hair styling services, with additional services available, including spray tanning, eyelash extensions, full body waxing, teeth whitening and ear piercing. Appointments and walk-ins are welcome at the business located at 459 W. Main Street, Lebanon, Va.

Simona Corporation d/b/a Stone Cellar Brunch & Clutter / Russell County

For Connie Stinson, opening the Stone Cellar Brunch & Clutter in the heart of downtown Lebanon, Va., was a way she saw to realize her dream of operating a small business, while at the same time giving back to the community. When the original Stone Cellar restaurant closed in March 2020, Stinson said she began thinking about the possibilities of purchasing the business and opening it as her own. In December 2020, she took the plunge, bought the restaurant and became a small business owner in her own right, officially opening the restaurant in January 2021. The business, Simona Corporation d/b/a Stone Cellar Brunch & Clutter, projects one full-time and four part-time employees within three years.

Fitness Authority LLC / Russell County

Honaker residents and those in surrounding communities have a new gym option available now that Fitness Authority LLC has opened at 48 Commerce Drive in Honaker, Va. The gym, owned by Rey Perez, is equipped with a variety of commercial equipment from ellipticals and treadmills to full circuit training equipment, a free weights section and more. Open 24 hours a day, seven days a week, members receive a key fob to be able to visit the gym at their convenience – day or night. In addition to offering the ability for members to work out as they wish, several classes are also offered. Personal one-on-one training sessions can also be scheduled upon request. The business projects four full-time jobs and two part-time jobs within five years.

Southern Charm Décor LLC / Russell County

Helping to make every house a home with personalized décor and furniture pieces is why Andrew Mays and his wife, Ashley, opened Southern Charm Décor in Russell County. Affordable custom-made furniture and antique restoration are what Andrew Mays said are staples of the business, located at 22 West Main Street in Lebanon, Va. Home décor items are also available at the shop. Furniture items can be hand crafted based on customer specifications provided at the time of the order. Home delivery service is offered for a small fee. Future plans call for the shop to offer custom interior decorating services. The business currently projects one full-time job and one part-time job within three years.

The Weeping Willow Café & Tap House Inc. / Russell County

When Eric Adams opened the Weeping Willow Café & Tap House on 56 West Main Street in Lebanon, Va., it was the realization of his long-held dream to provide a place where people could come to hang out with family and friends. Coffee, bagels, pastries, soups and salads are the current fare, but future plans call for expanded hours and a menu featuring appetizers, dinner, live music, craft beer and wine. The addition of outdoor patio dining options are also in the future plans. The business projects three full-time and three part-time employees.

SEED CAPITAL PROJECTS

Henrys Produce & Market LLC / Scott County

For Henry and Renee Morris, opening Henrys Produce & Market LLC in Duffield, Va., was a way not only to give back to the community they love by giving local farmers a ready outlet for their fresh produce, but it was also a way to honor their family heritage. From beans, corn, cabbage and tomatoes to yellow squash, zucchini, potatoes of all kinds, strawberries and apples, there is plenty to choose from at the market which also offers local arts and crafts for sale. Six to seven local farmers supply the bulk of the produce offered for sale at the produce market. The business projects eight full-time and seven part-time jobs.

Highland Monument Conservation LLC / Scott County

“Every death was a life and every life was a story.” It’s something Burke Greear said he thinks about every time he works carefully to restore and clean the monuments and grave markers found in cemeteries throughout Southwest Virginia, where his new business, Highland Monument Conservation LLC operates. The business, which is licensed and insured, offers stone preservation and historic documentation services. Greear said it all started as a hobby for family and friends as part of genealogy research, but along the way, he realized there was a real need in the region for the service and so he stepped up to try to fill that void. Within three years, the business projects one full-time employee and two part-time employees.

ClearSight Eye Care, Amber Hurley, OD, PLLC / Tazewell County

When Amber Hurley McCulley opened ClearSight Eye Care earlier this year, her goal was to provide comprehensive eyecare services utilizing state-of-the-art technology and equipment to benefit residents in the region. The new clinic, located at 284 Ben Bolt Avenue in Tazewell, Va., provides comprehensive vision and medical eyecare services and offers full optical shop services featuring more than 500 pairs of glasses frames from which to choose -- from budget frames to designer frames. Contacts and sunglasses are also available. ClearSight offers eyecare services for the family -- for patients as young as six months old to those who are 100 or more in the geriatric community. The business projects five full-time jobs within five years.

Pinkway / Tazewell County

Boutique-style children’s clothing and unique home décor are among the products customers visiting Pinkway find in the retail store which opened at 2431 Front Street in Richlands, Va. Owner Connie Allen noted Pinkway sells clothing for infants and for children up to sizes 10 and 12 for boys and girls. Monogram services are available to personalize clothing and other items. Allen noted the store also has plans to add a bakery and to offer home decorating services and design of children’s clothing. As the business grows, Allen said she hopes to use some of the additional space available in the building as an event space to be offered for rent for birthday parties, business meetings and other social gatherings. One full-time job and two part time jobs are projected.

Craft Connection, LLC / Tazewell County

Assisting customers in the exploration of their creative talents and providing them with a ready source of craft supplies for a large variety of crafts was Linda Hamm’s goal as she started her new business, the Craft Connection, LLC. The business is a paint your own pottery shop and also sells craft supplies, vinyl, yarns and thread from its location on 4415 Steelsburg Highway in Cedar Bluff, Va. The Craft Connection also hosts several evening events focusing on a variety of crafts from wreath making to barn quilt square painting to string art and more. The business projects two full-time and two part-time jobs within three years.

Elite Fitness @ Richlands, LLC / Tazewell County

Physical fitness is and always has been an ongoing demand, and Chad Cole said that was one of the reasons tipping the scales in his decision to move forward in opening Elite Fitness, a new gym in the Town of Richlands, Va. Located at the Ratliff Town Center on 2010 Second Street in Richlands, Va., Elite Fitness offers a broad range of fitness options, including cardio, free weights, treadmills, recumbent bikes, stair climbers and more. Tanning is also available at the facility. The gym offers memberships and provides its members with 24/7 access to use the equipment in the facility. It also sells multiple fitness-related products. Elite Fitness projects two full-time employees within three years.

Nancy's Downtown Boutique / Tazewell County

After working in the retail clothing sector for more than 20 years, Nancy Grant decided the time was right to venture out on her own and instead of working in retail for others, to own and operate her own store, Nancy's Downtown Boutique, located on 532 Virginia Avenue in Bluefield, Va. From live feed fashion shows on the boutique Facebook page, to a future e-commerce website, Grant has pursued a number of ways to market the new business. Grant noted the store has a regular customer base which ranges in age from those in their upper teens and 20s to 70 and older. The business projects two full time and two part-time employees within two years.

Southwest Virginia Energy Consultants, Inc. / Tazewell County

Assisting commercial businesses, homeowners and agricultural businesses in growing their use of solar energy in the region is one of the primary goals of Southwest Virginia Energy Consultants, Inc., in Tazewell County. North Tazewell residents Sharon Thomas, John Thomas, Jack Thompson and Doug Hutchinson formed the new business with several goals, including to bring a solar panel manufacturer to Virginia. Sharon Thomas said additional goals of the business are to pair solar projects with former abandoned mine property in the region in need of reclamation and to work with farmers to consider the development of solar grow houses to produce organic crops, thereby making the growing season year-round. The business projects three full-time jobs within five years.

Appalachian Adventures & Outfitters, Inc. / Tazewell County

Seeking to capitalize on the growing tourism industry in Southwest Virginia's e-Region, Appalachian Adventures & Outfitters, Inc., opened its UTV rental business in Richlands, Va., not far from the entrance to Spearhead Trails' Jawbone Trail. The business, co-owned by Brad Ratliff, Brian Ratliff and Brianna Ratliff, offers rentals in four and eight-hour segments and is also developing plans to offer guided tours of the trails. Also offered are kayak rentals and items in the store gift shop, including Southwest Virginia regional memorabilia, Spearhead Trails memorabilia and outdoor products and snacks. The business projects two full-time jobs and three part-time jobs within the first year.

Arsenal Development LLC / Tazewell County

Helping clients to solve their technology needs while providing them with the data they need to grow is the primary focus of Arsenal Development LLC, a new technology consulting service specializing in data analytics and software development in Richlands, Va. According to owner, Jordan Bales, the business is focused on serving small and mid-sized businesses with their technology needs, including website development, hosting, software development, machine learning and data analytics. In addition to working with those businesses, Bales said Arsenal will also pursue government contracts at local, state and federal levels as those become available. The business projects creating four full-time jobs and six part-time jobs within five years.

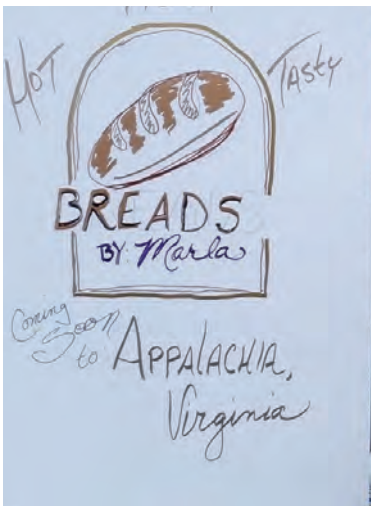
SEED CAPITAL PROJECTS



Elite Fitness @ Richlands



ClearSight Eye Care, Amber Hurley, OD, PLLC



Breads by Marla



Black Bear BBQ



Bass & Brass



Big Stone Gap Pottery Shop

LECOWATIPA LLC d/b/a Route 19 Hot Dog Shop / Tazewell County

When it comes to hot dogs, the Route 19 Hot Dog Shop has not only all-beef hot dogs, but the homemade slaw and chili to go with them. Chili cheese baked potatoes and fresh cut fries are two other specialties on the menu which also features BBQ sandwiches and grilled cheese. Jeff Tatum is the owner and Sandy Tatum is the business manager of the restaurant which is located on Rt. 19 between Richlands, Va. and Lebanon, Va. in the Steelsburg Plaza -- not far from Southwest Virginia Community College. A 10 percent discount is offered to students. Drive-thru and dine-in service are available. The business projects six full-time jobs and 10 part-time jobs within three years.

Ole No. 3 Restaurant & Bar, LLC / Tazewell County

As Tom Wimmer watched Pocahontas, Va., continue to grow its tourism industry through the Pocahontas Exhibition Mine and the Spearhead and Hatfield McCoy trail systems nearby, he saw the time was right to open a restaurant to meet the needs of residents and tourists alike. As a result, he began planning to open the Ole No. 3 Restaurant and Bar. He envisioned a place where the community could find a place to congregate and interact socially and began developing plans for a restaurant to seat up to 87 inside, with outside dining space as well. The business projects four full-time jobs and five part-time jobs within three years.

Snuckle Butter, LLC / Tazewell County

Developing a place for residents and visitors alike to enjoy sweet treats and to have a place to gather, socialize and eat are the primary goals Laura Hrovatic had in mind when she decided to pursue her dream of opening a bakery, Snuckle Butter, LLC, in downtown Bluefield, Va. Located at 542 Virginia Avenue in Bluefield, Va., Snuckle Butter will sell a large variety of made fresh daily yeast donuts, cookies, brownies and specialty cakes when it opens this summer and already has plans to expand to offer breads in its second year and gelato in its third year of operation. The business projects three full-time jobs and six part-time jobs within five years.

Big Stone Gap Pottery Shop LLC / Wise County

Creating an experience for people to remember is one of the primary things Stephen Murray hopes Big Stone Gap Pottery in Big Stone Gap, Va., will do for those visiting the shop. The business, located in the Big Stone Gap General Store, is a paint your own pottery studio offering ceramic pieces – from dishes, cups and platters to novelty items, picture frames and more – that customers can paint as they wish, choosing from among a wide variety of paint colors available at the shop. Once they have painted the piece, it is left at the shop to dry and the shop will then fire it in its kiln on-site before customers pick up their pieces about a week later. The business projects four full-time employees.

Black Bear BBQ LLC / Wise County

With the growth of tourism through motorcycle tours and others coming to enjoy the beauty of the region and all it has to offer, lifelong Appalachia resident Chris Williams saw opportunity. Seeing that opportunity, he decided to open Black Bear BBQ, located on 516 West Main Street in Appalachia. The restaurant offers a varied menu of barbecue and grill items from pulled pork, ribs and brisket to chicken and burgers. A variety of sides are also offered -- from fried okra and coleslaw to mashed potatoes and BBQ creamed corn and everything in between. A daily country plate special is also available and catering services are an option for large groups upon request. The business projects creating eight full-time and six part-time jobs within five years.

SEED CAPITAL PROJECTS

Hughes Enterprises LLC d/b/a Wise Guys Pools / Wise County

While winter is the off-season for homeowners as far as getting a pool project underway, it's the perfect time of year to plan for those projects, according to Jordan Hughes, owner of Hughes Enterprises LLC d/b/a Wise Guys Pools. The business both sells and installs above ground pools and Hughes said its service area includes Wise County and other localities in far Southwest Virginia. In addition to pool sales and installation, Wise Guys Pools offers pool liner replacement services; weekly pool maintenance; home and deck pressure washing; and deck staining. Free quotes are available for all pool installations and service options. The business projects three full-time jobs and four part-time jobs within five years.

OH Rentals LLC / Wise County

As tourism opportunities have grown in Southwest Virginia, Sarah and Joshua Lucas saw opportunity – not only to provide outdoor recreation for out-of-town visitors, but to also cater to local residents. As a result, they opened OH Rentals LLC, which provides bike and kayak rentals and two short-term rental units near the Spearhead Trails. OH Rentals LLC projects one full-time employee to manage the short-term rentals and seasonal outdoor rentals and one part-time employee to help maintain equipment, perform housekeeping duties, manage reservations and provide shuttle service to get their rentals to customers who are renting them as the business continues to grow.

Ruby Bea's Boutique, LLC / Wise County

Shopping until you drop just got easier when Ruby Bea's Boutique opened earlier this year, including with it, a mobile option for ease of customer shopping. "We stop and you shop" is the mobile store's motto as it goes from location to location bringing with it the latest styles in women's clothing. Co-owners Kristen McGreggor and Shelley Richards launched the venture as an e-commerce business and then decided to incorporate pop-up on location sale events, bringing a full luxe boutique experience to any location. The mobile boutique is size inclusive, offering women's apparel in sizes extra small to 3X, in addition to accessories and various décor items. The business projects four full-time and five part-time jobs.

Breads by Marla, LLC / Wise County

From quick breads to cinnamon buns, pound cake to pretzels and more, Breads by Marla, operated by Big Stone Gap, Va., resident Marla Weitzman, has been a familiar sight at area farmer's markets in the past, but with the help of a VCEDA seed capital matching grant, Breads by Marla opened a commercial kitchen at 520 West Main Street in Appalachia, Va., and began supplying area restaurants with the breads Weitzman has become famous for in the region. The business projects the creation of one full-time and three part-time jobs within five years.

The Coffee Station LLC / Wise County

More than just a full-service coffee shop, the new Coffee Station in St. Paul, Va., also calls itself a mini-bakery, offering baked goods and space for local artisans to display and sell their goods. From the Coffee Station's exclusive Clinch River Blend black coffee to espresso, lattes, frappes, smoothies, frozen lemonades and more, there's a little something to appeal to everyone, according to owner, Andrea Hicks. Catering for small events is offered and in addition to providing seating for restaurant customers, the Coffee Station's gathering space can be rented for private events and is capable of accommodating up to 80 people. The business projects three full-time jobs and two part-time jobs within five years.

Engine 343 Wood Fired Brick Oven Pizza LLC / Wise County

There are food trucks and then there are food trucks with a twist such as Engine 343 Wood Fired Brick Oven Pizza. Jennifer Bargo and Travis Anderson own and operate the Wise County food truck business which features a fire truck engine, outfitted with a wood fired pizza oven trailer. The truck sets up at various events and is also available to rent for children's parties and can be customized with taps for adult events. True Italian ingredients comprise the pizzas made from the oven, with pizza names a tip of the hat to firemen. Anderson, who is a career firefighter, noted the 343 in the business name represents the number of firefighters lost on September 11. The business projects three full-time jobs and three part-time jobs within five years.

404 Café and Creamery, LLC / Wise County

As Elise and Robert Bloomer develop the 404 Café and Creamery restaurant in Big Stone Gap, Va., purchasing made in Virginia ingredients is a top priority – from coffee and chips to soup mixes and ice cream. Sandwiches and baked goods are also on the menu for the restaurant located at 404 E. Shawnee Avenue in Big Stone Gap. Opening the restaurant, according to Elise, is something she has wanted to do since she was 12 years old. The new restaurant will have the capacity to seat 64 inside and close to that number outside. An ice cream cart has been purchased to allow the café to travel to provide ice cream for various day events in the area. The business projects two full-time jobs and eight part-time jobs within five years.

Huff Daddy BBQ LLC / Wise County

Traditional Texas-style barbecue is what customers of Huff Daddy BBQ will find when they visit the walk-up location of the new barbecue storefront in Big Stone Gap, Va. Owned by Larry Huff, Huff Daddy BBQ offers carryout barbecue orders. Huff said that what sets his barbecues apart are original Texas-style BBQ methods, salt, pepper and “a little love.” He learned the recipe he uses today while he was in the military where he first took up the art of how to properly smoke meats. Feeding people and watching their satisfaction as they enjoy something he has prepared is what Huff said motivates him. The business projects four full-time jobs and seven part-time jobs within five years.

Big Stone's Gap Golf, Miniature Golf Course, LLC / Wise County

Providing affordable family fun and a local entertainment option for the community of Big Stone Gap, Va., and surrounding communities is the goal of Big Stone's Gap Golf, Miniature Golf Course. Owned by Debra Ramsey and Philip Ramsey, Gap golf, which opens this spring, will provide 18 holes of miniature golf. The venue is also capable of hosting birthday parties, special events, fundraisers, school events, corporate events and other celebrations. Located in the town, close to the park, sports fields and the town's visitor center, the new business also offers a modular, portable travel set of nine holes for rent to host on-site mini-golf events. The business projects three full-time jobs and five part-time jobs.

COALFIELDS EXPRESSWAY (CFX)



Members of the Virginia Coalfields Expressway Authority Board, pictured, from left (front), are Jonathan Belcher, Virginia CFX Authority executive director; Ron Peters, representing Josh Evans; Jay Rife, chairman; J.H. Rivers; and Melanie Salyer; and (back) Keith Viers; Scott Mullins; Ed Talbott; John Schoolcraft; and James Keen. Not pictured are Mike Yates, Bonnie Bates and Drew Keene.

CFX Economic Impact Estimated to be \$12.8 Billion

The cumulative economic impact of the Coalfields Expressway (CFX) during a 50-year span is estimated to be \$12.8 billion in 2021 dollars, according to a study of the proposed roadway presented to members of the Virginia Coalfields Expressway Authority Board at its December board meeting.

The study, performed by Chmura Economics & Analytics in Richmond, Va., was conducted at the request of the Virginia CFX Authority and the Virginia Coalfield Economic Development Authority (VCEDA) and built upon a prior study conducted by Chmura in 2013. What the new study found was that while 2021 estimates are that the completed roadway in Virginia will cost \$3.1 billion, each dollar of investment in the CFX can result in \$3.10 in economic impact in the two-state corridor during its life span.

The Coalfields Expressway, designated as U.S. Route 121 and a Congressional High Priority Corridor, is a proposed limited-access highway to provide a modern, safe, and efficient transportation artery through the coalfield region of far Southwest Virginia and southern West Virginia.

The state of West Virginia has made significant progress on its portions of the Coalfields Expressway, however Virginia has no sections of the Coalfields Expressway funded or under construction except for a shared section with U.S. 460 in Buchanan County. Virginia provided no mechanism to fund the Virginia Coalfields Expressway Authority when it was created in 2017 and it also remains unfunded. VCEDA provides staff support for the Virginia CFX Authority.

State legislators and federal legislative staff members were also in attendance at the meeting and provided brief updates, noting that \$7 billion has been allocated through the federal infrastructure bill for Virginia highways, however, the CFX project was not specifically earmarked and as a result, will compete with other Virginia projects for funding through the state's Smartscale process.

On the state level, earlier in the year Delegate Will Morefield and Senator Travis Hackworth helped arrange and attended a meeting in Charleston, WV with officials from both states participating in-person and virtually to discuss a multi-state approach in promoting and completing the Coalfields Expressway.

The CFX board agreed to send a letter to Governor Glenn Youngkin, congratulating him on his election win and urging support for the Coalfields Expressway project.

"The completion of the Coalfields Expressway would open up new areas for economic development, including new business and industrial sites and improved access to existing business and industrial parks, thereby making the region much more competitive for economic development projects," the letter noted.

"Simply stated, the Coalfields Expressway is absolutely critical to the economic development and diversification of the region, the economy which has been decimated by the decline in the coal mining industry."

RENEWABLE ENERGY

Solar Training Projects First to Receive Funding from VCEDA Renewable Energy Fund

Two solar projects are the first to be approved for funding from the newly created Virginia Coalfield Economic Development Authority (VCEDA) Renewable Energy Fund.

VCEDA approved an up to \$244,126 grant to Southwest Virginia Community College (SWCC) Educational Foundation to be used for workforce development and training in support of renewable and alternative energy, as well as the installation of a solar panel project on campus. Included in the project is the installation of 10KW of solar panels in connection with a pending new student housing project on the SWCC campus. The solar panels will be installed on the housing units.

Up to 84 full-time jobs in the field of solar energy are projected to be created through the second project which was approved for an up to \$225,000 grant from the Renewable Energy Fund. This grant is to be used for the Solar Workforce Accelerator to establish a joint solar education program being developed by Southwest Virginia Community College (SWCC) and Mountain Empire Community College (MECC).

The objective of the Solar Accelerator is to create a solar workforce training pipeline in the VCEDA service region by establishing a dual-track solar credentialing and internship program for SWCC and MECC students and local workers.

Coursework will take place at the community colleges and interns will be placed on Solar Finance Fund-supported solar installations in the VCEDA region.

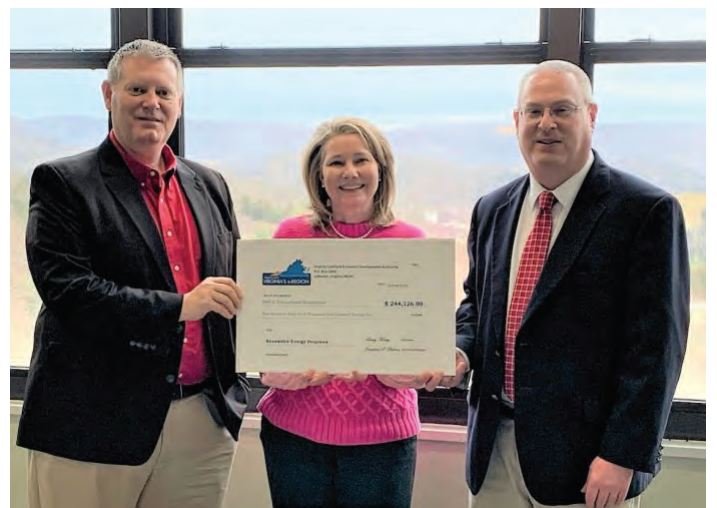
The VCEDA funds will be used for workforce development and training, course materials, tuition, books and the purchase of equipment. Through the program, students will be trained and placed in paid internships.

Together, SWCC and MECC cover all of the counties and one city served by VCEDA, with SWCC primarily serving Buchanan, Tazewell, and Russell counties and portions of Dickenson County and MECC primarily serving the City of Norton and Lee, Scott, and Wise counties and portions of Dickenson County. The two community colleges joined forces to establish the Southwest Virginia Solar Workforce Accelerator.

VCEDA created the Renewable Energy Fund utilizing funding from the Coalfield Employment Enhancement Tax Credit.



A new Solar Workforce Accelerator program is being funded by an up to \$225,000 grant approved by VCEDA through its Renewable Energy Fund. On hand for the ceremonial check presentation were, from left, Jonathan Belcher, VCEDA executive director/general counsel; Dr. Tommy Wright, Southwest Virginia Community College president; Susan Lowe, SWCC vice president of institutional advancement and executive director of SWCC's educational foundation; and Dr. Kris Westover, Mountain Empire Community College president.



A ceremonial check representing the up to \$244,126 grant from the Virginia Coalfield Economic Development Authority (VCEDA) for Southwest Virginia Community College (SWCC) to be used for workforce development and training in support of renewable and alternative energy, as well as the installation of a solar panel project on campus, was presented to the SWCC Educational Foundation. From left are Dr. Tommy Wright, SWCC president; Susan Lowe, SWCC vice president of institutional advancement and executive director of SWCC's educational foundation and Jonathan Belcher, VCEDA executive director/general counsel.

MARKETING SOUTHWEST VIRGINIA'S e-REGION

Even though the COVID-19 pandemic continued to affect marketing and business development in 2021, VCEDA participated in 20 virtual and in-person events throughout the year. In 2021 VCEDA had 66 in-person and virtual prospect visits and handled 231 inquiries about Southwest Virginia's e-Region.

VCEDA participated with the Virginia Economic Development Partnership (VEDP) in three virtual marketing call trips to Oklahoma/Arkansas, Michigan and Illinois, and an in-person trip to Ohio, and met with a group of site selection consultants, along with several of our local economic developers, in the Site Selectors Guild Virtual Table Talk. Joined by local economic developers, VCEDA also conducted a virtual call trip talking with companies and site location consultants about the region. VCEDA also attended in person the Site Selectors Guild annual conference in Orlando, FL, Area Development Consultants Forum in Richmond, VA, Governor's Summit on Rural Prosperity in Farmville, VA, and the AUVSI Ridge and Valley Symposium in Blacksburg, VA.

Southwest Virginia's e-Region was represented at the Electric & Hybrid Vehicle Tech Expo and Battery Show in Novi, MI with a team of partners from the Energy Storage and Electrification Manufacturing (ESEM) jobs project helping to man the VCEDA booth and meet with companies. VCEDA had a virtual booth at the SelectUSA Investment Summit which was all virtual this year.

A new video on how to apply for a VCEDA Seed Capital Matching Grant was created in 2021.



With the overwhelming success of the Seed Capital Matching Grant program, VCEDA created a video, "How to Apply for a Seed Capital Grant" to assist potential applicants with the process of applying through the Small Business Development Centers at Southwest and Mountain Empire community colleges. Five other short videos featuring e-Region business leaders discussing how VCEDA has helped their companies to succeed and grow in the region were also developed and are featured on a landing page on the VCEDA website www.vceda.us/impact. These videos are also featured on VCEDA's social media channels.



VCEDA Marketing Ambassador Charlotte Mullins was in Orlando, FL in August representing VCEDA at the Data Center World 2021 expo.



VCEDA Marketing Ambassadors Charlotte Mullins and Cathy St. Clair are pictured with e-Region manufacturers at the Southwest Virginia Alliance for Manufacturing (SVAM) Expo.



VCEDA exhibited at the Electric Vehicle and Battery Show in Michigan in mid-September. The e-Region booth also featured the Energy Storage and Electrification Manufacturing (ESEM) jobs project, a GO Virginia funded initiative of which VCEDA is a part, designed to help promote the region for job creation in those industry sectors. ESEM team members pictured, from left, are Vivek Shinde Patil (Ascent Virginia), Melanie Protti-Lawrence (Lawrence Brothers), Fernando Protti (Lawrence Brothers) and Scotty Wampler (Cumberland Plateau Planning District Commission).



VCEDA was pleased to take part in and sponsor the Area Development Consultants Forum in Richmond, VA, where the program provided an opportunity to hear from leading site consultants and industry experts on the trends influencing corporate location and economic development strategy. VCEDA contributed to snack baskets with e-Region labeled bags of coffee from Lincoln Road Virginia LLC, of Norton, VA, one of its past seed capital grant recipients.

VCEDA Marketing Ambassador Mary Rae Carter, left, is pictured with Virginia Economic Development Partnership Vice President Vince Barnett, who is also a member of the VCEDA board, at the welcoming reception for the Site Selectors Guild Conference in Orlando, FL.



2021 VCEDA MARKETING EVENTS

| EVENT | DATE | LOCATION |
|--------------------------------------------------|---------------|----------------|
| Chamber Day at the Capital | 1/12/21 | Virtual |
| Business Investment Call Trip (OK/AR) | 2/1/21 | Virtual |
| VEDA Spring Conference | 3/18-19/21 | Virtual |
| SWVA Economic Forum | 5/26-27/21 | Virtual |
| Business Investment Call Trip (IL) | 6/3-16/21 | Virtual |
| SelectUSA Investment Summit | 6/7-11/21 | Virtual |
| Site Selectors Guild Annual Conference | 6/10-12/21 | Orlando, FL |
| Area Development Consultants Forum | 6/21-23/21 | Richmond, VA |
| Business Investment Call Trip (MI) | 6/24/21 | Virtual |
| AFCOM Data Center World Global Summit | 8/16-19/21 | Orlando, FL |
| SWVA Manufacturers Expo | 9/2/21 | Abingdon, VA |
| Electric & Hybrid Vehicle Tech Expo/Battery Show | 9/14-16/21 | Novi, MI |
| VEDA Fall Conference | 9/22-24/21 | Norfolk, VA |
| SVAM Awards Banquet | 10/14/21 | Abingdon, VA |
| Business Investment Call Trip (OH) | 10/25-29/21 | Ohio |
| AUVSI Ridge and Valley Symposium | 10/26-27/21 | Blacksburg, VA |
| Site Selectors Guild Virtual Table Talk | 10/28/21 | Virtual |
| Governor's Summit on Rural Prosperity | 11/4-5/21 | Farmville, VA |
| VEDA Winter/Annual Meeting | 11/30-12/1/21 | Staunton, VA |
| VCEDA Virtual Call Trip | 12/6-13/21 | Virtual |
| TOTAL MARKETING EVENTS (20) | | |

VCEDA ran ads in Virginia Business magazine in August and November urging viewers to visit the vceda.us website.



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

www.vceda.us

How can we help YOUR business?
Call 1.800.735.9999

VCEDA
VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

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

SOUTHWEST VIRGINIA'S e-REGION

VCEDA BOARD OF DIRECTORS



Directors and officers of the Virginia Coalfield Economic Development Authority are pictured in this photo taken at the November meeting of the board. From left (front), are J.P. Richardson; Josh Ball, vice chairman; Larry Mosley, chairman; Esther Bolling, treasurer; and Jonathan Belcher, VCEDA executive director/general counsel; (middle) Kathy Still, Maggie Asbury, Barbara Altizer and Rhonda Sluss; and (back) Brian Hess, Duane Miller, Troy Nichols, Vince Barnett, Becky Coleman and Carroll Branham. Not pictured is Jim Baldwin, secretary of the board.

Virginia Coalfield Economic Development Authority Board of Directors

OFFICERS

Larry Mosley | Chairman
Joshua Ball | Vice-Chairman
Jim Baldwin | Secretary
Esther Bolling | Treasurer

GOVERNOR'S APPOINTEES

Maggie Asbury
Esther Bolling
Becky Coleman
Larry Mosley
Kathy Still

COAL PRODUCERS

Troy Nichols
Paramont Contura, LLC
J.P. Richardson
Surface Minerals Company
Brian Hess
Coronado IV LLC

GAS PRODUCER

Joshua Ball
Pocahontas Gas

VIRGINIA COAL & ENERGY ALLIANCE

Barbara Altizer
Metallurgical Coal Producers
Association

PLANNING DISTRICT COMMISSIONS

Jim Baldwin
Cumberland Plateau PDC
Duane A. Miller
LENOWISCO PDC

COUNTY BOARD OF SUPERVISORS

Carroll Branham | Buchanan County
Rhonda Sluss | Dickenson County
Mike D. Hymes | Tazewell County

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

Vince Barnett

2021 VCEDA LOAN APPROVALS

| LOANS | | APPROVED | AMOUNT |
|------------------------|-----------------------------------------------|----------|-----------------------|
| Buchanan County | Buchanan County IDA/Heart Stone Lodge | 4/15/21 | \$700,000.00 |
| Buchanan County | Buchanan County IDA/Skyline Fabricating, Inc. | 9/16/21 | \$538,030.00 |
| Dickenson County | Dickenson County IDA/Chip Mill Site Purchase | 2/18/21 | \$1,175,000.00 |
| Dickenson County | Dickenson County IDA/Clintwood Lot Dev. | 11/18/21 | \$60,000.00 |
| Russell County | Russell County IDA/Acme Building | 6/17/21 | \$500,000.00 |
| Tazewell County | Lawrence Brothers, Inc. | 2/18/21 | \$400,000.00 |
| TOTAL LOANS (6) | | | \$3,373,030.00 |

2021 VCEDA GRANT APPROVALS

| GRANTS | | APPROVED | AMOUNT |
|------------------|--------------------------------------------------|----------|--------------|
| Buchanan County | Competitive Performance | 6/17/21 | \$6,500.00 |
| Buchanan County | Country Roads Cabin Rental LLC | 6/17/21 | \$6,500.00 |
| Buchanan County | Deskens HomeTown Pharmacy, Inc. | 6/17/21 | \$6,500.00 |
| Buchanan County | Theatre Guild of Buchanan County | 9/16/21 | \$50,000.00 |
| Buchanan County | Hand in Hand, PLLC | 11/18/21 | \$8,000.00 |
| Dickenson County | Dickenson County IDA/Haysi & Clintwood Site Dev. | 2/18/21 | \$325,000.00 |
| Dickenson County | Bass and Brass LLC | 6/17/21 | \$6,500.00 |
| Dickenson County | Levisa Adventures, LLC | 6/17/21 | \$6,500.00 |
| Dickenson County | Lilly's Pad, LLC | 6/17/21 | \$6,500.00 |
| Dickenson County | Porter's Lawncare, LLC | 6/17/21 | \$6,500.00 |
| Dickenson County | Town of Clintwood/Campground | 9/16/21 | \$50,000.00 |
| Dickenson County | Dickenson County IDA/Splash Pad | 9/16/21 | \$50,000.00 |
| Dickenson County | SRRA/Sportsman's Complex | 9/16/21 | \$150,000.00 |
| Dickenson County | American Muscle Detailing, LLC | 11/18/21 | \$10,000.00 |
| Lee County | Appa Valley LLC d/b/a SoVa Gardens | 11/18/21 | \$10,000.00 |
| Lee County | Lee Driving School | 11/18/21 | \$10,000.00 |
| Russell County | Trendy Belle Salon LLC | 6/17/21 | \$6,500.00 |
| Russell County | Simona Corporation | 6/17/21 | \$6,500.00 |
| Russell County | Fitness Authority LLC | 6/17/21 | \$6,500.00 |
| Russell County | Heart of Appalachia/Destination Center | 9/16/21 | \$50,000.00 |
| Russell County | Southern Charm Décor LLC | 11/18/21 | \$10,000.00 |
| Russell County | The Weeping Willow Café & Tap House Inc. | 11/18/21 | \$10,000.00 |
| Scott County | Henrys Produce & Market LLC | 6/17/21 | \$6,500.00 |
| Scott County | Highland Monument Conservation LLC | 6/17/21 | \$6,500.00 |

| | | | |
|--------------------------------------|----------------------------------------------------------|----------|-----------------------|
| Scott County | Scott County EDA/Tempur Sealy | 6/17/21 | \$100,000.00 |
| Scott County | Scott County EDA/VFP, Inc. | 9/16/21 | \$100,000.00 |
| Tazewell County | ClearSight Eye Care, Amber Hurley, OD, PLLC | 6/17/21 | \$6,500.00 |
| Tazewell County | Pinkway | 6/17/21 | \$6,500.00 |
| Tazewell County | Craft Connection, LLC | 6/17/21 | \$6,500.00 |
| Tazewell County | Elite Fitness @ Richlands, LLC | 6/17/21 | \$6,500.00 |
| Tazewell County | Nancy's Downtown Boutique | 6/17/21 | \$6,500.00 |
| Tazewell County | Southwest Virginia Energy Consultants, Inc. | 6/17/21 | \$6,500.00 |
| Tazewell County | Tazewell County IDA/ Medical Mfg. Feasibility Study | 6/17/21 | \$170,000.00 |
| Tazewell County | Historic Crab Orchard Museum and Pioneer Park | 9/16/21 | \$50,000.00 |
| Tazewell County | Appalachian Adventures & Outfitters, Inc. | 11/18/21 | \$10,000.00 |
| Tazewell County | Arsenal Development LLC | 11/18/21 | \$10,000.00 |
| Tazewell County | LECOWATIPA LLC d/b/a Route 19 Hot Dog Shop | 11/18/21 | \$10,000.00 |
| Tazewell County | Ole No. 3 Restaurant & Bar, LLC | 11/18/21 | \$10,000.00 |
| Tazewell County | Snuckle Butter, LLC | 11/18/21 | \$10,000.00 |
| Wise County | Big Stone Gap Pottery Shop LLC | 6/17/21 | \$6,500.00 |
| Wise County | Black Bear BBQ LLC | 6/17/21 | \$6,500.00 |
| Wise County | Hughes Enterprises LLC d/b/a/ Wise Guys Pools | 6/17/21 | \$6,500.00 |
| Wise County | OH Rentals LLC | 6/17/21 | \$6,500.00 |
| Wise County | Ruby Bea's Boutique, LLC | 6/17/21 | \$6,500.00 |
| Wise County | Breads by Marla, LLC | 6/17/21 | \$6,500.00 |
| Wise County | SRRA/Coeburn STAR Center | 9/16/21 | \$50,000.00 |
| Wise County | The Coffee Station LLC | 11/18/21 | \$10,000.00 |
| Wise County | Engine 343 Wood Fired Brick Oven Pizza LLC | 11/18/21 | \$10,000.00 |
| Wise County | 404 Café and Creamery, LLC | 11/18/21 | \$10,000.00 |
| Wise County | Huff Daddy BBQ LLC | 11/18/21 | \$10,000.00 |
| Wise County | Big Stone's Gap Golf, Miniature Golf Course, LLC | 11/18/21 | \$10,000.00 |
| Wise/Norton | Earthlink, LLC | 11/18/21 | \$100,000.00 |
| Regional | SWCC Educational Foundation | 4/15/21 | \$100,000.00 |
| Regional | Appalachian Council for Innovation | 6/17/21 | \$500,000.00 |
| Regional | MECC Foundation | 6/17/21 | \$100,000.00 |
| Regional | SWCC Educational Foundation/Renewable Energy Programs | 11/18/21 | \$244,126.00 |
| Regional | MECC & SWCC Foundations/Solar Workforce Accelerator | 11/18/21 | \$225,000.00 |
| Regional | Napoleon Hill Foundation/Entrepreneurial Skills Training | 11/18/21 | \$50,000.00 |
| TOTAL GRANTS (58) | | | \$2,778,126.00 |
| TOTAL LOANS & GRANTS (64) | | | \$6,151,156.00 |

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE FINANCIAL STATEMENT

Opinion

We have audited the accompanying statement of cash receipts and disbursements of Virginia Coalfield Economic Development Authority (the Authority) for the year ended December 31, 2021 and the related notes to the financial statement.

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the statement of cash receipts and disbursements of the Authority for the year ended December 31, 2021, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Authority's ability to continue as a going concern for a reasonable period of time.

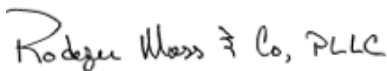
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Basis of Accounting

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Norton, Virginia
February 28, 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

CLASSIFICATION OF ACCOUNTS:

Coal and Gas Funds

On September 1, 1988, and on the first day of each month thereafter, each county and city shall remit to the Virginia Coalfield Economic Development Authority twenty-five percent of the revenues

collected during the next to last calendar month from the (i) gas road improvement tax pursuant to Section 58.1-3713 and (ii) local coal road improvement severance licenses tax pursuant to subsection B of Section 58.1-3741.

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

Tax Credit Funds

Pursuant to Section 58.1-439.2, Coalfield employment enhancement tax credit, for tax years beginning on and after January 1, 1996, but before January 1, 2017, and or after January 1, 2018, but before January 1, 2022 (for metallurgical coal only), any person who has an economic interest in coal mined in the Commonwealth shall be allowed a credit against the tax imposed by Section 58.1-400 and any other tax imposed by the Commonwealth. If the credit exceeds the person's state tax liability for the tax year, the excess shall be redeemable by the Tax Commissioner on behalf of the Commonwealth for ninety percent of the face value within ninety days after filing the return; however, for credit earned in tax years beginning on and after January 1, 2002, such excess shall be redeemable by the Tax Commissioner on behalf of the Commonwealth for eighty-five percent of the face value within ninety days after filing this return. The remaining ten or fifteen percent of the value of the credit being redeemed, as applicable for such tax year, shall be deposited by the Commissioner in a regional economic development fund administered by the Virginia Coalfield Economic Development Authority to be used for regional economic diversification in accordance with guidelines developed by the Virginia Coalfield Economic Development Authority and the Virginia Economic Development Partnership.

Civil Penalties Funds

Pursuant to the Code of Virginia, Title 45.2, Mines, Minerals and Energy Chapter 10, Virginia Coal Surface Mining Control and Reclamation Act of 1979, Article 2, Regulation of Mining Activity, Section 45.2-1021, any permittee who violates any permit condition or any other provision of this chapter or the regulations thereunder may be assessed a civil penalty by the Director, except that if such violation leads to the issuance of a cessation order, the civil penalty shall be assessed. Such penalty shall not exceed \$5,000 for each violation except that if the violation resulted in a personal injury or fatality to any person, then the civil penalty shall not exceed \$70,000 for each violation. All civil penalties shall be paid into a special fund in the State Treasurer's office to be used by the Director for enhancing conservation and recreational opportunities in the coal-producing counties of the Commonwealth. The Director shall transfer quarterly 50 percent of the fund balance to the Virginia Coalfield Economic Development Authority for the purposes of developing infrastructure and improvements at Breaks Interstate Park.

CFO Funds

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

Education and Telehealth Funds

Chapter 552, 2021 Acts of Assembly, Special Session I, Item 114, R allocated \$500,000 from the general fund in fiscal year 2022 for the Lenowisco Planning District Commission and Cumberland Plateau Planning District Commission, to be managed by the Virginia Coalfield Economic Development Authority (VCEDA). These funds are designated for initiatives intended to expand education and telehealth access.

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

Virginia Coalfield Economic Development Authority Statement of Cash Receipts & Disbursements—Year Ended December 31, 2021

| Coal & Gas Funds | CASH RECEIPTS | | | | CASH DISBURSEMENTS | | | |
|-----------------------------------|----------------------|---------------------|------------------|---------------------|-----------------------------------------|------------------------|----------------------|-------------------------------|
| | Balance 1/1/21 | Receipts | Interest Earned | Loans Collections | Administrative & Business Dev. Expenses | Project Loans & Grants | Balance 12/31/21 | Uncommitted Available Balance |
| Buchanan County | \$ 5,541,372 | \$ 1,988,294 | \$ 12,286 | \$ 132,556 | \$ 260,587 | \$ 2,893,988 | \$ 4,519,933 | \$ 744,267 |
| Dickenson County | 12,502,021 | 973,263 | 31,544 | 74,330 | 156,153 | 2,091,501 | 11,333,504 | 8,589,190 |
| Lee County | 143,230 | 334 | 386 | - | 81 | - | 143,869 | 123,869 |
| City of Norton | 467 | - | 1 | - | - | - | 468 | 468 |
| Russell County | 556,154 | 101,234 | 734 | 328,100 | 13,903 | 671,000 | 301,319 | 301,319 |
| Scott County | 24,252 | 1,344 | 66 | - | 106 | - | 25,556 | 25,556 |
| Tazewell County | 1,473,571 | 209,974 | 3,321 | 722,665 | 50,378 | 1,069,659 | 1,289,494 | 1,219,494 |
| Wise County | 2,953,845 | 138,434 | 8,667 | 667,732 | 10,161 | - | 3,758,517 | 3,758,517 |
| Regional | 5,040,649 | 539,306 | 12,816 | 181,450 | 379,480 | 1,004,174 | 4,390,567 | 3,126,018 |
| Total Coal & Gas Funds | \$ 28,235,561 | \$ 3,952,183 | \$ 69,821 | \$ 2,106,833 | \$ 870,849 | \$ 7,730,322 | \$ 25,763,227 | \$ 17,888,698 |
| Other Funds: | | | | | | | | |
| Tax Credit Funds | | | | | | | | |
| Revolving Loan | \$ 9,811,327 | \$ 2,215,296 | \$ 32,373 | \$ 54,616 | \$ - | \$ 738,340 | \$ 11,375,272 | \$ 10,643,127 |
| Workforce | 17,279,945 | - | 50,982 | - | - | 510,425 | 16,820,502 | 5,713,881 |
| Total Tax Credit Funds | \$ 27,091,272 | \$ 2,215,296 | \$ 83,355 | \$ 54,616 | \$ - | \$ 1,248,765 | \$ 28,195,774 | \$ 16,357,008 |
| Civil Penalties Funds | \$ 908,176 | \$ 59,376 | \$ 2,077 | \$ - | \$ - | \$ 156,031 | \$ 813,598 | \$ 610,098 |
| CFO Funds | \$ 429,400 | \$ - | \$ 43 | \$ 27,000 | \$ - | \$ 429,000 | \$ 27,443 | \$ 27,443 |
| Education & Telehealth | \$ - | \$ 500,000 | \$ 27 | \$ - | \$ - | \$ 500,000 | \$ 27 | \$ 27 |



SOUTHWEST VIRGINIA'S e-REGION IS MARKETED BY VCEDA

VCEDA

VIRGINIA COALFIELD ECONOMIC
DEVELOPMENT AUTHORITY

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