



Industrial Revitalization Fund (IRF)



2020
ANNUAL
REPORT



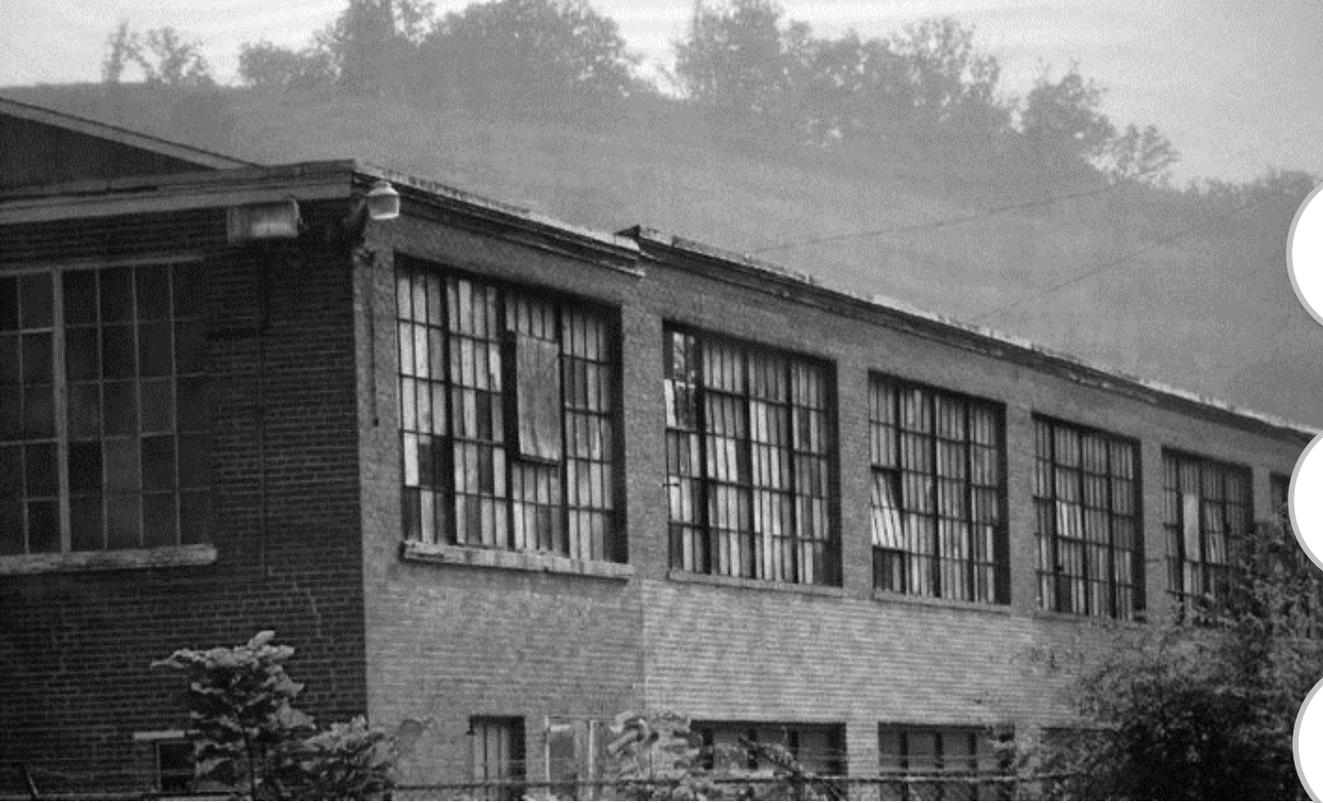
"Strong infrastructure is key to any economic strategy in the commonwealth, and through this funding, we are supporting the revitalization of vacant structures that will bring new life into these communities."

- Governor Northam

DEPUTY DIRECTOR'S STATEMENT

Through leveraging the Industrial Revitalization Fund, localities across the commonwealth have been able to foster community and economic transformation. Mid-sized to larger under- or unutilized facilities that are "brought back to life" through these efforts offer revived economic opportunities, restored fabric of the built environment creating a reimagined sense of place, and re-energized local activity providing numerous direct and indirect benefits to communities. Indeed, the IRF methodology is such that the restoration of establishments and enterprises equals new energy needed to foster thriving communities.

- Jay Grant, Deputy Director of Community Development



FUNDING PRIORITIES



Relationship to a local or regional economic development strategy



High degree of blight and deterioration to be addressed



Project readiness



Project with a clear end use



End use has a clear and significant community impact

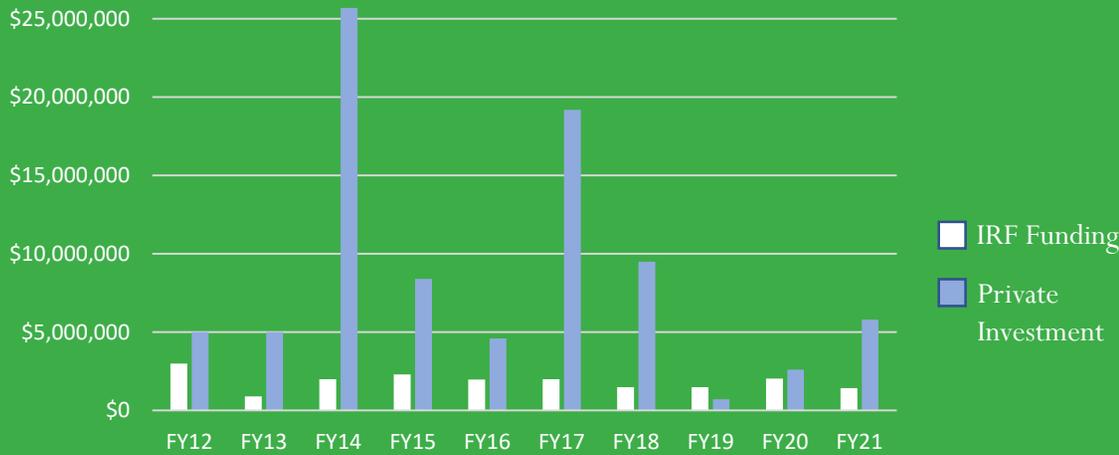


High economic distress in project locality

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.

IRF DATA POINTS



Since 2012, IRF has been deployed in 38 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.

FUNDING BY YEAR RESULTS			
Funding by Grant Year	Communities Assisted	Jobs Created	Private Investment
FY12: \$2.8 M	6	38	\$5.04 M
FY13: \$600,000	2	10	\$5.02 M
FY14: \$2.04 M	5	39	\$25.7 M
FY15: \$2.3 M	4	47	\$8.4 M
FY16: \$1.9 M	4	54	\$4.6 M
FY17: \$1.9 M	4	47	\$19.2 M
FY18: \$1.45 M	3	43	\$9.5 M
FY19: \$1.5 M	3	89*	\$725,340*
FY20: \$2.04 M	4	28*	\$2.6 M*
FY21: \$1.5 M	3	65*	\$5.8 M*
TOTAL	38	460	+ \$86.5 M

*Anticipated

IRF Projects 2012-2020



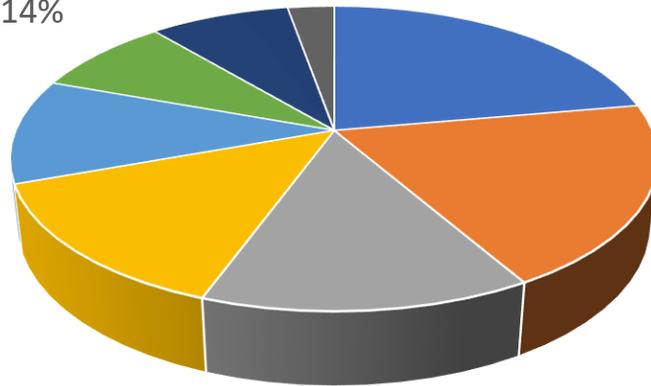
Anecdotally I can report substantial increases to “foot traffic” in our downtown since the theatre has opened. This additional traffic has been a great help to our downtown restaurants, but has also been positive for our local retail establishments. The meals tax information is the best direct indicator of the impact of this project, but I can also share that due to renovation and opening of the theatre one set of long term property owners have decided to renovate their adjacent buildings and set them up for additional business investment. These properties would probably be described as “underperforming” in the planning and economic development world, but are now being renovated.

*- Joshua Farrar,
Ashland Town Manager*



IRF PROJECT END USES

- Mixed-use 22%
- Hotel 19%
- Restaurant or Brewery 14%
- Theater 14%
- Office 11%
- Retail 9%
- Museum 8%
- School 3%



IRF projects must have an end use with a commercial aspect. For mixed-use projects, at least 30% of the property has to be slated for commercial use. This breakdown of IRF projects to date shows the range of end uses that have been funded.

ORIGINAL PROPERTY USES



The IRF program is not only available to “industrial” properties, but almost most any vacant or deteriorated commercial, industrial, or institutional property can qualify. The chart above shows the original property uses for projects that have been awarded.



ASHLAND THEATRE PROJECT COMPLETED IN 2018

The town of Ashland was awarded \$500,000 for the renovation of the historic Ashland Theatre. Now complete, the 300-seat entertainment venue has a movie theater and stage for live performances. The landmark structure is located in the heart of Ashland and serves as a gateway to the town's historic main street district.



RENOVATIONS

IRF money went toward the rehabilitation of the 6,108-square-foot theatre, which included updating the HVAC, electrical, lighting, sound, seating, stage and bathrooms.



ECONOMIC IMPACT

The town of Ashland contributed over \$515,000 for the renovation. The theatre is being operated by the nonprofit, Ashland Theatre Foundation, and upon opening, had created three full-time and 12 part-time positions.





PROJECT APPLE PROJECT COMPLETED IN 2019

The Norton Industrial Development Authority was awarded \$480,000 to create a restaurant, cidery and second-floor entrepreneurial center in four vacant buildings located along Norton's main retail corridor.



RENOVATIONS

IRF money went toward the rehabilitation of the 8,000-square-foot building, which included site preparation, some demolition and interior remodeling.



ECONOMIC IMPACT

Over \$1.14 million was put towards this project from the NIDA, CDBG, Virginia Department of Agricultural and Community Services and private sources. With the opening of Sugar Hill Cidery, 23 full-time positions were created.

FY2021 AWARDEES

VINTON

The redevelopment of the historic mill will include a small restaurant, seasonal market, speakeasy in the basement and the conversion of the original mill structure and concrete silos into lodging with three to 10 rooms. The project will create two businesses that will support 37 jobs and leverage \$1,897,137 in private investment.

WARSAW

The redevelopment of the three-story, 37,264-square-foot former hardware store will result in a restaurant, brewery, additional retail space and office locations. The project plans to create five businesses, support 27 jobs and leverage \$114,553 in private investment.

WYTHEVILLE

The redevelopment of this 16,670-square-foot former theatre will be transformed into a newly renovated and modern facility to host live and film entertainment, and will be used as a center for performing arts education. The project will create 16 jobs and leverage \$416,900 in private investment.

PROJECTS UNDERWAY

Highland Inn | Highland County

IRF Award: \$600,000

Completion: Feb 2021

2506 Jefferson Ave. | City of Newport News

IRF Award: \$480,000

Estimated Completion: April 2021

Allegheny Discovery Center | City of Covington

IRF Award: \$390,000

Estimated Completion: Oct. 2021

Lyric Theatre | Town of St. Paul

IRF Award: \$550,000

Estimated Completion: Dec. 2021

Planter's Tobacco Warehouse | Town of Clarksville

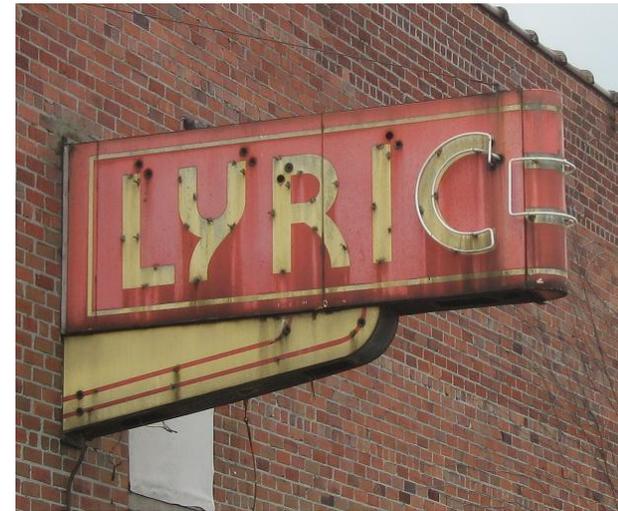
IRF Award: \$600,000

Estimated Completion: April 2022

Bedford Campus Redevelopment | Town of Bedford

IRF Award: \$550,000

Estimated Completion: Sept. 2022



PORT HOST COMMUNITY REVITALIZATION FUND

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Beginning in FY20, the General Assembly allocated \$1 million in funding to the Port Host Community Revitalization Fund (PHCRF) for the strategic removal or redevelopment of port related properties in the five port host communities of the town of Front Royal and the cities of Newport News, Norfolk, Portsmouth and Richmond.



PHCRF

DHCD's IRF team administers these grants, and expects applications from all five port host communities for FY22. Three projects were awarded in FY20 and another three projects in FY21. For FY22, an additional \$ 500,000 has been allocated to the fund.

Financial barriers typically block the timely redevelopment of these structures, and they require more than local resources to attract private sector investment and make a deal cash flow. PHCRF is meant to leverage local and private resources to achieve market-driven redevelopment of these structures, creating a catalyst for long-term employment opportunities and on-going physical and economic revitalization. PHCRF is flexibly designed to allow a wide variety of revitalization and redevelopment activities, such as acquisition, rehabilitation, or repair of specific structures, as well as site remediation, demolition, removal and other physical activities.

PROJECTS FUNDED

FY20

Portsmouth | \$500,000 Project Power

Demo and site preparation of a decommissioned coal-fired plant for industrial redevelopment

FY20

Newport News | \$250,000 Menchville Marina Phase I

Design & upgrades for publicly owned marina leased by a group of commercial seafood businesses

FY20

Norfolk | \$250,000 Railyard at Lambert's Point

Funds going toward acquisition, demolition and site preparation to prepare for redevelopment

FY21

Portsmouth | \$500,000 Lovett Point

Abatement and demolition to prepare 19 acres for redevelopment

FY21

Newport News | \$250,000 Menchville Marina Phase II

Repairs and shoreline stabilization for second phase of project

FY21

Norfolk | \$250,000 Willis Building

Site demolition to prepare for redevelopment

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