



2020

ANNUAL REPORT



VceDA

VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

CHAIRMAN'S LETTER

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



J.P. Richardson
Chairman

TABLE OF CONTENTS

- 2 Chairman's Letter
- 3 Executive Director's Report
- 4-5 2020 Projects & Expansions
- 6-10 2020 Project Highlights
- 11-18 2020 Seed Capital Highlights
- 19 Renewable Energy Fund
- 20-21 Marketing
- 22 2020 VCEDA Marketing Events
- 23 Board of Directors
- 24-25 Loan & Grant Approvals
- 26-27 Independent Auditor's Report
- 27 VCEDA Statement of Cash Receipts & Disbursements

Dear Governor Northam,

We are pleased to submit to you and the General Assembly the 2020 Annual Report of the Virginia Coalfield Economic Development Authority (VCEDA).

Thirty-nine new projects and expansions/retentions were announced in 2020, involving 1,259 full-time and 227 part-time new and retained jobs and more than \$237 million in private investment. More than 600 of those jobs VCEDA helped save in the region through COVID-19 relief funding. Announcements of new projects include Pure Salmon in Tazewell and Russell counties with more than 200 jobs and investment of \$228 million projected, Clinch River Hemp Company in Russell County, expansions at West River Conveyors and Machinery Company in Buchanan County and others, plus funding from VCEDA's Seed Capital grant program for 27 new small business start-ups in the region.

VCEDA approved 53 loans and grants totaling more than \$10.5 million in new funding in 2020. During this challenging year, projects were announced and funding was approved in all eight localities in the VCEDA region.

VCEDA remains committed to its mission of helping to enhance and diversify the economy of the coalfield region of Virginia. We look forward to working with the Governor's Office and the General Assembly to help our region continue to diversify and grow.

Sincerely,

J.P. Richardson
Chairman

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 ongoing COVID-19 pandemic, which brought many challenges to the region, state, nation, and world, 2020 was a productive year for the Virginia Coalfield Economic Development Authority (VCEDA) and the seven-county, one-city region that VCEDA promotes as Southwest Virginia's e-Region.

There were 32 new project announcements and 7 expansion/retention announcements in the region during the year, including announcements related to funding provided to retain jobs and businesses in the region which had been negatively impacted by the COVID-19 pandemic. The 32 new projects are projected to create 505 full-time and 97 part-time jobs and more than \$235 million in private investment. The 7 expansion/retention projects are projected to create and/or retain 754 full-time and 130 part-time jobs and an additional \$1.55 million in private investment, including more than 600 full-time and part-time jobs retained through COVID-19 relief funding provided by VCEDA to help employers remain open in the region. Altogether, 1,259 full-time and 227 part-time jobs are projected to be created and retained, and over \$237 million in private investment.

Examples of projects announced during the year include Pure Salmon in Tazewell and Russell counties with 203 jobs and \$228 million in private investment projected, Clinch River Hemp Company in Russell County with 58 full-time and 4 part-time jobs projected, and expansions by West River Conveyors and Machinery Company in Buchanan County, TDEC and AT&T Wireless in Russell County, and Clinch River Forest Products in Tazewell County. Funding was approved by VCEDA for several pending new projects that are expected to be announced in 2021.

During the year, VCEDA approved 16 loans totaling \$6.8 million and 37 grants totaling \$3.76 million, for a combined total of 53 loans and grants and more than \$10.5 million in new funding approved. Projects were approved for funding in every county and city served by VCEDA. In terms of business development during 2020, VCEDA handled 165 inquiries, and participated in 28 visits with business prospects for the region and 15 marketing events (including in-person and virtual).

Included in funding approved were Seed Capital grants for 27 new small business start-ups in the region that project the creation of nearly 170 full-time and part-time jobs and more than \$1.4 million in private investment. The VCEDA Board also allocated \$1 million from Coalfield Employment Enhancement Tax Credit funds for an innovative Renewable Energy Fund designed to attract renewable energy jobs and investment to the region. VCEDA additionally is now providing staff support for the new Virginia Coalfields Expressway Authority and helped that new authority become operational in 2020.

In conclusion, despite a very challenging year due to the pandemic, VCEDA and the region were able to make positive progress and are optimistic that 2021 will bring more successes for the region.

Jonathan Belcher
Executive Director/
General Counsel



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.



2020 NEW PROJECTS

NEW PROJECTS	LOCALITY	JOB	PRIVATE INVESTMENT
Blankenship's Hunting Supply, Taxidermy & Deer Processing LLC	Buchanan	1 FT / 1 PT	\$10,000
Lil' Doc Hollow Hemp, LLC	Dickenson	4 FT / 5 PT	\$14,620
Yates Recovery and Transport, LLC	Dickenson	1 FT / 2 PT	\$47,400
Trailhead Country Kitchen LLC	Dickenson	2 FT / 6 PT	\$10,000
Caney Kennels	Dickenson	2 FT / 3 PT	\$14,200
Country-fied Café	Dickenson	3 FT / 2 PT	\$15,000
O'Quinn Rentals, LLC	Dickenson	1 FT / 2 PT	\$40,000
Propel Counseling Group LLC	Dickenson	10 FT / 2 PT	\$11,490
Nana's Country Kitchen, LLC	Lee	4 FT / 7 PT	\$38,315
The Marion Kitchen LLC	Lee	1 FT / 1 PT	\$35,960
Charly's	Lee	10 FT / 15 PT	\$28,000
Clinch River Hemp Company, LLC	Russell	58 FT / 4 PT	\$4,500,000
P & E Wholesale LLC	Russell	3 FT / 1 PT	\$10,000
Next Door Drug Pharmacy, PC	Russell	5 FT / 5 PT	\$385,000
Adventure E-bikes, Inc.	Russell	1 FT / 2 PT	\$10,000
Copper Creek Metal Works LLC	Russell	1 FT / 1 PT	\$13,700
Nxtgen Mobile Welding Services, LLC	Russell	3 FT	\$17,832
The Play Hut, PLLC	Russell	2 FT / 3 PT	\$90,000
Whitt Insurance Agency, LLC	Russell	2 FT / 1 PT	\$14,809
Pure Salmon	Russell / Tazewell	203 FT	\$228,000,000
Clinch River Life, LLC	Scott	1 FT / 10 PT	\$11,100
Moccasin Junction Inc.	Scott	3 FT / 2 PT	\$185,000
Nash Creamery	Scott	2 FT / 6 PT	\$35,825

FT = full-time; PT = part-time

NEW PROJECTS	LOCALITY	JOBS	PRIVATE INVESTMENT
eHealth Technologies	Scott	160 FT	\$375,000
Professional Bookkeeping & Accounting Inc.	Tazewell	4 FT / 6 PT	\$10,523
The Grind Bluefield LLC	Tazewell	2 FT / 5 PT	\$31,000
Appalachian Treasures LLC	Tazewell	1 FT / 1 PT	\$75,517
Sunnyside Lodging	Tazewell	7 FT	\$1,182,483
Tazewell Dance Center LLC	Tazewell	1 FT / 1 PT	\$14,584
Valley Animal Clinic, PLLC	Tazewell	5 FT / 2 PT	\$275,000
Mercantile on Main, Inc.	Wise	1 FT / 1 PT	\$18,058
SWTC/IN Appalachia	Regional	1 FT	N/A
TOTAL NEW PROJECTS (32)		505 FT / 97 PT	\$235,520,416

2020 EXPANSIONS/RETENTIONS

EXPANSIONS/RETENTIONS	LOCALITY	JOBS	PRIVATE INVESTMENT
West River Conveyors and Machinery Company	Buchanan	15 FT	\$1,470,000
Breaks Interstate Park COVID 19 Relief	Buchanan/Dickenson	44 FTE*	N/A
AT&T Wireless	Russell	200 FT	N/A
TDEC	Russell	14 FT / 2 PT	\$10,000
Clinch River Forest Products, Inc.	Tazewell	95 FT**	N/A
Historic Crab Orchard Museum	Tazewell	1 FT	\$75,000
IDA/EDA Small Business COVID 19 Relief	Regional	385 FT / 128 PT*	N/A
TOTAL EXPANSIONS/RETENTIONS (7)		754 FT / 130 PT*	\$1,555,000

TOTAL NEW PROJECTS & EXPANSIONS/RETENTIONS (39)		1,259 FT / 227 PT*	\$237,075,416
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FT = full-time; PT = part-time; * = Retained Jobs; ** = includes 85 retained jobs

COVID-19 RELIEF LOANS | REGION | \$740,000 LOANS

VCEDA approved loan funding of up to \$740,000 in April to help offset the negative economic impacts of the COVID-19 pandemic in the coalfield region and at Breaks Interstate Park. This was in partnership with all the county/city industrial and economic development authorities in the VCEDA region which applied for loan funds from VCEDA to re-loan to local businesses in their localities negatively impacted and/or forced to close because of the pandemic. Up to \$590,000 was loaned to the eight IDAs/EDAs in the VCEDA region for distribution to local businesses impacted in their communities. Up to a \$150,000 loan was to the Breaks Interstate Park, whose operations also were negatively impacted by COVID-19. In December, the board voted to convert remaining balances of the IDA/EDA loans to grants.



VIRGINIA COALFIELDS EXPRESSWAY AUTHORITY

Under the Code of Virginia, VCEDA is now providing staffing assistance to the Virginia Coalfields Expressway Authority (CFX). Upon the completion of the initial appointments to the CFX Authority's board, VCEDA coordinated the first meeting of the new Authority, which was held in October in Grundy, Va. Officers were elected and Jay Rife was named its first chairman and Mike Yates the first vice-chairman. Jonathan Belcher, VCEDA executive director/general counsel, was designated as the CFX Authority's executive director and also its secretary/treasurer. The primary purpose of the CFX Authority is to improve transportation into, from, within and through Southwest Virginia, assist in regional economic development and generally enhance highway safety in the affected localities.

PURE SALMON | RUSSELL, TAZEWELL COUNTIES \$10 MILLION LOAN

In November, Pure Salmon (Project Jonah) was announced as one of the largest private capital investment projects in Southwest Virginia history. The project, described as the world's largest vertically integrated indoor aquaculture facility, is to be located on the boundary of Tazewell and Russell counties. The company projects more than 200 employees and raising and processing of up to 20,000 tons of salmon annually. The facility is to be constructed by Pure Salmon, a global leader in aquaculture, who will invest approximately \$228 million in facility and equipment. VCEDA has contingently approved up to \$10 million for the project.



CLINCH RIVER HEMP COMPANY, LLC RUSSELL COUNTY | \$2 MILLION LOAN

VCEDA approved a low-interest loan of \$2 million to the Russell County Industrial Development Authority to be used in the development of Clinch River Hemp Company, LLC's processing facility operations located at Hansonville, Va. Forty-one new full-time jobs and five part-time jobs are anticipated within the first year as the project gets underway and up to 62 total new jobs. Clinch River Hemp Company, LLC is a new start-up company which will provide services from hemp cultivation, through extraction, processing and packaging of hemp products. The plant will focus on refining hemp for the therapeutic benefits of CBD and other plant-based chemical compounds that can be derived from hemp.



eHEALTH TECHNOLOGIES | SCOTT COUNTY | 160 JOBS

Governor Ralph Northam announced in December that eHealth Technologies, a provider of medical record and image retrieval and clinical intelligence services, will invest \$375,000 to establish a new customer support center in Scott County and create 160 new jobs. Mountain Empire Community College, which has a successful track record of preparing the region's workforce for careers in health information management, was part of the team working to partner with eHealth Technologies on developing a well-trained workforce that will ensure the highest level of customer service and patient care at the new center. Headquartered in Rochester, NY, with employees worldwide, eHealth Technologies serves more than half of the nation's top 100 hospitals. The center will be located in the Scott County Regional Business & Technology Park, which was developed in part with funding from VCEDA.



WEST RIVER CONVEYORS AND MACHINERY COMPANY BUCHANAN COUNTY | \$1.225 MILLION LOAN

VCEDA closed an up to \$1.225 million loan to West River Conveyors and Machinery Company, an established Buchanan County business that has operated in the county for 40 years, for an expansion that is anticipated to add up to 15 new full-time jobs. The VCEDA loan funds will be used toward an approximately 8,000-square-foot building expansion, construction of a covered in-feed conveyor shed and concrete pad and the upgrade of equipment, which company officials said will result in better operating efficiencies and the ability to take on additional work at West River's Oakwood, Va. location. The replacement, or addition, of several items of equipment is also planned. Some of the new capabilities will allow West River to create visualization of systems for customers.



CLINCH RIVER FOREST PRODUCTS, INC. TAZEWELL COUNTY | \$500,000 LOAN

VCEDA approved a \$500,000 loan to the Tazewell County Industrial Development Authority to be used to finance the purchase of equipment, machinery and tools to assist Clinch River Forest Products, Inc. in Tazewell County. Clinch River Forest Products is a large sawmill operation in Tazewell, Va. which employs 85 direct full-time employees. The company anticipates as a result of the loan it will be able to retain the current jobs and add five to 10 additional jobs in the next two years. The company began its operations in Tazewell County in 2005 and has previously received funding from VCEDA which it paid off in 2013.



AT&T WIRELESS | RUSSELL COUNTY | 200 JOBS

AT&T Wireless announced in 2020 it was hiring for 200 jobs at \$15+ per hour at their Lebanon, Va. customer service center. VCEDA assisted in recruiting and financing this center when it located here 17 years ago, and we follow up with them on an active basis. Successful information technology companies operating in the region like AT&T Wireless help market the VCEDA region as an excellent location for this type of business. VCEDA has been marketing to the IT industry for more than 20 years and in that time has successfully recruited leading IT companies which continue to operate here.

TDEC | RUSSELL COUNTY | \$25,000 GRANT

VCEDA approved a \$25,000 grant to the Russell County Industrial Development Authority to assist Russell County IT business, TDEC, with workforce development and training. The grant is from VCEDA's Workforce Development and Training Fund. The grant will help TDEC, which stands for "The Data Entry Company," add approximately 14 new full-time and 2 part-time jobs in a five-year period. TDEC is a business process outsourcing firm headquartered in Bethesda, Md., and was first recruited to the region by VCEDA in 2018. The HUBZone designation available in much of the VCEDA region was one factor in TDEC's decision to locate here.



NEW ECONOMIC DEVELOPMENT SITES DICKENSON COUNTY | \$950,000 GRANT

VCEDA approved an up to \$950,000 grant to the Dickenson County Industrial Development Authority (IDA) to be used to finance the costs associated with development of two new economic development sites in that county. The Dickenson County IDA requested the funds for the demolition of the former Haysi High School and Clintwood High School and Annex, site development, site grading and other improvements, and costs associated with the project to create two new economic development sites in Dickenson County. Both of these locations became available as economic development sites after the consolidation of the former schools into the new Ridgeview High School outside of Clintwood.



HISTORIC CRAB ORCHARD MUSEUM TAZEVELL COUNTY | \$100,000 GRANT

VCEDA approved an up to \$100,000 grant from the VCEDA Tourism Capital Improvement Matching Fund for the Historic Crab Orchard Museum and Pioneer Park in Tazewell County. The funds will be used to finance building construction, expansion and rehabilitation, the construction and development of new exhibits and other improvements. Specifically, repairs to the metal roof, expanding and renovating the visitor bathrooms, upgrading the permanent exhibition gallery and expanding the storage capacity of the collections and general storage areas are among the areas the grant funding is planned to be used. The museum just celebrated its 40th year as a non-profit museum and educational institution.

WISE-NORTON LAND RECORDS TRAINING PROJECT WISE COUNTY AND CITY OF NORTON | \$50,000 GRANT

VCEDA approved an up to \$50,000 grant to the Wise County Industrial Development Authority to modernize the Wise County and City of Norton land records data system and to develop a workforce training program associated with it. The project is designed to improve public record availability, and the education component focuses on creating paid internships for students which also provides them with employable skills for the future. The first component of the project is the development of a software platform enabling the creation of “smart” land records, their storage and indexing for easy and rapid searching. The second component of the project is the recruitment of students into a training curriculum on blockchain-based software fundamentals, land record abstraction and smart record creation using the software.



RED ONION INDUSTRIAL SITE DICKENSON COUNTY | \$1.2 MILLION GRANT

VCEDA approved an up to \$1.2 million grant to the Dickenson County Industrial Development Authority to be used for further developments on the Red Onion Industrial Site. The funds will be used to help finance site grading, site development, access road construction and storm drainage improvements on the Red Onion site which is also known as the Coalfield Regional Industrial Park. The funds will also be used for the extension of utilities, including water, sewer, electric, natural gas and broadband to the property.



LYRIC THEATER | WISE COUNTY | \$100,000 GRANT

VCEDA approved an up to \$100,000 grant to the Town of St. Paul Industrial Development Authority (IDA) to be used on the Phase II redevelopment of the historic Lyric Theater in St. Paul, Va. The grant, which was approved from VCEDA's Tourism Capital Improvement Matching Fund program, will be used to finance building construction, rehabilitation and improvements as well as the purchase of furniture, fixtures and equipment, and other improvements and costs associated with the renovation project. Once restored, plans for the theater are that it can be used for live theater performances, for regional musical events, and for conferences and events. When the renovations are complete the IDA indicated one full-time job and four part-time jobs will be created within a three-year period.

BROADBAND EXPANSION DICKENSON COUNTY | \$750,916 GRANT

VCEDA approved an up to \$750,916.88 grant to the Dickenson County Industrial Development Authority (IDA) to help finance the installation and extension of high-speed broadband to underserved areas of broadband in Dickenson County. The funding will be used toward the purchase and installation of fiber optic cable, fiber drops, electronics and wireless microwave backhaul, engineering, permitting and other fees and costs associated with the projects. The Dickenson County IDA and the Dickenson County Board of Supervisors conducted a study to identify underserved areas of broadband in the county, and those study results are being used to prioritize where funding can best be utilized to reach the greatest number of people and businesses in need of service.



SEED CAPITAL PROJECTS

VCEDA SEED CAPITAL MATCHING FUND

Recognizing that small businesses play a significant role in the growth and stability of the economy, VCEDA established the VCEDA Seed Capital Matching Grant Fund in 2017. The goal of the Seed Capital Matching Fund is to help VCEDA meet the purposes for which it was created by providing 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. By adding this program to its existing efforts to attract larger industries to the region and to help existing companies to expand, this program has provided VCEDA with a more well-rounded approach to creating new jobs and investment in the region

STATISTICS

Stats on Seed Capital Matching Fund

SINCE 2017

PROJECTS	97
PROJECTED JOBS	792 (480 FULL-TIME; 312 PART-TIME)
PROJECTED INVESTMENT	\$5,693,055

Blankenship's Hunting Supply, Taxidermy & Deer Processing LLC | Buchanan County

Avid hunters, fishermen and outdoorsmen find a one-stop shop at Blankenship's Hunting Supply, Taxidermy & Deer Processing LLC in the Hurley area of Buchanan County. The new business, owned by Karen Blankenship, provides hunters with the opportunity to bring their trophy kill to the business for skinning, cleaning, mounting and meat processing. All meats are vacuum sealed and refrigerated until the customer picks it up. Life size mounts as well as half-size taxidermy for bear, deer, coyotes, bobcats, foxes, raccoons and squirrels are available. Blankenship's husband, Mitchell Lee Blankenship, is the certified taxidermist. The business projects one full-time and one part-time employee.

Lil' Doc Hollow Hemp, LLC | Dickenson County

The growing of industrial hemp in Virginia has a long history tied to it, having been grown in Virginia as early as the mid-1600s. As laws began to change in Virginia in recent years to allow for the production of hemp, the Meade family in Dickenson County saw a new opportunity arise and formed Lil' Doc Hollow Hemp, LLC. The company is owned by Robert Meade Sr., Brenda Meade, Brandon Meade and Trista Meade, all of Clintwood. The Meades grow a locally sourced product and then sell the hemp, with plans in the future to process it and to provide an array of products, like tinctures and salve, edibles and other health and wellness products. The business projects four full-time and five part-time employees by the fifth year.

Yates Recovery and Transport, LLC | Dickenson County

The need for wrecker and rollback services in the Haysi area was something Dakota Yates, of Clinchco, identified as a need for Dickenson County and surrounding areas. As a result, he opened Yates Recovery and Transport, LLC to provide services including hauling automobiles for repair, or for those that are involved in accidents, roadside assistance and assisting local police with impounds. Four-wheel drive wrecker service adds to its capabilities and a variety of insurances are accepted. The new business has also added a collision center to be able to make repairs to automobiles. The business projects one full-time and two part-time jobs within two years.

Trailhead Country Kitchen LLC | Dickenson County

As Gabriel Yates looked at the Town of Haysi in Dickenson County, he saw an opportunity to cater to the town's growing tourism economy as a result of Spearhead Trails' Ridgeview Trail. As a result, he opened Trailhead Country Kitchen LLC. Not only does Trailhead Country Kitchen serve the restaurant needs of hungry trail riders, capitalizing on its slogan, "Don't Ride Hungry," but it also serves as a gathering spot for locals searching for a place nearby to have a good home-cooked meal, as well as to Russell Fork River whitewater rafters, kayakers, innertube floaters and fishermen. Trailhead Country Kitchen projects two full-time and six part-time employees within three years.

Country-fied Café | Dickenson County

Amber Owens, of Clintwood, always dreamed of opening her own restaurant, even while she has spent her time as a teacher in the public school system. The opening of Country-fied Café in Dickenson County is the realization of that dream as she and her husband purchased a food truck in which to operate the business beginning in the spring of 2021. The menu will include wraps, sandwiches, two different types of fries and eventually soups and other light menu fare. Initially, the focus will be to operate the truck on the weekends in Southwest Virginia locations, but as the business grows, Owens sees it expanding to travel to festivals in Virginia and in neighboring West Virginia and Kentucky. The business projects three full-time and two part-time employees.

O'Quinn Rentals, LLC | Dickenson County

The opportunity for a unique lodging experience is what O'Quinn Rentals provides for its customers who choose to book a renovated train cabooses to stay in the Haysi area to enjoy the Spearhead Trails. Jarrod and Audrea O'Quinn purchased two train cabooses and a three bedroom, two-bath home with the intention of renovating all of them into short-term rental units. One of the cabooses is now complete and being offered for rent and renovations are ongoing to ready the second caboose and the house. The business projects one full-time and two part-time employees.

Propel Counseling Group LLC | Dickenson County

Outpatient counseling, substance abuse counseling and trauma-focused counseling are among the treatment options available through Propel Counseling Group LLC. The company opened in October 2020 and is operated in Clintwood, Va. by licensed professional counselors Kimberly Carroll and Heather Lynch. Carroll and Lynch bring a combined 21 years of work in the mental health field and in addition to seeing clients at their clinic location, they also make house calls. The business projects 10 full-time and two part-time employees.

Caney Kennels | Dickenson County

As Kevin O'Quinn, of Clintwood, looked down the road to retiring after a long career with the department of corrections, he was faced with trying to decide what to do to supplement his retirement, so he took a skill set he had used for years working with K-9 officers and opened Caney Kennels. The new business as it develops will breed, train and sell American Kennel Club registered Labrador Retrievers as well as provide dog-related services including breeding, boarding and obedience training. Ultimately the goal is to offer training for both therapy dogs and detection dogs. The business projects two full-time and three part-time employees.



Copper Creek Metal Works LLC



Lil' Doc Hollow Hemp, LLC



Appalachian Treasures LLC



Adventure E-bikes, Inc.



Next Door Drug Pharmacy, PC



O'Quinn Rentals, LLC



Propel Counseling Group LLC

Nana's Country Kitchen, LLC | Lee County

It was a discussion one day with their grandchildren that led Janice and Taylor Scott, of Pennington Gap, to open Nana's Country Kitchen, LLC. As their grandchildren talked about their memories of sharing food and fun at "Nana's house," the Scotts decided to open their sit-down restaurant in a space large enough to accommodate civic club meetings, church groups and users of the Spearhead Trails system in addition to members of the Lee County community. The full-service restaurant is located at 191 Industrial Drive in Pennington Gap and has a seating capacity of 96. The Scotts project four full-time and seven part-time jobs within three years.

The Marion Kitchen LLC | Lee County

Family and friend recipes passed down through generations will be among the food fare offered to patrons of The Marion Kitchen LLC, a mobile food truck business in Lee County, when it officially opens later this year. Jessica Ernspeker, of Big Stone Gap, owns the business, which she named using her maiden name, Marion. Opening the business and creating the foods enjoyed by her family for generations, Ernspeker said, has been a dream of her's and her father's for many years. Plans are to set up the food truck in Lee County on a regular basis, but also, during festival season, to travel some to various events with the food truck. The business projects one full-time and one part-time position.

Butcher's Dining LLC, d/b/a Charly's | Lee County

With extensive experience in the food service industry, having been a server, cook, manager and district manager for a chain restaurant, Charly Butcher, of Pennington Gap, decided it was time to open her own business and in the fall of 2020, formed Butcher's Dining LLC, doing business as Charly's in Lee County. The sit down restaurant is family-oriented and features homemade soups, biscuits and gravy and everything in between, with a focus on down home cooking and comfort food on its menu. The business projects 10 full-time and 15 part-time employees.

P&E Wholesale LLC | Russell County

For Eric and Pamela Brown, of Honaker, the floral business has been in their backgrounds for decades. Earlier this year, they took things one step further, opening P & E Wholesale LLC, a wholesale floral supply business which sells to retail floral and gift shops in southwest Virginia, southern West Virginia and eastern Kentucky. Silk flowers and vases, to gifts and other home décor items often used by flower shops in the design of floral bouquets and by gift shops for outright sale items, are among the items available through the business which projects up to three full-time employees and one part-time employee within four years.

Adventure E-bikes, Inc. | Russell County

A unique travel experience centered around cycling and tourism in Southwest Virginia is the focus of Adventure E-bikes, Inc. in Lebanon. Wyatt Carter, of Lebanon, opened the new business at which he offers bike rentals and sales and also provides guided bike tours in the area. Guests on guided rides are those staying in local homes or cabins matching the quaint experience of the outdoor cycling adventure on which they are embarking. Bikes are available for rent, or riders may bring their own. The business, which projects one full-time and two part-time employees within two years, utilizes the VeloGuide social App which connects people wanting to ride bikes with those willing and able to guide the rider or group of riders through a certain region.

Next Door Drug Pharmacy, PC | Russell County

When Jackie Hackney, Clint Lawson and Nicole Bostic met at the Appalachian College of Pharmacy in 2005, they agreed that someday -- after graduation -- they would open their own pharmacy. In August 2020, the three classmates who graduated in 2008 with their doctor of pharmacy degrees, opened Nextdoor Drug. At the end of last year, plans for the new pharmacy business in Lebanon, Va. were solidified and began to take shape as the business was set up as a professional corporation, Next Door Drug Pharmacy, PC. Three full-time and two part-time jobs are projected within the first year and within five years, they are projecting five full-time and five part-time jobs.

Copper Creek Metal Works LLC | Russell County

If it's metal, Copper Creek Metal Works LLC in Russell County can make it. Jonathan and Allison Byerley, of Castlewood, opened their new metal cutting and fabrication business, offering custom designs for businesses and homes – from simple wall décor and signs, to farm entrance decoration, fire pits, shelving, furniture, privacy walls, special designs and more. Copper Creek Metal Works can take a customer's sketches or ideas and turn them into a custom-made, one-of-a-kind work of art. The business projects one full-time and one part-time job.

Nxtgen Mobile Welding Services, LLC | Russell County

When welding services are needed, it's not always convenient to have to take the piece of equipment or item into the shop to have it fixed. That's where Nxtgen Mobile Welding Services, LLC comes in. Antony Chestin Wright, of Honaker, opened the business, with the idea of providing welding services on site for area farms, businesses, or residential customers in Russell, Buchanan, Tazewell and Washington counties. Welding needs are completed on site, getting equipment back up and running sooner or other repairs made in a manner easier for the customer who doesn't have to figure out a way to get heavy equipment or other bulky metal components into a shop for repair. The business projects three full-time employees as it continues to grow.

The Play Hut, PLLC | Russell County

Pediatric outpatient therapy services are offered at The Play Hut, PLLC, operated by Kelsey Bush, of Lebanon. The Play Hut's mission is to bring pediatric health and wellness opportunities to the underserved communities in Southwest Virginia. Open, group and private play is offered for children in a supervised setting and is especially geared toward children with sensory issues, birth defects, autism and ADHD. Bush is a registered and licensed occupational therapist. In addition to providing therapeutic services, screenings and developmental play, The Play Hut will also offer space for holding special events in the community. Games, activities, interactive play spaces, tables, chairs, coolers and freezers will be available for patrons renting out the space to host children's events with family and friends. The business projects two full-time and three part-time employees.

Whitt Insurance Agency, LLC | Russell County

Community involvement has always been important to Jessica Whitt, of Honaker, who opened her own business, Whitt Insurance Agency, LLC in April 2020 in Russell County. Her company provides insurance coverage covering auto, home, condo, townhouse, mobile homes, boats, motorcycles, rentals and more to those in need of insurance. Bristol West is available for those not qualifying for Farmers Insurance and Kraft Like is available for commercial and workers compensation. The business projects two full-time and one part-time employees.

Clinch River Life, LLC | Scott County

Life on the Clinch River is a focus of Clinch River Life, LLC which opened in Scott County last year. Owned by Robert and Elise Bloomer, of Big Stone Gap, the business rents tubes to float the Clinch River to visitors coming into the area for recreational experiences, including Spearhead Trails, Natural Tunnel, Devil's Bathtub and the mountain bike system at Flag Rock recreation area in Norton. Long term goals include expanding the business into kayaking and camping. The business projects one full-time and 10 part-time employees.

Moccasin Junction Inc. | Scott County

The lack of a convenience store with a deli and fuel are in part what spurred Hunter Lambert, of Gate City, to open Moccasin Junction Inc., a full-service convenience store with a fuel island at the junction of State Routes 71 and 613 in Scott County. Lambert also operates a cattle farm and fencing company and when working for the state driving the roads in the area, he saw the need for a store where a customer could pick up a sandwich and get gas without having to drive an hour in either direction. The new store fits that bill and will feature traditional fare, but also local apples and other local products from the region. The business projects three full-time and two part-time employees.

Nash Creamery | Scott County

Garland and Sheila Nash, of Nickelsville, were looking for a way to make their dairy farm more economical when they did the research and then decided to expand their farm, turning it into a Micro-Dairy Processing plant, which they named Nash Creamery. The couple began with their raw milk dairy operation and made the adjustments and additions necessary to transform it into a Grade A Virginia Department of Health-certified creamery facility where they bottle and sell milk. Plans are to add ice cream, butter and yogurt production in the future. The business projects two full-time and six part-time employees.

Appalachian Treasures LLC | Tazewell County

After purchasing a piece of property on Virginia Avenue in Bluefield and the 2,000-square-foot building that is situated on it, Bill Haver began to see the pieces fall into place for his new business, Appalachian Treasures LLC. The new space accommodates vendors who rent available floor space to sell their goods. In turn, Appalachian Treasures provides the sales and support staff to take care of customers visiting the business. Under their business model, the reach of the grant they received through VCEDA may also benefit up to 20 other small business entrepreneurs by providing retail venues for local artisans, crafters, antique dealers and others. Initially, Appalachian Treasures projects one full-time job and one-part-time job.

Professional Bookkeeping & Accounting Inc. | Tazewell County

Providing for the accounting, bookkeeping and other financial record keeping needs of area businesses and individuals is the primary goal Pansy Harman, of Tazewell, had when she formed Professional Bookkeeping & Accounting Inc. Harman, who has worked in the accounting field for more than 38 years, noted it's been her life's work to take care of the bookkeeping and record keeping needs of many in the business community in Tazewell and the surrounding area. The business projects four full-time and six part-time jobs will be created within five years.



The Marion Kitchen LLC



Yates Recovery and Transport, LLC



Valley Animal Clinic, PLLC



The Play Hut, PLLC



Trailhead Country Kitchen LLC



Nxtgen Mobile Welding Services, LLC



SEED CAPITAL PROJECTS

The Grind Bluefield LLC | Tazewell County

As Collin O'Donnell prepared to graduate from Bluefield College in December with his Bachelor's degree, the Buffalo, NY, native already had plans to pursue his Master's Degree at his alma mater and to continue to operate the new business he opened in 2020 in Bluefield, Va. The Grind, a coffee and bagel shop in downtown Bluefield, launched as a start-up in January 2020, but due to the pandemic, ended up opening in a food truck setting in May 2020. The new business has plans for a grand opening of its indoor dining space in early 2021. Although the application projects two full-time and five part-time jobs, O'Donnell noted The Grind has plans to employ as many as five full-time and 12 part-time employees.

Valley Animal Clinic, PLLC | Tazewell County

A native of Southwest Virginia, after Dr. Allison M. Sparks, of Cedar Bluff, finished her veterinary education at the Virginia-Maryland College of Veterinary Medicine, she returned to the area to open Valley Animal Clinic, PLLC. The new business is located at 1058 Cedar Valley Drive in Cedar Bluff in the former veterinary clinic space operated by the late Dr. Roy Wright. The new veterinary clinic offers small animal wellness checks, vaccinations, surgery, dentistry, hospitalization and in-house laboratory and radiology services. Products for flea and tick control and options for pet nutrition and diet are also offered for sale. The business projects five full-time and two part-time employees.

Tazewell Dance Center LLC | Tazewell County

The lack of a dance studio in Tazewell was something that spurred Emily Hinkle, of Cedar Bluff, to open the Tazewell Dance Center LLC in the Four-Way Shopping Center in North Tazewell. From classical ballet, jazz and hip-hop to tap, modern, lyrical and contemporary, to pointe, improv, pom and tumbling, the studio has something to offer to students of all ages. Classes are also taught in yoga and UltraBarre. Hinkle holds a Bachelor of Arts degree in dance from Radford University. In 2019, she won a national dance title and knew it was time to follow her dream of opening her own dance studio. The business projects one full-time and one part-time employee.

Mercantile on Main, Inc. | Wise County

Unique and locally created items are among the goods found at Mercantile on Main, Inc. at 215 E. Main Street, Suite B in Wise. Jessee and Ashley DeLoach decided to open the business to help local shop owners find a way to market their goods in an economical way. "Shop owners" rent space and pay commission on sales to aid in the operating costs of the business. Additionally, other small businesses which don't have a need for a full space find a home for their items which are purchased at wholesale. The business projects one full-time and one part-time job within a year.



VCEDA Renewable Energy Fund

The Virginia Coalfield Economic Development Authority created a Renewable Energy Fund in 2020 to help attract new jobs and investment to Southwest Virginia's e-Region and to help diversify its economy. VCEDA has initially allocated \$1 million in the fund, from Coalfield Employment Enhancement Tax Credit funds. The amount of funding per project is based upon factors including the number of jobs, wage rates, and private investment of the project.

VCEDA is a unique regional economic development agency created by the Virginia General Assembly to enhance and diversify the economy of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell and Wise counties and the City of Norton in Southwest Virginia.

What examples of projects are eligible?

- » Commercial/industrial electricity generation projects using renewable energy sources
- » Manufacture of renewable energy products and components
- » Workforce development and training projects to prepare the region's workforce for renewable energy jobs

How can the funding be used?

- » Funding is available as low-interest loans and/or grants
- » Loans are available for real estate acquisition, building construction, equipment purchases, and other physical improvements that add value to real estate, including associated soft costs
- » Grants are available to assist with workforce development and training, such as tuition reimbursement, internships, and training equipment

What types of groups are eligible to apply?

- » For-profit businesses
- » Non-profit organizations
- » Industrial/economic development authorities
- » Must be developing a project in the region

MARKETING SOUTHWEST VIRGINIA'S

Even though COVID-19 affected outreach events in 2020, VCEDA continued marketing to site consultants and targeted industries and attended several trade shows and conferences in person early in the year, and exhibited and attended others virtually. In 2020 VCEDA had 28 in-person and virtual prospect visits and handled 165 inquiries about Southwest Virginia's e-Region.

Marketing collateral promoting Southwest Virginia's e-Region received major updates including a complete overhaul and new address for the VCEDA website—www.vceda.us. New additions to the website include webpages for the Virginia Coalfields Expressway Authority and VCEDA's Renewable Energy Fund, a chat feature, and an interactive regional map showing airports, industrial properties, major employers, workforce development centers, higher education institutions and hospitals. New regional videos, including "Find Your Place in Southwest Virginia's e-Region," which was debuted at the virtual Southwest Virginia Economic Forum in September, and other video clips featuring business leaders describing living and working in the region also are featured on the VCEDA website.

VCEDA attended two targeted industry trade shows in person: the Kitchen and Bath Industry Show in Las Vegas with the Virginia Economic Development Partnership in January, and VCEDA manned an e-Region exhibit booth and met with companies attending the IT Expo in Fort Lauderdale, FL in February. Other major virtual trade show events VCEDA attended included AUVSI Xponential, the Governor's Summit on Rural Prosperity and the Southeastern Economic Development Council's "Meet the Consultants" event.

Continued marketing to site consultants, target industries and trade show audiences using lead generation campaigns, the VCEDA website, social media, news briefs, media relations, print advertising and other communication tools, helps VCEDA create interest and invitations to visit and see what Southwest Virginia's e-Region has to offer businesses.

VCEDA produced a promotional video "Find Your Place in SWVA's e-Region." The video features several companies VCEDA has assisted in the region.



VCEDA was represented at the Virginia Chamber of Commerce "Chamber Day at the Capitol" events and at the Old Dominion Legislative Reception in January in Richmond. Pictured, from left are Cathy St. Clair, VCEDA Marketing Ambassador; Virginia Chamber of Commerce President Barry DuVal; Virginia Chamber of Commerce Chairperson of the Board of Directors, Paige Clay; and VCEDA Marketing Ambassador Mary Rae Carter.

VCEDA attended and exhibited at IT EXPO in Fort Lauderdale, FL, in February. VCEDA manned an exhibit booth and met with a number of IT companies in pre-set appointments to promote Southwest Virginia's e-Region as a business location. From left are VCEDA Marketing Coordinator Susan Copeland; VCEDA Marketing Ambassador Charlotte Mullins; and Wise County Industrial Development Supervisor Brian Falin.





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

The November 2020 issue of Virginia Business magazine featured an ad highlighting VCEDA's new website and promoting Southwest Virginia's e-Region.



VCEDA Marketing Ambassador Charlotte Mullins, right, and Michaela Martin of the Virginia Economic Development Partnership attend the Kitchen and Bath Industry Show in Las Vegas in January.



VCEDA was a sponsor of the Southwest Virginia Legislative Reception in Richmond in January. VCEDA board members in attendance included, from left, Duane Miller, Harry Childress, Larry Mosley, Josh Ball, Chairman J.P. Richardson, Jim Baldwin, and VCEDA Marketing Ambassador Mary Rae Carter.

2020 VCEDA MARKETING EVENTS

EVENT	DATE	LOCATION	TARGET
Tobacco Commission Reception/Meeting	1/6-7/20	Richmond, VA	All Target Sectors
VEDA Legislative Reception	1/13/20	Richmond, VA	Site Location Consultants
SWVA Legislative Reception	1/22/20	Richmond, VA	All Target Sectors
Kitchen & Bath Industry Show	1/21-23/20	Las Vegas, NV	Manufacturing
VCEA Legislative Breakfast	1/23/20	Richmond, VA	Energy
Old Dominion Assembly Reception	1/23/20	Richmond, VA	All Target Sectors
Virginia Rural Caucus Reception	2/5/20	Richmond, VA	All Target Sectors
IT Expo	2/11-15/20	Ft. Lauderdale, FL	Information Technology
VEDA Spring Conference	3/12/20	Roanoke, VA	Site Location Consultants
VEDA Summer Meeting	6/24/20	Virtual	All Target Sectors
SWVA Economic Forum	9/2-3/20	Virtual	All Target Sectors
VEDA Fall Conference	9/16-17/20	Virtual	All Target Sectors
AUVSI Xponential	10/6-8/20	Virtual	UAV/UAS
Governor's Summit on Rural Prosperity	10/21/20	Virtual	All Target Sectors
SEDC Meet the Consultants	11/12/20	Virtual	Site Location Consultants
TOTAL MARKETING EVENTS (15)			

Focus is on electronic information technology, energy education, emerging technologies, and entrepreneurs. Add to that unique incentives of loans and grants for new and existing businesses approved by the Virginia Coalfield Economic Development Authority (VCEA) that markets this seven-county, one-city region in the southwestern corner of Virginia.

Companies are taking note of this beautiful slice of Virginia that has been a leader in broadband development in rural America for several years.

IT companies SAIC, Sykes, TTEC, Serco, Northrop Grumman, CGI and others have established centers in the region, taking advantage of a regional vision to attract information technology businesses. With excellent connectivity and location, the region is growing as an excellent location for data centers. Three Tier III centers are in the region including Northrop Grumman, and SP Facilities' \$45 million Mineral Gap data center.

The e-Region offers an East Coast location with access to the Southeast's automotive and manufacturing industries. A Canadian manufacturer is locating its first U.S. manufacturing facility in the area, joining numerous other manufacturers in the area.

Helping the area economy to grow from within, a successful ongoing VCEDA seed capital grant program encourages entrepreneurs and has assisted 31 new small businesses since 2017 which are creating many new jobs.

Partnerships with the University of Virginia's College of Wise, Mountain Empire and Southwest Virginia community colleges and others help the region respond with timely and targeted workforce development solutions to meet industry needs.

Exceptional quality of life is vital to the attraction of Southwest Virginia's e-Region. Outdoor recreational opportunities are aplenty and include more than 600 miles of inter-connected multi-use ATV and bike trails, hiking, camping and fishing, boutique hotels, cabins, micro breweries, restaurants featuring local cuisine, state parks, and cultural heritage events and museums ranging from Daniel Boone to Ralph Stanley.

Outstanding scenery and sites for new business locations are among the many perks of **living and working** in Southwest Virginia's e-Region.

Companies are taking note of this beautiful slice of Virginia that offers exceptional scenery and quality of life as well as sites and buildings like the 10,000-sq-ft, expandable shell building in the 600-acre Bluestone Regional Business and Technology Center.

SITES & SCENERY
Southwest Virginia's e-Region Has It

Gaze on the scenery. Check out the available sites. Come visit and see for yourself why Southwest Virginia's e-Region is right for your business.

1.800.735.9999 • mail@vaceda.org
www.e-Region.org • www.vaceda.org

Southwest Virginia's e-Region is marketed by the Virginia Coalfield Economic Development Authority

The August 2020 issue of Virginia Business magazine, the annual site selection edition, included a two-page ad from VCEDA promoting Southwest Virginia's e-Region.



VCEDA Receives 'Excellence in Government Response: COVID19' Award

The Virginia Coalfield Economic Development Authority (VCEDA) was presented with the “Excellence in Government Response: COVID19” award at the Appalachian Council for Innovation’s annual awards banquet in October. VCEDA Board Member Harry Childress accepted the award on behalf of VCEDA. The award recognized VCEDA’s early response in the ongoing COVID-19 pandemic, which included funding assistance provided by VCEDA through the local IDAs/EDAs to help local businesses impacted by the pandemic, and to the Breaks Interstate Park, thereby helping to save more than 600 jobs throughout the region. The council was formerly known as the Southwestern Virginia Technology Council and unveiled its new name at the event.

Virginia Coalfield Economic Development Authority Board of Directors

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J.P. Richardson | Chairman
Larry Mosley | Vice-Chairman
Joshua Ball | Secretary
Esther Bolling | Treasurer

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Esther Bolling
Becky Coleman
Mark T. Leonard
Larry Mosley

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

GAS PRODUCER

Joshua Ball
Pocahontas Gas

VIRGINIA COAL & ENERGY ALLIANCE

Harry Childress

PLANNING DISTRICT COMMISSIONS

Jim Baldwin
Cumberland Plateau PDC
Duane A. Miller
LENOWISCO PDC

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

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

Vince Barnett

2020 VCEDA LOAN APPROVALS

LOANS		APPROVED	AMOUNT
Buchanan County	West River Conveyors and Machinery Company	2/20/20	\$1,225,000.00
Buchanan County	Buchanan County IDA/Small Business COVID 19 Relief	4/16/20	\$100,000.00
Buchanan/Dickenson Counties	Breaks Interstate Park/COVID 19 Relief	4/16/20	\$150,000.00
Dickenson County	Dickenson County IDA/Small Business COVID 19 Relief	4/16/20	\$100,000.00
Lee County	Lee County EDA/Small Business COVID 19 Relief	4/16/20	\$25,000.00
City of Norton	City of Norton IDA/Small Business COVID 19 Relief	4/16/20	\$40,000.00
Russell County	Russell County IDA/Project Trout	2/20/20	\$500,000.00
Russell County	Russell County IDA/Small Business COVID 19 Relief	4/16/20	\$75,000.00
Russell County	Russell County IDA/Russell Place	12/17/20	\$900,000.00
Russell/Wise Counties	Russell County IDA/Project Brown	9/23/20	\$2,500,000.00
Scott County	Scott County EDA/Small Business COVID 19 Relief	4/16/20	\$50,000.00
Tazewell County	Tazewell County IDA/Small Business COVID 19 Relief	4/16/20	\$100,000.00
Tazewell County	Tazewell County IDA/Clinch River Forest Products	4/16/20	\$500,000.00
Tazewell County	Tazewell County IDA/Project Claw	11/19/20	\$400,000.00
Wise County	Wise County IDA/Small Business COVID 19 Relief	4/16/20	\$100,000.00
Regional	Southwestern Virginia Technology Council/ IN Appalachia Project	9/23/20	\$50,000.00
TOTAL LOANS (16)			\$6,815,000.00

2020 VCEDA GRANT APPROVALS

GRANTS		APPROVED	AMOUNT
Buchanan County	Blankenship's Hunting Supply, Taxidermy & Deer Processing LLC	12/17/20	\$9,000.00
Buchanan/Dickenson Counties	Breaks Interstate Park Commission	2/20/20	\$60,900.00
Dickenson County	Dickenson County IDA/Haysi & Clintwood Site Development	2/20/20	\$950,000.00
Dickenson County	Lil' Doc Hollow Hemp, LLC	6/30/20	\$10,000.00
Dickenson County	Yates Recovery and Transport, LLC	6/30/20	\$10,000.00
Dickenson County	Trailhead Country Kitchen LLC	6/30/20	\$10,000.00
Dickenson County	Dickenson County IDA/Red Onion Site Development	9/23/20	\$1,200,000.00
Dickenson County	Dickenson County IDA/Broadband Project	9/23/20	\$750,916.88



Dickenson County	Dickenson County IDA/Medical Device Manufacturing Feasibility Study	11/19/20	\$170,000.00
Dickenson County	Caney Kennels	12/17/20	\$9,000.00
Dickenson County	Country-fied Café	12/17/20	\$9,000.00
Dickenson County	O/Quinn Rentals, LLC	12/17/20	\$9,000.00
Dickenson County	Propel Counseling Group LLC	12/17/20	\$9,000.00
Lee County	Nana's Country Kitchen, LLC	6/30/20	\$10,000.00
Lee County	The Marion Kitchen LLC	12/17/20	\$9,000.00
Lee County	Charly's	12/17/20	\$9,000.00
Russell County	P & E Wholesale LLC	6/30/20	\$10,000.00
Russell County	Adventure E-bikes, Inc.	6/30/20	\$10,000.00
Russell County	Next Door Drug Pharmacy, PC	6/30/20	\$10,000.00
Russell County	Russell County IDA/TDEC	6/30/20	\$25,000.00
Russell County	Copper Creek Metal Works LLC	12/17/20	\$9,000.00
Russell County	Nxtgen Mobile Welding Services, LLC	12/17/20	\$9,000.00
Russell County	The Play Hut, PLLC	12/17/20	\$9,000.00
Russell County	Whitt Insurance Agency, LLC	12/17/20	\$9,000.00
Scott County	Clinch River Life, LLC	12/17/20	\$9,000.00
Scott County	Moccasin Junction Inc.	12/17/20	\$9,000.00
Scott County	Nash Creamery	12/17/20	\$9,000.00
Tazewell County	Appalachian Treasures LLC	6/30/20	\$10,000.00
Tazewell County	Professional Bookkeeping & Accounting Inc.	6/30/20	\$10,000.00
Tazewell County	The Grind Bluefield LLC	6/30/20	\$10,000.00
Tazewell County	Town of Tazewell IDA/Sunnyside Lodging	6/30/20	\$100,000.00
Tazewell County	Historic Crab Orchard Museum and Pioneer Park, Inc.	6/30/20	\$100,000.00
Tazewell County	Tazewell Dance Center LLC	12/17/20	\$9,000.00
Tazewell County	Valley Animal Clinic, PLLC	12/17/20	\$9,000.00
Wise County	Mercantile on Main, Inc.	6/30/20	\$10,000.00
Wise County	Town of St. Paul IDA/Lyric Theater Phase II	6/30/20	\$100,000.00
Wise County/City of Norton	Wise County IDA/Land Records Training Project	12/17/20	\$50,000.00
TOTAL GRANTS (37)			\$3,760,816.88
TOTAL LOANS & GRANTS (53)			\$10,575,816.88

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

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, 2020 and the related notes to the financial statement.

Management's Responsibility 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the 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, 2020, in accordance with the cash basis of accounting described in Note 1.

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 11, 2021, 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.

Rodger Moss & Co, PLLC

Norton, Virginia
February 11, 2021

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, 2023 (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 45.1, Mines and Mining, Chapter 19, Virginia Coal Surface Mining Control and Reclamation Act of 1979, Section 45.1-246, 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).

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, 2020

Coal & Gas Funds	CASH RECEIPTS				CASH DISBURSEMENTS			
	Balance 1/1/20	Receipts	Interest Earned	Loans Collections	Administrative & Business Dev. Expenses	Project Loans & Grants	Balance 12/31/20	Uncommitted Available Balance
Buchanan County	\$ 11,281,303	\$ 1,021,488	\$ 130,974	\$ 52,542	\$ 247,786	\$ 6,697,149	\$ 5,541,372	\$ 109,748
Dickenson County	12,143,208	720,315	160,202	71,773	182,668	410,809	12,502,021	8,167,353
Lee County	239,403	4,670	2,353	-	3,196	100,000	143,230	123,230
City of Norton	40,151	-	316	-	-	40,000	467	467
Russell County	543,986	38,985	5,589	408,982	6,478	434,910	556,154	85,154
Scott County	72,463	1,206	923	-	340	50,000	24,252	24,252
Tazewell County	1,663,254	262,820	21,082	466,587	68,447	871,725	1,473,571	887,037
Wise County	2,473,108	158,882	34,607	430,574	43,326	100,000	2,953,845	2,953,845
Regional	5,084,673	278,371	63,825	397,332	387,934	395,618	5,040,649	3,436,656
Total Coal & Gas Funds	\$ 33,541,549	\$ 2,486,737	\$ 419,871	\$ 1,827,790	\$ 940,175	\$ 9,100,211	\$ 28,235,561	\$ 15,787,742
Other Funds:								
Tax Credit Funds								
Revolving Loan	\$13,255,044	\$ 878,112	\$ 179,789	\$ 109,010	\$ -	\$ 4,610,628	\$ 9,811,327	\$ 8,322,995
Workforce	19,554,867	-	259,703	-	-	2,534,625	17,279,945	6,192,201
Total Tax Credit Funds	\$ 32,809,911	\$ 878,112	\$ 439,492	\$ 109,010	\$ -	\$ 7,145,253	\$ 27,091,272	\$ 14,515,196
Civil Penalties Funds	\$ 673,714	\$ 532,978	\$ 3,389	\$ -	\$ -	\$ 301,905	\$ 908,176	\$ 548,645
CFO Funds	\$ 409,496	\$ -	\$ 185	\$ 19,719	\$ -	\$ -	\$ 429,400	\$ 400



SOUTHWEST VIRGINIA'S e-REGION IS MARKETED BY VCEDA

