

Name: “Project Reclaim”, (Russell County Reclamation, LLC)

Municipality: Russell County, Virginia

County: Russell County, Virginia

Location: 2 miles North, Northwest of the Town of Cleveland, VA,
1,700 acres +/-, bordered on south and east by Dumps Creek and west by
Cheney Creek, Lake Bonaventure is also contiguous to this coal site. The
Norfolk Southern rail line intersects the property.

Primary Project Partners:

Russell County Reclamation, LLC (RCR, LLC), the Russell County Industrial Development Authority (IDA), through the utilization of a Public-Private Partnership including other entities yet to be disclosed; public and private.

Project Description:

The 2017 AML Pilot Program will provide critical financial incentives to combine the **reclamation of 10 AML Features** known to the Virginia Department of Mines Minerals and Energy (DMME), while conducting a large-scale reclamation and repurposing of lands adjacent known as the Moss 3 Coal Preparation Plant.

The 10 AML Features (36 58’ 25” 82 11’ 50”, Map Attached) known to DMME that are adjacent to this land include decades-old open “punch mine” portals adjacent to Wilder Hollow Road. These portals will likely require closure by means of gates that are necessary for public safety. Where water is present, if any, additional sealing may be required by DMME. Where soil erosion is present, vegetation will be reintroduced to the feature.

Each of the following 2 points illustrate how RCR, LLC in partnership with the Russell County IDA aligns this application and related scopes of work to support OSM’s published Grant guidance for a non-traditional approach to reclamation while creating a nexus with economic development criteria. Only with a 2017 AML Pilot Grant can the proposed scopes of work for reclamation and creation of economic development opportunities be fully achieved for a higher and better use.

As land adjacent to these AML Features known to DMME, RCR, LLC will:

1. Repurpose one of North America’s oldest and largest Preparation Plants that has been in service since the 1950’s into a **160 Acre Coalfields Regional Industrial Site** with supporting infrastructure. This new industrial site would be the only 160-acre site with existing rail siding in the coalfields and only one of four in all of southern Virginia-which makes it highly competitive in the industrial site selection criteria (Map Attached).
2. RCR, LLC will also apply for assistance from this grant to **remove a pre-1977 gob pile** of approximately 500,000 cubic yards directly adjacent to the proposed industrial site and the impaired stream of Dumps Creek. Dumps Creek is only 1.5 miles upstream of the biologically-diverse Clinch River. It could also **return up to 2,000 linear feet for stream bank mitigation** to make further improvements to water quality (Map Attached).

Note: Should the application process and/or limitations on dollar amounts available to be granted be limited, any of the above could be modified to meet DMME grant award amounts. Each of the 2 grant categories scope of work can stand alone or could be accomplished on a parallel time line.

Project Description Detail and Scope of Work for each of the 2 segments described above:

1. Create a **160 Acre Industrial Site** with infrastructure: RCR, LLC will remove the existing Preparation Plant, related buildings, and immediate supporting physical plant. Approximately 50 acres of the prospective 160 acre site will have earthwork and vegetation at a “rough grade” suitable for hosting economic development prospects in their due diligence of the site selection process.

Infrastructure that will remain and be repurposed to support the new industrial site will include, but is not limited to, close proximity to the following: 25,000 linear feet +/- of existing rail siding (the only such 160-acre industrial site available in the coalfields of southwest Virginia); a 69 Kv electric distribution line and 3 Phase power; electric sub-stations; over 1.75 miles of gravel road; 4 access points with 2 bridges over Dumps Creek; a rail rotary-dump; redundant sources of water supply; and natural gas.

All of this repurposed infrastructure and related costs incurred by RCR, LLC could also be added and contributed as an “in-kind” match towards the scopes of work detailed within this application if need be.

Through the utilization of a Public-Private partnership and on behalf of the Russell County IDA, RCR, LLC would request **\$1.75m** from the 2017 AML Pilot Grant for the repurposing costs related to the industrial site’s initial development and acquisition of the 160-acre tract.

This Phase of Project Reclaim is ready for work to commence within 30 days of the reclamation permits being issued. **This site is shovel ready and work can be completed within 12-18 months!** Economic Developers could immediately begin marketing the new industrial site to prospects upon an award of the 2017 AML Pilot Grant!

2. Remove a pre-1977 **gob pile** of 500,000 cubic yards on approximately 32 acres resting directly adjacent to the impaired stream, Dumps Creek, and returning approximately 2,000 linear feet to stream bank for stream bank mitigation.

RCR, LLC could reclaim this pre-1977 32-acre gob pile with two very different approaches and post reclamation outcomes.

Option A: The 32 acres and underlying 500,000 cubic yards of gob could be “capped” with material, leaving the decades-old gob in place and remaining along side the banks of Dumps Creek with no restoration of stream bank. The estimated cost to cap the gob in place with no stream bank restoration is approximately \$1m (500,000 cubic yards x \$2.00 = \$1m).

Option B: The 32 acres and underlying 500,000 cubic yards of gob could be removed, transported to other location(s) away from Dumps Creek. Then, the Project could return approximately 2,000 linear feet to stream bank improving the water quality of Dumps Creek and the Clinch River. The estimated cost for Option B is approximately \$2.25m (500,000 x \$4.50 = \$2.25m).

While the cost of reclaiming Option B is approximately \$1.25m more than Option A, a 2017 AML Grant award in the amount of \$1.25m would be required to support the preferred outcomes.

Removal of 500,000 cubic yards of gob from 32 acres directly adjacent to a 160-acre industrial site is a must if the industrial site is to be considered an acceptable site in the highly competitive site selection process. Furthermore, the industrial site selection process always includes an analysis and ranking of impacts to the water qualities nearby. Removing the gob pile places the industrial site in a much more competitive and desirable posture.

RCR, LLC would request **\$1.25m** (additional allowance of 500,000 cubic yards x \$2.50 = \$1,250,000.00) from the 2017 AML Pilot Grant to support Option B’s preferred method and outcomes.

This Phase of Project Reclaim can be ready for work to commence within 60 days of reclamation permits being issued. Depending upon weather conditions, this phase of reclamation may necessitate a 42 to 60-month time period to fully complete.

The last note for this Phase of reclamation and scope of work is how DMME may consider this pre-1977 gob pile that, according to DMME’s own records, has not been disturbed since the post-1977 SMCRA. There is a regulatory question for RCR, LLC and DMME to resolve as to how this pre-1977 gob pile may be considered as a “no-cost” reclamation relative to the reclamation permit(s). This determination has only marginal implications to the proposed scope of work and no bearing as to this application, but it should be mentioned herein.

Proposed AML Pilot Funding Amount:

10 AML Feature Reclamation	\$200k +/-, estimate
160 Acre Industrial Site	\$1.75m
Removal of Gob Pile and Return to Stream	<u>\$1.25m</u>
TOTAL:	\$3.2m

Note: It is the intent of RCR, LLC to partner with public entities who are engaged in economic development activities, primarily the Russell County IDA, to convey any property interests to them upon completion of Reclamation and Bond Release. RCR, LLC has been actively recruiting new targeted businesses to this site. RCR, LLC has also been in protracted discussions with outdoor recreation and conservation entities about future development of this Project.

Project Reclaim aligns most closely with OSM's "Category B Projects" (Reclamation for potential Development). This reclaimed and repurposed industrial site would meet the requirements of 3 known current potential economic development prospects. Regardless of whether Project Reclaim more closely aligns with OSM's Categories A or B, (now or in the future) this proposed new 160-acre industrial site would open up the coalfields to be marketed to a new level of prospective businesses never within reach before. Also, planning for a future destination of outdoor recreation to southwest Virginia's Trail network is consistent with the strategic plans adopted by many public entities.

Eligible for Title IV Funds?

At present, no. No traditional AML funds are being requested with this application. Should a determination from DMME that the pre-1977 gob pile has not been disturbed since post-1977 SMCRA, then perhaps a portion of the scope of work related to removal of the gob pile may become eligible for future Title IV regulations. This determination should have no bearing on this application.

Is there any ongoing operation and maintenance (O&M) funding requirement?

If any O&M expense remains after the scope of work is completed, it is anticipated that the partnering economic development organization(s) who will have control of the site will operate post-reclamation.

Other Project Funding Source(s), (Amounts and Status):

RCR, LLC can provide an in-kind match of adjacent land (1,700 acres +/-) for any portion of grants awarded for these 2 Phases. The combined values of contributing these in-kind matches of land and repurposed infrastructure will meet the match requirement of the grant request amount of \$3.2m if the entire grant is awarded.

The values of the industrial site's 160 acres, repurposed physical plant and related infrastructure, and other Post Mine Use repurposing from the 32-acre gob pile are the basis for valuation of this in-kind match (described in detail below).

MATCH:

OSM's published application guidance strongly encourages match for the 2017 AML Pilot Grant. Within published Federal Match Guidelines, the widely recognized Appalachian Regional Commission (ARC) "County Economic Status and Match Rates, FY 2017"; cites Russell County,

Virginia as a locality that is designated as “At-Risk”. Russell County’s federal designation as “At-Risk” creates the need for a **30% match** from applicants.

The total amount of grant awarded and the amount of grant awarded for each proposed Phased scope of work will determine what level(s) of match may be contributed to the project.

RCR, LLC is making a firm commitment to match this grant with the necessary amount of land as an in-kind contribution.

The 100 acre industrial site’s match will be enhanced by the contribution of an additional **47 acres** of land directly adjacent to the proposed industrial site with existing access to the rail siding. This acreage is valued at \$16,500 per acre totaling \$775,500 of potential contribution as match.

NOTE: The basis of the industrial site land valuation of \$16,500 per acre is derived from the Appraisal Report by Wampler Appraisal Service, Inc., dated 8-29-17 (copy provided).

Furthermore, there are approximately **3 acres** of flat road frontage along Gravel Lick Road that would also be contributed to further enhance the build-out of the industrial site. The value of these 3 acres is \$25,000 per acre totaling \$75,000 of potential contribution as match.

The remaining road frontage property adjoining the tract has approximately **10 acres**. The value of these 10 acres to be contributed to further support the industrial park is \$5,000 per acre totaling \$50,000 of potential contribution as match.

The **total value of the additional land proposed to be contributed as match for the industrial site is \$900,000**. The addition of 60 total acres as potential match would enable the Russell County IDA to have site control totaling over 160 acres of industrial property at rough grade that are flat and have access to rail. This combined industrial site of 160 acres would soon be ready for business prospects to consider in their site selection process. Marketing the new industrial site to prospective industry could commence very soon.

The Gob Pile’s match is comprised of the 32 acres holding the gob and 28 adjoining acres that must be used to work in and around the reclamation of this area for a total of 60 acres.

The 32 acres holding the gob is valued at \$2,750 per acre totaling \$88,000.

The 28 adjoining acres are valued at \$16,500 per acre totaling \$462,000.

The addition of these **60 acres** total value is **\$550,000 proposed to be contributed as match**.

Each of the 2 Phases dollar value of proposed contribution of acreage **exceeds the 30% match requirements** for the requested grant amounts.

Other granting agencies where alignment for the proposed scope of work exists include, but are not limited to, the US Department of Commerce Economic Development Administration, the Appalachian Regional Commission, the US Department of Agriculture, federally funded New Market Tax Credits, the Commonwealth of Virginia's Housing and Community Development, Virginia Tobacco Commission, the Virginia Coalfield Economic Development Authority, Virginia Department of Rail Public Transportation for rail upgrades, and local governments. Applications to these Agencies will be submitted to enhance the development of this Project and provide additional leverage/match when their grant cycles open.

Once the 2017 AML Pilot Program grant awards have been completed, it is the intent of RCR, LLC and the Russell County IDA to jointly develop the industrial site with a shell building and upgrades to infrastructure such as additional rail siding, roads water/sewer capacity, etc. It is anticipated that this next phase of development could commence within 18 months of this application.

Additionally, regional banks have expressed an initial willingness to consider participating with loans and loan guarantees to facilitate investments of private capital for specific industrial prospects who are considering this site in the site selection process.

Anticipated Project Start and Completion Date:

As previously detailed in the Project Description, the 2 Phases of proposed work can start within 60 days of the reclamation permits being issued and completed as soon as 12-18 months for the industrial site and 42-60 months for the removal of the gob pile.

Current Project Status:

As of this application date, Option(s), control of sites, and prerequisite permissions are pending with closings and final regulatory actions to soon follow (anticipate completion within 60 days of application). Without the 2017 AML Pilot Grant being awarded, this non-traditional Pilot approach to reclamation and repurposing will likely not occur with these desired outcomes of higher and better uses; improvements to the environment, and economic development opportunities for job creation with new capital investments.

Are Project Designs available?

Yes, very preliminary cost estimates have been developed by Appalachian Technical Services (ATS) for the proposed scopes of work for each of the 2 Phases previously detailed. Conceptual Plans and other supporting detail could be made available during the review of this application.

Summary of Significant Project Issues:

Obtaining required approvals and permits from state and federal agencies to reclaim the gob pile may prolong the anticipated start date. This is a very technical issue. An interpretation from DMME as to the gob pile not being disturbed since post-1977 and potentially being reclaimed as a "no-cost" reclamation activity must be also be resolved. The timing of the pending business

transaction(s) and the potential 2017 AML Grant awards must remain in-sync. Delay of either could become problematic with narrow windows to commence reclamation for higher and better uses.

Obtaining all of the required permits for reclamation require certain periods of time to obtain. However, RCR, LLC's preliminary briefings with DMME have declared RCR, LLC's intent to make permit application immediately.

Describe the AML features being reclaimed and/or nexus with AML lands and features associated with the project:

There are 10 AML features currently identified in DMME's AML database that are adjacent to this Project (map with DMME known locations attached).

There are 10 known AML features nearby on Dumps Creek: 8 portals and 2 slumps.

The pre-1977 500,000 cubic yard gob pile resting on 32 acres of former stream bank must either be a traditional reclamation project or be considered as a "no-cost" reclamation project. DMME must make this determination. With a DMME pre-1977 "no-cost" reclamation determination, the gob can be removed, transported to other locations, and the 32 acres can be returned to stream bank with improvements to water quality to Dumps Creek and the nearby Clinch River.

In cooperation and consultation with DMME, RCR, LLC, with Appalachian Technical Services, will determine the most appropriate reclamation plans for these specific AML features. Additional joint on-site investigation by DMME, ATS, and RCR, LLC is necessary to determine the appropriate degrees of reclamation that may be required for each feature.

The cost estimates for closure of each portal is approximately \$10,000.00 (10 portals x \$10k = \$100k) and \$50,000.00 to rework the 2 slumps (2 slumps x \$50k = \$100k) for a total AML Feature budget of \$200k, estimate. Again, joint on-site investigation will determine the scope of work and a more accurate cost to reclaim these 10 AML Features.

How likely are the project partners to complete any work beyond the reclamation project work?

Build-out of the 160-acre industrial site will continue beyond this initial phase of development with industrial shell buildings and related infrastructure.

RCR, LLC will continue to assist in the recruitment of new industry to the industrial site and to consider investments and partnering in a joint ventures with the prospective businesses.

Creating additional steam bank mitigation on the property adjacent to Dumps Creek where opportunities exist is a priority consideration for RCR, LLC. However, the planning for this

activity can prove to be a protracted activity as reclamation work and permits must be worked in cooperation with each other.

RCR, LLC will endeavor to introduce and sustain passive water treatment, such as “cattails” and other aquatic plants beneficial to the long-term reclamation efforts where possible to improve water qualities around existing water sources as practical. Other areas on property may also prove to be able to accept and sustain such aquatic vegetation. RCR, LLC will seek to engage institutions of higher education to potentially partner and assume research and other outreach activities on areas of the reclaimed site.

The supporting Russell County IDA Resolution was adopted prior to the submission of this application and contemplated an additional 3rd Phase of development. This phase would include a significant development to create outdoor recreation and conservation of targeted acreage within the existing property boundaries for a higher and better use of these proposed Post Mine Uses. RCR, LLC fully supports this next Phase of development.

Out of respect for other applicants so as not to potentially diminish the amounts for other Grantee awards, RCR, LLC has decided to defer this 3rd phase of joint-development with the Russell County IDA to future grant cycles and/or with other funding agencies.

Both RCR, LLC and the Russell County IDA remain fully committed to the next Phase of planned development to achieve a higher and better use of the reclaimed lands through new outdoor recreation and conservation efforts.

The opportunities for future development of outdoor recreation and conservation are significant. Within the 1,700 acres of the property, it is possible to eventually host the addition of over 100 miles of trail networks with shelters and campsites to meet increases in public demand. It is also worthy to note that this property is bordered by only one other land owner who is the owner of tens of thousands of acres in southwest Virginia. So, there are real possibilities of leverage and partnership beyond these initial Phases of development.

The planning for outdoor recreation and conservation must occur at the beginning of this reclamation project if future phases of trail networks are to be realized. Perhaps other funding sources can be secured for these future phases of development.

In short, the scopes of work proposed within this Phase of Work is just the beginning of what can leverage many other opportunities to secure Post Mine Uses that create higher and better uses for these lands.

Provide description of anticipated outcomes relative to Economic Development and/or Community Development:

<u>Goal</u>	<u>Objectives</u>	<u>Outcomes</u>
1. Reclaim 10 AML Features	Seal open portals, cover, re-vegetate soil	Enhancements to Public Safety, prepare for future trail development
2. Create 160 Acre Industrial Site	Increase Prospect site selection process	Create Jobs, generate capital investment
3. Reclaim gob pile	Remove 500k cubic yards of gob away from Dumps Creek	Return approx 32 acres and 2k linear feet to stream bank, improve water quality
4. Introduce and sustain passive water treatment	Determine suitability of passive water treatment vegetation species	Improvements to water quality and enhancements to vistas

How will these outcomes be measured:

In addition to the outcomes described above, other related outcomes can be measured.

The 10 AML Features will be reclaimed in a manner that will further safeguard the public from potential harm while supporting a higher and better Post Mine Use.

The pre-1977 32-acre gob pile will be removed from the stream bank of the impaired stream, Dumps Creek, with the land returned to stream bank. Water quality will improve and will be much more pleasing to the view-shed.

Removal of the 500k cubic yard gob pile greatly minimizes the exposure of a catastrophic flood releasing all or a portion of the 500k cubic yards of gob into Dumps Creek and the Clinch River.

Improvements to the water quality of Dumps Creek and the Clinch River is always an important and highly desirable outcome.

Adding this repurposed industrial site into properties that the Virginia Economic Development Partnership (VEDP) markets can be a “game changer” for the coalfields of southwest Virginia. If the proposed scopes of work are funded, consider the following transformation as a measured outcome:

- a. Today, VEDP markets 1018 industrial sites throughout the state
- b. Of the 1018 sites, only 206 sites have 100 acres of land available
- c. Of the 206 sites, only 60 have access to existing rail siding
- d. Of the 60 sites, only 41 have access to water
- e. Of the 41 sites, only 12 have access to natural gas

Being able to market an industrial site that is only 1 of 12 in Virginia with such unique and competitive site characteristics should create a high level of prospect interest in the site selection process. Project Reclaim will provide a highly visible example of what higher and best use of reclaimed coal properties can be repurposed.

Again, **this is a shovel ready project that can commence work within 60 days of the reclamation permits being issued!**

Long-term benefits to the local economy:

The Public-Private Partnership joint-venture model that the Russell County IDA and RCR, LLC propose to create as a result of the incentives put forth through the 2017 AML Pilot Grant can prove to be a model that provides a high degree of leverage of public-private match producing a measurable nexus between reclamation and repurposing for economic development.

Desirable land in the coalfields of southwest Virginia is scarce and is mostly held by large companies. Being able to create and prove a model of industrial development wherein highly desirable land can be controlled and repurposed for economic development is within reach and has a narrow window of opportunity to be acted upon by virtue of this non-traditional approach launched through the 2017 AML Pilot Grant.

The long-term benefits to the region and to the economy have been previously detailed in this application. In the bigger picture, investments made in conjunction with reclamation and repurposing of this 1,700 acre site are for the clear purposes of economic development and improvements to the environment.

This non-traditional approach to reclamation is intended to be transformational to the point where the coalfields could now successfully compete for industries never imagined before that might require over 160 acres of flat land with rail access. Think of the large scale metal manufacturer prospect who must have access to rail, a building with over 500k SF, and a workforce hungry to make product; think of a very large-scale commercial recycling facility; or other large manufacturers requiring a site with over 100 acres and access to rail; all new possibilities never imagined before.

Work to create this 160-acre industrial site can begin within 60 days of the reclamation permits being granted. This is a tremendous competitive advantage in reducing the timeline being experienced to be able to “move-dirt” in the development of industrial sites. Other localities without the opportunity to develop industrial land under a Post Mine Use plan may have to wait 5 years or longer to have the chance to attempt to clear all of the complex, burdensome, and expensive regulatory hurdles in order to obtain required permissions before industrial site-work could commence. This site is highly visible, highly desirable, one of a kind, and is shovel ready and ready to go!

Supplemental Information

For DMME Use Only:

Primary VA AML Project Contact: Lesa Baker

AML Pilot Project Name: Project Reclaim

Problem Area Number and Name: Russell County VA Problem Area Lake Bonaventure VA-0820 AMLISKEY VA000820

Project Number(s): Pending

Title IV AML grant funding (Amount and Status) None

Project Location Economic Data: As reported by the Virginia Coal Field Development Authority, the economic data as shown in the Income & Poverty table below illustrates that Russell County Median Household Income is below the state average. https://www.arc.gov/reports/socio_report.asp

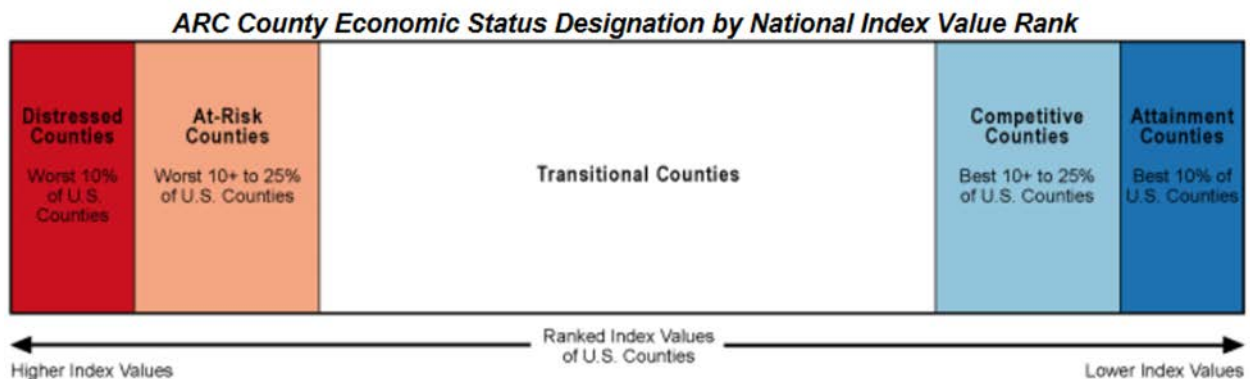
	Russell County	Appalachian Virginia	Virginia	Appalachian Region	United States	
	Russell County	Appalachian Virginia	Virginia	Appalachian Region	United States	
POPULATION						
<u>Population, April 1, 2010</u>	28,897	770,044	8,001,024	25,243,456	308,745,538	
<u>Numeric Population Change, 2000 to 2010</u>	-1,411	12,114	922,509	1,600,878	27,323,632	
INCOME						
<u>Per Capita Income, 2015</u>	\$32,047	\$34,758	\$52,052	\$38,593	\$48,112	
<u>Per Capita Income, 2014</u>	\$30,705	\$33,507	\$50,345	\$37,260	\$46,049	
UNEMPLOYMENT						
<u>Unemployment Rate, 2015</u>	6.5%	5.7%		4.4%	5.8%	5.3%
<u>Unemployment Rate, 2014</u>	7.9%	6.7%		5.2%	6.5%	6.2%
POVERTY						

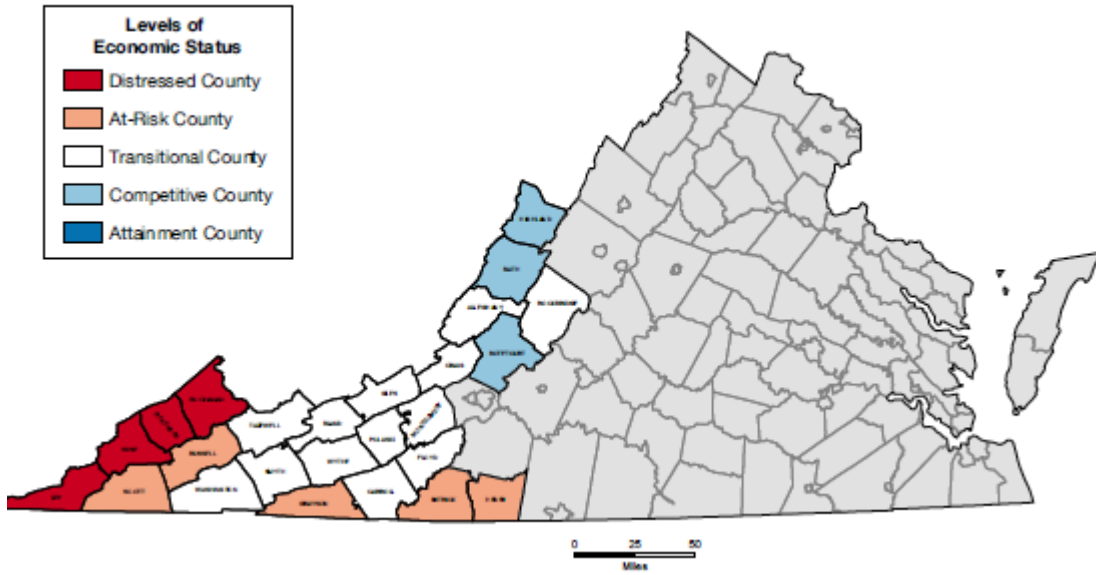
[Persons Below Poverty Level, 2011–2015](#) 5,777 138,490 921,822 4,219,279 47,749,043

Persons Below Poverty Level, 2010–2014	5,249	137,762	914,237	4,225,983	47,755,606
Poverty Rate, 2011–2015	20.7%	19.0%	11.5%	17.1%	15.5%
Poverty Rate, 2010–2014	18.7%	18.8%	11.5%	17.2%	15.6%

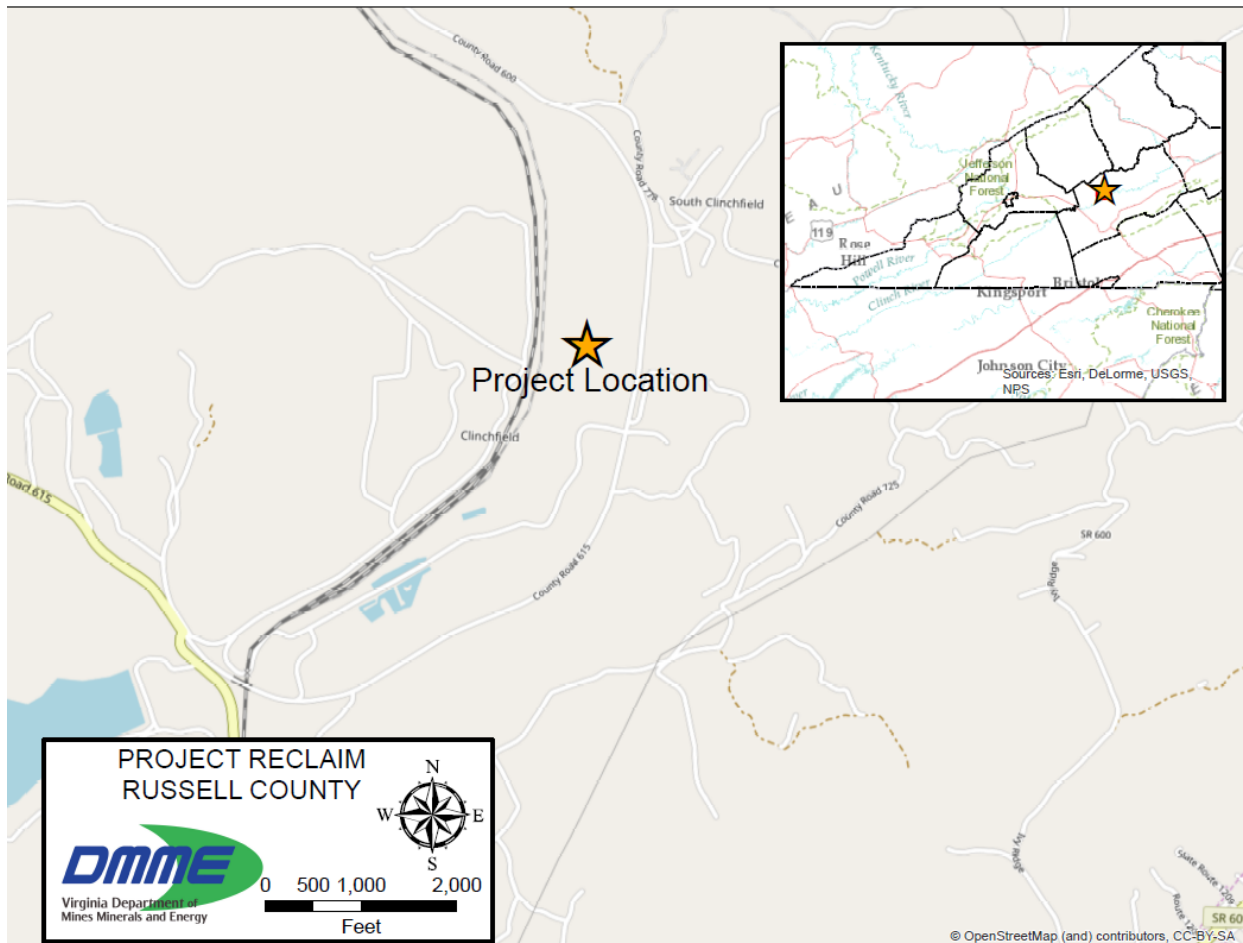
	Russell County	U.S.
County Economic Status, FY 2017	At-Risk	-
Three-Year Average Unemployment Rate, 2012–2014	8.4%	7.2%
Per Capita Market Income, 2014	\$20,413	\$38,117
Poverty Rate, 2010–2014	18.7%	15.6%
Three-Year Avg. Unemp. Rate, Percent of U.S. Avg., 2012–2014	116.2%	100.0%
Per Capita Market Income, Percent of U.S. Average, 2014	53.6%	100.0%
PCMI, Percent of U.S. Avg., Inversed, 2014	186.7%	100.0%
Poverty Rate, Percent of U.S. Average, 2010–2014	119.7%	100.0%
Composite Index Value, FY 2017	140.9	-
Index Value Rank (of 3,113 counties in U.S., 1 is the best), FY 2017	2,431	-
Quartile (1 is the best), FY 2017	4	-

With the exception of Tazewell County, the southwest Virginia coalfield counties are either distressed or at-risk. The Appalachian Regional Commission uses an index-based classification system to compare each county in the nation with national averages on three economic indicators—three-year average unemployment rates, per capita market income, and poverty rates. Based on that comparison, each Appalachian county is classified within one of five economic status designations—distressed, at-risk, transitional, competitive, or attainment. Distressed counties are those that rank in the worst 10 percent of the nation's counties. At-Risk counties are those at risk of becoming economically distressed. They rank between the worst 10 percent and 25 percent of the nation's counties. An AML reclamation project would provide employment opportunities and inject a cash infusion into the local economies. Although it could improve quality of life for a limited perspective, any single AML project should not be viewed as an action that will lift a county from the distressed or at-risk category.





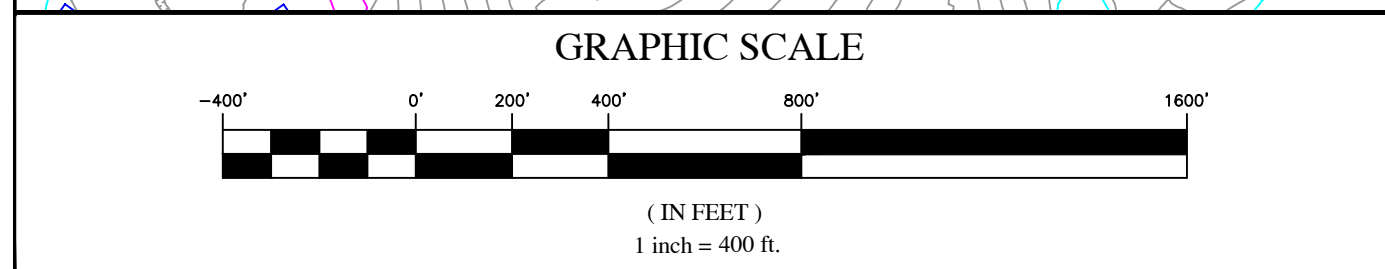
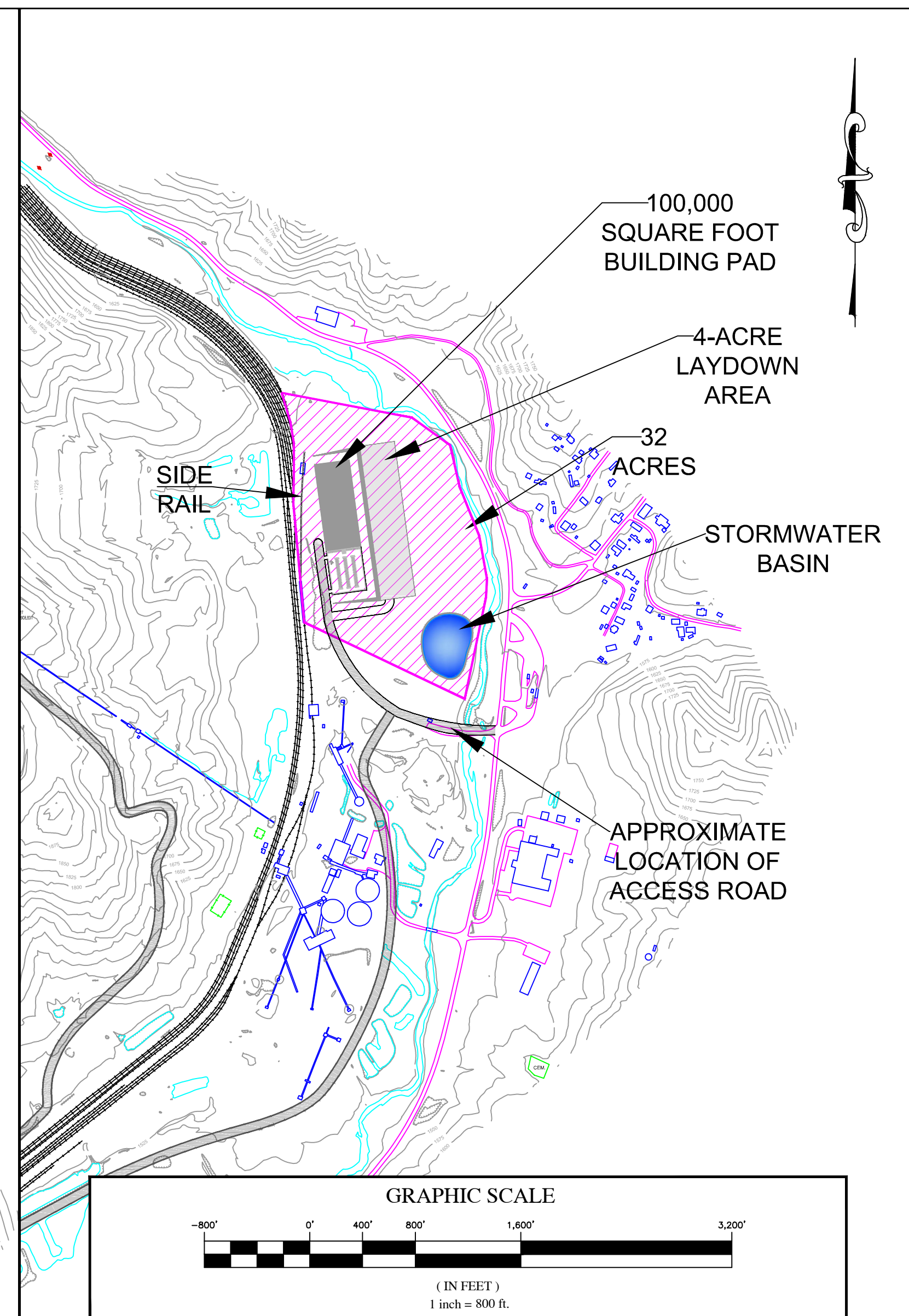
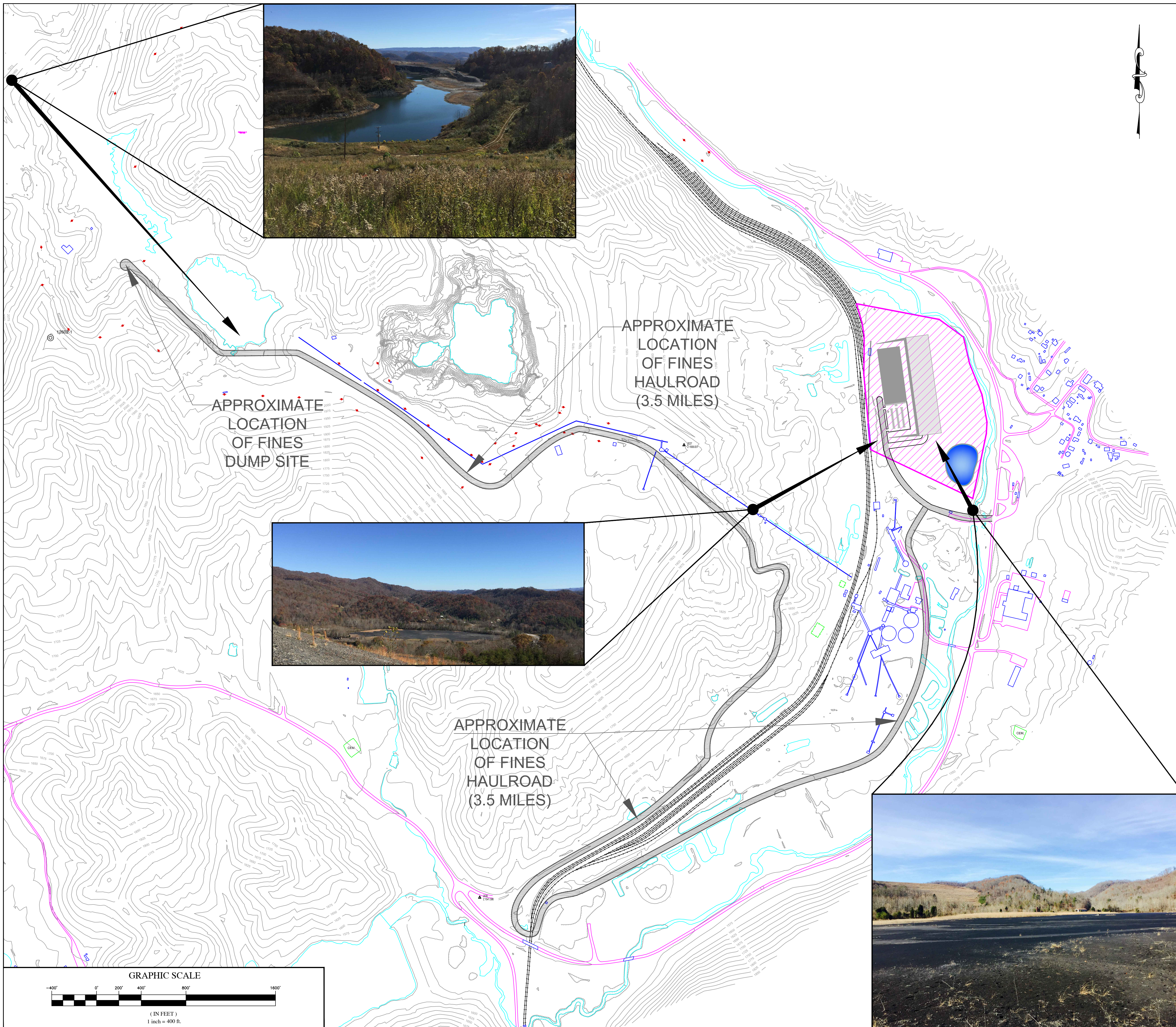
Project Location




Site Photo



32 acre pre law gopile to be reclaimed.



RUSSELL COUNTY RECLAMATION, LLC		 ATS Appalachian Technical Services, Inc. <small>Engineering, Architecture, Surveying, Ecology & Environmental Science</small> Raleigh Office: P.O. Box 1897, 415 West Main Street, Raleigh, VA 24212, (773) 678-6322 West Office: P.O. Box 9327, 8747 Indian Creek Road, West, VA 24293, (773) 234-4500			
32-ACRE AML DEVELOPMENT AREA					
Designed By DWM	Drawn By LAC	Checked By DWM	Date 12/04/2017	Drawing Number Z-32-ACRE-DEVELOPMENT-AREA Sheet/Layout Name (24X36L) Project Number 1674.01 Scale AS SHOWN	Sheet 01 of 01



**RESOLUTION OF THE INDUSTRIAL
DEVELOPMENT AUTHORITY OF RUSSELL COUNTY, VIRGINIA**

WHEREAS, the Industrial Development Authority of Russell County, Virginia, hereinafter referred to as “the IDA” and Russell County Reclamation, LLC, have agreed to jointly develop, through Public Private Partnership, a 160 acre industrial site, a site for new recreational opportunities, and the removal of 500,000 cubic yards of pre-1977 gob; and

WHEREAS, the IDA and Russell County Reclamation, LLC, have identified and agreed to jointly create a nexus of Reclaiming Abandoned Mine Lands and adjacent coal mining lands with Economic Development consistent with the Office of Surface Mines 2017 Abandoned Mine Lands Pilot Program; and

WHEREAS, the creation of an industrial site of 160 acres with access to rail siding will allow the coalfield region to immediately begin marketing the site to prospective industries that never before might consider locating within the region; and

WHEREAS, Russell County Reclamation, LLC, has identified and proposed to reclaim 16 Abandoned Mine Lands Features known to the Virginia Department of Mines Minerals and Energy that are adjacent to the lands to be repurposed for economic development; and

WHEREAS, the IDA and Russell County Reclamation, LLC, have agreed to pursue three grant requests from the 2017 Abandoned Mine Lands 2017 Pilot Grant Program to create a 160-acre Industrial Site, a 418-acre Recreational area with Walking and Horse trails, with the preservation of a 40-acre Lake to complement the vista of the trail network while serving the dual purpose of enhancing the downstream stormwater management and water quality of the 160 acre industrial site, and the removal of a pre-1977 500,000 cubic yard gob pile from the banks of Dumps Creek with 32 acres being returned to stream bank; and

WHEREAS, Russell County Reclamation, LLC, has agreed to contribute to the IDA up to 625 total acres of land as match to further enhance and leverage this development upon final reclamation and bond release; and

WHEREAS, the IDA declares its intention to make a long-term commitment to fully develop these 1,700 acres with Post Mine Uses that create higher and better uses described herein.

NOW, THEREFORE, BE IT RESOLVED that the IDA will aggressively pursue the development of this unique property and unique window of opportunity with Russell County Reclamation, LLC, that offers the citizens of Russell County and the coalfields of Southwest Virginia the once in a generation opportunity to immediately create an

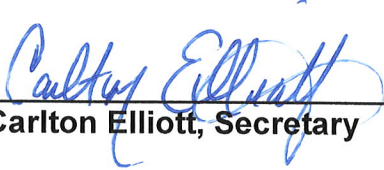
industrial site of over 160 acres with rail access that will be developed and classified with positive site characteristics as only 1 of 4 in all of southern Virginia.

Dated: September 25, 2017.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF RUSSELL COUNTY, VIRGINIA**

By: 
ERNIE MCFADDIN, Chairman

Attest:


Carlton Elliott, Secretary



H. MORGAN GRIFFITH
9TH DISTRICT, VIRGINIA

COMMITTEE ON
ENERGY AND COMMERCE

SUBCOMMITTEES:

ENERGY

HEALTH

OVERSIGHT AND INVESTIGATIONS
VICE CHAIR

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Mr. Butch Lambert, Deputy Director
Virginia Department of Mines, Minerals and Energy
3405 Mountain Empire Road
P.O. Drawer 900
Big Stone Gap, Virginia, 24219

October 3, 2017

Dear Butch,

I am writing to you today in support of the grant application that has been submitted to you by Russell County Reclamation, LLC and Russell County Industrial Development Authority. This project, Project Reclaim, will conduct a large-scale reclamation which will create industrial sites that would have high potential to attract economic development prospects.

My direct efforts and support of legislation to help revitalize coal communities are apparent with the funding for this 2017 AML Pilot Program. The funds allocated to this program will expand the impact on affected areas in the Appalachian states for the reclamation of abandoned mine lands in conjunction with economic development and reuse goals. This project serves a great need for far Southwestern Virginia in an area that has suffered tremendously from the downturn in the coal mining industry.

As you have seen from their documentation, the "Project Reclaim" site has several AML features that will achieve reclamation goals as well as prepare large industrial sites ready for immediate economic development usage, while removing Gob piles and developing a walking/horse trails. I believe you can see how clearly the proposed project fits within the guidelines of this AML Pilot Program consistent with legislative intent specifically created to assist these affected areas.

I ask you to consider all of these factors as favorably as you can under the rules and regulations governing this program. Thank you for your consideration and for your time. With best wishes, I remain

Sincerely yours,

H. Morgan Griffith
Member of Congress