

Approved March 4, 2002

MINUTES

Executive Committee

Clarksville Community Center

September 17, 2001

10:00 a.m.

Members Present

Delegate Bennett

Delegate Byron

Delegate Kilgore

Ms. Thomas

Mr. Walker

Senator Wampler

Senator Hawkins, Chairman

Senator Hawkins opened the meeting at 10:00 am with a moment of silence for the victims of the September 11, 2001 terrorist attacks.

Pledge of Allegiance to the Flag

Mr. Currin called the roll.

Delegate Kilgore moved to approve the minutes from the June 7, 2001 meeting.

Motion seconded

All in favor by aye vote

None opposed

Motion passed

Mr. Ben Davenport and **Mr. Chris McCollum** made a presentation to the Committee on the e58 Task Force and its proposed mission and plan of action. Presentation attached.

Senator Hawkins clarified that Pittsylvania County and Danville had allocated some of their tobacco monies to a technology corridor project in their area.

Mr. Davenport added that the Commission's e58 project could be connected with what they are doing. He continued that a main goal of this project is to make connections into North Carolina; Discussions have begun on that possibility.

Delegate Bennett stated that at the last meeting the Task Force members decided that they would act as the step between the review panel and the full Commission when hearing proposals.

Mr. Davenport acknowledged that that was correct and that it had been left out of the mission presentation. He continued that the Task Force unanimously adopted a motion that they hoped the Executive Committee and then the full Commission would also adopt. (Attached) The Task Force would also like to meet again to decide upon a recommendation to the full Commission on appropriate members of the review panel. These individuals must not have a conflict of interest and therefore may be difficult to find. The Task Force will also begin development of a vision statement.

Delegate Bennett moved to approve the e58 motion setting forth the Task Force's intended plan of action, with the understanding that the Task Force members will be the step between the review panel and the full Commission.

Motion seconded

Senator Wampler spoke to the importance of using existing infrastructure and partnering with existing carriers to get this project completed and ensure redundancy. Next Generation Internet should be the goal of the project but they need to solicit for all sorts of proposals.

Delegate Bennett stated that once this process was underway, it would be crucial for the Commission to communicate its efforts to the localities along the 58 corridor because some communities are already ahead of this and others are nowhere near this technology. It will be important to ensure that there are no duplicative efforts but that the localities and the Commission work together to complete this project. He added that it would be helpful to have this presentation made to the governing bodies within the localities.

Senator Hawkins agreed with **Delegate Bennett** and added that it was important to note that the geodesic dome including the City of Danville and Henry and Pittsylvania Counties was just an example and the project would in no way be tilted toward those particular localities. Networks will have to be in place to benefit citizens throughout the entire southside and southwest regions.

Mr. Davenport added that if the telecommunications industry wants to be the lead in this project, they can make it happen overnight. He would hope that it would fit in with their business plans.

All in favor by aye vote

None opposed

Motion passed

Senator Hawkins thanked **Mr. Davenport** for his work and the work of the Task Force on this project. He then introduced **Steve Rosenthal**.

Mr. Rosenthal of Troutman Sanders Mays & Valentine reported to the Committee that they were sending the third round tape today to the Department of Agriculture with roughly 200 claims. They will have paid out approximately 92 percent of the claims, including those of rounds one, two and three. Of the approximately \$35.8 million available to be paid out for indemnification, the Commission will have paid about 95.8 percent of those funds (\$34.3 million). The remaining funds will likely be about \$600,000 to \$610,000. He added that since the deadline set by the Commissions at their June meeting, there have been 50-60 claims submitted.

Delegate Kilgore thanked **Mr. Rosenthal**.

Mr. Currin provided the Committee with information on the Commission's Deal Closing Fund status (handout attached). He added that they had had a good experience working with the Virginia Economic Development Partnership on these projects since the June Commission meeting.

Delegate Bennett expressed concern that funds traditionally available from the Commonwealth (i.e., Governor's Opportunity Fund) not be supplanted with Tobacco Commission monies. How does the Tobacco Commission ensure that the state is not using Tobacco Commission monies to fund their own responsibilities?

Senator Wampler commented on those Deal Closings from Southwest Virginia. For those particular projects, the money from the Tobacco Commission has pushed the project over the top and enabled it to happen. The Governor's Opportunity Fund has been involved in each of those projects and Commission monies have been matched dollar for dollar, if not more so, in terms of the overall incentive package.

Senator Hawkins added that the Commonwealth's participation in these projects is one of the aspects considered when reviewing these Deal Closing requests.

Mr. Mark Kilduff, Executive Director of the Virginia Economic Development Partnership, commented that they work in full cooperation with the Commission.

Senator Wampler stated that it is his belief that we are creating a great number of jobs with these monies and that is a significant part of the Commission's charge.

Ms. Wass addressed two fiscal votes the Committee needed to consider. First, at the June Commission meeting the Commission voted to distribute \$2.9 million of surplus revenue into the Special Projects fund of the FY02 budget. However, there is actually \$1,180,966 more in surplus revenues.

***Delegate Kilgore** moved to recommend to the full Commission the allocation of the additional \$1.18 million of surplus revenue into the Special Projects Fund.*

Motion seconded
All in favor by aye vote
None opposed
Motion passed

Ms. Wass then addressed the next necessary vote. The committee needed to vote to approve the use of up to 10 percent of the \$250,000 allocated for Southwest scholarships to be used for administrative costs by the Southwest Virginia Higher Education Center.

Delegate Kilgore moved to recommend to the full Commission the approval of up to 10 percent of the \$250,000 for Southwest scholarships be allocated for administrative costs by the Southwest Virginia Higher Education Center.

Motion seconded
All in favor by aye vote
None opposed
Motion passed

Senator Hawkins addressed the Literary Foundation. A report on its status is to be sent out to the Commissioners.

Delegate Kilgore commented that he would like to have a report because he is receiving calls regarding the monies and who will be eligible for them.

Ms. Bruce responded that the Commission has to decide some of those things.

Senator Hawkins called for a 5-minute break.

Meeting reconvened

Senator Hawkins called for the meeting to go into executive session to discuss issues relating to the Commission and CropTech.

Delegate Kilgore made the motion to move the meeting into closed session.

Mr. Chairman: I move that this meeting be recessed and that the Executive Committee immediately reconvene in a closed meeting for the purposes of (1) consultation and discussion regarding the investing of public funds where competition or bargaining is involved and where the interests of the government may be adversely affected by initially making these discussions public and (2) for consultation with Commission staff and staff of the Virginia Economic Development Partnership involving confidential, proprietary records and information obtained by the Partnership as provided in § 2.1-342.01(22) and used for business and trade development in circumstances warranting a closed meeting to protect the financial interests of the governmental units involved; and(3)consultation with legal counsel regarding legal aspects and liabilities associated with such investments. (Reference Committee Agenda Item entitled "Report on CropTech"). This

is permitted by §§ 2.1-344(A)(6) and 2.1-344(A)(7) of the Virginia Freedom of Information Act, and by Va. Code § 9-389.1.

Motion seconded

All in favor by aye vote

None opposed

Motion passed

The meeting reconvened into an open meeting.

Certification of closed meeting was read (attached) and roll call vote taken (attached).

Senator Wampler made a motion to move the meeting into closed session to discuss issues relating to the Commission and Tobio.

Mr. Chairman: I move that this meeting be recessed and that the Executive Committee immediately reconvene in a closed meeting for the purposes of (1) consultation and discussion regarding the investing of public funds where competition or bargaining is involved and where the interests of the government may be adversely affected by initially making these discussions public and (2) for consultation with legal counsel regarding legal aspects and liabilities associated with such investments and the protection of such investments. (Reference Committee Agenda Item entitled "Report on Tobio, LLC"). This is permitted by §§ 2.1-344(A)(6) and 2.1-344(A)(7) of the Virginia Freedom of Information Act.

Motion seconded

All in favor by aye vote

None opposed

Motion passed

The meeting reconvened into an open meeting.

Certification of closed meeting was read (attached) and roll call vote taken (attached).

Senator Hawkins created a CropTech work group to be chaired by **Delegate Kilgore**, and made up of **Senator Wampler, Delegate Bennett, Delegate Byron** and **Ms. Thomas**.

Meeting adjourned.

Submitted by **Carthan F. Currin, III**

Executive Director of the Commission