



COMMONWEALTH of VIRGINIA

Office of the Governor

Glenn Youngkin
Governor

November 2, 2022

Mr. Brandon McBride
Washington, D.C.

Dear Brandon,

Enclosed you will find Virginia's 2023 Appalachian Regional Commission Annual Strategy Statement and 2022-2025 Four-Year Development Plan. These documents establish the goals, objectives and priorities for Virginia's Appalachian region.

Please be advised that the Annual Strategy Statement and Four-Year Development Plan shall be of record until otherwise notified and is consistent with the commission's Code Section 5.4.

If there are any questions about this item, contact our ARC State Alternate Bryan Horn at (804) 371-7077.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Youngkin", written over a horizontal line.

Glenn Youngkin
Governor of Virginia



2023 Virginia Appalachian Regional Commission Strategy Statement



Governor Glenn Youngkin

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Executive Summary

The Appalachian Regional Commission (ARC) is a federal-state partnership targeted to serve the Appalachian regions of New York, Pennsylvania, Ohio, Maryland, Virginia, West Virginia, North Carolina, Tennessee, Kentucky, South Carolina, Georgia, Alabama, and Mississippi. ARC's mission is to innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachia.

The purpose of the 2023 Strategy Statement is to establish our goals, objectives, and priorities for Virginia's ARC Region. The implementation of the 2023 Strategy Statement will enable the Commonwealth of Virginia to meet the diverse and changing needs of our Appalachian region. More specifically, the 2023 Strategy Statement will:

1. Discuss economic challenges and opportunities in the region, as well as new developments and resources that are impacting Virginia's Appalachian region;
2. Provide an overview of targeted investment priorities for the program year;
3. Discuss specific strategies for the state's distressed counties and census tract areas;
4. Discuss the Virginia ARC program policies; and
5. Describe the methods used to review proposals to ensure an equitable distribution of state contributions for projects to its Appalachian area.

Brief Summary of Virginia Priorities

- Create jobs
- Support workforce housing
- Support the of affordable, reliable, high speed internet
- Expand energy sources
- Address water/wastewater infrastructure needs
- Strengthen local and regional capacity

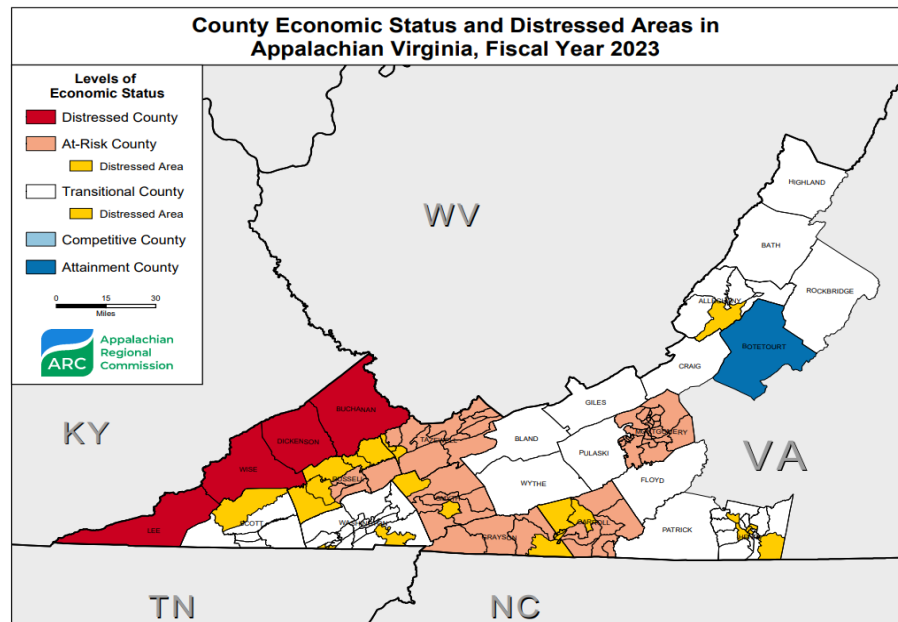
Appalachian Regional Commission – Overview

In accordance with Chapter 5.3 of the Appalachian Regional Commission (ARC) Code, this document will serve as the Commonwealth of Virginia’s Appalachian Regional Commission 2023 Strategy Statement. The purpose of the 2023 Strategy Statement is to establish our goals, objectives, and priorities for Virginia’s ARC Region. The implementation of the 2023 Strategy Statement will enable the Commonwealth of Virginia to meet the diverse and changing needs of our Appalachian region. More specifically, the 2023 Strategy Statement will:

1. Discuss economic challenges and opportunities in the region, as well as new developments and resources that are impacting Virginia’s Appalachian region;
2. Provide an overview of targeted investment priorities for the program year;
3. Discuss specific strategies for the state’s distressed counties and census tract areas;
4. Discuss the Virginia ARC program policies; and
5. Describe the methods used to review proposals to ensure an equitable distribution of state contributions for projects to its Appalachian area.

Gov. Glenn Youngkin serves as the Virginia Commission member. Gov. Youngkin has appointed Bryan Horn as the director of the Virginia Department of Housing and Community Development (DHCD), the agency responsible for ARC program administration. Director Horn serves as the Governor’s alternate to ARC. Tamarah Holmes, Ph.D., will serve as the ARC program manager and is responsible for program administration, as well as overseeing the agency’s role as the Registered State Basic Agency (RSBA).

The Appalachian region of Virginia encompasses 25 counties and eight independent cities for Program Year 2023. Independent Cities are separate government entities from the Counties they border. The counties of Buchanan, Dickenson, Lee, and Wise, the City of Norton, and twenty seven census tract areas are designated as distressed.



Regional, State, and Federal Partners

The Region's seven Local Development Districts (LDDs) and various federal and state agencies, as well as regional partners, assist the Virginia ARC program with investment strategies and project development.

The Local Development Districts (LDDs) are:

- Cumberland Plateau Planning District Commission
- LENOWISCO Planning District Commission
- New River Valley Regional Commission
- West Piedmont Planning District Commission
- Mount Rogers Planning District Commission
- Roanoke Valley-Alleghany Regional Commission
- Central Shenandoah Planning District Commission

DHCD is a leader in the Commonwealth for the development and implementation of strategies that improve the quality of life in Virginia communities through local and regional planning, community and economic development programs, the availability of affordable housing, and building local leadership capacity. DHCD administers the Virginia Small Cities Community Development Block Grant Program, which enables the agency to be in a unique position to coordinate these programs, as well as maintain the working relationships with federal and state agencies, including the United States Department of Agriculture-Rural Development (USDA-RD), and the US Economic Development Administration (EDA). State agency partners include the Virginia Department of Health (VDH), Virginia Department of Agriculture and Consumer Services (VDACS), Virginia Tobacco Region Revitalization Commission (VTRRC), Virginia Resources Authority (VRA), Virginia Department of Mines, Minerals and Energy (DMME), Virginia Economic Development Partnership (VEDP) and Virginia Tourism Corporation (VTC). The Virginia ARC program relies on partnerships with various regional organizations, including but not limited to the Southwest Cultural Heritage Foundation and Friends of Southwest Virginia, GO Virginia Regional Councils 1, 2, 3 and 8, Virginia Coalfield Economic Development Authority (VCEDA), Virginia Community Capital (VCC), Blue Ridge Economic Development Authority (BRECDA), and the colleges within the region aligned with the Virginia Community College System (VCCS).

Economic Challenges and Opportunities

In July 2022, the Virginia ARC program conducted an input session with various regional stakeholders to identify economic challenges and opportunities in the region.

Challenges

- Limited capital for mid- and large-size construction projects
- Increase in construction costs
- Shortage of available contractors
- Difficulty meeting local match requirements
- Capacity issues
- Recent staff turnover

Opportunities

The Appalachian region of Virginia is rich in natural, cultural and heritage assets, and talented people. Future areas of economic opportunity in the region lie in maintaining existing and developing new infrastructure, including broadband, attracting new businesses and industry, the development of businesses to support a growing tourism and outdoor recreation industry, strengthening the competitiveness of existing industry and continuing to develop a highly-skilled workforce.

Virginia Targeted Investment Priorities

Projects that demonstrate their contributions to improving or increasing the economic impact of the targeted investment priorities identified will be given priority in rankings for funding. The Commonwealth's priorities are:

- Support efforts to reinvigorate the small business and entrepreneurial ecosystem, create jobs, train workers and attract talent in Virginia.
- Support efforts to address unmet housing needs by strengthening the housing economy and ensuring quality affordable housing is available in coordination with economic development efforts.
- Support the deployment of broadband infrastructure to enable universal access in unserved areas of the region.
- Create opportunities to expand energy sources and ensure Virginia has reliable, affordable, clean and growing supply of power.
- Support the development of regional solutions to address water/wastewater infrastructure needs, economic and entrepreneurial priorities, asset-based development and large-scale environmental projects.
- Create opportunities to strengthen local and regional capacity and promote strong partnerships among local leaders, stakeholders, investors and community builders.

Alignment of Virginia ARC Objectives with ARC Goals

The governor's priorities have been developed with broad input from the Virginia ARC region. Future decision-making and strategic investment decisions in the Appalachian region of Virginia will align with ARC goals and objectives as required by Section 7.3 of the Appalachian Regional Commission Code. The Virginia ARC state objectives and strategies are closely aligned to the goals and objectives in the [Appalachian Regional Commission 2022-2026 Strategic Plan](#). Virginia's objectives, the corresponding ARC goal and the specific State strategies are as follows:

Virginia ARC Objective I

Promote regional partnerships that support regional economic development, encourage activities that diversify the economic base and enhance entrepreneurial activities.

ARC Goal: Strengthen and diversify the Region's economy through inclusive economic development strategies and investments in entrepreneurship and business development.

Strategies:

- 1.1 Assist with installation of public infrastructure (water, sewer, broadband) for new business location/expansion and creating jobs for the region.
- 1.2 Support projects that encourage broad-based, regional cooperation and provide increased regional economic growth opportunities.
- 1.3 Support entrepreneurs, cultivate entrepreneurship and diversify existing businesses.
- 1.4 Support tourism activities that are directly linked to overall regional economic development strategies.
- 1.5 Encourage the development of telecommunications and other technologies to assist in improving the participation of Appalachian businesses in the international marketplace.
- 1.6 Coordinate economic development projects with housing production, supporting housing production technology and supporting regional and local pilot projects that increase the supply of affordable housing units.

Virginia ARC Objective II

Develop a healthy, world-class and highly-skilled, competitive workforce that is well-educated and appropriately trained for the job market. Invest in community-based ecosystems (housing, health care and childcare) that strengthens economic development efforts.

ARC Goal: Expand and strengthen community systems (education, healthcare, housing, childcare, and others) that help Appalachians obtain a job, stay on the job, and advance along a financially sustaining career pathway.

Strategies:

- 2.1 Coordinate and focus workforce development programs coupled with access to safe and affordable housing to support economic development opportunities.
- 2.2 Strengthen the delivery of workforce readiness and training programs among the various provider agencies in order to improve business retention, recruitment and expansion.
- 2.3 Encourage the establishment of partnerships and innovative arrangements among health care providers in Appalachian Virginia in order to assure quality care and the efficient use of available health care resources.
- 2.4 Support efforts that address the opioid and substance abuse crisis.
- 2.5 Support efforts to initiate and expand early childhood education programs.
- 2.6 Continue efforts to place doctors and other medical professionals in medically underserved areas through physician and other recruitment programs.
- 2.7 Support projects, which include wellness and healthcare prevention efforts, such as the use of telemedicine technology.

Virginia ARC Objective III

Assist communities to develop, expand and upgrade infrastructure, including broadband, to allow for greater access to resources and opportunities for increased economic growth and to improve the quality of life.

ARC Goal: Ensure that the residents and businesses of Appalachia have access to reliable, affordable, resilient, and energy efficient utilities and infrastructure in order to successfully live and work in the Region.

Strategies:

- 3.1 Support the deployment of broadband infrastructure to enable universal access in unserved areas of the region.
- 3.2 Encourage strategic, appropriate development along ADHS corridors (industrial parks, commercial development and intermodal transportation).
- 3.3 Capitalize on the Appalachian Development Highway System (ADHS) and its development potential.
- 3.4 Support local access road projects, which would result in job creation or retention opportunities.
- 3.5 Assist water supply and wastewater treatment projects that will support private investment, leading to job creation or retention.
- 3.6 Support the deployment of regional solutions to address water/wastewater infrastructure needs.

Virginia ARC Objective IV

Assist communities in the preservation, development and promotion of natural and cultural assets for local economies and improved quality of life.

ARC Goal: Strengthen Appalachia's community and economic development potential by preserving and investing in the Region's local, cultural heritage, and natural assets.

Strategies:

4.1 Support strategic investments in natural, cultural and heritage resources to advance local economic growth.

4.2 Preserve and strengthen existing natural and cultural assets in support of economic opportunities that generate local and regional benefits.

4.3 Preserve and strengthen existing natural and cultural assets through strategic investment that advance local and regional benefits.

4.4 Encourage the leveraging of natural and recreation opportunities to the town/city center area.

Virginia ARC Objective V

Strengthen current and next-generation local and regional leadership capacity to enhance collaborative and community-based skills to improve quality of life in Appalachian Virginia.

ARC Goal:

Invest in the capacity of local leaders, organizations, and communities to address local challenges by providing technical assistance and support to access resources, engage partners, identify strategies and tactics, and conduct effective planning and project execution.

Strategies:

5.1 Support efforts encouraging civic engagement and participation in an effort to advance communities.

5.2 Encourage the development of leadership development opportunities.

5.3 Support visioning, strategic planning and implementation of resident engagement approaches to foster increased civic participation.

5.4 Support local and regional networks, partnerships and other models of collaboration that catalyze public, private and nonprofit action for regional impact.

5.5 Foster civic entrepreneurship.

Strategies for Distressed Counties and Areas

The Appalachian Regional Commission uses an index-based county economic classification system to identify and monitor the economic status of Appalachian counties. The system compares each county's averages for the following three economic indicators with national averages: the three-year average unemployment rate, per capita market income and poverty rate. The resulting values are summed and averaged to create a composite index value for each county. Each county in the nation is then ranked, based on its composite index value. Counties

are designated as distressed, at-risk, transitional, competitive or attainment, based on their ranking in the index. Designations are revised annually using the most current data available. In 2023, four counties, one city and 13 census tracts are designated as distressed.

Three additional initiatives have been identified as emerging opportunities aimed at addressing economic challenges in the Commonwealth: GO Virginia, state-wide Broadband coverage, and the Virginia Energy Plan. GO Virginia Regions 1, 2, 3 and 8 encompass localities in the Virginia ARC region. There are presently 35 broadband projects investing \$259,418,547,487 within the ARC region providing high speed internet service to 106,364 locations.

GO Virginia is a business-led economic development initiative that is changing the way Virginia's diverse regions collaborate on economic and workforce development activities. It supports efforts to create more high-paying jobs through incentivized collaboration between business, education and government to diversify and strengthen the economy in every region of the Commonwealth.

The initiative is based on three main points:

- **Virginia urgently needs strong private-sector growth.**

Federal cutbacks have exposed our over-dependence on public-sector jobs. Virginia needs strong private-sector growth and job creation.

- **Growth in Virginia's diverse regions requires collaboration.**

To grow and diversify our economy, business, education and government, regions must collaborate effectively.

- **State government must be a catalyst and partner.**

State government must provide incentives for strategic, job-focused collaboration in each region of the Commonwealth.

Go Virginia Regions located within the ARC Region

Region 1 consists of the cities of Bristol, Galax, and Norton, and the counties of Bland, Buchanan, Carroll, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise and Wythe.

Region 1 Priority Industry Clusters are:

- Advanced Manufacturing
- Agriculture and Food and Beverage Manufacturing

- Information and Emerging Technologies
- Energy and Minerals

Region 2 consists of the cities of Covington and Radford, and the counties of Alleghany, Botetourt, Craig, Floyd, Giles, Montgomery and Pulaski.

Region 2 Priority Clusters are:

- Manufacturing
- Life Sciences and Health Care
- Food and Beverage Processing
- Information and Emerging Technologies

Region 3 ARC localities consist of the city of Martinsville and the counties of Henry and Patrick.

Region 3 Priority Clusters are:

- Business Services/IT Data Centers
- Advanced Manufacturing and Materials
- High-Value Natural Resource Production
- Health Care

Region 8 ARC localities consist of the cities of Buena Vista and Lexington, and the counties Bath, Highland, and Rockbridge.

Region 8 Priority Clusters are:

- Financial and Business Services
- Health Care
- Information Technology/Communications
- Light Manufacturing
- Transportation and Logistics

Broadband Program

The Virginia Department of Housing and Community Development's Office of Broadband partners with local governments and internet service providers through multiple programs to ensure Virginians have access to broadband infrastructure. The office's largest program, the Virginia Telecommunication Initiative (VATI), has invested over \$798 million of state and federal dollars to provide broadband access to over 358,625 homes, businesses and community anchor institutions. This investment has leveraged an additional \$1.1 billion in matching funds

from local governments and internet service providers, fully obligating funding for universal broadband access in 75 Virginia counties and cities.

2022 Virginia Energy Plan

Every four years, Virginia Energy develops a comprehensive energy plan for the Commonwealth; Governor Youngkin's vision for this plan is an all-sources approach to providing energy policy decisions for Virginians. The 2022 Plan will focus on four key objectives in order to make available energy sources affordable and transparent: lower cost of living, job creation, bringing people to Virginia, and an "all-of-the-above" approach to energy policy. The "all-of-the-above" approach will be informed by energy affordability, reliability, capacity, competition, environmental stewardship, choice and innovation. Ensuring all Virginians have access to affordable and reliable energy sources is a priority for the Commonwealth as well as for the ARC region.

Department of Mines, Minerals and Energy (DMME) Abandoned Mine Land

Virginia's Abandoned Mine Land (AML) Program was established in the late 1970's to correct pre-federal Act (1977) coal mine related problems adversely impacting public health, safety, general welfare and the environment. Abandoned mine land related problems include landslides, stream sedimentation, hazardous structures, dangerous high walls, subsidence, loss of water, acid mine drainage and open mine portals. AML sites eligible for reclamation must have been mined prior to December 15, 1981. There must also be no other individual, firm or organization responsible to reclaim the site. DMME's Division of Mined Land Reclamation (DMLR) annually applies for a grant from the U.S. Office of Surface Mining (OSM) to reclaim high priority AML sites across the state. Grant funds are used to design reclamation plans, obtain consents for rights of entry, publish public notices in local newspapers to advertise for construction contractors and to ensure the site is reclaimed and the problems abated according to the engineering design. Grant funds come from fees paid by the coal industry on each ton of coal mined.

Tobacco Region Revitalization Commission

The Tobacco Region Revitalization Commission is a 28-member body created by the 1999 General Assembly. Its mission is the promotion of economic growth and development in tobacco-dependent communities, using proceeds of the national tobacco settlement. To date, the Commission has awarded 2,102 grants totaling more than \$1.1 billion across the tobacco region of the Commonwealth, and has provided \$309 million in indemnification payments to tobacco growers and quota holders. There are sixteen (16) counties and four (4) cities in the ARC region that are in the Tobacco region.

New Developments or Resources in the ARC Regions

The Virginia ARC program provides assistance and resources in the development and implementation of strategies that improve the region's quality of life through local and regional planning, community and economic development programs, and building local leadership capacity.

The following are a list of DHCD resources invested in the Virginia ARC region for the 2021-2022 period and the localities or organization that received grant awards:

Community Development Block Grant Program (CDBG) provides funding to eligible units of local government for planning and implementing projects that address critical community development needs, including housing, infrastructure and economic development.

2022 CDBG Competitive Awards Totaling \$4,142,768:

Dickenson County (\$1,454,800), Buchanan County (\$1,000,000), Henry County (\$1,000,000), Town of Gate City (\$687,968)

2022 CDBG - Local Innovation Awards Totaling \$1,200,000:

Bedford County (\$1,200,000)

2021 CDBG Competitive Awards Totaling \$4,058,173:

Russell County (\$640,000), City of Martinsville (\$1,183,310), Town of Pulaski (\$580,000), Town of Damascus (\$771,300) Town of Dungannon (\$883,563)

2021 CDBG Regional Water/Wastewater Awards Totaling \$2,500,000:

Russell County (\$2,500,000)

Virginia Main Street (VMS) is a preservation-based economic and community development program that follows the Main Street Four-Point Approach developed by the National Trust Main Street Center. VMS offers a range of services and assistance to communities interested in revitalizing their historic commercial districts.

2022 Virginia Main Street Awards Totaling \$195,000:

St Paul Tomorrow (\$10,000), Tazewell Today (\$10,000), Marion Downtown Revitalization Association (\$25,000), Pulaski on Main (\$7,000), City of Bristol (\$150,000),

2021 Virginia Main Street Awards Totaling \$101,500:

Downtown Wytheville, Inc. (\$25,000), St Paul Tomorrow (\$1,500), City of Martinsville (\$25,000), Town of Rocky Mount (\$25,000), Downtown Danville Association dba River District Association (\$25,000)

Industrial Revitalization Fund (IRF) provides gap financing for construction projects aligned with local and regional economic development strategies, primarily in economically distressed communities. The program targets vacant non-residential structures whose poor condition creates physical and economic blight to the surrounding area in which the structure is located.

ARC Region Grantees (2022) Totaling \$2,168,750:

The Town of Vinton (\$468,750), Town of Wytheville (\$600,000), Town of Bedford (\$550,000), Town of St Paul (\$550,000)

GO Virginia brings together leaders from business, higher education, local government, workforce, economic development, and planning to ensure alignment of resources, the closing of skills gaps, and that each region finds success; this will lead to a growing and diversified Virginia economy.

GO Virginia ARC Projects (2021-2022) Totaling \$3,628,257:

Small Nuclear Reactor (SNR) Site Selection Study (\$100,000), SWVA Startup Program (\$290,850), Project Veer (\$49,750), Building a Regional Health Sciences Talent Pipeline (\$100,000), Region 2 Flexible Laboratory Space Assessment (\$99,360), Future Workforce for Industry 4.0 (\$ 45,360), Project Eagle+ (\$599,437), GO-TEC (\$648,000), Strengthening Southern Virginia's Shovel Ready Sites (\$1,534,900), VGA Refresh/Restart (\$100,000), The Local Ordering, Communication, and Agriculture Logistics Initiative (\$60,600)

GO Virginia ARC Projects (2020-2021) Totaling \$5,320,532:

Project Energizer (\$50,000), SWVA Regional Agribusiness Opportunities (\$100,000), Project Innovation (\$100,000), Farmer Pipeline: Maintaining the Supply Chain by Growing Farmers (\$99,996), Perseverance (\$100,000), Retooling Manufacturers for Strategic Industries (\$2,950,000), Lonesome Pine RIFA Project Intersection (\$485,000), Ignite Tech Talent Pipeline (\$251,960), William King Museum of Art - Digital Workforce Development (\$70,910), Wildwood Natural Gas Extension (\$527,600), Energy Storage & Electrification Manufacturing Jobs (\$486,266), Project Fuse (\$70,000), Project Thoroughbred (\$100,000), GROW(th): The Business of Agriculture in SWVA (\$290,850), SWVA Startup Program (\$52,950)

Virginia Telecommunication Initiative (VATI) extends broadband service to currently unserved areas. VATI prepares communities to build, utilize, and capitalize on telecommunications infrastructure with the goal of creating strong, competitive communities.

VATI Awards (2021-2022) Totaling \$189,094,579:

Lee, Wise, and Scott (\$22,190,500), Buchanan, Dickenson, Russell, and Tazewell (\$23,478,429), Smyth, Washington, and Wythe (\$65,883,228), Floyd County (\$1,310,267), Bland, Montgomery, and Pulaski (\$68,355,355), Bath and Highland (\$7,876,800)

VATI Awards (2020-2021) Totaling \$27,257,141:

Buchanan, Dickenson, Russell, and Tazewell Region Project (\$16,000,000), Smyth, Washington, Wythe, and the Town of Damascus (\$7,800,000), Montgomery County (\$900,000), Grayson County (\$1,800,000), Giles County (\$500,000), Bland County (\$192,141), Smyth County (\$65,000)

Virginia ARC Operating Policies

In Virginia, the level of ARC funds requested may not exceed 50 percent of the total project cost; except: 1) in designated at-risk and distressed counties, cities, or census tracts; 2) Access Road projects are eligible for up to 100 percent; and 3) regional projects that meet the requirements outlined in the Appalachia Regional Development Reform Appalachian Regional Commission of 1998, which involves the participation of distressed counties, cities or census tracts. The level of ARC funds requested for projects in designated competitive counties or cities may not exceed 30 percent of the total project cost unless the applicant provides adequate justification to meet the exceptions in the ARC Code.

Funding Limits

Area Development

- Construction projects are eligible for up to \$700,000 in funding
- Non-construction projects are eligible for up to \$100,000 (\$300,000 for regional projects) in funding
- Planning grants are eligible for up to \$50,000 in funding for single localities, up to \$100,000 for regional projects

Access Road

- Access Road projects are eligible for up to \$1,000,000

Administrative Allowance

- Up to 10 percent of ARC funds can be used to cover administrative costs, except for projects that use CDBG funds as a match
- Up to \$2,500 is available to assist with environmental review costs

Project Management

In Virginia, DHCD serves as the ARC Registered State Basic Agency and is responsible for administrative and fiscal oversight and compliance monitoring of construction projects.

All construction projects must have a project sign installed at the construction site within 30 days of the execution of the ARC Grant Agreement. The sign must include the DHCD and ARC logos.

General Information

- DHCD staff are available to provide pre-project development technical assistance.
- Applications are available in the DHCD Centralized Application and Management System (CAMS) after the how-to-apply workshop.
- All projects must meet an ARC goal, ARC objective and Virginia ARC goal and strategy from the Virginia ARC Four-Year Development Plan.
- Applicants must consult with the planning district commission prior to submission to DHCD.
- Match funds cannot be expended prior to final approval by the federal co-chair.
- Higher priority is given to projects that are deemed ready to go. To meet this requirement, the applicant should have all other funding for the project committed.
- Project applications must include measurable outputs and outcomes that are consistent with ARC performance measurement requirements.
- Individuals and for-profit enterprises are not eligible for direct grant assistance, but may benefit from and be served by the investment of ARC funds.
- Any project requesting start-up funds should be prepared to identify the sources that will underwrite the costs after the first year of ARC funding.
- For awarded construction projects, which have been appropriately procured, DHCD may, on a case-by-case basis, approve additional funding if available, not to exceed 15 percent, upon approval of corresponding documentation.

Application Review Process

Step One:

DHCD will review applications using evaluation criteria and priorities established in the Four-Year Development Plan. DHCD will develop a preliminary list of funding recommendations for submission to the Governor's office. The Governor will have final approval for the recommendation of a project for funding to the ARC. Please note the recommendation from the Governor's office **DOES NOT** guarantee funding from the federal co-chair.

Step Two:

Following an announcement by the Governor's office, DHCD staff will contact the applicant for additional information and to obtain federal forms required for submission to ARC. The submission to ARC will include required federal forms and may require the applicant to revise the application, provide clarification or additional information prior to submission. Failure to respond by the DHCD deadline may jeopardize funding.

Please note that ARC may request additional information during their review. Final approval of funding under this program will be made at the discretion of the ARC federal co-chair.

Application Evaluation Criteria

The following evaluation criteria will be used in the project selection process:

1. Applicant and activity eligibility.
2. Demonstrated need for the project.
3. Ability to meet the challenges and opportunities identified in the proposed service area.
4. Ability to fill a “gap” in currently offered services available locally or regionally.
5. Possession of clearly described performance targets (product-focused outputs) to be achieved throughout the project and the overall outcomes.
6. Capacity of applicant organization to implement the project and readiness to-go of project.
7. Leveraging non-ARC resources.
8. Establishment or significant enhancement of collaborative relationships among local and regional providers.
9. Sustainability or the ability to maintain the proposed effort into the future.

Application Timeline

July 2022 – Input Sessions conducted

January 2022 – How-to-Apply Workshop

January 2022 – Application for funding is active in CAMS

February 2023 – Applications are due

February/March – Applications reviewed by DHCD staff

March through May – Applications are submitted to the Governor’s office for review and announced contingent upon ARC approval. Final approval of funding under this program will be made at the discretion of the ARC federal co-chair.

March through May – Applications are submitted to ARC for review

July - ARC approved projects and applicants are awarded

Appendix A

2022 Virginia Appalachian Regional Commission (ARC) Program Grant Recommendations

Project Applicant/Project Title	Funding	Project Description
<i>Tazewell County/Project Jonah</i>	\$1,000,000 ARC	This project will provide adequate water and sewer service to a new aquaculture business, Pure Salmon Virginia LLC, in support of 218 new jobs and a \$358.8 million private investment through the construction of off-site water system and sewer system improvements.
<i>Wythe County/Wythe Wastewater Treatment Plant Expansion</i>	\$1,000,000 ARC	This project includes the construction of a nitrile manufacturing facility in Progress Park that will create approximately 2,500 new jobs (200 in the first 18 months). The treatment system will be approximately five (5) air miles west of the Wastewater Treatment Plant that will employ approximately 2,500 persons (200 in the first 18 months). The expanded wastewater service capacity will alleviate the need for a new sewer treatment plant.

<p><i>Buchanan County/Remaining Phases of the Hurley Regional Waterline Extension</i></p>	<p>\$700,000 ARC</p>	<p>This project will provide safe, clean public water to the remaining 97 households in the Hurley Community. The waterline extension project will provide service to households that do not have potable water; the project includes the construction of approximately 37,500 linear feet of 6, 4, 2, and 1-inch waterline, 12,000 linear feet of ¾-inch service line, 97 meters, and 13 fire hydrants.</p>
<p><i>The Advancement Foundation/Buena Vista Innovation Center</i></p>	<p>\$700,000 ARC</p>	<p>This project includes renovating a vacant 37,000 sq. ft. manufacturing building to launch a new business incubator as well as provide 1:1 job trainings for businesses in the Buena Vista area. Renovations include a commercial kitchen, ADA compliant bathrooms needed for public access to classrooms, community facilities, and manufacturing space. This project aligns with downtown revitalization efforts which are ongoing in Buena Vista as well as with multiple regional plans.</p>

<p><i>City of Radford/East Main River and Rail Downtown Connector Trail</i></p>	<p>\$700,000 ARC</p>	<p>This project includes the construction of a downtown trail connecting the East Main commercial district with the trailhead leading to the New River. The City will be able to connect their natural and cultural assets that residents and visitors can utilize while encouraging increased economic opportunities for businesses.</p>
<p><i>Sunset Holler, Inc./Southern Gap Amphitheater</i></p>	<p>\$700,000 ARC</p>	<p>The Southern Gap Amphitheater project includes the construction of a commercial-grade amphitheater built to host 4,000 guests. The creation of this amphitheater will support Buchanan County and the surrounding region's tourism and economic development efforts.</p>

<i>Patrick County/Patrick County Business Development Center</i>	\$700,000 ARC	The Patrick County Business Development Center will redevelop a space in a blighted building in the business district of the Town of Stuart, providing resources to entrepreneurs and small businesses in Patrick County. The Patrick County EDA will create this first of its kind space within the county to catalyze economic growth and promote business diversity.
<i>Carroll County/Carroll County Broadband</i>	\$582,469 ARC	The Carroll County Broadband project will extend 8 miles of fiber from the City of Galax to Pipers Gap to connect over 400 unserved households in partnership with other state and federal funding. This project will provide match funds for the County's 2023 VATI application.
<i>Lee County/Ocoonita-Miller Smyth Interconnect Project</i>	\$542,003 ARC	This interconnect water project will combine two separate water systems to accommodate future increases in capacity and expansion of the Lee County Public Service Authority. The project involves the installation of 4,600 linear feet of 8" water line, one electronic flow control valve, and related appurtenances to connect components of the two water systems.

<p><i>Scott County/Upper CLiff Mountain Water Project - Phase 2</i></p>	<p>\$ 525,000 ARC</p>	<p>This project is the second phase of a larger water project bringing new water service to the currently unserved Cliff Mountain Way area of Scott County, improving the quality of life to 20 residential households. The project includes the installation of 8,820 linear feet of 4” water line, 6,020 linear feet of 2” water line, 2,000 linear feet of .75” water line, and all related appurtenances.</p>
<p><i>Dickenson County /Low Gap Phase 2 Water Line Replacement Project</i></p>	<p>\$525,000 ARC</p>	<p>The Low Gap water project is part of the larger Backbone Ridge Phase IV Water Line Replacement Project and consists of the replacement of approximately 7,600 linear feet of 6-inch water line, 800 linear feet of ¾ inch service line, and related appurtenances in the Low Gap and Turkey Branch Communities of Dickenson County, both providing improved service to approximately 12 customers while also correcting poor water accountability in the old water lines.</p>
<p><i>Wise County Board of Supervisors/Bear Creek Water Line Replacement Project</i></p>	<p>\$473,170 ARC</p>	<p>The Bear Creek Water Line Replacement project includes the installation of 5,150 linear feet of new water distribution and service lines in the Bear Creek community, providing safe, reliable public water service to 11 unserved households.</p>

<p><i>Center in the Square/The Virtual Get Schooled Field Trip Program</i></p>	<p>\$249,400 ARC</p>	<p>This project includes a virtual program provided to students in the Blue Ridge Public Schools System with opportunities to learn SOL compliant lessons. The program features 40 SOL-related videos showcasing different parts of the region, creating a collaborative and engaging field trip experience while supporting regional tourism and natural assets. The individual videos highlight specific areas of regional and natural significance while providing students with real-world applied learning experiences.</p>
<p><i>Southwest Regional Recreation Authority Economic Impact & Business/Strategic Plan/Southwest Regional Recreation Authority</i></p>	<p>\$100,00 ARC</p>	<p>The Southwest Regional Recreation Authority will use ARC funds to create a long-term vision for the organization, which will guide future community goals and projects. The primary outcomes will be an Economic Impact Study, Business Plan, Marketing Plan, and Strategic Plan for the organization. SRRA will use the products from this project to drive future ARC implementation projects.</p>

<p><i>Wise County Circuit Court Workforce Development and Training Program/Wise County Circuit Court</i></p>	<p>\$100,000 ARC</p>	<p>This project will provide workforce development and training and paid internships to 24 regional high school graduates to create smart land record abstraction for property in Wise County. Businesses committed to providing internship positions include local banking institutions, law firms, and real estate companies.</p>
<p><i>Smyth County/Saltville Library 2024 and Beyond: Planning for a New Saltville Community Services and Connections Complex</i></p>	<p>\$80,000 ARC</p>	<p>The ARC funds will allow Smyth County to analyze spatial needs for a new and expanded Saltville Library. The primary outcomes of the project include cost estimates and a recommended location for the improved facility design.</p>
<p><i>The Lincoln Theatre, Inc./The Lincoln Theatre Technology and Film Project</i></p>	<p>\$69,025 ARC</p>	<p>The project includes a digital expansion of the Lincoln Theater by providing digital shows and screenings of films and movies. The project will also include the creation of 3.5 full-time equivalent positions, with additional training opportunities for part-time staff and regional students to obtain full-time employment in technology, digital media, and/or film.</p>

<p><i>Economic Development Authority of Floyd County/Planning Expansion of the Floyd Innovation Center 2022</i></p>	<p>\$25,000 ARC</p>	<p>The ARC planning funds will provide cost estimates and an assessment of additional spacing needs to support the expansion of the Floyd Innovation Center, which will allow the addition of new businesses and existing businesses in the center to grow and provide additional jobs and training for the region. Currently, the Innovation Center is at capacity with additional business interests for access to the facility.</p>
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