

New Hill Development Corporation (New Hill) is a Charlottesville-based entrepreneurial development institution building ownerships, jobs, and community wealth. In 2025, they launched the BEACON Kitchen project, a 11,300 SF shared-used commercial kitchen where food and beverage entrepreneurs can join to gain access to the licensed, commercial kitchen that includes professional equipment for production and packaging, dry and cold storage, and backend office support. BEACON also offers programming, including training, business coaching, and technical assistance to help entrepreneurs scale their business for long-term sustainability and market access. In its first year, the project has supported more than 30 businesses, 40 entrepreneurs, and led to the production of more than 36,000 meals and supported \$209,000 in capital access for those businesses.

New Hill seeks an Albemarle County partnership to complete BEACON Made and construct BEACON Exchange—two interconnected components of BEACON Kitchen's production-to-market ecosystem. BEACON Made will provide specialized processing, packaging, and co-packing capacity that enables small food producers, farmers, and entrepreneurs to transform locally grown ingredients and original recipes into safe, market-ready products such as cold-pressed juices, sauces, preserved foods, and other value-added goods. BEACON Exchange will serve as a retail and dine-in marketplace where BEACON businesses can sell hot foods, grab-and-go meals, and packaged products directly to consumers. Together, these investments will help entrepreneurs move from small-batch production to commercial scale, expand market opportunities for local agricultural products, and create light manufacturing, food-processing, retail, and hospitality jobs within the regional food economy. This project includes a renovation of 730 SF of space at the BEACON Kitchen to provide a retail outlet, including new counters, lighting, electrical upgrades, and an ADA restroom.

New Hill has also submitted a request to Albemarle County for their BEACON Made project, which will come to the EDA at a future meeting.

The project responds directly to Albemarle County's focus on agribusiness and food processing. It gives small producers and food entrepreneurs access to new market channels adjacent to their production and storage space, significantly streamlining logistics. It also aligns with recent conversations with the EDA on catalytic projects.

PROPOSED INVESTMENT: \$404,000 from the EDA's funds (4700)

\$400,000 Short-Term Bridge Loan in support of New Hill's BEACON Exchange (short-term loan, repaid in mid-2027)
\$4,000 administrative fee to CIC for providing the loan (fee for service)

New Hill Development Corporation has received a federal grant, administered by the Virginia Department of Agriculture and Consumer Services (VDACS). The grant provides reimbursement for eligible capital expenses – in this case, to substantially renovate a portion of their building to create a point of sale and dining area for customers. The request is for a line of credit of up to \$400,000 to provide working capital for the capital project, which would then be reimbursed by VDACS. The construction project is anticipated to run from August 2026 through October 15, 2026, with all funds expended by December 31, 2026 and all funds reimbursed by VDACS by March 31, 2027.

Albemarle County Economic Development has worked with the Community Investment Collaborative (CIC) to seek partnership in administering a short-term bridge loan for this purpose. Their proposal would have the EDA lend \$400,000 to CIC and then CIC would lend those funds to New Hill under CIC's standard loan documentation and services the loan; as New Hill repays from its VDACS reimbursement, CIC returns the funds to the EDA. CIC would receive an administrative fee for providing this service of 1%, or \$4,000. It is anticipated the EDA's loan funds would be returned in mid-2027.

The BEACON Exchange project would:

- Provide a retail proving ground for dine-in, hot ready-to-eat, grab-and-go, and packaged products.
- Help entrepreneurs build sales history, learn buyer expectations, strengthen fulfillment
- Paired with BEACON Kitchen and its technical assistance programming, strengthen entrepreneurs expertise in operating a business in a supportive, de-risked environment

Staff recommends this project based on its potential to strengthen Central Virginia's regional food network, expand market access for local food producers, and contribute to sustainable economic growth in Albemarle County.

At the EDA meeting on August 18th, staff and the partners on this request will share additional background on this application. If approved, source funds would be the Economic Development Authority fund.