



TOBACCO REGION OPPORTUNITY FUND

GRANT PROGRAM

**PROMOTING ECONOMIC GROWTH AND DEVELOPMENT
IN SOUTHWEST AND SOUTHSIDE VIRGINIA**

Guidelines

Administered by

**VIRGINIA TOBACCO INDEMNIFICATION AND
COMMUNITY REVITALIZATION COMMISSION**

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TOBACCO REGION OPPORTUNITY FUND

Background

The Tobacco Indemnification and Community Revitalization Commission (the “Commission”) was created by the General Assembly in 1999 to (i) provide payments to tobacco farmers as compensation for the adverse economic effects associated with a decline in quota and (ii) revitalize the economies of tobacco dependent regions and communities.

Purpose of the Fund

The Tobacco Region Opportunity Fund (TROF) provides performance-based monetary grants to localities in Virginia's tobacco producing regions (as defined by the Commission) to assist in the creation of new jobs and investments, whether through new business attraction or existing business expansion. These grants are at the Commission's discretion.

The TROF grant program is intended to support the goal of the Commission to “revitalize the economies of tobacco dependent regions and communities.” This goal is measured by job creation, workforce participation rate, wealth, diversity of economy, and taxable assets. All measurements listed are increased when a new or expanding business in the tobacco region creates new jobs that pay more than prevailing wage and adds taxable assets to the local tax rolls.

Requirements

- A minimum private capital investment of \$1 million is required within 36 months
- A minimum of 10 job created within 36 months*
- Amounts spent to acquire real estate will be counted as capital investment.
- A match is not required.
- Grants are limited to three per county per fiscal year. Applications from incorporated towns count against the county limit, but independent cities do not.
- A performance agreement will be required, a draft of which can be found on the Commission website.
- The Commission determines grant amount based on local unemployment rates, prevailing wage rates, capital investment levels, industry type, and other factors chosen by the Commission.
- Grants of less than \$50,000 will not be offered.

*may accept less than 10 jobs if the jobs pay much higher than local prevailing wage or jobs are created in a locality with a very high unemployment rate

Applications

- Applications will only be accepted from governing bodies or political subdivisions from within the tobacco producing localities of Southside and Southwest Virginia.
 - Applications must be submitted in writing on the form found on our website, <http://www.tic.virginia.gov/tobregionoppfund.shtml>
 - Inquiries regarding the application process should be addressed to Ned Stephenson, Deputy Director, at (804) 786-7690 or ned.stephenson@tic.virginia.gov.
 - Applications will be accepted at any time.

Application Processing

- The Commission will respond to each written applications with a written letter of approval or denial. Four persons are specifically empowered by the Commission to vote on TROF requests. They are the Commission Chairman, the Chairs of the two Economic Development Committees, and the Executive Director. Approval will be granted only when three or more votes are cast, **and** the vote is unanimous in the affirmative (a single nay vote will govern).
- If approved, the applicant(s) must execute a performance agreement within 90 days, or lose the approval.
- Upon execution of the performance agreement, the public applicant is entitled to receive the funds upon written request, however disbursement will be withheld from any grantee (or related party) which has not fulfilled its obligations under previous TROF awards.

Acknowledgements

An acknowledgement of the Commission must appear in any publication or any significant event related to the project.

Audit and Reports

The terms of the performance agreement are subject to audit and verification by the Commission, and recipients should expect periodic inquiries for this purpose. Commission requires repayment of full or pro-rated grant amount if performance agreement is not met.
