

- 1 The Honorable Terry G. Kilgore, Chairman
- 2 The Honorable Frank M. Ruff, Vice Chairman
- 3 The Honorable Kathy J. Byron
- 4 The Honorable Charles W. Carrico, Sr.
- 5 The Honorable Daniel W. Marshall, III
- 6 Mr. Donald W. Merricks (by phone)
- 7 Ms. Connie Greene Nyholm
- 8 Dr. David S. Redwine, DVM (by phone)
- 9 Ms. Cindy M. Thomas

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25 **APPEARANCES (cont'd):**

26 COMMISSION STAFF:

1 Mr. Timothy S. Pfohl – Interim Executive Director & Grants
2 Program Administration Director

3 Mr. Ned Stephenson – Deputy Executive Director

4 Ms. Sarah K. Capps - Grants Program Administrator,
5 Southside Virginia

6 Ms. Stephanie S. Kim – Director of Finance

7 Ms. Stacey Richardson – Executive Assistant

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9 COUNSEL

10 Eric C. Ballou, Esq.

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24 DELEGATE KILGORE: All right, welcome
25 everyone to the meeting and let's get started Tim.

26 MR. PFOHL: Delegate Byron?

1 DELEGATE BYRON: Here.

2 MR. PFOHL: Senator Carrico?

3 SENATOR CARRICO: Here.

4 MR. PFOHL: Secretary Jones isn't here
5 but we have Chief of Staff Paul Reagan here. Delegate
6 Marshall?

7 DELEGATE MARSHALL: Here.

8 MR. PFOHL: Mr. Merricks?

9 MR. MERRICKS: Here. (by phone)

10 MR. PFOHL: Ms. Nyholm?

11 MS. NYHOLM: Here.

12 MR. PFOHL: Dr. Redwine?

13 DR. REDWINE: Here. (by phone)

14 MR. PFOHL: Senator Ruff?

15 SENATOR RUFF: Here.

16 MR. PFOHL: Ms. Thomas?

17 MS. THOMAS: Here.

18 MR. PFOHL: Delegate Wright isn't here.
19 You have a quorum, Mr. Chairman.

20 DELEGATE KILGORE: All right, do I have
21 approval of the minutes from January 6, 2014? It's been
22 moved and seconded, any further discussion? All those in
23 favor say aye. (Ayes.) Opposed? (No response.) The minutes
24 are approved. Mr. Stephenson, I know you want to give us an
25 update on what's going on with the City of Bristol.

26 MR. STEPHENSON: Mr. Chairman, we

1 have three topics on the agenda today. The City of Bristol, the
2 TROF funds, the Corpus Invasion and these three topics
3 somewhat are woven together and I'm going to start.

4 DELEGATE KILGORE: Why don't you
5 introduce yourself for those folks that don't know you?

6 MR. STEPHENSON: I've introduced
7 myself to Carrie and Paul. All right, very quickly, members of
8 the Committee, on the City of Bristol, you may remember that
9 in the middle of last year, the Commission made \$5.5 million
10 commitment to the City of Bristol, which is still valid today. It
11 was contemplated from that commitment that when it was
12 made that it would end if certain things happened in the
13 legislature and they have not yet happened so that
14 commitment we made last summer remains in place today. I
15 mean or I think that, I do have some information about the
16 status of Bristol's deal and their representatives are here but
17 as I see it, there's really nothing that the Commission or
18 Committee can do with that today.

19 DELEGATE KILGORE: Allegedly true.

20 MR. STEPHENSON: The commitment is
21 still in place and that's where we are so unless you have
22 further questions about Bristol.

23 DELEGATE KILGORE: There was some
24 budget language in the Senate budget I believe and did our
25 Counsel look at that budget language?

26 MR. BALLOU: Mr. Chairman, I looked at

1 the budget language but the sufficiency of the budget language
2 is really meant to satisfy the purchasers of the bonds that
3 would be issued by Bristol or the IDA. There is still some
4 concern with that wording in that budget amendment such
5 that at least my understanding from today having talked to the
6 city's bond counsel is that the wording on that language is
7 insufficient, I'll be happy to –

8 DELEGATE KILGORE: Who is the bond
9 counsel?

10 MR. BALLOU: The bond counsel is
11 Trotman Saunders here in Richmond.

12 SENATOR RUFF: Mr. Chairman, is there
13 proposed language that would work?

14 MR. BALLOU: I understand they have
15 given that to their lobbying team and that they're working with
16 appropriate members in the Senate to see if they can get that
17 fixed but as of now, I am not procedurally versed well enough
18 to know what the next steps are.

19 DELEGATE KILGORE: Those of us in the
20 process know that it will now be up to the committee of
21 conference on what their exact language will be in the budget,
22 six from the House and six from the Senate and that's where it
23 is.

24 MR. BALLOU: That's correct.

25 DELEGATE MARSHALL: Mr. Chairman,
26 Israel O'Quinn had a bill, what's the status of that?

1 DELEGATE KILGORE: Yes.

2 DELEGATE MARSHALL: The Senate bill
3 died in the House?

4 DELEGATE KILGORE: We didn't fix it.

5 DELEGATE MARSHALL: So Mr.
6 Chairman, since Israel's bill is dead, then we're on the
7 obligation.

8 DELEGATE KILGORE: Unless the budget
9 language in there, there is some budget language to be and
10 that can be –

11 DELEGATE MARSHALL: Let me ask you
12 this, if we don't get the budget language fixed then the
13 Governor may have budget language and send it to us.

14 DELEGATE KILGORE: Sure, he can,
15 that's part of the budget process. All right, Ned.

16 MR. STEPHENSON: Moving to the next
17 topic, which is the TROF Fund balance, there's a sheet in your
18 packet that tells you and that's entitled Tobacco Region
19 Opportunity Funds, you can take a look at that.

20 DELEGATE KILGORE: Maybe you can
21 explain what the TROF fund is.

22 MR. STEPHENSON: The TROF fund is
23 similar to the Governor's Opportunity Fund and it's an
24 incentive fund to serve the Tobacco Region. It's one of the
25 signature proposals for the Commission and it's run since its
26 inception but at this moment in time the TROF fund is out of

1 money and the program is standing still and that's the essence
2 of the issue before us today. If you look at the sheet in your
3 book, that will give you a quick glance at this. We have eleven
4 commitments outstanding totaling \$10 million that we have
5 not disbursed yet. It's important to note that in that \$10
6 million Bristol at \$5.5 million and that's a commitment and
7 that's kind of why the Bristol issue is important to us because
8 as soon as that fix occurs that money will be available but not
9 until it is.

10 We have an unobligated balance of
11 \$200,000 that's available for the TROF fund and a piece of
12 that went out the door this morning, one hundred odd
13 thousand dollars of TROF funds. An important piece of this is
14 in the pipeline number. We have 35 potential incentive
15 transactions that we know about totaling some \$12 million
16 from all of these 34 counties that we do not have the money to
17 fund them if they materialize. All of them won't make it but
18 that's a pretty good pipeline. If we need to sustain the
19 program, we need to put that money out or that word out to
20 the economic development directors so they're not caught
21 unaware.

22 DELEGATE KILGORE: In the program
23 and those companies for those dollars, the question is what is
24 the solution to the problem.

25 MR. STEPHENSON: Well, in essence, the
26 solution to the problem is that the full Commission has to

1 convene and put money in the TROF fund. Now, I have placed
2 on your sheet some potential sources from which the
3 Commission could do that but it's a recommendation. I think
4 the pinch here is that the Commission is not scheduled to meet
5 until May unless you call a meeting for this purpose. Part of
6 the dilemma here is whether it's better to suspend the program
7 for two or three months or try to call a meeting to get funded
8 so that we don't have a lapse.

9 DELEGATE KILGORE: I guess the
10 question would be if we suspend the program, would we lose
11 those prospects.

12 MR. STEPHENSON: It's almost assured
13 that some of them will be ready to go in front of us saying we're
14 ready to come if you can produce the incentive and we cannot
15 produce it because we don't have the money.

16 DELEGATE KILGORE: Then you're telling
17 the Executive Committee the only way that we can solve this
18 problem is to have a full Commission meeting.

19 DELEGATE BYRON: We've had a couple
20 of things come up like this and I still go back to whether we
21 should consider going back to four meetings a year. We cut
22 back and found ourselves in a situation there's too much of a
23 gap between meetings, getting ourselves in a situation such as
24 this.

25 DELEGATE KILGORE: We met in
26 January.

1 DELEGATE BYRON: Yes, now we have a
2 meeting scheduled in May. Our schedule allows us to have
3 another meeting.

4 SENATOR RUFF: Is there another
5 alternative if the Executive Committee would transfer money
6 from one bucket to another bucket?

7 DELEGATE KILGORE: That's what I
8 thought. I would have to ask the lawyers if we can do that.

9 MR. BALLOU: I think it's a matter of
10 whether or not the Commission, the full Commission approves
11 the budget. So, I think it really involves whether or not there
12 has to be a full Commission meeting for approval of the
13 budget.

14 DELEGATE MARSHALL: The bucket
15 considering R&D and R&D has some money in the bucket.
16 Can we borrow from one bucket and put it in another bucket?
17 Transfer the R&D bucket and –

18 MR. BALLOU: I think the way that the
19 Commission is structured, it would require Commission
20 approval, formal approval to formally amend the budget to
21 produce this. I don't think there are any stress relievers when
22 the budget is approved that way by entering transfers in
23 between Commission meetings.

24 DELEGATE BYRON: How long does the
25 pipeline have money in it? How long is that period we're
26 talking about?

1 MR. STEPHENSON: That's about a six
2 month look back. The last six months of activity. Clearly
3 some of them are in the pipeline and it dies and they never
4 make it.

5 DELEGATE KILGORE: What's your best
6 guess in dealing with the TROF program, how much are we
7 going to have to have out of this 12.7 that we don't have right
8 now?

9 MR. STEPHENSON: If you were to adhere
10 to the TROF guidelines, which you don't always, but if you
11 were to adhere to those guidelines, I think it would be a very
12 safe assumption to believe that half of the twelve million in the
13 pipeline would never come to fruition but the other half would
14 come to fruition between now and July 1 when you'll have
15 fresh money.

16 DELEGATE KILGORE: You're saying
17 under the funds commitment you have \$5.5 for Bristol.

18 MR. STEPHENSON: Correct.

19 DELEGATE KILGORE: We aren't going to
20 have to spend that until May if everything goes smoothly.

21 MR. STEPHENSON: That's correct but
22 the accounting for this is based on when the commitment was
23 made. So when we made that commitment that amount was
24 set aside. If you don't book it, you've got fiduciary problems.

25 DELEGATE KILGORE: We don't want
26 that problem.

1 MR. STEPHENSON: To be accurate and
2 full disclosure and if you look at the section called potential
3 funding sources, all of those as I understand it, would require
4 a Commission vote or budget amendment to move money
5 around except the first line item, which are TROF refunds due
6 to the Commission and we don't have those. It really depends
7 on how aggressively you want to collect them.

8 DELEGATE KILGORE: But we're not
9 going to put a lien on a school building.

10 MR. STEPHENSON: No, but if there's
11 money out there, this all comes at a price. All the other
12 sources require a budget amendment and vote.

13 DELEGATE KILGORE: Do you have a
14 suggestion?

15 MR. STEPHENSON: I think it's a hard
16 call but I think suspension of the program is a far inferior
17 method to a called meeting.

18 SENATOR RUFF: I didn't want to
19 challenge this but I can see it might not be right to just take
20 the money from one Committee to another or loan it from one
21 to another, I just don't quite read it that way.

22 MR. BALLOU: It could be, I haven't seen
23 the actual figures in order to get there but in a thirty second
24 look-see at the numbers to be able to see if you can do that.

25 MR. STEPHENSON: I'm thinking about a
26 loan and a promissory note and obligation.

1 SENATOR RUFF: It's a temporary
2 transfer from one account to another.

3 MR. STEPHENSON: I think the question
4 is would that require a vote or not.

5 DELEGATE KILGORE: You've got
6 800,000 there, you could take that.

7 MR. STEPHENSON: On a vote of the
8 Commission.

9 DELEGATE KILGORE: You can take it
10 without a vote.

11 MR. STEPHENSON: It is not currently in
12 the TROF budget, to put it in the TROF budget, the
13 Commission may want to have a vote on that.

14 SENATOR CARRICO: The \$24 million
15 from the King School of Medicine, that's nowhere near being
16 done. They're moving down the road faster than I thought but
17 it isn't a done deal and it may come out.

18 DELEGATE KILGORE: They may not be
19 needing the whole \$24 million, you're right.

20 MR. STEPHENSON: We can give some
21 thought to that with the idea that maybe this Committee could
22 instruct the staff to send a portion of the King College grant,
23 maybe you could do that, when you rescind it that money goes
24 into the Southwest bucket so you're back with the same
25 problem.

26 SENATOR CARRICO: We don't know how

1 much to rescind.

2 SENATOR RUFF: Mr. Chairman, the
3 stale grants that you have, would that officially allow the
4 Commission to give more time to act?

5 MR. STEPHENSON: The stale grants are
6 \$7 million and that is a group of grants that were approved
7 three years ago or more that have not drawn any money from
8 their grant. Some of those have been extended from the third
9 year to the fourth year and we have to decide whether you
10 want to instruct the staff to rescind all grants over four years
11 or five years. That money if you did rescind those grants
12 would fall back into the Committee from which it came and
13 you're back with the same issue about whether you have the
14 authority to move that or not.

15 MR. PFOHL: The staff is monitoring every
16 one of those grants, some are even in the fifth year. That
17 comes from a wide range of programs.

18 DELEGATE BYRON; I don't know if we're
19 going to solve this problem but when you talk about stale
20 grants, a funding issue here, when we do a project for TROF is
21 the money there in a situation such as these calculated into
22 the budget that we think we have? How did we get to this
23 point? We have a lot of these projects and that's a good thing I
24 suppose if you're trying to create jobs but is that because of
25 the balance you were looking at, such things as King College?

26 MS. KIM: Those are carry forward

1 programs and that's in the financial statement and shown as
2 an obligation. When we do a new budget in the fiscal year,
3 those will not show.

4 DELEGATE BYRON: If we have no more
5 activity than we had before.

6 MS. KIM: I think in the past we have
7 transferred money into TROF.

8 DELEGATE KILGORE: We have.

9 MR. STEPHENSON: The demand on
10 TROF funds is very direct.

11 DELEGATE KILGORE: Trying to create
12 these jobs.

13 MR. STEPHENSON: I think the root of
14 this is whether or not the Commission has legal authority to
15 act.

16 DELEGATE KILGORE: I don't really
17 disagree with you but –

18 MR. BALLOU: I think if the Commission
19 approves the budget and you're looking at a certain number of
20 dollars in each different fund and a change and escape valve
21 language to transfer numbers and then delegate to the
22 Executive Committee if you do that but I think you're circling
23 back to the full Commission again to change the budget.

24 DELEGATE KILGORE: How long would it
25 take to call a meeting?

26 MR. STEPHENSON: Three days.

1 DELEGATE MARSHALL: At the last
2 meeting we just had of Southside Economic Development,
3 Charlotte County came to us for an application and Southside
4 Economic Development approved that application and of
5 course, they don't get the money until the Board meets, so
6 could the same thing happen with TROF, that a TROF
7 agreement can be approved contingent upon the Board at its
8 next meeting approved that.

9 MR. BALLOU: I think so. It would be
10 contingent on action of the full Commission to approve subject
11 to funding by the Board.

12 DELEGATE MARSHALL: So I think the
13 rules of TROF change a little bit if you want to do that until we
14 have another Board meeting.

15 DELEGATE BYRON; That may or may
16 not work because the commitment from what I've been
17 hearing, the companies don't want to come near it conditioned
18 on a meeting but we also have three days to call a meeting and
19 you're just holding the money anyway rather than, just putting
20 it on hold. You're basically doing the same thing.

21 MR. STEPHENSON: Mr. Chairman,
22 perhaps a conditional approval as opposed to none at all.
23 However, the way the program has worked when the economic
24 development folks are on the negotiating table, we have put
25 into their hands a hard binding commitment letter, if they
26 have a commitment of a half million dollars or whatever and

1 they have liked that very much that they don't have to say I
2 might be able to get this money if a lot of things happen
3 because the clients push back from the table and say call us
4 when you've got something.

5 MR. PFOHL: That's the direction that we
6 continue toward whether it's a Committee recommendation.

7 DELEGATE BYRON: How many did you
8 have?

9 MR. STEPHENSON: The TROF approvals
10 are down to about 48 hours from the time of request. The
11 counties like that.

12 SENATOR RUFF: Mr. Chairman, I move
13 we call a Board meeting next week.

14 DELEGATE KILGORE: We do have a
15 quorum here, don't we?

16 MR. STEPHENSON: It may be helpful to
17 the Committee to have the whole Commission, Stacey can work
18 her magic and poll everyone and find a magic date that works,
19 hopefully next week but possibly beyond.

20 SENATOR RUFF: Mr. Chairman,
21 whenever we have the meeting, we have to have it here
22 because we don't know about the budget issues, that comes
23 and goes.

24 DELEGATE KILGORE: Let's try next
25 week then.

26 MR. STEPHENSON: In preparation for

1 that meeting, would this Committee have a recommendation
2 for the full Commission as to what transfers you want to make
3 and this list of potentials. One of the easy ones is the next to
4 the last 800,000.

5 DELEGATE KILGORE: Yeah, we can do
6 that one and then I would say the unobligated R&D funds, five
7 or six million from that.

8 MR. STEPHENSON: The budget
9 formation is in the process now.

10 SENATOR RUFF: Do we need to take a
11 vote on that?

12 DELEGATE KILGORE: No. Now, I want
13 everybody to know about Corpus and what we have here and I
14 want to let you all know what you're getting into if we invade
15 the Corpus.

16 MS. KIM: I'm Stephanie Kim, Director of
17 Finance for the Tobacco Commission. This chart shows or
18 reflects what we've done as far as invading the Corpus. This
19 shows the Corpus Invasion and what your balance looks like.
20 If you recall last May you approved a ten percent Corpus
21 invasion and the current fiscal year that transfer will not
22 happen until June but that line shows where we are today.
23 Based on that Corpus invasion, this is an estimate as far as
24 what future budgets will look like as far as available spending.
25 FY14 is the budget we currently have in place but if you notice
26 FY15 goes down significantly. A lot of that is the earnings

1 we've had year to date, based on that we have future years.
2 Our funds are with Treasury.

3 MR. HILL: What is the return you're
4 earning there?

5 MS. KIM: It was about four percent. It's
6 not four percent of the endowment and it's four percent of the
7 funds that include money that has not been disbursed yet that
8 are not in the endowment, money in the funds that has not
9 been disbursed yet and they stay in Treasury and stay
10 invested, currently about four percent.

11 DELEGATE KILGORE: Something I had
12 talked to Tim about and Ned about was the possibility of some
13 point in time of looking at not invading at ten percent but
14 maybe eight percent or something like that would probably
15 make that line a little bit better or it would make the money to
16 spend not as good. One thing in talking to staff I realize
17 there's a lot of that the formulary in those counties in
18 Southside there's a lot of money that's in their corner but not
19 being spent.

20 DELEGATE MARSHALL: We've also
21 invested in a lot of these megasites. This is a good side but
22 what happens when those companies land there, we know
23 good and well they're going to be knocking on our doors for
24 extra cash, which is a good thing.

25 MR. PFOHL: Mr. Chairman, Neil, our
26 previous executive director projected two years FY2016 on and

1 we approved the current year budget, we could see that that
2 six or seven million of overspending by seventeen million. Neil
3 had his ideas about how to fix that but I think for our
4 discussion today we would point out as the Chairman just
5 mentioned, Southside Economic Development is currently
6 carrying a current balance of \$15 million in allocations and I
7 would suggest to you that adding an additional \$8 million from
8 2015 is something that needs to be discussed.

9 DELEGATE KILGORE: What would we
10 normally have?

11 MR. PFOHL: That's the allocation there.
12 We anticipated a second shot of \$10 million for the Advanced
13 Manufacturing Centers of Excellence and I'm not sure of that
14 number and we need to focus on that. We will be getting those
15 proposals and we'll see some funding figures for the Centers of
16 Excellence in April when we get those proposals. The \$10
17 million in Advanced Manufacturing may be something that can
18 be adjusted.

19 Now we're in the final year of the megasite
20 development program and \$100 million committed to that and
21 that \$12.5 million I think is something that should be
22 discussed because at the current time we have control of
23 public ownership of all the megasites and we've got money
24 committed to engineering and that's a significant chunk of the
25 stale grant balance. The first round of megasites has been
26 stymied because we hit a wall with the Army Corps of

1 Engineers with those so I think the \$12.5 million is something
2 that we can look at either reducing or spreading over two years
3 or whatever the Committee chooses to do.

4 I point out that bottom line our final
5 commitment to the natural gas pipeline that crosses southern
6 Virginia and we're contractually obligated to make that \$10
7 million payment. You can see how things break loose in 2016
8 when we no longer have the natural pipeline in 2016. I
9 suggest to you we've got to do some carving in 2015 and if you
10 want to discuss some serious reduction in the Corpus invasion
11 rate, 2016 is the year that it becomes easier to do.

12 MS. KIM: 2015 is the ten percent Corpus
13 invasion and 2016 assumes a six percent.

14 MR. STEPHENSON: It would be very
15 helpful for the staff and the Commission if you could signal to
16 us what level of invasion you would like to be informed on so
17 that we could get to the table in May you'd have that
18 discussion.

19 DELEGATE KILGORE: I thought you said
20 we needed ten percent this year.

21 MR. STEPHENSON: I'm looking for
22 affirmation from the Committee that meets with your approval.

23 DELEGATE MARSHALL: In talking about
24 the megasites and of course two of them are in my district, this
25 is home cooking for me. The whole problem is that we
26 understand that we got this in Special Projects last January.

1 Henry County is hopefully going to be able to get a permit from
2 the Corps of Engineers but we haven't seen that yet. My
3 suggestion is that we postpone the twelve and a half million
4 megasite for a year. Let the Corps of Engineers and the public
5 projects catch up with us. You also said that a lot of stale
6 projects have dollars that have been appropriated and some of
7 the megasites haven't spent because of the permit problems.

8 DELEGATE KILGORE: Maybe between
9 now and next week a list of those stale projects so each
10 Commissioner will have those and that way everybody will
11 have an opportunity to comment.

12 DELEGATE MARSHALL: So Mr.
13 Chairman, if you look up the twelve and a half million megasite
14 development and postpone it for a year.

15 DELEGATE KILGORE: It's certainly good
16 to have these discussions. Next year, we can see what the
17 dollars are. We've got to have money for TROF.

18 DELEGATE MARSHALL: TROF is today's
19 jobs and the megasites are certainly in the future.

20 DELEGATE KILGORE: We were told that
21 we had to have VEDP to go so if we don't have it, we do have
22 two or three megasites, we had to have those if we wanted to
23 go forward.

24 MS. KIM: There's \$3 million in the TROF
25 budget where right now the current year take out \$4.9 and
26 we're adding about \$6 million, looking to add it. \$3 million

1 may not be enough for the next year for the TROF budget.

2 DELEGATE MARSHALL: What's your
3 thoughts about the megasites?

4 DELEGATE KILGORE: We'll have to vote
5 on it.

6 MS. KIM: That's in the current year's
7 budget, January, not FY16.

8 MR. STEPHENSON: I think if the
9 Committee has a consensus of ten percent invasion, that gives
10 us some instructions for this coming year and we'll get this
11 straightened out so we can get a balanced budget.

12 DELEGATE KILGORE: I want to get
13 everybody thinking that we are going to cut back a little bit on
14 some of these and our clients know where we're going. The
15 next big thing that comes along, we want to be able to act.

16 DELEGATE BYRON; I just want to say
17 that and no offense to King College or whatever problems
18 they've been having, I heard indirectly that Liberty's Medical
19 School, we're going to have a ribbon cutting on May 30th and I
20 hope Sarah will confirm that for me so we can get the word out
21 to everyone. Their first class will be in the fall, that's less than
22 two years.

23 DELEGATE KILGORE: One thing I'd like
24 us to discuss next week, we as a Commission want to market
25 and the reason I ask that is Southwest VCEDA has sort of
26 stepped back from marketing. VCEDA is not always the best

1 marketer for us. They've got the whole state and not worried
2 about Southwest but I'd like you all to think about getting into
3 that marketing or whether it's contract or market or something
4 just to get more opportunities there in Southwest and
5 Southside. I just wanted you all to think about that, you don't
6 have to make a decision, but we can talk about it next week.

7 DELEGATE BYRON: We've had some
8 great projects and we were talking about doing a little bit about
9 doing a trip go to some of the R&D projects, some of them are
10 in Phases II and III and that would be good for all of us to see
11 what they're doing and what progress is being made.

12 DELEGATE MARSHALL: I understand
13 the tire center is really running great.

14 MS. NYHOLM: They're going to a third
15 shift in June and they hired their 25th employee and they'll
16 have 30 in June.

17 MR. PFOHL: The aquafuel project in
18 Wise-Norton is approaching three dozen employees and there's
19 a two million dollar plant under construction.

20 MS. NYHOLM: There's an article in the
21 engineering magazine and it says something like rarely do you
22 see a pipe dream become reality.

23 DELEGATE KILGORE: All right, who's
24 going to be in charge of setting up the meeting and I think it
25 would be better to have it here. It could be downstairs in this
26 building, maybe Wednesday or Thursday, we've got to have a

1 room bigger than this. All right. Any public comment? All
2 right.

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PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

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I, Medford W. Howard, Registered Professional
Reporter and Notary Public for the State of Virginia at large, do

1 hereby certify that I was the court reporter who took down and
2 transcribed the proceedings of the **Virginia Tobacco**
3 **Indemnification and Community Revitalization**
4 **Commission Executive Committee meeting when held on**
5 **Thursday, February 27, 2014 at 5:00 p.m. at the General**
6 **Assembly Building, 7th Floor West Conference Room,**
7 **Richmond, Virginia 23219.**

8 I further certify this is a true and accurate
9 transcript, to the best of my ability to hear and understand the
10 proceedings.

11 Given under my hand this 4th day of March,
12 2014.

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19 My Commission Expires: October 31, 2014.

20 Notary Registration Number: 224566