January 22, 2024

Mr. Brandon McBride
Executive Director
Appalachian Regional Commission
1666 Connecticut Avenue, N.W.
Suite 700
Washington, D.C. 20009

Dear Mr. McBride,

Enclosed you will find Virginia's 2025 Appalachian Regional Commission Annual Strategy Statement. This document establishes the goals, objectives, and priorities for Virginia's ARC region.

Please be advised that the Annual Strategy Statement shall be of record until otherwise notified and is consistent with the Appalachian Regional 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,

Glenn Youngkin

2025 VIRGINIA APPALACHIAN REGIONAL COMMISSION

REGIONAL COMMISSION

STRATEGY STATEMENT

Governor Glenn Youngkin

Bryan W. Horn

Director, ARC Alternate

Tamarah Holmes, Ph.D.

Director of Broadband, ARC State Program Manager

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Executive Summary

The Appalachian Regional Commission 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 with local organizations to build community capacity and strengthen economic growth in Appalachia.

The purpose of the 2025 Strategy Statement is to establish our goals, objectives, and priorities for Virginia's ARC Region. The implementation of the 2025 Strategy Statement will enable the Commonwealth of Virginia to meet the diverse and changing needs of our Appalachian region. More specifically, the 2025 Strategy Statement will:

1. Discuss economic challenges and opportunities in the region, as well as new developments and resources;
2. Provide an overview of targeted investment priorities for the program year;
3. Discuss the Virginia ARC program policies; and
4. 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

1. Create jobs
2. Support workforce housing
3. Support affordable, reliable, high speed internet
4. Expand energy sources
5. Address water/wastewater infrastructure needs
6. Strengthen local and regional capacity
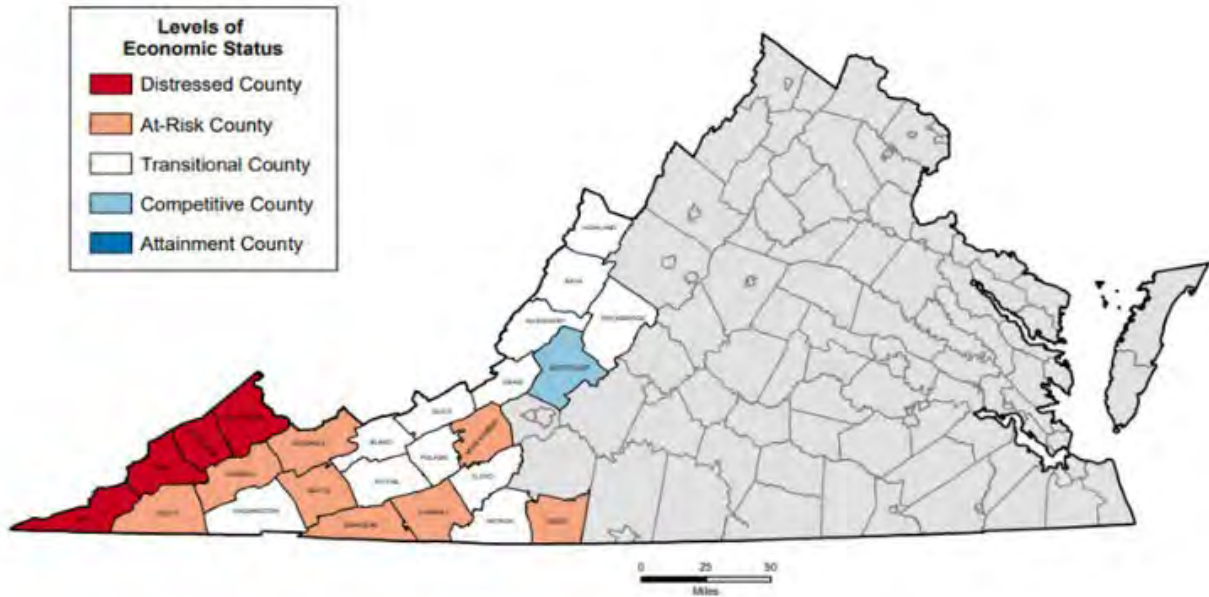
Appalachian Regional Commission – Overview

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 2025 Strategy Statement. The purpose of the 2025 Strategy Statement is to establish our goals, objectives, and priorities for Virginia's ARC Region. The implementation of the 2025 Strategy Statement will enable the Commonwealth of Virginia to meet the diverse and changing needs of our Appalachian region. More specifically, the 2025 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 strategies for the state's distressed counties;
4. Discuss the Virginia ARC program policies; and
5. Describe the methods used to review ARC project applications.

Governor Youngkin has implemented multiple initiatives to support prosperity across the state, including the Appalachian region. Through his initiatives, including Compete to Win, Make Virginia Home, Right Health Right Now and more, he has increased resources and encouraged innovation to address economic development, affordable housing, health care, infrastructure and more. Governor Glenn Youngkin serves as the Virginia Commission member. Bryan Horn serves as the director of the Virginia Department of Housing and Community Development (DHCD), the agency responsible for ARC program administration and serves as the Governor's alternate to ARC. Tamarah Holmes, Ph.D., serves as the ARC program manager and Bill Hartley serves as the ARC RSBA program manager, responsible for program administration and overseeing the agency's role as the Registered State Basic Agency (RSBA).

The Appalachian region of Virginia encompasses 25 counties and eight independent cities. Independent Cities are separate government entities from the Counties they border. The counties of Buchanan, Dickenson, Lee, and Wise and the City of Norton, are designated as distressed. 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 ARC region 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 by ARC using the most current data available. In 2025, four counties and one city are designated as distressed.

County Economic Status in Appalachian Virginia, Fiscal Year 2025

Counties			
Alleghany County	*Transitional*	Lee County	*Distressed*
Bath County	*Transitional*	Montgomery County	*At-Risk*
Bland County	*Transitional*	Patrick County	*Transitional*
Botetourt County	*Attainment*	Pulaski County	*Transitional*
Buchanan County	*Distressed*	Rockbridge County	*Transitional*
Carroll County	*At-Risk*	Russell County	*At-Risk*
Craig County	*Transitional*	Scott County	*At-Risk*
Dickenson County	*Distressed*	Smyth County	*At-Risk*
Floyd County	*Transitional*	Tazewell County	*At-Risk*
Giles County	*Transitional*	Washington County	*Transitional*
Grayson County	*At-Risk*	Wise County	*Distressed*
Henry County	*At-Risk*	Wythe County	*Transitional*
Highland County	*Transitional*		
Cities			
City of Bristol	*Transitional*	City of Lexington	*Transitional*
City of Buena Vista	*Transitional*	City of Martinsville	*At-Risk*
City of Covington	*Transitional*	City of Norton	*Distressed*
City of Galax	*At-Risk*	City of Radford	*At-Risk*

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 United States Department of Agriculture-Rural Development (USDA-RD), and the US Economic Development Administration (EDA). State agency partners include:

- 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)
- Virginia Tourism Corporation (VTC).

The Virginia ARC program relies on partnerships with various regional organizations, including but not limited to:

- GO Virginia Regional Councils 1, 2, 3 and 8
- Tobacco Regional Revitalization Commission Southwest Virginia Region (TRRC)
- Virginia Coalfield Economic Development Authority (VCEDA)
- Virginia Community Capital (VCC), Blue Ridge Economic Development Authority (BRECDA)
- University of Virginia's College at Wise (UVA) and the colleges within the region aligned with the Virginia Community College System (VCCS)

Economic Challenges and Opportunities

Challenges

In 2024, the Virginia ARC program held an input session with various regional stakeholders who identified the following as economic challenges in the region:

- Homelessness and house affordability
- Increased costs of childcare
- Shortage of available contractors
- Difficulty meeting local match requirements for grant funding
- Capacity issues of direct funding to PDC's

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. To build a sustainable and prosperous economic future, the region must strengthen its workforce ecosystem by addressing critical barriers to employment and workforce participation, such as access to housing and quality childcare - core components that enable workers to obtain, maintain, and advance along financially sustaining career pathways while building community wealth and economic resilience across Appalachian Virginia.

Virginia Targeted Investment Priorities

Projects that demonstrate economic impact in the targeted investment priorities 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 planning and assessment efforts, along with workforce training for housing construction related careers initiatives, to address unmet housing needs and ensuring the availability of quality housing 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 a reliable, affordable, and sustainable 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. Governor Youngkin has implemented multiple initiatives to support prosperity across the state, including the Appalachian region. Through his initiatives, including Compete to Win, Make Virginia Home, Right Health Right Now and more, he has increased resources and encouraged innovation to address economic development, affordable housing, health care, infrastructure and more. 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 Coordinate economic development projects with workforce housing production, supporting housing production technology and supporting regional and local pilot projects that increase the supply of affordable housing units.

1.2 Assist with installation of public infrastructure (water, sewer, broadband) for new business location/expansion and creating jobs for the region.

1.3 Support projects that encourage broad-based, regional cooperation and provide increased regional economic growth opportunities.

1.4 Support entrepreneurs, cultivate entrepreneurship and diversify existing businesses.

1.5 Support tourism activities that are directly linked to overall regional economic development strategies.

1.6 Encourage the development of telecommunications and other technologies to assist in improving the participation of Appalachian businesses in the international marketplace.

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 Support workforce development programs, with a particular emphasis on training for housing construction-related career

2.2 Strengthen workforce readiness and training programs, including those offering temporary or transitional housing support, across provider agencies to enhance business retention, recruitment, and expansion in the region.

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 and expand efforts to address the opioid and substance abuse crises, including recovery housing solutions, to reduce barriers to and sustain employment.

2.5 Support efforts to initiate and expand early childhood education programs.

2.6 Continue efforts to place doctors and other medical professionals, prioritizing those specializing in maternal and infant health care, in medically underserved areas through physician and other healthcare 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 Appalachian Development Highway System (ADHS) corridors (industrial parks, commercial development and intermodal transportation).

3.3 Capitalize on the 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, prioritizing efforts to address unmet housing needs, disaster recovery, and resilience to improve the 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 through collaborative responses to regional challenges, prioritizing disaster recovery and unmet housing needs.
5.2 Encourage the development of leadership development opportunities.
5.3 . Support visioning, community and strategic planning, and the implementation of resident engagement strategies to drive local and regional economic development, with an emphasis on housing assessments and boosting 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.

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 and cities including the counties of Alleghany, Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Henry, Highland, Lee, Montgomery, Patrick, Pulaski, Rockbridge, Russell, Scott, Smyth, Tazewell, Washington, Wise, Wythe and the cities of Bristol, Buena Vista, Covington, Galax, Lexington, Martinsville, Norton, and Radford ; 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

- Construction projects are eligible for up to $700,000 in funding (up to $1,000,000 for regional projects decided by DHCD discretion)
- 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 project funds can be used to cover administrative costs, Up to $2,500 is available to assist with environmental review costs for construction projects

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.

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 their planning district commission prior to submission to DHCD.
- Match funds cannot be expended prior to final approval by ARC Washington.
- Higher priority is given to projects that demonstrate readiness. To meet this requirement, the applicant should have all other funding for the project committed.
- Project applications must include quantifiable 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.
- Applications should include a financial sustainability plan demonstrating how the project will continue operations after ARC funding ends.

Application Review Process

Step One:

DHCD will review applications using evaluation criteria and priorities established in 2025 Virginia ARC Program Handbook. 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 if recommended. The submission to ARC must include applicable 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. Project eligibility and application completeness.
2. Demonstrated need for the project and ability to fill a "gap" in currently offered services available locally or regionally in the most practical, cost-effective, and beneficial way possible.
3. Information about existing and potential partners, and discussion of the role each plays and the resources they bring.
4. Capacity of applicant organization to implement the project and experience, if any, managing grant awards or construction projects
5. Sustainability or the ability to maintain the proposed effort into the future.
6. Possession of clearly described performance measures (outputs and outcomes), to be achieved throughout the project (see Guide to ARC Project Performance Measures - Appalachian Regional Commission)
7. Justification of costs as necessary, appropriate, and reasonable in relation to the proposed project through detailed budget sheet and workplan
8. Leveraging non-ARC resources as match funding

Application Timeline

January 16th, 2025 – How-to-Apply Workshop

March 31st, 2025 – Application deadline

April 2025 – Applications reviewed by DHCD staff

May 2025 – Applications are submitted to the Governor's office for review and are announced contingent upon ARC approval.

July – Applications are submitted to ARC for review

September 2025 – Anticipated date of approval

State Investments in the ARC Region

The following is a list of investments in the ARC region from the Department of Housing and Community Development (DHCD),

ARC 2024 Awards totaling $12,991,692

- Buchanan County/ Big Rock Conaway Wastewater Treatment Plant Replacement ($1,000,000)
- Lee County Board of Supervisors/ Western Lee Sewer Project Phase 1-A ($1,000,000)
- Big Stone Gap/Big Cherry Infrastructure Upgrades ($700,000)
- Dickenson Public Service Authority/ Backbone Ridge Ph 4/Gilbert Drive Water Line Replacement Project ($700,000)
- PemTel's Rte 100/Rte 42 Corridor Broadband Project ($700,000)
- Lee County Board of Supervisors/ Stickleyville Waterline Extension – Middle Wallens Creek Phase 1 ($700,000)
- Martinsville MiNet Expansion ($700,000)
- Town of Pulaski/ Calfee Community and Cultural Center ($500,000)
- Wise County Riverview Sewer ($545,692)
- Friends of SWVA Southwest Virginia Creative Economy Assessment and Development Initiative ($300,000)
- Round the Mountain Artisan Network – Celebrating Appalachian Arts ($300,000)
- Bristol 2024: Pre-Engineering Feasibility Study for Mendota Trail Downtown Bristol Connector ($70,000)
- City of Galax Rex Theater Revitalization ($50,000)
- Sunset Holler Southern Gap Amphitheater ($700,000)
- Citizens Telephone Cooperative ($540,000)
- New River Valley Passenger Rail Authority ($252,000)
- CWIA Wastewater Treatment System ($700,000)
- Invest SWVA ($234,000)
- West Piedmont PDC Universal Broadband Project ($700,000)
- Bland Ministry Center Dental Clinic Construction Project ($500,000)
- Barter Smith Theater Renovation ($700,000)
- Stuart Downtown Revitalization ($700,000)
- St. Charles- Monarch Waterline Replacement ($700,000)

Affordable and Special Needs Housing (ASNH) totaling $4,159,225

- North Fork Manor, Smyth County, 56 units, $2,423,000 (FY24)
- Airport Road Townhomes, Montgomery County, 11 units $936,225 (FY24)
- Legacy on Main, Montgomery County, 56 units, $800,000 (FY24)

Housing Trust Fund Homeless Reduction Grant 2024 Awards totaling $2,177,418.59
- Northern Virginia Family Service Prince William Area Rapid Re-Housing Program

(Giles, Montgomery, Floyd and Pulaski counties and City of Radford) $160,185.59
- Valley Community Services Board Rapid Re-housing Youth (Bath, Highland and Rockbridge counties and the Cities of Buena Vista and Lexington) $227,115
- People Incorporated Cumberland Plateau Rapid Re-housing (Buchanan, Dickenson, Russel, Tazewell and Washington counties and the City of Bristol) $117,937
- Family Crisis Support Services Permanent Supportive Housing Serbie (Dickenson, Lee Scott, and Wise counties and City of Norton), $432,241,
- Family Crisis Support Services Youth Innovative Project (Dickenson, Lee Scott, and Wise counties and City of Norton) $379,773
- Council of Community Services Rapid Re-housing (Alleghany, Botetourt, and Craig Counties and the City of Covington), $203,610, (FY24)
- New River Community Action Rapid Re-housing (Giles, Floyd, Montgomery, Pulaski counties and the City of Radford), $132,850, (FY24)
- People Incorporated of Virginia Cumberland Plateau Permanent Supportive Housing (Buchanan, Dickenson, Russel, Tazewell, Washington counties and City of Bristol), $89,859, (FY24)
- Family Crisis Support Services Housing Trust Fund Rapid Re-housing (Dickenson, Lee Scott, and Wise counties and City of Norton), $433,848, (FY24)

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.

2023 CDBG Competitive Awards in ARC Region Totaling $6,163,630:
- Bland County ($1,250,000)
- Lee County ($983,991)
- Town of Abingdon ($945,259)
- Town of Glade Spring ($702,584)
- Town of Stuart ($990,272)
- Town of Big Stone Gap ($1,291,524)

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.

2024 Virginia Main Street Awards Totaling $276,000:

- Gate City Frontier ($15,000),
- Downtown Wytheville Landscape Architecture Lab ($25,000)
- SAPG 2025 GRO Downtown Entrance Beautification ($30,000)
- Marion Downtown ($50,000)
- Tazewell Today Inc. ($50,000)
- Believe in Bristol ($60,000),
- Clifton Forge ($15,000),
- Covington ($6,000),
- Waynesboro ($15,000)
- Buena Vista ($10,000)

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 (2024) Totaling $4,200,000:
- City of Martinsville ($2,800,000),
- Joint Industrial Development Authority of Wythe County ($750,000),
- City of Buena Vista ($650,000)

ARC Region Grantees (2023) Totaling $5,750,000:
- Town of Abingdon ($5,000,000)
- Town of Bluefield ($750,000)

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:

1. Virginia urgently needs strong private-sector growth
2. Growth in Virginia's diverse regions requires collaboration
3. State government must be a catalyst and partner

GO Virginia regions located in 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

GO Virginia ARC Projects (2023-2024): Totaling $1,794,425

- United Way of Southwest Virginia GO TEC Expansion ($491,196)
- Progress Park Lot ($425,876)
- Shenandoah Valley Workforce Development Board TPI ($250,000)
- Developing IT and Cybersecurity Certification Pipeline (ITCCP) to Advance Cluster Growth ($202,872)
- MRRP Site Selection Identification and Evaluation, 2024 ($100,000)
- Wildwood Commerce Park Site 1 Due Diligence ($100,000)
- GMP Clean ($100,000)
- WiseLink Coalfield Transformation Project ($99,481)
- ASD Agricultural Campus Site Planning ($25,000)

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 (2023-2024) Totaling $8,705,234
- Giles County and Pemtel ($4,199,596)
- Alleghany County and Craig Botetourt Electric Cooperative/ Bee Online ($2,332,353)
- Rockbridge County and Brightspeed ($975,865)
- Rockbridge County and BARC Connects ($1,197,320)

Other State Investments in the ARC Region

Abandoned Mine Land Economic Revitalization (AMLER):

The Virginia Department of Energy'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. 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.

AMLER 2024 Awards

- Access Road to Project Intersection (Wise County) $4,750,000
- Richlands Electric Diversification Project (Tazewell County) $2,000,000
- Cumberland Outdoor Recreation (Dickenson and Buchanan Counties) $2,750,000
- Project Wildcat (Wise County) $500,000
- Big Cherry

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. There are sixteen (16) counties and four (4) cities in Appalachia that are included in the Southwest Virginia Tobacco region. Many TRRC awards serve as match funds for ARC Projects. The Commissions key funding priorities are:

      1. Education and workforce development
      2. Agribusiness expansion
      3. Access to affordable, reliable, renewable, and clean energy resources
      4. Tobacco Region Opportunity Fund for competitive localities
      5. Industrial and business infrastructure

TRRC Awards
- Friends of SWVA Southwest Virginia Creative Economy Assessment and Development Initiative ($250,000)
- Southwest Virginia Community College 2024-2025 Tobacco WFA Scholarship Grant ($240,000)
- City of Galax Rex Theater Revitalization ($50,000)
- Washington County Anderson & Sons Meats and Processing ($141,377)
- Bristol 2024: Pre-Engineering Feasibility Study for Mendota Trail Downtown Bristol Connector ($70,000)
- St. Paul Tomorrow Inc. Deen Building Redevelopment Project ($639,730)
- Carroll County Vacuum Cooler- Phase 2 Processing Expansion ($204,430)
- Mountain Empire Community College MECC WORKS ($240,000)
- Patrick & Henry Community College Foundation ($240,000)

- Virginia Highlands Community College Educational Foundation ($240,000)
- Round the Mountain: Southwest Virginia's Artisan Marketing and Development Initiative ($100,000)
- Abingdon Feeder Cattle Association New Beef Builder Initiative ($300,000)
- Wytheville Community College Forging Futures Scholarship Program ($240,000)
- Grayson natural Farms, LLC ($600,000)
- Theatre Guild of Buchanan County ($317,000)
- Lee County Livestock Association Forage Production Initiative for Southwest Virginia ($262,500)
- Friends of Southwest Virginia Outdoor Economy Recreation Plan ($55,000)
- Appalachian Highlands Community Dental Center ($178,070)
- Russel County Industrial Development Authority ($112,750)
- Appalachian Sustainable Development Agricultural Campus Site Development Plan ($29,435)
- Mount Rogers Regional Site identification and Evaluation Process ($140,000)
- The Crooked Road: Musical Milestones ($30,000)
- City of Galax Project Light Community Center and Business Incubator ($74,000)
- LENOWISCO PDC Building at Project Intersection ($800,000)

Virginia Housing

Virginia Housing is a self-supporting, not-for-profit organization created by the Commonwealth of Virginia in 1972 to help Virginians attain quality, affordable housing. Virginia Housing provides mortgages, primarily for first-time homebuyers and developers of quality rental housing. We use no state taxpayer dollars, but raise money in the capital markets to fund our loans. We also teach free homeownership classes, and help people with disabilities and the elderly make their homes more livable. Virginia Housing works with lenders, developers, local governments, community service organizations and others to help put quality housing within the reach of every Virginian.

Predevelopment Loans totaling $500,000

- Bristol Redevelopment and Housing Authority, City of Bristol, $250,000 (FY24)
- Cumberland Plateau Redevelopment and Housing Authority, Russell County, $250,000 (FY24)

Community Impact Grants totaling $648,500

- Mount Rogers Planning District Commission, Town of Marion $150,000 (FY24)
- Mount Rogers Planning District Commission, Town of Marion (Stabilization), $150,000 (FY24)
- Joint IDA of Wythe County, Wytheville, $150,000 (FY24)
- Joint IDA of Wythe County Planning Grant, Wytheville, $20,000 (FY24)
- West Piedmont PDC, Patrick and Henry Counties and City of Martinsville, $20,000 (FY24)
- Mount Rogers PDC, Saltville, $40,000 (FY24)
- Bristol Redevelopment and Housing Authority, $60,000 (FY24)
- The Advancement Foundation, Buena Vista, $38,500 (FY24)
- Henry County, $20,000 (FY24)