



Grant Year
2018
Annual Report

Industrial Revitalization Fund

2018 INDUSTRIAL REVITALIZATION FUND SNAPSHOT

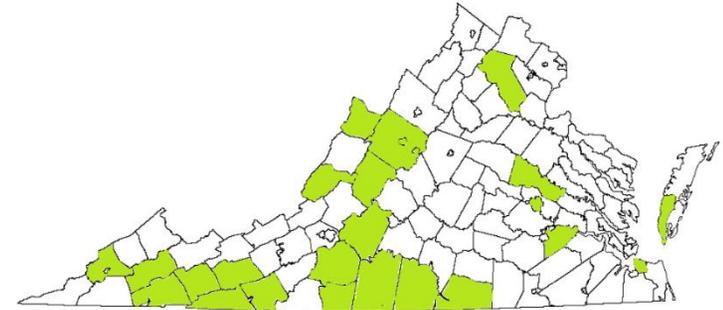
TOTAL PROJECTED INVESTMENT IN PROJECT AREAS (2018): \$10.9 Million

\$ PUBLIC: \$1.4 Million
PRIVATE: \$9.5 Million

South Boston - \$ 7.86 Million

Cape Charles - \$ 1.87 Million

Big Stone Gap- \$ 1.25 Million



GRANT RECIPIENTS

\$1.45 million awarded

3

IRF Grants Awarded
\$480,000 each

43

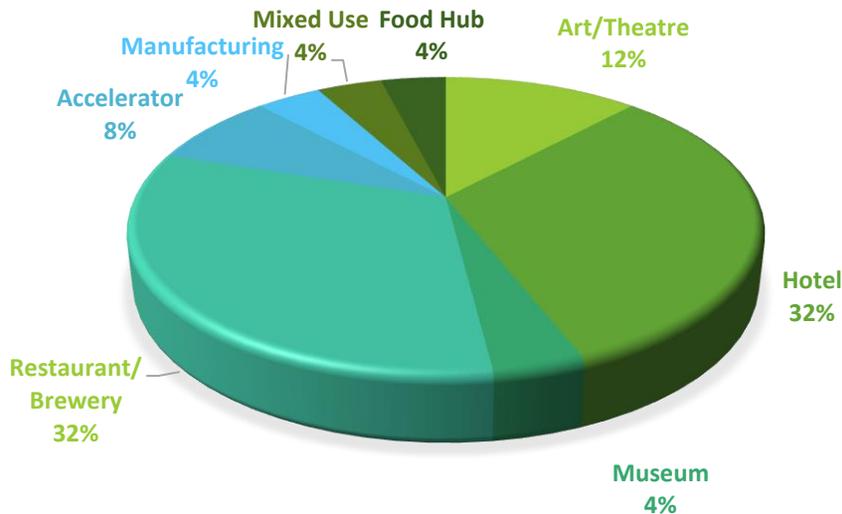
of jobs created

\$9.5 million

Amount of Private Investment

RESULTS TO DATE ('12-'18)

IRF PROJECT END USES



26

BUSINESSES OPEN AS A RESULT OF IRF FUNDS

INDUSTRIAL REVITALIZATION FUND OVERVIEW

The Industrial Revitalization Fund (IRF) assists localities in addressing blighted structures in their communities that have contributed to the disinvestment of the property and surrounding neighborhood. “Industrial” structures are considered any non-residential structure significant to the community, due to its size, location and/or economic importance. These remnants of past economic vibrancy and local economies in transition are no longer suited for their former purpose and therefore serve as opportunities for a community to leverage local and private resources to create community development projects that will reduce blight and be a catalyst to future investment downtown.

Since 2012, IRF has been deployed in 28 communities across the commonwealth, although funding for the program has varied over time. IRF grants are performance based, and outcomes are measured on the creation of jobs, redevelopment of the property into a commercial end-use and total public/private investment into the project.

Figure 1: Funding by Year Results

Funding by Grant Year	# of Communities Assisted	Jobs Created	Private Investment
FY12: \$2.8 Million	6	38	\$5.04 Million
FY13: \$600,000	2	10	\$5.02 Million
FY14: \$2.04 Million	5	39	\$25.7 Million
FY15: \$2.3 Million	4	47	\$8.4 Million
FY16: \$1.9 Million	4	54	\$4.6 Million
FY17: \$1.9 Million	4	47	\$19.2 Million
FY18: \$1.45 Million	3	43	\$9.5 Million
TOTAL:	28	278	\$77 Million

“The Regional Accelerating and Mentor Program (RAMP) center has been transformative for our community, fulfilling an important need in Roanoke’s rapidly maturing innovation ecosystem. Having a dedicated home at the Gill Memorial Building has allowed us to enhance a key gateway to our downtown and provide a ballast point for our burgeoning innovation corridor.”

*-Marc Nelson, Economic Development
City of Roanoke*



INDUSTRIAL REVITALIZATION FUND PROJECT HIGHLIGHTS

Cape Charles Brewing Company, Cape Charles: Population – 1,009

- After the completion of the Chesapeake Bay Bridge tunnel connecting Hampton Roads to the Eastern Shore, commerce by rail ended in Cape Charles, and the area saw significant disinvestment.
- The revitalization of the Cape Charles Brewing Company transformed the property into a revenue-generating, cultural and tourism boon for the area, and provided a destination for the 5 million travelers that pass through the region annually.
- Cape Charles Brewing Company is now a 15-barrel production system (estimated \$400,000 investment), and the company has plans to distribute to local grocers, restaurants, and eventually throughout the state.



- At this time, Cape Charles Brewing Company has employed 13 full-time and seven part-time employees.
- In addition to job creation, the brewery will create an estimated \$63,000 in town/county sales tax revenue, \$5,000 in equipment tax and \$2,100 in real estate tax (excluding payroll taxes from staff) for a building that had not been on the tax rolls for several years.



"The IRF grant we received for Beale's Brewery was the missing piece to help restore the historic woolen mill building into a 30-barrel production brewery and full-service restaurant. Not only are thousands of new visitors coming to Bedford to discover the new brewery annually, the flagship beer, Beale's Gold, is now shipped to more than 100 locations in Virginia!

*-Traci Blido
Economic Development Director
Bedford County, VA*

INDUSTRIAL REVITALIZATION FUND PROJECT HIGHLIGHTS

John Randolph Hotel, South Boston: Population – 7,773

- The John Randolph Hotel building is located directly on the main corridor in downtown and is a highly-visible, deteriorating, four-story vacant structure.
- In 2012, Destination Downtown South Boston received funding from Virginia Main Street to complete a feasibility study of the property, which motivated the town of South Boston to secure a hotel developer and purchase the property.
- Now that the hotel has received IRF funds to fill the gap of financing needed to complete the project, the building is being transformed into a boutique hotel, complete with 27 rooms, a restaurant, rooftop bar and gift shop.
- Once in operation, the hotel is projected to employ 21 full-time equivalent positions, in addition to generating \$1.5 million in gross sales, amounting to \$118,000 annually in sales, occupancy, local meals, business and personal, and water and sewer tax revenue for the locality.



Mutual Pharmacy Complex, Big Stone Gap: Population – 5,263

- Big Stone Gap identified the revitalization of its central business district, façade improvements, and adaptive reuse of existing buildings as part of their economic development and comprehensive plans.
- The community was devastated when the Mutual Pharmacy closed in 2013, which had been an iconic lunch destination, pharmacy, set for *Big Stone Gap* the movie and a gathering place for town residents for decades. They knew the building, without an active use, would be left empty and subjected to further deterioration.
- With resources from IRF, Appalachian Regional Commission, Virginia Department of Environmental Quality and Virginia Coalfield Economic Development Authority, Big Stone Gap will transform the Mutual Pharmacy building into a restaurant/bar space with upper-story, short-term lodging in order to draw locals and visitors downtown for outdoor events, unique food and increase tourism to the area.
- Once the revitalization is complete, between 20-25 jobs will be created, and the town anticipates the new business will generate \$20,000 in business license and meals taxes for the locality, as well as \$6,500

in transient tax revenues with the addition of short-term lodging.



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