

1 **VIRGINIA TOBACCO INDEMNIFICATION**
2 **AND COMMUNITY REVITALIZATION COMMISSION**

3 701 East Franklin Street, Suite 501
4 Richmond, Virginia 23219

5
6
7
8
9 **Full Commission Meeting**

10 Tuesday, January 8, 2013

11 9:00 o'clock a.m.

12
13
14
15 Hilton Garden Inn

16 Richmond, Virginia 23219

17
18
19
20
21
22
23
24
25

 CRANE-SNEAD & ASSOCIATES, INC.
 4914 Fitzhugh Avenue, Suite 203
 Richmond, Virginia 23230
 Tel. No. (804) 355-4335
 Fax No. (804) 355-7922

1 **APPEARANCES:**

2 The Honorable Terry G. Kilgore, Chairman

3 The Honorable Frank M. Ruff, Vice Chairman

4 Mr. Kenny F. Barnard

5 Ms. Gayle F. Barts

6 The Honorable Richard Brown,

7 Secretary of Finance

8 The Honorable Kathy J. Byron

9 Mr. John R. Cannon

10 The Honorable Charles W. Carrico, Sr.

11 Ms. Mary Rae Carter, Deputy Secretary

12 Department of Commerce and Trade for Rural Development

13 The Honorable James S. Cheng, Secretary

14 Department of Commerce and Trade

15 Mr. David R. Cundiff

16 Ms. Linda P. DiYorio

17 Mr. Burgess Hamlet

18 Mr. Scott M. Harwood

19 Mr. Travis Hill, Deputy Secretary

20 Virginia Department of Agriculture and Consumer Services

21 The Honorable Joseph P. Johnson, Jr.

22 The Honorable Daniel W. Marshall, III

23 The Honorable Donald W. Merricks

24 Mr. H. Ronnie Montgomery

25 Ms. Sandra F. Moss

1 **APPEARANCES (Continued):**

2 Ms. Connie Greene Nyholm
 3 The Honorable Edward Owens
 4 Dr. David S. Redwine, DVM
 5 Mr. Kenneth O. Reynolds
 6 The Honorable Ralph K. Smith
 7 Mr. Robert Spiers
 8 Mr. John Stallard
 9 The Honorable William M. Stanley, Jr.
 10 Ms. Cindy M. Thomas
 11 Mr. Gary D. Walker
 12 The Honorable Thomas C. Wright, Jr.

13

14 **COMMISSION STAFF:**

15 Mr. Neal Noyes, Executive Director
 16 Mr. Ned Stephenson, Deputy Executive Director
 17 Mr. Timothy S. Pfohl, Grants Program Administration Manager
 18 Ms. Stephanie S. Kim, Director of Finance
 19 Ms. Sara G. Williams, Grants Program Administrator -
 20 Southwest Virginia
 21 Ms. Sarah K. Capps, Grants Program Administrator -
 22 Southside Virginia
 23 Ms. Carolyn Bringman, Staff Analyst
 24 Ms. Jessica Stamper, Southwest Virginia
 25 Mr. Benjamin Dawson, Southside Virginia

1 January 8, 2013

2

3

DELEGATE KILGORE: Good morning, everyone,
4 welcome, and I'm going to ask Neal to call the roll.

5

MR. NOYES: Mr. Barnard.

6

MS. BARNARD: Here.

7

MR. NOYES: Ms. Barts.

8

MS. BARTS: Here.

9

MR. NOYES: Secretary Brown.

10

SECRETARY BROWN: Here.

11

MR. NOYES: Delegate Byron.

12

DELEGATE BYRON: Here.

13

MR. NOYES: Mr. Cannon.

14

MR. CANNON: Here.

15

MR. NOYES: Senator Carrico.

16

SENATOR CARRICO: Here.

17

MR. NOYES: Secretary Cheng.

18

SECRETARY CHENG: Here.

19

MR. NOYES: Mr. Cundiff.

20

MR. CUNDIFF: Here.

21

MR. NOYES: Ms. DiYorio.

22

MS. DiYORIO: Here.

23

MR. NOYES: Mr. Hamlet.

24

MR. HAMLET: Here.

25

MR. NOYES: Mr. Harwood.

1 MR. HARWOOD: Here.
2 MR. NOYES: Deputy Secretary Hill.
3 DEPUTY SECRETARY HILL: Here.
4 MR. NOYES: Delegate Johnson.
5 DELEGATE JOHNSON: Here.
6 MR. NOYES: Delegate Marshall.
7 DELEGATE MARSHALL: Here.
8 MR. NOYES: Delegate Merricks.
9 DELEGATE MERRICKS: Here.
10 MR. NOYES: Mr. Montgomery.
11 MR. MONTGOMERY: Present.
12 MR. NOYES: Ms. Moss.
13 MS. MOSS: Here.
14 MR. NOYES: Ms. Nyholm.
15 MS. NYHOLM: Here.
16 MR. NOYES: Mr. Owens.
17 MR. OWENS: Here.
18 MR. NOYES: Dr. Redwine.
19 DR. REDWINE: Here.
20 MR. NOYES: Delegate Kilgore.
21 DELEGATE KILGORE: Here.
22 MR. NOYES: Mr. Reynolds.
23 MR. REYNOLDS: Here.
24 MR. NOYES: Senator Smith.
25 SENATOR SMITH: Here.

1 MR. NOYES: Mr. Spiers.

2 MR. SPIERS: Here.

3 MR. NOYES: Mr. Stallard.

4 MR. STALLARD: Here.

5 MR. NOYES: Senator Stanley.

6 SENATOR STANLEY: Here.

7 MR. NOYES: Ms. Thomas.

8 MS. THOMAS: Here.

9 MR. NOYES: Mr. Walker.

10 MR. WALKER: Here.

11 MR. NOYES: Delegate Wright.

12 DELEGATE WRIGHT: Here.

13 MR. NOYES: You have a quorum, Mr. Chairman.

14 DELEGATE KILGORE: All right. Do we have a motion
15 to approve the minutes of September 27th, 2012?

16 DELEGATE JOHNSON: So moved.

17 DELEGATE KILGORE: We have a motion and a
18 second. All those in favor, say aye. (Ayes). Opposed? (No
19 response).

20 All right. We'll move right into our keynote speaker.

21 MR. STEPHENSON: Members of the Commission, we
22 have a gentleman here with us today that I met last summer
23 when we were at the London Air Show. I think you'll find that
24 once you listen to what he has to say, you'll walk away with a
25 better understanding of what he has to say. He's a very soft

1 spoken person, but very knowledgeable and extremely aware of
2 the events and very aware of the advanced manufacturing arena
3 with which we have become very involved in with the CCAM and
4 Rolls-Royce. We have with us today Dr. Hamid Mughul. He is
5 the Executive Vice President of Rolls-Royce for manufacturing.
6 He joined the Rolls-Royce in 2001, and he has about 30 years of
7 experience in manufacturing and facility processes, and he is an
8 accomplished and recognized authority in advanced
9 manufacturing. And he brings a lot of that experience to what's
10 going on with Rolls-Royce here in Prince George County, Virginia.

11 I would like to invite everyone that can't see the
12 screen to come on this side of the room.

13

14 NOTE: At this time, the PowerPoint presentation is
15 made by Dr. Hamid Mughul, viz:

16

17 DELEGATE KILGORE: Thank you so much for making
18 this available in our region, and also thank you for helping us
19 with our workforce and manufacturing goals. Thank you very
20 much.

21 Next we'll hear about our Indemnification update.

22 MR. NOYES: Members of the Board, the
23 Indemnification Program is over. The last Indemnification
24 payments were sent out in December. The database is on our
25 server, and the final database will be transferred today by

1 Troutman Sanders to the Tobacco Commission. The staff has
2 been trained on accessing the database. We have contracted
3 with a document storage company for 650 boxes of
4 Indemnification records for the next three years, as required by
5 the State records retention schedule, and the boxes will be
6 transferred mid-January. Two hundred boxes of old files have
7 been shredded. And the website has been shut down. Phones
8 have been shut down, and all inquiries are redirected at the
9 Commission.

10 Troutman Sanders is notifying the offices to contact us
11 for any inquiries. The post office box was transferred to the
12 Commission and will remain open for at least six months.
13 Troutman is issuing 1099 forms that has the Commission's phone
14 number and address. Records for approximately 50 pending
15 claims will be transferred to the Tobacco Commission this week.
16 That's where we are with the Indemnification.

17 DELEGATE KILGORE: Clark Lewis.

18 MR. LEWIS: Mr. Chairman and members of the
19 Board, I'm Clark Lewis with Troutman Sanders, and this is Mary
20 Cabell, who's worked with us for many years and was head of our
21 program at Troutman Sanders, and we consider this a success
22 and we enjoyed the opportunity to work with you the past 12
23 years.

24 First of all, I'll say thank you because the 650 boxes
25 that are being moved will give me more room in my office now

1 and appreciate that very much. I consider it a privilege to work
2 with all of you and former Commissioners that have come back
3 again, and we really enjoyed it. Mary Cabell is continuing to
4 work with us at Troutman Sanders as a manager, so we'll be
5 available to answer any questions, and we hope this will be a
6 very smooth transition.

7 Again, we thank you very much.

8 DELEGATE KILGORE: We want to thank you, and
9 you've done a great job for us over these years, and you've been
10 very successful in helping to get these payments to our people,
11 the farmers, and we certainly appreciate that.

12 MR. LEWIS: I'd be remiss if I didn't say that Steve
13 Rosenthal has worked with us, and he had an appointment,
14 otherwise, he would have been here. And I want to convey his
15 thanks to you. Thank you.

16 DELEGATE KILGORE: Thank you all.

17 DELEGATE JOHNSON: Mr. Chairman, I'd just like to
18 voice my appreciation from the farmers in Southwest Virginia in
19 the burley business and just say how much we appreciated
20 working with you and the work that you've done, the outstanding
21 work you've done for us. And I speak for everyone when I say I
22 know they all appreciated it and I appreciated it, too. So, thank
23 you.

24 DELEGATE KILGORE: All right. Next, we'll hear from
25 Joe Johnson with the Agribusiness report. Are you ready?

1 DELEGATE JOHNSON: Mr. Chairman and members of
2 the Commission. The Agribusiness Committee met yesterday. I
3 move that we approve eight grants, totaling \$1,679,321, which is
4 the staff recommendation found on pages 8 and 9 of your book.
5 Also, Grant Number 2615, \$148,836, as shown on page 9 of your
6 book. I move that those actions be approved. If there's anyone
7 that wants to take anything out of the block.

8 DELEGATE WRIGHT: Mr. Chairman, I would move
9 that Grant Number 2629 be taken out of the block.

10 DELEGATE KILGORE: All right.

11 SENATOR STANLEY: Mr. Chairman, I'd move that
12 2615 be taken out of the block.

13 DELEGATE KILGORE: All right, we've got a motion
14 and a second on the remaining grants. All those in favor of the
15 remaining grants, say aye. (Ayes). Opposed? (No response).

16 Now, let's go to 2629. Do I have a motion on that,
17 Delegate Johnson?

18 DELEGATE JOHNSON: Yes, sir.

19 MR. MONTGOMERY: Second.

20 DELEGATE KILGORE: I have a motion and a second.
21 Any discussion? All those in favor of 2629, say aye. (Ayes).
22 Opposed? (No response).

23 DELEGATE WRIGHT: I'm going to abstain on the
24 grounds of possible conflict of interest.

25 DELEGATE KILGORE: All right. 2615, do I have a

1 motion?

2 MR. MONTGOMERY: I'll make the motion.

3 DELEGATE KILGORE: Do I have a second?

4 MR. STALLARD: Second.

5 DELEGATE KILGORE: I have a motion and a second.

6 Any discussion? All those in favor of 2615, say aye. (Ayes).

7 Opposed? We have three no's.

8 SENATOR STANLEY: No.

9 DELEGATE WRIGHT: No.

10 DELEGATE MERRICKS: No.

11 DELEGATE JOHNSON: That's my report.

12 DELEGATE KILGORE: Delegate Johnson, is that your
13 report?

14 DELEGATE JOHNSON: Yes.

15 DELEGATE KILGORE: Thank you for your hard work
16 on your committee.

17 All right, next, Delegate Byron, Research and
18 Development.

19 DELEGATE BYRON: Research and Development
20 Committee, page 26. I want to thank everyone for all the hard
21 work that went into the committee and the meeting. So I want
22 to move to approve \$4 million in favor of Grant Number 2638.

23 MR. OWENS: Second.

24 DELEGATE KILGORE: Have a motion and a second for
25 the R&D Committee. We have a motion and a second. All those

1 in favor, say aye. (Ayes). Opposed? (No response).

2 DELEGATE BYRON: That is my report.

3 DELEGATE KILGORE: Next we have Delegate
4 Marshall, Special Projects.

5 DELEGATE MARSHALL: Mr. Chairman, page 30 in
6 your book. Mr. Chairman, I'd first move that we have four grants
7 totaling \$10.7 million on page 30 be approved.

8 DELEGATE KILGORE: We have a motion and a
9 second. Does that include the one for Berry Hill?

10 DELEGATE MARSHALL: That's tabled.

11 DELEGATE KILGORE: So we have 2642, 2643, 2644.

12 DELEGATE MARSHALL: That's correct.

13 DELEGATE KILGORE: Any discussion? We've got a
14 motion and a second. Any more discussion? All those in favor,
15 say aye. (Ayes). Opposed? (No response).

16 DELEGATE MARSHALL: That's my report, Mr.
17 Chairman.

18 DELEGATE KILGORE: Dr. Redwine, Southwest.

19 DR. REDWINE: Excuse me, Southside, Ed Owens.

20 MR. OWENS: I refer you to page 31 in your book,
21 Southside Economic Development Committee. Southside
22 Economic Development Committee met on December 13th
23 in Roanoke, and we're recommending 11 grants, totaling
24 \$5.2 million, and that's shown on page 35 of your book. I so
25 move.

1 DELEGATE KILGORE: We have a motion and a
2 second. Any discussion or any grant taken out of the block? Are
3 you prepared to vote? All those in favor on page 35 of the grants
4 listed there and the recommendation and the motion and the
5 second, please say aye. (Ayes). Opposed? (No response).
6 Thank you, Ed.

7 Dr. Redwine.

8 DR. REDWINE: Thank you, Mr. Chairman. The
9 Southwest Economic Development Committee met this morning
10 at 8:00 a.m. to consider three items of business. The first item
11 was to grant Scott County Telephone permission to use \$500,000
12 from Grant 2355, which was the Sandy Ridge Fiber Project in
13 Russell and Dickenson Counties to build fiber to the premises
14 along Lee and Wise Counties. And this is a very similar project,
15 and we had funds available.

16 DELEGATE KILGORE: They have other federal money
17 to finish the project in Dickenson and Russell, correct?

18 DR. REDWINE: Yes. They have other funds, and
19 these funds became available, which are needed for those folks
20 down in that area. So, I so move.

21 DELEGATE KILGORE: You make that motion?

22 DR. REDWINE: Yes.

23 DELEGATE KILGORE: I have a motion and a second.
24 Any discussion on Scott County Telephone? All those in favor,
25 say aye? (Ayes). Opposed? (No response).

1 DR. REDWINE: The second item of business, we
2 received a progress report from the King School of Medicine this
3 morning and have made several significant advances for the
4 establishment of that medical college. After debate and
5 questions from the Committee members, the Committee voted to
6 offer them an extension until May 15th with certain contingencies
7 that were specified by the Committee, and they will bring a full
8 report back with specific details on the progress on May 15th to
9 be considered by the Committee with recommendations to be
10 made to the full Commission that will be discussed at our May
11 meeting.

12 DELEGATE KILGORE: That'll be directed to the
13 Executive Director to do that?

14 DR. REDWINE: Yes.

15 MR. NOYES: That's correct. No motion is necessary.

16 DELEGATE KILGORE: Any other business?

17 DR. REDWINE: One other item left. Finally, we had a
18 request from Lee County IDA to repurpose \$18,009 under Grant
19 1904 to be moved to Constitutional Oaks Project, Grant Number
20 903, in the amount of \$18,009.95. I make a motion that we
21 grant that.

22 DELEGATE KILGORE: We have a motion and we have
23 a second. Any discussion? All those in favor, say aye. (Ayes).
24 Opposed? (No response).

25 DR. REDWINE: That concludes my report.

1 DELEGATE KILGORE: All right, thank you.

2 Next up is Senator Ruff, Executive Committee.

3 SENATOR RUFF: Thank you, Mr. Chairman. The
4 Executive Committee met yesterday afternoon, and there were
5 two action items. The first one was to transfer \$250,000 from
6 the Southside Economic Development Committee's Patrick
7 County allocation to the TROF fund to cover the over-align
8 amount under the TROF Grant Number 2647, and I so move.

9 DELEGATE KILGORE: I have a motion and a second.
10 Any discussion? All those in favor, say aye. (Ayes). Opposed?
11 (No response).

12 SENATOR RUFF: The next item, I move that the
13 Commission continue to pay invoices received from Kaufman and
14 Canoles that are approved by the Office of the Attorney General
15 for legal services rendered to the Commonwealth for the 2003
16 NPM Adjustment Arbitration. Such payment shall be charged
17 against the \$650,000 authorized by the Commission for this
18 purpose on 9-27-12 until such authorization is depleted, and
19 thereafter shall be limited to \$350,000.

20 There's been a national settlement that has not totally
21 been completed, and we don't know what all the final bills will be,
22 but this should cover more than the necessary things, and we will
23 only pay the amount that we had received invoices for. And this
24 limits the amount of \$350,000.

25 Now, we do have counsel for the Commission, correct?

1 DELEGATE KILGORE: That is correct.

2 SENATOR RUFF: We had the representative from
3 Christian Barton, Mr. Eric E. Ballou and Megan Marts Gilliland.
4 They are the attorneys for the Commission. They're from
5 Christian and Barton.

6 DELEGATE KILGORE: We have a motion and a
7 second. All those in favor, say aye. (Ayes). Opposed? (No
8 response). All right, that takes care of the Executive Committee.

9 Next is Education Committee, Senator Ruff.

10 SENATOR RUFF: The Education Committee, and
11 beginning on page 60 is a copy of the Boston Consulting Group
12 and the work they did for us. The original objective was to
13 secure an independent expert analysis of steps needed to
14 develop an Advanced Manufacturing Economic Cluster in order
15 that Southern and Southwestern Virginia might compete
16 successfully for acquiring advanced manufacturing skills.

17 The specific details regarding curriculum, allocation of
18 resources, and marketing remain to be decided by yet to be
19 formed committees. The business essentially develops an overall
20 strategy to build a pipeline that manufacturers understand that
21 we will be able to provide the skills necessary for those
22 businesses that come online.

23 Therefore, I move that the Commission accept the
24 CCAM in accepting the Advanced Manufacturing Study prepared
25 by the Boston Consulting Group.

1 DELEGATE KILGORE: Delegate Bryon.

2 DELEGATE BYRON: If that's a question, are we going
3 to accept a report, we haven't even, I'd just like to request that
4 in light of a study that was done and that you consider a
5 committee of some from the Tobacco Commission members to
6 evaluate and discuss the study itself, we've spent our money on
7 this, and we really haven't had time to sit down and discuss it.

8 SENATOR RUFF: Mr. Chairman, my motion was to
9 just accept the study, and any other action, I think, would have
10 to follow that.

11 DELEGATE BYRON: Mr. Chairman, what does the
12 study mean, accepting the study, what does that mean?

13 SENATOR RUFF: Mr. Chairman, it's been done and it's
14 been paid for --

15 DELEGATE BYRON: Are you asking us to agree with
16 what's in the study?

17 SENATOR RUFF: Mr. Chairman, I would say that it's
18 an overall strategy and there are many specifics that'll have to be
19 dealt with and there'll be committees created to determine what
20 curriculum specifically, how resources will be allocated, how it
21 will be marketed throughout Southwest and Southside. There's a
22 lot of work still to be done.

23 DELEGATE BYRON: There's some recommendations
24 about efforts, when you say agreeing to study, are we agreeing
25 to what?

1 SENATOR RUFF: There were no conclusions, we're not
2 asking for any conclusions on any location or anything. This is
3 an overall strategy to move forward, and specifics can be decided
4 after that.

5 MR. NOYES: There were services that were specified
6 when the request for proposals went out. I think this is just a
7 response to that scope of services. This doesn't bind us to any
8 particular recommendation that's contained in the report and
9 given to the Commission, contained in the report that was given
10 to CCAM. That's really the issue. Having participated in the
11 steering meeting as fully responsive to the RFP that went out.

12 DELEGATE KILGORE: Do I have a second? I have a
13 second.

14 DELEGATE WRIGHT: I voted against it, which are
15 some of the reasons that Delegate Byron just talked about.
16 Thinking about some of the things in my area, I don't know that
17 they talked to anyone in my area, no one was interviewed in the
18 process, and I don't know that it's thorough enough. My area of
19 Lunenburg and Brunswick and Charlotte, Nottoway, I want to
20 make sure they get a fair shot. As I said, I want to make sure
21 that my area has a fair shot, and I don't know that anyone was
22 even talked to or interviewed. I think that issue should be
23 addressed, and that's the reason I voted no. It's not in context
24 that I disagree with it, but in some of the details.

25 MS. THOMAS: Mr. Chairman, I would agree with

1 Delegate Wright and Delegate Byron. In our areas, I don't feel
2 that was fully comprehensive. I'm not disagreeing with the
3 contents and I don't know that there'd be any difference, but no
4 one in business or no educational representative, Economic
5 Development people were contacted as far as I know concerning
6 what's in the report. I think I would be remiss not noting that to
7 make sure that those folks are included in hearing from those
8 businesses.

9 DELEGATE KILGORE: Any more discussion? I have a
10 motion and a second.

11 DELEGATE BYRON: I'd like to make a substitute
12 motion that we postpone accepting the report. We've got the
13 report, and we've paid for it, to postpone accepting the report
14 until we've had an opportunity for the rest of the Commissioners
15 and to take a further look at it. I'm not on the Education
16 Committee, and I wasn't part of the discussion on it. That's my
17 substitute motion.

18 DELEGATE MARSHALL: Let's call for the question.

19 MS. THOMAS: I'll second it.

20 DELEGATE MARSHALL: We have the report, it's here,
21 and if we don't accept it, are they going to give us our money
22 back? Of course not. They have made a representation in the
23 area, and you can't talk to everybody, and they've come up with
24 some conclusions, and we have that report. I don't know that we
25 really have to vote to accept it or not accept it. It's before us

1 now and we've signed the check, so we've got it.

2 MR. OWENS: They don't know if it actually matches
3 the current level of the work for it, accepting it without knowing
4 fully what we've got.

5 DELEGATE WRIGHT: I disagree with Delegate
6 Marshall. Of course, we've already paid for it, so I guess we
7 have to accept it. I don't see any reason to really vote on it. If
8 you say you accept it, that's saying you're agreeing with the
9 conclusions, and if I disagree with the conclusions, then how can
10 we accept it?

11 DELEGATE KILGORE: We can accept the report, and
12 then we'll continue to work on any recommendations that the
13 Boston Consulting Group has made. I think that's where the
14 Executive Director, if we don't agree with this or that sort of
15 thing, we're not conceding that yet. I'm sure we'll have a lot of
16 discussion on that.

17 MR. NOYES: Some of the recommendations of what
18 we do, and that's where the opportunity for more people to be
19 involved. More people will be consulted in businesses by the
20 representatives of the Boston Consulting Group, and that's where
21 that will happen.

22 SENATOR RUFF: It talks about three centers of
23 excellence or at least three centers, but it's up to the
24 Commission to determine that, how that would be implemented.

25 DELEGATE KILGORE: We'll have to look at the overall

1 costs and all those things.

2 SENATOR RUFF: Mr. Chairman, hindsight is always
3 20/20, and if we did everything perfectly, we could look back and
4 maybe we should have interviewed more people, but the reality
5 of that that's found in the study is covering the entire region. We
6 know we need folks in the realm of Advanced Manufacturing,
7 those skills manufacturers are looking for. Did they talk to every
8 business? No. Did they talk to every potential educator? No.
9 Throughout the region, you have the same problem. We've got
10 high unemployment and we've got skill levels that are low, and
11 the question is do we move forward now or twiddle our thumbs
12 another six months? Thank you.

13 DELEGATE BYRON: Mr. Chairman, I have been a
14 champion along with others on workforce training for years.
15 Perception of accepting your report to me can be what matters to
16 the community. Perception is your grade, what's in the report,
17 whether it's evaluated or not. I realize that things happen and
18 that you don't assume perception. Sometimes the perception
19 comes up with things that we can't meet, but we should have an
20 opportunity to do all that.

21 I'm not trying to cause problems, and I'm very, very
22 supportive of the need for Southside and Southwest to help our
23 communities to get the training that they need. I just want to
24 make sure we understand that, and why I'm really opposed to it
25 is the perception and agreement with the staff, so why do we

1 have to accept the report? Why can't we take it for what's it
2 worth without that?

3 DELEGATE KILGORE: Well, there's a motion,
4 substitute motion, and if you agree with Delegate Byron, the
5 substitute motion was to postpone acceptance of it.

6 DELEGATE BYRON: Until we have a committee of the
7 Tobacco Commission evaluate it.

8 DELEGATE KILGORE: That's the motion and we have
9 a second. Any more discussion? All those in favor of Delegate
10 Bryon's motion, say aye. Opposed? Let's raise your hands. Do
11 we have 11?

12 MR. NOYES: I counted 17.

13 DELEGATE KILGORE: All those in favor of accepting
14 the report, and we have a motion and a second. All those in
15 favor of accepting the report, so state. Call roll.

16 MR. NOYES: Mr. Barnard.

17 MR. BARNARD: No.

18 DELEGATE KILGORE: All those in favor of accepting
19 the report as proposed by Senator Ruff is what we're talking
20 about.

21 MR. NOYES: Mr. Barnard?

22 MR. BARNARD: No.

23 MR. NOYES: Ms. Barts?

24 MS. BARTS: Yes.

25 MR. NOYES: Secretary Brown?

1 SECRETARY BROWN: Yes.
2 MR. NOYES: Delegate Byron?
3 DELEGATE BYRON: No.
4 MR. NOYES: Mr. Cannon?
5 MR. CANNON: No.
6 MR. NOYES: Senator Carrico?
7 SENATOR CARRICO: Yes.
8 MR. NOYES: Secretary Cheng?
9 SECRETARY CHENG: Present.
10 MR. NOYES: Mr. Cundiff?
11 MR. CUNDIFF: Yes.
12 MR. NOYES: Ms. DiYorio?
13 MS. DIYORIO: Yes.
14 MR. NOYES: Mr. Hamlet?
15 MR. HAMLET: Yes.
16 MR. NOYES: Mr. Harwood?
17 MR. HARWOOD: No.
18 MR. NOYES: Secretary Hill had to leave.
19 Delegate Johnson?
20 DELEGATE JOHNSON: Yes.
21 MR. NOYES: Delegate Kilgore?
22 DELEGATE KILGORE: Yes.
23 MR. NOYES: Delegate Marshall?
24 DELEGATE MARSHALL: Yes.
25 MR. NOYES: Delegate Merricks?

1 DELEGATE MERRICKS: Yes.
2 MR. NOYES: Mr. Montgomery?
3 MR. MONTGOMERY: Yes.
4 MR. NOYES: Ms. Moss?
5 MS. MOSS: Yes.
6 MR. NOYES: Ms. Nyholm?
7 MS. NYHOLM: Yes.
8 MR. NOYES: Mr. Owens?
9 MR. OWENS: No.
10 MR. NOYES: Dr. Redwine?
11 DR REDWINE: Yes.
12 MR. NOYES: Mr. Reynolds?
13 MR. REYNOLDS: Yes.
14 MR. NOYES: Ms. Rinehart?
15 MS. RINEHART: Yes.
16 MR. NOYES: Senator Ruff?
17 SENATOR RUFF: Yes.
18 MR. NOYES: Senator Smith?
19 SENATOR SMITH: No.
20 MR. NOYES: Mr. Spears?
21 MR. SPEARS: Yes.
22 MR. NOYES: Mr. Stallard?
23 MR. STALLARD: Yes.
24 MR. NOYES: Senator Stanley?
25 SENATOR STANLEY: No.

1 MR. NOYES: Ms. Thomas?

2 MS. THOMAS: No.

3 MR. NOYES: Mr. Walker?

4 MR. WALKER: Yes.

5 MR. NOYES: Delegate Wright?

6 DELEGATE WRIGHT: No.

7 MR. NOYES: Twenty to nine. The motion is accepted.
8 We'll be working on that in the next few weeks.

9 DELEGATE KILGORE: If anyone would like to serve on
10 that committee, call Mr. Noyes or me and we'll get started.

11 Senator Ruff, Education Committee.

12 SENATOR RUFF: The outstanding education loans, I
13 would move that the Southwestern Virginia Higher Education
14 Center, or its designee, be authorized to solicit and negotiate
15 bids for the sale of the portfolio under the guidelines prescribed
16 by the Virginia Public Procurement Act, VPPA, and that the
17 Commission's Executive Director be hereby granted full power
18 and authority to do so and perform every act and thing
19 whatsoever as may be requisite and necessary to authorize,
20 negotiate, and consummate the sale of the portfolio under the
21 Virginia Public Procurement Act, it being our intent to thereby
22 confer upon the Executive Director full power and authority to do
23 these acts or things as if done by official act of the Commission,
24 and we hereby ratify and confirm all that said Executive Director
25 shall lawfully do or cause to be done by virtue of this resolution.

1 DELEGATE JOHNSON: Second.

2 DELEGATE KILGORE: I have a motion and a second.
3 Any more discussion? All those in favor, say aye. (Ayes).
4 Opposed? (No response).

5 DELEGATE MARSHALL: Mr. Chairman, a question
6 about the, will this be on the website?

7 MR. NOYES: Stacey, is it on the website?

8 MS. RICHARDSON: No.

9 MR. STEPHENSON: There may be some proprietary
10 limitations that I'm not aware of.

11 DELEGATE KILGORE: Make sure we put it out.

12 MR. NOYES: A couple of housekeeping things.
13 Transportation to the airport. Parking passes. And sign your
14 vouchers, please, they're needed by the 15th of January for
15 non-legislative members, financial disclosure, and it'll be online,
16 needs to be done by the 15th of January. If you need help with
17 this, get in touch with Stephanie Kim.

18 The next important matter is that our bylaws stipulate
19 that every two years there must be an election for officers,
20 chairman, and vice chairman, and that time has arrived. I would
21 invite a motion from the floor for nominations. The chairman and
22 vice chairman at the same time.

23 Senator Ruff for Vice Chairman. Is there a second?

24 All right, we have a second. Any discussion. All in favor of
25 Delegate Kilgore, Chairman, and Senator Ruff as Vice Chairman,

1 say aye. (Ayes). All those opposed? (No response). The
2 motion is carried.

3 Joe Anwyl, you'll find his resume on page 61 of your
4 book, and he has been selected by CCAM, using Tobacco
5 Commission funds, an Economic Development representative for
6 CCAM, focusing on Southern and Southwestern Virginia. The
7 expectation is that he will provide written reports for our Board
8 meetings to be incorporated in the Board books, and he will
9 appear at least once a year at our Board meetings so there can
10 be some interaction directly with the Board, hoping the first
11 meeting would be in May.

12 Since we last met, I've had a number of questions
13 from Commission members about the EB5 program. It's a direct
14 core investment program. By way of histrionics, the Commission
15 issued an RFP in the name of the Commission seeking bids for
16 persons to establish an EB5 regional center, created and issued
17 rules resulting that the Commission approved in May of 2011,
18 \$130,000, was provided as an administrative line item for this
19 purpose. Forty thousand has been disbursed so far.

20 The center itself does not yet exist. The deadline for
21 creation is 5-31-13, and there'll be a further report at our next
22 Board meeting. When the center is established, that first deal
23 goes up to Washington, where not much is happening these
24 days, and has to be approved and approved simultaneously, and
25 that's where that is heading. There's a report on page 58.

1 The final matter, members of the Commission, our
2 annual report is out. There are copies available, and you're
3 welcome to get a copy.

4 MR. OWENS: Do we have a counsel?

5 MR. NOYES: We will have counsel at board meetings.
6 We introduced them, I guess you weren't there. They won't be
7 at all Committee meetings, but would be available by phone, the
8 specific terms of the agreement, but they will be at the full Board
9 meetings.

10 DELEGATE KILGORE: Time for public comment.

11 MR. RAWLEY: Mr. Chairman, my name is Buddy
12 Rawley. I'm Vice President representing Averett University.
13 We have announced this year our first campaign, and our goal is
14 \$25 million. I'm honored to tell you that we are well on our way
15 towards that goal at this time. This Commission granted us a
16 \$300,000 grant, which I will show and is displayed on your cover.

17 I will say that part of the equipment that was bought
18 from the money that you granted us is in the bin and not outside.
19 We want to honor our biggest contributors, and I offer as a very
20 small token of our appreciation to the Commission for what you
21 have done for our students, faculty, staff, and citizens of
22 Southside Virginia. Thank you very much.

23 DELEGATE KILGORE: Thank you. Anyone else have a
24 comment?

25 MR. TYLER: Members of the Commission, your

1 subcommittee met about a month ago, and one thing I learned
2 as a child was always to say thank you when somebody has been
3 nice to you, and I'm here to tell you thank you and appreciate
4 the consideration of your award for our county. That certainly
5 will benefit people in Southside. We look forward, and hopefully
6 your contribution will assist us. Thank you so much for your
7 consideration.

8 DELEGATE KILGORE: Thank you. Anyone else?

9 All right, your chariot awaits for those of you that are
10 leaving and going back to the airport. I want to thank you all for
11 coming, and we had a full Commission meeting, and I appreciate
12 all the hard work and effort everyone has done to contribute to a
13 successful meeting. We look forward to seeing you in May at our
14 meeting. Thank you very much.

15

16

PROCEEDINGS CONCLUDED.

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the **Virginia Tobacco Indemnification and Community Revitalization Commission, Full Commission Meeting**, when held on Tuesday, January 8, 2013, at 9:00 o'clock a.m., at the Hilton Garden Inn, Richmond, Virginia.

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

Given under my hand this _____ day of January, 2013.

Medford W. Howard
Registered Professional Reporter
Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2014.