



**GO VIRGINIA REGION 9**  
**Enhanced Capacity Building (ECB) < \$100,000 Grant Application**

Project Name: **Cluster Scale Up (Region 9 Planning Grant)**

Grant Period (# of months): 12 months

Applying Organization: County of Nelson

Address: PO Box 336

City: Lovingston, VA

Zip Code: 22949

**Project Primary Contact:**

Full Name: Maureen Kelley

Title: Director, Economic Development and Tourism

Email: makelley@nelsoncounty.org

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**Region 9 Project Frameworks:**

Select the framework that applies to this project.

|                          |                    |                                     |                           |
|--------------------------|--------------------|-------------------------------------|---------------------------|
| <input type="checkbox"/> | Talent Development | <input checked="" type="checkbox"/> | Growing Existing Business |
| <input type="checkbox"/> | Entrepreneurship   | <input type="checkbox"/>            | Site Readiness            |

**Region 9 Target Sectors:**

Select the sectors this project will target.

|                                     |                               |                          |                               |
|-------------------------------------|-------------------------------|--------------------------|-------------------------------|
| <input type="checkbox"/>            | Biomedical & Biotechnology    | <input type="checkbox"/> | Financial & Business Services |
| <input checked="" type="checkbox"/> | Food & Beverage Manufacturing | <input type="checkbox"/> | IT & Communications           |
| <input type="checkbox"/>            | Light Manufacturing           | <input type="checkbox"/> | Other: Emerging               |

**GO Virginia Program Goals:**

Select the program goals this project will serve.

|                                     |                    |                                     |   |
|-------------------------------------|--------------------|-------------------------------------|---|
| <input type="checkbox"/>            | Higher-Paying Jobs | <input type="checkbox"/>            | Out-of-State Investment                                   |
| <input checked="" type="checkbox"/> | Transformational   | <input checked="" type="checkbox"/> | Collaboration between business, education, and local gov. |

**Participating Localities (Two Minimum): UPDATE as new localities join**

|                                     |           |                                     |                 |                                     |              |                                     |          |
|-------------------------------------|-----------|-------------------------------------|-----------------|-------------------------------------|--------------|-------------------------------------|----------|
| <input checked="" type="checkbox"/> | Albemarle | <input checked="" type="checkbox"/> | Charlottesville | <input checked="" type="checkbox"/> | Culpeper     | <input checked="" type="checkbox"/> | Fauquier |
| <input checked="" type="checkbox"/> | Fluvanna  | <input checked="" type="checkbox"/> | Greene          | <input checked="" type="checkbox"/> | Louisa       | <input checked="" type="checkbox"/> | Madison  |
| <input checked="" type="checkbox"/> | Nelson    | <input checked="" type="checkbox"/> | Orange          | <input checked="" type="checkbox"/> | Rappahannock | <input type="checkbox"/>            |          |



| Budget Category                              | GO Virginia Funds | Matching Funds   | Additional Leverage | TOTAL            |
|--|-------------------|------------------|---------------------|------------------|
| <b>Administration* (8%)</b>                  |                   |                  |                     |                  |
| <i>CVPED Use Only</i>                        | \$                | n/a              | n/a                 |                  |
| <b>Program Operations</b>                    |                   |                  |                     |                  |
| <i>Administration</i>                        | \$2,500           |                  |                     |                  |
| <i>Architectural and Engineering Fees</i>    |                   |                  |                     |                  |
| <i>Audit</i>                                 |                   |                  |                     |                  |
| <i>Contingencies</i>                         |                   |                  |                     |                  |
| <i>Contract Services</i>                     | \$97,500          |                  |                     |                  |
| <i>Equipment</i>                             |                   |                  |                     |                  |
| <i>Fees and Licenses</i>                     |                   |                  |                     |                  |
| <i>Fiscal Management/Accounting Services</i> |                   |                  |                     |                  |
| <i>Fringe Benefits</i>                       |                   |                  |                     |                  |
| <i>Hardware/Software</i>                     |                   |                  |                     |                  |
| <i>Indirect Costs (10% maximum)</i>          |                   |                  |                     |                  |
| <i>Legal Expenses</i>                        |                   |                  |                     |                  |
| <i>Market and Feasibility Study</i>          |                   |                  |                     |                  |
| <i>Needs Assessment</i>                      |                   |                  |                     |                  |
| <i>Outreach</i>                              |                   |                  |                     |                  |
| <i>PER/PAR</i>                               |                   |                  |                     |                  |
| <i>Planning/Assessment</i>                   |                   |                  |                     |                  |
| <i>Rent/Lease</i>                            |                   |                  |                     |                  |
| <i>Salaries</i>                              |                   | \$100,000        |                     |                  |
| <i>Sewer Improvement</i>                     |                   |                  |                     |                  |
| <i>Site Work</i>                             |                   |                  |                     |                  |
| <i>Stormwater Management</i>                 |                   |                  |                     |                  |
| <i>Studies</i>                               |                   |                  |                     |                  |
| <i>Supplies</i>                              |                   |                  |                     |                  |
| <i>Survey</i>                                |                   |                  |                     |                  |
| <i>Taxes and Insurance</i>                   |                   |                  |                     |                  |
| <i>Telecommunications</i>                    |                   |                  |                     |                  |
| <i>Training</i>                              |                   |                  |                     |                  |
| <i>Travel</i>                                |                   |                  |                     |                  |
| <i>Utilities</i>                             |                   |                  |                     |                  |
| <i>Water Improvements</i>                    |                   |                  |                     |                  |
| <i>Website Development</i>                   |                   |                  |                     |                  |
| <i>Other: Specify</i>                        |                   |                  |                     |                  |
| <b>TOTAL (whole numbers only)</b>            | <b>\$100,000</b>  | <b>\$100,000</b> | <b>\$0</b>          | <b>\$200,000</b> |

\*8% of the total GO Virginia request must be made available to the Central Virginia Partnership (CVPED) for grant management. This amount is to be included in the TOTAL calculation and matching funds are also required.

Please describe the project budget and sources of matching funds (2,000-character limit, including spaces):

Requesting a total of \$100,000 of GO Virginia funds. The majority of funds, \$97,500, will be used for Contract Services to hire a consultant to create the report and recommendations. The remaining funds, \$2,500, are for the contract management by the support organization (Central Virginia Partnership for Economic Development).

❖ **Required Budget Attachments**

- Budget Overview ([Template](#))

## Application Questions

*3,000 character-limit for each question, including spaces. No tables or charts, please. Be concise and present the most important information first.*

### Economic Impact

1. Insert an Executive Summary style narrative of the project here limited to one page and include:

The Cluster Scale Up project is a 12-month planning grant request for \$100,000 to clarify the composition of the Wine Industry in GO Virginia Region 9 (Region 9) and identify barriers to scaling in addition to developing strategies that address gaps. The project will be led by Nelson County in collaboration with all 10 other regional localities. \$101,534 of match is provided through; local government cash match of \$30,000; local government in kind match of \$45,874; private sector in kind match of \$25,660. At the time of the grant submission, Greene County Tourism Council is considering a \$5,000 cash match as well. Additionally, 4 businesses and organizations have or will be providing input in this process, including Revelation Winery, Afton Mountain Vineyards, Monticello Wine Trail, William Compliance and the Virginia Wineries Association. The wineries that will serve on the advisory council will represent different size and business model types of wineries. Other industry organizations have also been consulted include Joy Ting, Piedmont Virginia Community College and the Central Virginia Partnership for Economic Development.

This is a Scale Up (Growing Existing Business) project that is targeting the Food & Beverage Manufacturing cluster, specifically the Winery industry within the cluster. The project addresses the following grant opportunity from the Region 9 Growth & Diversification Plan Update (2019): *“Evaluate challenges to each or all regional target sectors to identify gaps that inhibit regional sectors from scaling to attain a critical mass of enterprises, talent, and intellectual property.”*

There is a need for a regional evaluation of the wine making industry in the region to identify barriers to growth and expansion of the industry including ways to drive exports out of the state. Existing reports, Economic Impact Report (2019), the Grape Report (2022) and the Wine Vision (2022) by the Virginia Wine Board have evaluated the state economic impact of the state, acres under vine, and vision but they do not include identified barriers and actions for addressing.



The Region 9 footprint currently includes over 116 wineries and vineyards. They span across Central Virginia and parts of the Northern Virginia Wine Regions. These wineries are an integral part of the Food & Beverage Manufacturing Cluster in the region. As of Q1 2023 wineries employ over 1,130 people with a location quotient of 12.43. Of note, the 2022 Commercial Wine Grape Report indicates that of the 5,000 acres of vineyards planted in Virginia a minimum of 2,186 are listed as being within 7 of the 10 counties in GO Virginia Region 9. As an important traded sector, also connected to the maturing agriculture industry and the region's top hospitality industry, a report is needed to identify supply chain gaps and issues facing this cluster that are inhibiting expansion in the region and exports outside of Virginia.

The goal of the project is to engage stakeholders to develop strategies and action steps for addressing gaps. The action plan would include leadership organizations and funding sources, including GO Virginia grants. Activities will include hiring a consultant, surveys to wine ecosystem support organizations, meetings with industry stake holders, and business led coalitions to validate findings.

2. Provide a monthly project timeline of planned milestones and fund disbursement.

This project is strategically being developed now, during the busy harvest season (August to October) with the expectation that if awarded in November/December activities can begin in the quieter business times for wineries of November to April.

Month 1 – Grant Award (sign contract, develop advisory board, promote award activities) (\$0 funds disbursed, admin \$ accrued)

Month 2 – release RFP for consultant, hire part time project manager (\$0 funds disbursed, admin \$ accrued)

Month 3 to 8 – contract with consultant, engage stakeholders, validate with private sector (\$50,000 funds disbursed, admin \$ remitted)

Month 9 – 12 – publish report and recommendations for future funding opportunities and ensure next steps are underway (\$43,000 funds disbursed, admin dollars remitted)

3. Expand on goals, activities, possible metrics, and expected outcomes/products noted above, as needed.

The goal of this grant is to generate a report with related recommendations for addressing gaps to expansion or driving exports. The report will include recommendations for future grant funding opportunities, including GO Virginia, as well as grant leaders and partners.

There is an expectation that an implementation grant will follow soon after this report is developed.

Specific areas to address include:

- Labor
- Financial support



- Availability and quality of the agricultural product
- Marketing within the Commonwealth, nationwide and beyond
- Availability and cost of supplies and chemicals
- Knowledge transfer
  - Review the Virginia Wine Center project and recommend next steps
- Production facilities
- Legal issues at the state and county levels
- Tax issues at the state and county levels
- Distribution and transport of packaged products

Activities will include:

- Consultant - Hire a qualified consultant to evaluate the wine cluster in Region 9 and publish a report that includes an assessment, identification of barriers to growth, and strategies for addressing gaps, and action plan including partners and funders.
- Surveys to the membership of the Virginia Wineries Association and the Virginia Vineyards Association.
- Meetings with industry-wide stakeholders: Virginia Wine Board past and current members, marketing Office of the Virginia Wine Board, Virginia Winery Distribution Company, Williams Compliance, Winemakers' Research Exchange, Virginia Tech and extension current and retired faculty, custom-crush facility owners and managers, vineyard and winery consultants, owners of long-established vineyards and wineries, bottling and canning companies.
- Whenever needed, consultation with stakeholders in other states to compare strategies and remedies.
- Business-led coalition to validate findings and recommendations.

## Regional Collaboration

4. Describe the regional service area and roles of localities, business, higher education, and other partners. Note any Letters or Support attached.

This project is designed to serve all of Region 9.

Regional wineries and service providers were engaged in developing this grant and have provided Letters of Support. They will also serve on a collation and advisory committee to validate the data and engage in the report development. The same is also true of local economic developers. Piedmont Community College will be represented on the advisory council and assist with initial research and feedback sessions.

This project has been discussed with stakeholders including: Afton Mountain Vineyards, Veritas Winery and Vineyards, Revalation Winery, Monticello Wine Trail, Virginia Wineries Association, Montifalco Winery, Chateau MerillAnne and 53<sup>rd</sup> Winery.

5. Describe how this project is additive, not duplicative of, other efforts, if any.

There has not been a sector report on the winery cluster in this region that seeks to evaluate gaps and barriers to expansion and export growth that is led by leaders in this industry. As mentioned previously the Virginia Wine Board does a report on the statewide economic impact of this industry but the last report published in 2022 reports on 2019, so it is lagging.

The Region 9 Council has supported a workforce development grant that was deemed to not be feasible due to the onset of COVID, though most job metrics were met. During COVID the Council awarded an ERR grant to help this sector handle the impact of COVID that was deemed successful. This project represents a pro-active approach to determine what regional stakeholders should know and do to support this industry.

There are several state agencies and statewide organizations that do serve the winery industry directly and indirectly. (See <https://www.virginiawine.org/industry>) However, their activities do not include generating a business led report to address gaps and barriers to expansion and export growth. For example, the Virginia Wine Board does promotion, education and information sharing. (Virginia Vineyards Association, Virginia Wine Board, Virginia Wine Board Marketing Office, Virginia Winemakers Research Exchange, Virginia Wineries Association, Virginia Winery Distribution Company)

❖ **Required Regional Collaboration Attachments**

- Letters of Support (Letter from Regional Council Chair is required)

## **Project Readiness**

6. This planning grant is supported by each of the economic development offices and several tourism offices. Each colleague has pledged support to connect with each of the wineries in their locality to ensure that all voices are heard and the issues are understood. The data and information gathering process will include outreach to not only wineries, but ancillary businesses (suppliers and distributors), school divisions, community colleges and higher education. Regional organizations such as the Central Virginia Partnership for Economic Development, the Central Virginia Small Business Development Center, Community Investment Collaborative and Thomas Jefferson Planning District Commission are all ready to assist with this project.
7. Discuss prerequisite activities completed to engage localities, subject matter experts, regional partners and other stakeholders in developing this proposal.

This proposal was initiated by a Region 9 Council member and winery owner, Francoise Seillier-Moiseiwitsch, Revalation Vineyards, Madison County in collaboration with local economic developers from Nelson and Madison County. The initial concept was developed, and early conversations were had with other regional economic development offices, vineyard owners and ecosystem stakeholders such as:



Central Virginia Partnership for Economic Development  
Fauquier County Economic Development and Tourism Departments  
Afton Mountain Vineyards  
Montifalco Vineyards  
Chateau MerillAnne  
53rd Winery  
Veritas Winery and Vineyards  
Monticello Wine Trail  
Charlottesville Economic Development and Tourism Departments  
Culpeper Economic Development and Tourism Departments  
Fluvanna Economic Development and Tourism  
Louisa Economic Development and Tourism Departments  
Rappahannock County  
Greene County Economic Development and Tourism  
Williams Compliance  
Joy Ting  
Piedmont Virginia Community College  
Albemarle Economic Development Authority  
Orange Economic Development and Tourism Departments  
Virginia Wineries Association

8. Referencing the Budget Overview Template, describe how requested GO Virginia dollars will be spent as well as the sources and types of match funding. Note any Match Verification Forms attached.

Except for a small administration budget, the funds will be directed to the consultant who will work towards the goal of the project, which is to generate a report with related recommendations for addressing gaps to expansion or driving exports. The report will include recommendations for future grant funding opportunities, including GO Virginia, as well as grant leaders and partners.

Specific areas to address include:

- Labor – employees and contract labor
- Financial support
- Availability and quality of the agricultural product
- Marketing within the Commonwealth, nationwide and beyond
- Availability and cost of supplies and chemicals
- Knowledge transfer
- Custom Crush facilities
  - Review of the Virginia Wine Center concept
  - Equipment rental and cooperatives
- Legal issues at the state and county levels
- Tax issues at the state and county levels
- Distribution and transport of packaged products.

❖ **Required Project Readiness Attachments**

- Match Verification Form ([Template](#))

## Project Sustainability

9. Explain the expected direct line of sight to a larger and subsequent GO Virginia implementation grant proposal as the result of the enhanced capacity building activity funded by this proposal.

A product of the grant will include a report along with a list of actionable strategies including fundings sources for future action, including potential GO Virginia grants. The last three months of the grant can be used to ensure next steps are taken to advance recommendations including implementation grants for GO Virginia.

10. Discuss any potential barriers to a successful grant and the plan for addressing such challenges.

There is such broad-based support for this application that we do not see any potential barriers. The scope of work is extremely expansive, so finding the right consultant is key to its success.

## Attachments Summary

- Budget Overview ([Template](#))
- Letters of Support (Letter from Regional Council Chair is required)
- Match Verification Form ([Template](#))

### Optional

- ~~Milestones Overview and Drawdown Schedule~~
- ~~Performance Metrics (see [GO Virginia Metrics Menu](#) under “Grant Resources”)~~
- ~~Return on Investment ([Template](#))~~
- ~~Project Manager Resume~~
- ~~Other optional attachments~~

## Contact

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