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TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501
Richmond, Virginia 23219

Full Commission Meeting

Wednesday, September 23, 2015
10:00 o'clock a.m.

Wytheville Meeting Center
Wytheville, Virginia

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. Kenney Barnard
5 The Honorable Kathy J. Byron
6 Mr. John R. Cannon
7 The Honorable Charles W. Carrico, Sr.
8 Ms. Mary Rae Carter
9 Special Advisor for Rural Partnerships
10 Ms. Rebecca Coleman
11 The Honorable James Edmunds
12 Ms. Missy N. Gould
13 The Honorable Frank Harris
14 Ms. Cassidy Rasnick, For Secretary Haymore
15 The Honorable Daniel W. Marshall, III
16 Mr. Donald W. Merricks
17 Mr. H. Ronnie Montgomery
18 Mr. Dale Moore
19 The Honorable Will Morefield
20 Ms. Sandra F. Moss
21 The Honorable Edward Owens
22 Mr. Cecil Shell
23 The Honorable Ralph K. Smith
24 Mr. Robert Spiers
25 The Honorable William M. Stanley, Jr.

1 **APPEARANCES** (Continued):

2 The Honorable Thomas C. Wright, Jr.

3

4 **COMMISSION STAFF:**

5 Mr. Evan Feinman, Executive Director

6 Mr. Ned Stephenson, Deputy Executive Director

7 Mr. Timothy S. Pfohl, Grants Program Administration Director

8 Ms. Stephanie S. Kim, Director of Finance

9 Ms. Sara G. Williams, Grants Program Administrator -

10 Southwest Virginia

11 Ms. Sarah K. Capps, Grants Program Administrator -

12 Southside Virginia

13 Ms. Carolyn Bringman, Performance Data Analyst

14 Mr. Benjamin Dawson, Grants Assistant

15 Southside Virginia

16 Ms. Jessica Stamper, Grants Assistant

17 Southwest Virginia

18 Ms. Stacey Richardson, Executive Assistant

19

20 **COUNSEL FOR THE COMMISSION:**

21 Ms. Elizabeth B. Myers, Assistant Attorney General

22 Richmond, Virginia

23

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1 September 23, 2015

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3 DELEGATE KILGORE: Good morning, Commissioners.
4 I want to point out that you do have on your desk you have a
5 W-9 that has to be filled out, and that's a new policy before you
6 can get reimbursed for any of your expenses, so make sure you
7 do that.

8 Evan.

9 MR. FEINMAN: Yes, Mr. Chairman, thank you. First, I
10 want to thank the members of our staff for putting this all
11 together. We also have one important staff note. Our
12 Performance Analyst, who has served credibly and admirably and
13 has taken us through most recently a transition to an entirely
14 new software system and database, is unfortunately going to be
15 leaving us, and this will be the last meeting with Carolyn. And I
16 think we should take a moment to appreciate the work she's
17 done and I hope all of you get an opportunity to chat with her on
18 your way out. And I know she will miss the opportunity to attend
19 these meetings in the future. (Applause).

20 DELEGATE KILGORE: I want to point out the
21 unfortunate passing of Jerry Giles, who did a lot for the
22 Commission, so I'd ask that we have a moment of silence for
23 him. (Moment of silence for Jerry Giles). Thank you.

24 Evan, would you call the roll.

25 MR. FEINMAN: Mr. Barnard.

1 MR. BARNARD: Here.
2 MR. FEINMAN: Secretary Brown.
3 SECRETARY BROWN: (No response).
4 MR. FEINMAN: Delegate Byron.
5 DELEGATE BYRON: Here.
6 MR. FEINMAN: Mr. Cannon.
7 MR. CANNON: Here.
8 MR. FEINMAN: Senator Carrico.
9 SENATOR CARRICO: Here.
10 MR. FEINMAN: Ms. Coleman.
11 MS. COLEMAN: Here.
12 MR. FEINMAN: Delegate Edmunds.
13 DELEGATE EDMUNDS: Here.
14 MR. FEINMAN: Ms. Gould.
15 MS. GOULD: Here.
16 MR. FEINMAN: Mr. Harris.
17 MR. HARRIS: Here.
18 MR. FEINMAN: Ms. Rasnick.
19 MS. RASNICK: Here.
20 MR. FEINMAN: Ms. Carter.
21 MS. CARTER: Here.
22 MR. FEINMAN: Delegate Kilgore.
23 DELEGATE KILGORE: Here.
24 MR. FEINMAN: Delegate Marshall.
25 DELEGATE MARSHALL: Here.

1 MR. FEINMAN: Mr. Merricks.
2 MR. MERRICKS: Here.
3 MR. FEINMAN: Mr. Montgomery.
4 MR. MONTGOMERY: Present.
5 MR. FEINMAN: Mr. Moore.
6 MR. MOORE: Here.
7 MR. FEINMAN: Delegate Morefield.
8 DELEGATE MOREFIELD: Here.
9 MR. FEINMAN: Ms. Moss.
10 MS. MOSS: Here.
11 MR. FEINMAN: Mr. Owens.
12 MR. OWENS: Here.
13 MR. FEINMAN: Senator Ruff.
14 SENATOR RUFF: Here.
15 MR. FEINMAN: Mr. Shell.
16 MR. SHELL: Here.
17 MR. FEINMAN: Senator Smith.
18 SENATOR SMITH: Here.
19 MR. FEINMAN: Mr. Spiers.
20 MR. SPIERS: Here.
21 MR. FEINMAN: Senator Stanley.
22 SENATOR STANLEY: Here.
23 MR. FEINMAN: Mr. Sutherland.
24 MR. SUTHERLAND: (No response).
25 MR. FEINMAN: Delegate Wright.

1 DELEGATE WRIGHT: Here.

2 MR. FEINMAN: You have a quorum, Mr. Chairman.

3 DELEGATE KILGORE: Thank you. Do I have a motion
4 that we approve the 5-21-15 minutes?

5 DELEGATE MARSHALL: So moved.

6 MR. OWENS: Second.

7 DELEGATE KILGORE: I have a motion and a second
8 that we approve the minutes of 5-21-15. All those in favor, say
9 aye. (Ayes). Opposed? (No response). All right, the 5-21-15
10 minutes are approved.

11 Senator Ruff will now give us the report of the
12 Education Committee. And what page is that on? That's page 4,
13 starting on page 5.

14 SENATOR RUFF: Mr. Chairman, we met yesterday
15 afternoon, and there are five actions that we need to take today.
16 The first is the Committee recommends approval of the Regional
17 Scholarship grants for four-year colleges for 2016-17 in the
18 amount of \$5,256,430. Southside is \$2,361,585, Southwest,
19 which is found on page 5, and I so move.

20 DELEGATE MARSHALL: Second.

21 DELEGATE KILGORE: We have a motion and a
22 second. Senator Ruff, on the six percent, you all decided, you
23 upped it to six percent, but you decided to keep the rate the
24 same, but the six percent entertained more scholarships, is that
25 correct?

1 SENATOR RUFF: That's correct. We can deal with
2 that in the next motion.

3 DELEGATE KILGORE: Got ahead of myself there. We
4 have a motion and a second that we approve the grants
5 mentioned for the four-year colleges. All those in favor, say aye.
6 (Ayes.) Opposed? (No response).

7 SENATOR RUFF: Mr. Chairman, the next motion is
8 that we recommend approval of the scholarship rules shown on
9 page 26, which are identical to the ones for 2015-16, which holds
10 the amount for each student at \$2,750, and I so move.

11 DELEGATE MARSHALL: Second.

12 DELEGATE KILGORE: We have a motion and a
13 second, we did hear yesterday that we had been over-
14 subscribed.

15 SENATOR RUFF: We have been, and we will continue
16 to be, and it's a good source of funding for our young people,
17 and word gets around.

18 DELEGATE KILGORE: We have a motion and a
19 second. Any discussion from the Committee? This is a great
20 program for the Commission in helping parents with the cost of
21 education. I don't know how many millions of dollars we have
22 spent of the Commission during this time, \$48 million, we've
23 spent over the life of the Commission until 2015, and we've
24 awarded 11,039 applicants, so that's a good metric for the
25 Tobacco Commission. And I applaud the Commission for those

1 investments in education. I have a motion and a second. Any
2 more discussion? All those in favor, say aye. (Ayes.) Opposed?
3 (No response).

4 SENATOR RUFF: Mr. Chairman, the next
5 recommendation deals with the ten community colleges, they
6 start on page 7, that would be a total of \$3,900,860, and I so
7 move. And this will fund the scholarships for each of the
8 community colleges in the Tobacco Footprint.

9 MS. GOULD: Mr. Chairman, may I pull 3058 out of
10 the block for purposes of this decision?

11 DELEGATE KILGORE: 3058, Danville Community
12 College will be pulled out of the block. We have a motion and a
13 second to approve all but 3058 at this time. Anyone else need to
14 pull one out of the block? Members prepared to vote? All those
15 in favor of the Community College Financial Aid on page 7,
16 excluding Number 3058, say aye. (Ayes). Opposed? (No
17 response).

18 SENATOR RUFF: Mr. Chairman, I move that the
19 Danville Community College Foundation for \$450,000, Number
20 3058, be approved.

21 DELEGATE MARSHALL: Second.

22 DELEGATE KILGORE: All right. I have a motion and a
23 second, all those in favor, say aye. (Ayes). Opposed? (No
24 response). One abstention (Ms. Gould).

25 SENATOR RUFF: Mr. Chairman, next, the Committee

1 recommends approval of three grants for the Centers of
2 Excellence, totaling \$6,750,446, shown on pages 18 through 25.
3 That is \$2 million for New College, \$2 million for Southern
4 Virginia Higher Education Center, and \$3,841,630 for the
5 Southwest Alliance. And I move that be approved. We're
6 waiving the in-kind match requirement.

7 DELEGATE KILGORE: And we waive that, do you
8 second that?

9 SENATOR RUFF: Yes.

10 DELEGATE KILGORE: These are for the Advanced
11 Manufacturing Centers of Excellence, which is a very important,
12 projects that the Tobacco Commission has undertaken here, to
13 make sure we have a trained workforce for these highly trained
14 individuals and operating this equipment and purchasing
15 equipment and things of that nature. A lot of you were around
16 when we worked with the Boston Consulting Group, the
17 objectives about the workforce, training, and precision
18 machining, welding, industrial maintenance, so we could have
19 those certifications in the Tobacco Region, and this will go a long
20 way toward providing that trained workforce.

21 MR. OWENS: Mr. Chairman, can I pull the Southern
22 Virginia Higher Education Center?

23 DELEGATE KILGORE: Yes. We'll vote on the other
24 two first, then we'll vote on the Southern Virginia. So, I have a
25 motion on the first two.

1 SENATOR RUFF: Southwest and the New College.

2 DELEGATE KILGORE: I have a motion, and Delegate
3 Marshall seconded it. All in favor of those two, say aye. (Ayes).
4 Opposed? (No response).

5 SENATOR RUFF: Mr. Chairman, I move that the
6 \$2 million for the Southern Virginia Higher Education Center of
7 Excellence be approved.

8 DELEGATE MARSHALL: Second.

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

12 SENATOR RUFF: Mr. Chairman, the final action is,
13 deals with Grant 2583, that was made to the Community College
14 Foundation Statewide, which dealt with the \$50,000 each in the
15 Tobacco Commission Footprint. When we did that, we restricted
16 that \$1,000 cap for a student, and the end result is that only a
17 handful of people applied for that, because it really does not
18 meet the standards needed for those people. The Community
19 College came to us and requested we change that to allow people
20 who have high school diplomas who are either unemployed or
21 underemployed be included in that and to replace the \$1,000 cap
22 per student with a 75-percent cost cap in place of that \$1,000
23 cap. The program cost \$4,000, and they would have to find
24 \$1,000 to match that. So, I so move.

25 DELEGATE MARSHALL: Second.

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

4 SENATOR RUFF: Mr. Chairman, that completes the
5 Education Committee Report.

6 DELEGATE KILGORE: Thank you, Senator Ruff.

7 Moving on, we go to the R & D Committee report from
8 Delegate Kathy Byron.

9 DELEGATE BYRON: Page 29. Thank you, Mr.
10 Chairman. We had six applications in front of us from existing
11 R & D projects that were seeking extensions or requesting
12 changes of scope or the use of their Tobacco funds that they had
13 received. Out of the six, we recommended four of the Staff's
14 recommendations to approve. Those were Grant Number 2868,
15 Halifax County; 2984, which was the Institute for Advanced
16 Learning and Research; Fermata, which is 2831, and 2698,
17 Southwest Virginia Higher Education Center Foundation.

18 We also tabled 2699 to allow the Staff to work with
19 the applicant on the, a little bit further on their budget and some
20 other things that they're looking at, and we will review that at
21 our next meeting.

22 So, I would ask for approval of those four.

23 MS. CARTER: Madam Chairman, I need to ask to pull
24 2984.

25 DELEGATE BYRON: All right. We have 2868, 2831,

1 and 2698 for approval.

2 DELEGATE KILGORE: Do I have a second. Yes.

3 DELEGATE MOREFIELD: I have a request and
4 procedurally, I don't know which is the correct order. After
5 speaking with Staff and representatives from Advanced or the
6 County, I would like to reconsider Grant Number 2222, and ask
7 for the Committee's approval to discuss that.

8 DELEGATE KILGORE: Let's wait until we get through
9 the other two, and then we'll come to you, Delegate Morefield.

10 So, Delegate Bryon, your motion is to approve Grant
11 Numbers?

12 DELEGATE BYRON: 2868, 2831, and 2698.

13 MR. OWENS: Second.

14 DELEGATE KILGORE: All those in favor of those three
15 grants that Delegate Byron made a motion on, say aye. (Ayes).
16 Opposed? (No response).

17 DELEGATE BYRON: Then we'll request approval of
18 Staff's recommendation for 2984.

19 DELEGATE KILGORE: Do I have a second?

20 MR. OWENS: Second.

21 DELEGATE KILGORE: Any discussion? All those in
22 favor, say aye. (Ayes). Opposed? (No response). Abstentions,
23 we have two abstentions (two abstentions).

24 All right, Delegate Morefield.

25 DELEGATE MOREFIELD: Mr. Chairman, earlier in the

1 Research and Development Committee meeting, Grant Number
2 2222 did not move forward due to a lack of a second. I'm
3 requesting that we table Grant Number 2222 for next year. If
4 Staff could make a comment, I think they could better explain
5 the reason why.

6 DELEGATE KILGORE: You're moving to table Grant
7 Number 2222?

8 DELEGATE MOREFIELD: Yes.

9 DELEGATE KILGORE: Tim, can you answer that
10 question?

11 MR. PFOHL: Generally, this is a grant that was
12 approved in the R & D Committee a little over four years ago.
13 There have been some results generated by the project which
14 changed the scope of it. I believe it's to extract landfill gas and
15 make it into a quality that would be worthy of putting in natural
16 gas pipelines. There's not enough methane being generated in
17 the landfill to justify the cost of constructing a pipeline and
18 connect it interstate supplies.

19 The applicants asked for a revision of the scope to be
20 tested on-site at the landfill as an energy source and to get a
21 one-year extension, and Staff recommended that approval.

22 DELEGATE MOREFIELD: I would like to make a
23 recommendation to table this until our January meeting, and
24 that's my motion.

25 DELEGATE KILGORE: You have a motion to table it

1 until the January meeting?

2 DELEGATE MOREFIELD: Yes. I would like to ask are
3 the representatives here and are in agreement with this?

4 DELEGATE BYRON: Mr. Chairman, just to be
5 consistent, since we really didn't take an action on the other one
6 because I don't know if we really need to take an action on
7 tabling, but to be consistent, why don't we put the two together.

8 DELEGATE KILGORE: Together, 2699 and 2222, we're
9 going to table those, and I would say that R & D will be meeting
10 in January, they would need to go back, back to R & D, not table
11 it for the Full Committee, but just table it for R & D. All right, we
12 have a motion and a second. All those in favor of tabling those
13 two grants of the R & D Committee, say aye. (Ayes). Opposed?
14 (No response).

15 DELEGATE BYRON: Mr. Chairman, the final thing or
16 discussion, we had a subcommittee that met that was discussing
17 the review of the vetting process. We had some pretty thorough
18 discussions on how we were going to go forward with the
19 possibility of other vettings for that or specifically what we do
20 with the remaining funds in the R & D Committee. We did not
21 have a resolution to that. I think along with the Committee we
22 may discuss later, that deals with our Strategic Plan, that that
23 and in combination with R & D continuing that discussion, we
24 decided not to open up a grant cycle again until January.

25 One thing was to possibly support some of the

1 existing grants to commercialization which is something that
2 we've all encouraged and the whole purpose of the R & D was to
3 get companies to innovate and commercialize in the Tobacco
4 Region. Those are some of the things that we discussed, but
5 there will not be a grant cycle if everyone is in agreement with
6 that. That completes my report.

7 DELEGATE KILGORE: I don't think we need a motion
8 on that. Thank you.

9 Next, Senator Carrico, Southwest Economic
10 Development Committee.

11 SENATOR CARRICO: Thank you, Mr. Chairman. I'll
12 draw your attention to page 35 of the booklet. The Committee
13 met on September the 2nd, and we received 18 requests, totaling
14 \$14 million, and the available balance was \$3.1 million.

15 At the meeting, the Committee recommended
16 approval of eight grants, totaling \$2,453,115, and that's shown
17 in your booklet.

18 The Committee also recommended approval of time
19 extensions, shown on page 47 of your booklet. The Committee
20 met this morning prior to the R & D Committee meeting. From
21 that meeting, there was a request, Grant Number 3072, which is
22 the LMU, that went to the Executive Committee, was put back in
23 the Southwest Committee.

24 DELEGATE KILGORE: Let's just remove that one from
25 the block.

1 SENATOR CARRICO: Let's vote on the block right
2 now, and then I'll bring up the other two that we did this
3 morning.

4 DELEGATE KILGORE: 3072 is pulled from the block,
5 and 3066. The remaining are there, which includes
6 recommendations for referrals to VRA.

7 SENATOR CARRICO: I move that we take those
8 others up in a block for approval.

9 DELEGATE KILGORE: Do I have a second?

10 MR. MONTGOMERY: I'll second it.

11 DELEGATE KILGORE: Any more discussion? The
12 block excludes Numbers 3072 and 3066. All those in favor of
13 adopting the remaining Economic Development project
14 recommendations, say aye. (Ayes). Opposed? (No response).

15 SENATOR CARRICO: This morning, we met prior to
16 these meetings, and the Committee recommended approval of
17 the request by LMU to Grant Number 3072, that was referred
18 back to the Committee from the Executive Committee yesterday
19 in the amount of \$5,269,769, which would be for completion of
20 the grant, which was requested by LMU in June of 2014 in the
21 amount of \$8.8 million. Then that was tabled. And they were
22 approved for some of the dollars in January of '15. Their project
23 was moving so quickly that they went ahead and built out, and
24 now they have a \$6 million line of credit that they had to use to
25 continue to build that facility. And they have 220 students, I

1 think, right now. It was a recommendation of the Committee to
2 send it to the Full Committee for consideration for funding for
3 \$5.2 million.

4 DELEGATE KILGORE: Realizing that we probably don't
5 have \$5.2 million in the general account, do you have an
6 amendment to that motion?

7 SENATOR CARRICO: I would recommend and I would
8 amend it to allow LMU to receive \$2 million of the \$5 million in
9 that grant fund.

10 DELEGATE KILGORE: Could you tell us about that.

11 SENATOR CARRICO: This \$2 million will help them
12 and as they move forward, they gave testimony in the
13 Committee that within four years that they would be having a
14 return where they can start paying down the debt service, this
15 will allow them to pay down on that debt service and pay down
16 the interest over that period of time, which they will be
17 established and be productive.

18 DELEGATE KILGORE: Did I get a second?

19 MR. MONTGOMERY: Second.

20 DELEGATE KILGORE: Some of the reasons we
21 discussed in Southwest, which hasn't been ferreted out is the
22 \$11 million in the general fund came from the King School of
23 Medicine, that did not ever come to fruition, and we funded
24 Southside at Liberty, and I think that's why that that was some
25 of the discussion in Southwest, that was brought out. I know

1 that we had already transferred, and the reason that we didn't
2 have that type of money in there, we transferred, the Executive
3 Committee, which we'll hear in a few minutes, and are going to
4 be involved in a loan program with VRA. And we've already
5 earmarked, I guess is the right word, \$5 million, for, and to
6 begin our Executive Director to begin working with VRA. That's a
7 very important goal of the Commission and with the new
8 legislation. So that's, we did not really have \$5,200,000.

9 MR. FEINMAN: Mr. Chairman, just to clarify, this
10 motion is for \$2 million from the general account?

11 DELEGATE KILGORE: Yes. I have a motion and a
12 second. Any more discussion?

13 MR. OWENS: I just happened to be in here during the
14 discussion about the Executive Committee, and it was
15 recommended by counsel not to go down this road to reimburse,
16 that that would not be in accordance with the policy.

17 DELEGATE KILGORE: With the Strategic Plan.

18 MR. OWENS: Yes, the Strategic Plan. The fact that it,
19 even though they're telling you it's a great project and they got
20 ahead in spending the money, but I still have a concern that, as
21 has been expressed, that if we do this or fund this, reimburse
22 someone who had not gotten a grant approved and spent the
23 money, we're opening up quite a door, and I'm not willing to do
24 that, to be a part of that.

25 DELEGATE KILGORE: Thank you, Mr. Owens.

1 MR. CANNON: Mr. Chairman, could you tell me how
2 much we have previously funded to LMU?

3 MR. PFOHL: We have awarded grants totaling, I
4 believe, from \$1.1 million for the Large Animal facility opened a
5 year ago, \$3 million for the Small Animal facility.

6 DELEGATE KILGORE: So what would our investment
7 be if we did the \$2 million, it would be what, \$6 million, how
8 much is LMU investing? Certainly more than that, is that correct?

9 MR. PFOHL: Yes, \$14.5 million, I believe.

10 DELEGATE KILGORE: Then they've more than
11 matched it, is that correct?

12 MR. PFOHL: Yes.

13 SENATOR MOREFIELD: Mr. Chairman, my question
14 for Staff, the total project summary that we received from LMU
15 states that they're investing \$14,530,000, which is 154 percent
16 match. In the history of the Tobacco Commission, are there any
17 projects that you can recall where there a 154 percent match has
18 been made, 154 percent match or anything relatively close for a
19 match?

20 DELEGATE KILGORE: I'm sure there are, there are
21 some of our fiber, some of our fiber matched, Microsoft and some
22 of the fiber grants from the federal funds that we got.

23 DELEGATE MOREFIELD: You made reference to
24 federal dollars, and those federal dollars can be accounted for as
25 part of the match.

1 DELEGATE KILGORE: Sure.

2 DELEGATE MOREFIELD: Mr. Chairman, has LMU
3 received any federal dollars?

4 DELEGATE KILGORE: I doubt it.

5 DELEGATE MOREFIELD: In reference, the questions I
6 ask is that, yes, those can be considered matches, and those are
7 federal dollars, taxpayer dollars, and here we're talking about a
8 private project. Earlier, I made a comment, and I know that
9 many of you heard this, this is the third time that I've said this,
10 that we have to look at what this Commission was founded upon.
11 And as individual board members, there were several comments
12 that were made that we do not need to go down a slippery slope
13 to set a precedent where we have future projects in the same
14 situation, but also address that we can look and we have the
15 authority as board members of the Commission to look at these
16 cases on a case-by-case basis.

17 I made a comment that as board members the
18 authorities that appoint us hold us accountable for the decisions
19 that we make. Earlier I made a comment that private
20 institutions are constantly being faced with competition from
21 state universities. Southwest Virginia has been presented with
22 the unique challenge that most regions in the country have not
23 been faced with. When you look at how dependent our region is
24 on coal and the natural gas industry, the next four or five years
25 are not looking very bright.

1 It's imperative that we use agencies, such as the
2 Tobacco Commission, to make sound investments. As I stated
3 earlier, this project sets a precedent for future projects where
4 they have gone ahead, they knew what it took to get the job
5 done, and now they're asking for our investment. I think this is
6 something that we'll receive benefits from 10, 15, 25 years down
7 the road. But I think if we're in a position to help make this
8 project and make this university more competitive with its
9 competitors, it's not only good for the program but it's good for
10 our region. Thank you.

11 DELEGATE KILGORE: Thank you. Any more
12 discussion?

13 DELEGATE WRIGHT: I don't think there's any
14 question whether there's a need for the facility. The question is,
15 is the Tobacco Commission to abide by its policies and guidelines
16 that have been set up?

17 DELEGATE KILGORE: The Strategic Plan, that's where
18 the policy is.

19 DELEGATE WRIGHT: There was a question in the
20 Executive Committee yesterday, about policy and guidelines, I
21 agree that's the thing to do, and there's a reason for these things
22 to have policies and guidelines and to have a strategic plan, and
23 this helps give the Staff the opportunity and giving the
24 Commission an opportunity to go over the Staff
25 recommendations and following the policies and guidelines, so

1 everyone knows that and held accountable for it. I think it's a
2 bad road to go down, start violating policies and the rules that
3 we have set up.

4 DELEGATE KILGORE: Thank you, Delegate Wright.
5 Delegate Marshall.

6 DELEGATE MARSHALL: Could we get the Staff
7 because not everyone here today was at the meeting yesterday
8 when we talked about this phase, to this phrase in the Strategic
9 Plan, so could someone read that to us, please, for the rest of
10 us?

11 MR. PFOHL: Mr. Chairman, in the Commission's
12 Strategic Plan that was adopted in May of 2012, we incorporated
13 a set of or a section in general funding policy that had been in
14 our application guidelines more than a decade or so ago. At the
15 end of the Strategic Plan, there is a bullet that lists General
16 Funding Policies, one of which says: Commission funds should
17 not be used for project administration, indirect project costs, or
18 for activities initiated prior to grant approval. And that is the
19 wording.

20 DELEGATE MARSHALL: I'm not a lawyer, but I know
21 there's a lot of them in Richmond. And one of the things that
22 I've learned pretty quick is that there is a difference between a
23 shall and a may or a should not. It doesn't say you shall, it just
24 says you should not. So, I think that is a little fuzzy. So, then I
25 go to our legal counsel, is it fuzzy for you, also? Would you

1 agree?

2 DELEGATE KILGORE: She does not have to answer.
3 She gives legal advice.

4 MS. MYERS: I object to the leading question. (Yes,
5 yes). The wording currently is that they should, and there's no
6 question about that. But if you look at court opinions, that
7 discuss the shall versus may in statutes, it's about as clear as
8 mud, and sometimes a shall can mean a may, and sometimes a
9 may means a shall. And it's based on context.

10 My advice that I have given to the Committee prior to
11 the Full Commission meeting is that it is setting a dangerous
12 precedent for the Commission to not follow its own Strategic
13 Plan, and that although it could be potentially interpreted to be
14 permissive, so I would not advise that it is outright illegal, that it
15 is setting a very, very dangerous precedent.

16 I would also note that even if should or may is
17 discretionary, based on reason and ability, the decision should
18 not be arbitrary and capricious. And regardless of the merits of
19 this particular request, and no one is questioning, I think the
20 Commission needs to think long and hard for doing away with its
21 own Strategic Plan.

22 DELEGATE KILGORE: Thank you. Mr. Merricks.

23 MR. MERRICKS: My feelings, I do know that there's
24 the letter of the law and the spirit of the law, and I think you
25 have to look at this in somewhat the same way. The letter,

1 policy, and spirit of the policy, I think the intent of the policy was
2 just what the policy says. That's the issue. It's not about the
3 project, somebody made a conscious decision to press on with
4 the project, and so I think the Commission really needs to look at
5 the intent and spirit of the policy and the Strategic Plan, which is
6 our policy, and we need to be careful.

7 DELEGATE KILGORE: Thank you.

8 DELEGATE MARSHALL: We are going to update our
9 Strategic Plan, what is the timeline on that, will that be before
10 the January meeting?

11 MR. FEINMAN: No, it'll be before the May meeting.

12 DELEGATE KILGORE: All right. We've discussed this,
13 and we have a motion and a second. So, we'll have to call the
14 roll on this one.

15 MS. COLEMAN: Mr. Chairman?

16 DELEGATE KILGORE: Yes.

17 MS. COLEMAN: May I make one further comment?

18 DELEGATE KILGORE: Sure.

19 MS. COLEMAN: This is a close call. I'm in full
20 appreciation of the inconvenience and I'm not sure we'd call it
21 the danger, but the inconvenience of going down the slippery
22 slope, and that might make it inconvenient for us and under
23 pressure. We may take a hit for it, and we've taken hits for lots
24 of other things. What actually changes the balance for me
25 significantly, and when we say this project is a good project and

1 totally underestimated this project. This project is a driver for an
2 economic transformation for the western part of Lee County.
3 That's really the highest and best use. The scales are tipping
4 with this.

5 MR. MONTGOMERY: Mr. Chairman, I know people say
6 there's various interpretations of the statute, but my point is
7 that, and there's not a statute that says tailor made.

8 DELEGATE KILGORE: That was me.

9 MR. MONTGOMERY: But we're dealing with a part of
10 the Strategic Plan, we're not dealing with the statutes, the law.
11 The Strategic Plan, which is part of our policy. The Strategic Plan
12 says you should never, it does not say you should never make an
13 exception. To me, that's a slippery slope, I appreciate what
14 people are saying, but you don't make the, abide by the rules
15 and don't let the exception come to rule, then I think we'll be
16 okay, this certainly is an exception, but it's probably the first one
17 I remember having, and I've been on the Commission four times
18 now.

19 DELEGATE KILGORE: All right. Are you ready to
20 vote? All right, call the roll.

21 MR. FEINMAN: Mr. Barnard.

22 MR. BARNARD: No.

23 MR. FEINMAN: Delegate Byron.

24 DELEGATE BYRON: Pass.

25 MR. FEINMAN: Mr. Cannon.

1 MR. CANNON: Pass.
2 MR. FEINMAN: Senator Carrico.
3 SENATOR CARRICO: Aye.
4 MR. FEINMAN: Ms. Coleman.
5 MS. COLEMAN: Aye.
6 MR. FEINMAN: Delegate Edmunds.
7 DELEGATE EDMUNDS: No.
8 MR. FEINMAN: Ms. Gould.
9 MS. GOULD: No.
10 MR. FEINMAN: Mr. Harris.
11 MR. HARRIS: No.
12 MR. FEINMAN: Ms. Rasnick.
13 MS. RASNICK: Aye.
14 MR. FEINMAN: Ms. Carter.
15 MS. CARTER: No.
16 MR. FEINMAN: Delegate Marshall.
17 DELEGATE MARSHALL: Yes.
18 MR. FEINMAN: Mr. Merricks.
19 MR. MERRICKS: No.
20 MR. FEINMAN: Mr. Montgomery.
21 MR. MONTGOMERY: Yes.
22 MR. FEINMAN: Mr. Moore.
23 MR. MOORE: Yes.
24 MR. FEINMAN: Delegate Morefield.
25 DELEGATE MOREFIELD: Yes.

1 MR. FEINMAN: Ms. Moss.
2 MS. MOSS: Yes.
3 MR. FEINMAN: Mr. Owens.
4 MR. OWENS: No.
5 MR. FEINMAN: Senator Ruff.
6 SENATOR RUFF: Aye.
7 MR. FEINMAN: Mr. Shell.
8 MR. SHELL: No.
9 MR. FEINMAN: Senator Smith.
10 SENATOR SMITH: No.
11 MR. FEINMAN: Mr. Spiers.
12 MR. SPIERS: Yes.
13 MR. FEINMAN: Senator Stanley.
14 SENATOR STANLEY: Regretfully, no.
15 MR. FEINMAN: Mr. Sutherland.
16 MR. SUTHERLAND: (Absent).
17 MR. FEINMAN: Delegate Wright.
18 DELEGATE WRIGHT: No.
19 MR. FEINMAN: Delegate Byron.
20 DELEGATE BYRON: No.
21 MR. FEINMAN: Mr. Cannon?
22 MR. CANNON: No.
23 MR. FEINMAN: Mr. Chairman, the nos have it.
24 SENATOR CARRICO: Mr. Chairman, we have another
25 recommendation the Committee made on Grant Number 3066 for

1 the amount of \$250,000 for a project in Washington County, in
2 which the Commission has funded with a company there to
3 provide water service capacity, so I would recommend we
4 approve the \$250,000.

5 DELEGATE KILGORE: That's Grant 3066?

6 SENATOR CARRICO: Yes.

7 DELEGATE KILGORE: Do I have a second. All right, I
8 have a second. All those in favor of 3066, say aye. (Ayes).
9 Opposed? (No response).

10 SENATOR CARRICO: That concludes the report, but I
11 would like to make a motion that we approve, the Birthplace of
12 Country Music, currently involved in a project, and there was a
13 request on Grant Number 3079 for one million dollars. In
14 hearing from them today, they have reduced that amount
15 significantly for \$250,000 for this project. And I would make a
16 motion that we approve \$250,000 for the Birthplace of Country
17 Music, there is a balance in our Southwest account for four
18 hundred and eighty-one thousand and some odd dollars, and I
19 would make that motion and move that.

20 DELEGATE KILGORE: It's more like \$435,000, but
21 you have more than \$250,000. Did you get a second?

22 MS. COLEMAN: Yes.

23 DELEGATE KILGORE: I have a motion and a second.
24 Any discussion? All those in favor, say aye. (Ayes). Opposed?
25 (No response). All right, that motion is passed.

1 SENATOR CARRICO: That concludes my report.

2 DELEGATE KILGORE: All right. Special Projects,
3 Delegate Marshall.

4 DELEGATE MARSHALL: We're on page 49, Special
5 Projects met on September 2nd, and we had a little over \$3
6 million to invest and we had 16 requests for \$22 million. The
7 Committee recommends approval of three Economic
8 Development grants and two Health Care grants. The Economic
9 Development grants are Request Numbers 3097, 3088, 3089.
10 And the Health Care grants are 3093 and 3094, and I so move.

11 DELEGATE KILGORE: Is there a second?

12 DELEGATE BYRON: Second.

13 DELEGATE KILGORE: I have a second. Does anybody
14 need any one of those removed from the block? Are you
15 prepared to vote? All those in favor, say aye. (Ayes). Opposed?
16 (No response). Those are adopted.

17 DELEGATE MARSHALL: Delegate Marshall. Next,
18 Chairman Kilgore asked that the Special Projects be tasked with
19 developing eligibility requirements for the Megasite Prospect
20 Initiative fund. Accordingly, the Committee recommends the
21 following guidelines.

22 A. The project must meet the definition of 2.2-2260
23 of the Code of a major employment investment project, which is
24 400-plus jobs, \$250 million of investment, and substantial
25 economic impact.

1 B. Preference shall be given to projects located in
2 sites funded by the Commission. The commitments from the
3 fund shall be time limited, and preference shall be given to doing
4 site improvements. Awards should be based on the specific
5 unfunded site development fund.

6 So I move those guidelines.

7 MR. MERRICKS: Second.

8 DELEGATE KILGORE: Any discussion on the
9 guidelines? All those in favor of the guidelines, say aye. (Ayes).
10 Opposed? (No response). Those guidelines are adopted.

11 DELEGATE MARSHALL: A little bit about the
12 guidelines. You'll notice in your booklets that we now use line
13 item now for, for Megasite, for the Prospect fund.

14 The next motion is that the Committee recommends
15 that \$8,960,000 be awarded to Greenville County to the Megasite
16 Prospect Incentive Fund for the use of the construction of natural
17 gas pipeline to serve Greenville's megasite if and only if Project
18 Traction selects that site location of traction no later than
19 September 30th, 2016. I so move.

20 MR. OWENS: Second.

21 DELEGATE KILGORE: Any discussion. Prepared to
22 vote? All those in favor, say aye. (Ayes). Opposed? (No
23 response).

24 DELEGATE MARSHALL: Last, Mr. Chair, yesterday, we
25 found a little extra money, so we always spend it, invest it. The

1 Committee recommends approval of Grant 3091 for \$500,000 in
2 favor of Mr. Jefferson's poplar forest. All right, we've got a
3 second. Any discussion? 3091. All those in favor, say aye.
4 (Ayes). Opposed? (No response).

5 DELEGATE MARSHALL: That's all for Special Projects.
6 Frank has one.

7 SENATOR RUFF: I thought the Committee was going
8 to make a motion to do something about CCAM, so I was
9 prepared to make that substitute motion, but instead of that, I'll
10 just make a motion, that the amount of \$1,283,540 from the
11 Special Projects be provided that CCAM to deal with the
12 continuing of, for an individual for the education portion of CCAM
13 before the foreign investment portion of CCAM. That will be
14 contingent upon them providing quarterly reports to the
15 Executive Director, who will provide those reports to the
16 Commission members from both the Centers of Excellence and
17 the Economic Development.

18 DELEGATE KILGORE: There's a second. I'm going to
19 suggest that a subcommittee be appointed to work with our
20 Executive Director to look at the performance metrics and things
21 of that nature.

22 Delegate Marshall, Missy Gould, Ed Owens, and Dale
23 Moore to work on that issue.

24 DELEGATE BYRON: Mr. Chairman, I'm a little
25 confused because we did have a motion coming from the

1 Committee that the Chair did not recognize that would have done
2 something similar but not exactly the same. I wanted to make
3 sure I understand this because we were initially going to extend
4 it until the end of January with a Committee that was going to
5 come back at the January meeting to discuss some measures and
6 some other things.

7 So, the motion that is before us now is to extend both
8 of those positions for one year? Is that what the motion is?

9 SENATOR RUFF: The motion is a two-year timeframe.

10 DELEGATE BYRON: Then we're back to the original
11 motion.

12 SENATOR RUFF: That is correct. The Staff
13 recommendation.

14 DELEGATE BYRON: I'd like to make a substitute
15 motion that we extend Mr. Anwyl's position for one year, and
16 that we come back to the Committee in January since the other
17 position is within the Commonwealth with the performance and
18 data and other things that would warrant an extension of the
19 second position.

20 SENATOR SMITH: Second.

21 DELEGATE KILGORE: A motion and a second.
22 Discussion.

23 SENATOR RUFF: Mr. Chairman, speaking to that
24 motion, we have two very well qualified people in those positions
25 at CCAM. If the original proposal or the Committee was to

1 extend that 30 days in January and for folks who are quality folks
2 and they think that their income may be ending in a couple of
3 months, they're going to look at other alternatives. If we lose
4 Bruce in the efforts that we're making with the Centers of
5 Excellence, it could be severely impeded. Those three centers
6 need to be working together and they need somebody who can
7 work with them so that we're having a uniformed voice and
8 somebody who understands these higher skilled jobs.

9 As far as Joe Anwyl's position, he is currently working
10 with nine prospects, and I'm sure that there are plenty of other
11 states or other entities that would be delighted for him to bring
12 those nine prospects to them, we would lose them. If we later
13 decided that we needed to have someone trying to recruit
14 international businesses in the Footprint, it would take us at least
15 six months to hire somebody and it would take them a year to
16 figure out what the Tobacco Commission is, and we would have a
17 severe handicap and we have assets right now, so it would be a
18 major mistake not to go forward with this.

19 As my motion was, and so moved it and I request we
20 reject the substitute motion.

21 DELEGATE KILGORE: We have a substitute motion
22 before us.

23 DELEGATE BYRON: Mr. Chairman, just speaking to
24 the motion, I actually want to withdraw my motion in light of
25 another substitute motion.

1 DELEGATE MARSHALL: Mr. Chairman, you have
2 already appointed a group to get together between now and next
3 meeting.

4 DELEGATE KILGORE: The group I appointed, I want
5 them to go and meet with CCAM and talk to them and get some
6 metrics and work with them, to make sure we are getting the
7 performance measures that we need.

8 DELEGATE MARSHALL: As one of the members on
9 that, I will send a draft to the members of the Special Projects
10 Committee so we can get their input before we adopt that in our
11 next meeting in January.

12 DELEGATE BYRON: I just wanted to make sure it's
13 clear that I am not questioning the expertise of the individuals
14 that are doing this job. As I commented in the Special Projects
15 Committee, I think it's just as important for these positions as it
16 is other grants that we do, I think the period is too long, that we
17 should maybe even entertain a year, but that we need to talk
18 about whether or not there's an exit strategy or if this is
19 something that's going to be long-term enough that we're going
20 to continue for the life span of the Tobacco Commission or the
21 life span of the Centers of Excellence. If it's going to require
22 that, then maybe we need to look at a different way to fund it
23 than what we're doing.

24 DELEGATE KILGORE: Any other discussion?

25 MR. OWENS: Mr. Chairman, with this new money and

1 the motion, Mr. Ruff's motion, will there be a new MOU?

2 MR. FEINMAN: Mr. Chairman, we can amend,
3 currently, there's funding for these two positions, and the
4 creation of that subcommittee, we could amend the motion to
5 include an instruction that the subcommittee craft an MOU, it's
6 currently not before the Commission.

7 DELEGATE KILGORE: Do you want to amend it to
8 require an MOU?

9 MR. OWENS: Was that in Senator Ruff's motion?

10 SENATOR RUFF: Mr. Chairman, I don't have any
11 problem with considering how we can improve anything we do on
12 the Commission, but I don't believe that we ought to get too far
13 into the weeds of trying to micromanage, and I'm not sure what
14 this would do, but I have no objection to it.

15 MR. FEINMAN: I'll add, Mr. Chairman, I'm confident
16 that the folks at CCAM, and particularly the folks of the two
17 positions we're discussing, have a very clear understanding of
18 continued goodwill in support of this Commission. I think the
19 creation of the report, and their accomplished metrics will serve
20 the kind of role defining fashion that an MOU would serve.

21 MS. CARTER: Mr. Chairman, is this Committee going
22 to develop performance measures and metrics and quantifiable
23 goals?

24 DELEGATE KILGORE: That's what I've asked them to
25 do.

1 MS. CARTER: Does that need to be in motion and
2 needs to be in the MOU?

3 DELEGATE KILGORE: I think so, yes.

4 MS. CARTER: Mr. Chairman, looking at page 51, and
5 it says here that the Director of Economic Development and
6 Workforce Development, for a two-year period is \$1.1 million,
7 but we're being asked to fund \$1.2, that's for a two-year period
8 for \$1.1 million, but we're being asked to fund \$1.2, is that
9 correct?

10 DELEGATE KILGORE: Yes.

11 MS. CARTER: Now, Mr. Chairman, yesterday, we
12 were presented with some slides, and we discovered yesterday
13 that, and I'm assuming out of this \$1.2 million that Mr. Keogh
14 was also being paid. Are we going to fund Mr. Keogh, as well?

15 DELEGATE KILGORE: Tim.

16 MR. PFOHL: No, Mr. Keogh is no longer part of this.
17 He was budgeted under the original grant with CCAM, and he's
18 not included in this.

19 MS. CARTER: Should this motion be \$1.1 million as
20 opposed to \$1.2?

21 DELEGATE KILGORE: I think there was \$230,000 in
22 there for CCAM overhead, if I read it correctly.

23 MS. CARTER: It said \$1.1 million.

24 MR. PFOHL: The Chairman is correct, there is
25 sufficient overhead that CCAM is requesting. CCAM's revised

1 request that you saw yesterday was \$1,338,374. That includes
2 roughly \$160,000 of overhead for CCAM.

3 MS. CARTER: Are we going to also fund 10 percent of
4 the Executive Director's salary?

5 MR. PFOHL: That is the overhead. The Executive
6 Director of the CCAM staff.

7 MS. CARTER: Just to make sure that we understand
8 what we're funding, we're funding two positions, Workforce
9 Development, Economic Development, and we're funding 10
10 percent of the Executive Director's salary?

11 MR. PFOHL: The Executive Director, Joe, would you
12 like to address that?

13 MR. MOODY: Mr. Chairman, I'm Joe Moody, I'm the
14 Executive Director of CCAM. No, the overhead calculation issue
15 of the details were provided in the grant proposal but not shown
16 in the summary slide yesterday, does not include 10 percent of
17 the Executive Director's salary on an ongoing basis as the
18 original grant did. It's a lesser amount of that, but it also
19 includes overhead associated with, of the use by Mr. Bruce
20 Sobczak, who's located at the CCAM facility. His use of that in
21 the facility, he's got an office there, he uses the phone system
22 and the internet facilities, et cetera. That has replaced some of
23 the overhead that was in the original grant from 2002 and the
24 facility did not exist and the Executive Director's and Office
25 Administrator's salary.

1 MS. CARTER: Mr. Chairman, just so that I understand
2 what we're doing here, so we will be funding a portion of Mr.
3 Moody's salary?

4 MR. MOODY: Yes, both Bruce Sobczak and Joe Anwyl
5 will report directly to me, and I will manage them on an ongoing
6 daily basis.

7 DELEGATE KILGORE: All right. The motion is before
8 us, which was the original motion of Senator Ruff. All those in
9 favor of that motion, say aye. (Ayes).

10 MS. CARTER: Could you repeat the motion.

11 MR. FEINMAN: Ms. Carter, the motion that stands
12 before us is to fund CCAM's proposal at \$1,338,000 which would
13 cover expenses and overhead for the two positions.

14 MR. STEPHENSON: Wrong amount of money. We
15 don't have that. The amount in Senator Ruff's motion was
16 \$1,283,540. We're using the balance available.

17 MR. FEINMAN: For the two CCAM positions and
18 additionally you create a subcommittee to contain Mr. Marshall,
19 Mr. Owens, Mr. Moore, Ms. Gould, to develop metrics and report
20 back to this Full Commission by January, and that's the motion
21 before us.

22 DELEGATE BYRON: Who's the group?

23 MR. FEINMAN: Delegate Marshall, Mr. Owens, Mr.
24 Moore, and Ms. Gould.

25 MS. BYRON: I would like it to be reported, but I don't

1 want to take up the Committee time to ask all these kind of
2 questions. Also, Mr. Chairman, if I may just ask, the
3 performance agreement is going to be after the fact, right, or is
4 that going to be the performance --

5 DELEGATE KILGORE: The performance measures with
6 the metrics, and the Committee will work on that and will send
7 us that and report to us in January.

8 DELEGATE BYRON: It's not going to affect the money,
9 the money is already approved. They're going to get paid
10 whether they meet those performance standards or not. It's a
11 grant, right?

12 MR. FEINMAN: The Commission will have an
13 opportunity to revisit the grant or monies that haven't been
14 spent down at each of those meetings.

15 DELEGATE BYRON: Could we have this set to be
16 reviewed at least on an annual basis?

17 DELEGATE KILGORE: Sure.

18 DELEGATE BYRON: As part of that MOU.

19 DELEGATE KILGORE: Sure, we can on an annual
20 basis.

21 DELEGATE BYRON: For approval.

22 DELEGATE KILGORE: Sure, we can review it on an
23 annual basis.

24 SENATOR RUFF: My motion called for a quarterly
25 report.

1 DELEGATE BYRON: A quarterly report and an annual
2 approval are two different things in my mind. You can report
3 until the day is done, but it doesn't mean it's going to affect the
4 grant, does it not?

5 SENATOR RUFF: Mr. Chairman, that's exactly right,
6 but when you get reports on a quarterly basis, everybody can
7 read if there's a problem, and the problem will show up and we
8 can deal with it at least once a year and maybe more frequent
9 than that.

10 MS. CARTER: I have another question, Mr. Chairman.
11 Is this for one year or two years?

12 DELEGATE KILGORE: Two years. All right, roll call.

13 MR. FEINMAN: Mr. Barnard.

14 MR. BARNARD: Yes.

15 MR. FEINMAN: Delegate Byron.

16 DELEGATE BYRON: No.

17 MR. FEINMAN: Mr. Cannon.

18 MR. CANNON: Yes.

19 MR. FEINMAN: Senator Carrico.

20 SENATOR CARRICO: Yes.

21 MR. FEINMAN: Ms. Coleman.

22 MS. COLEMAN: Yes.

23 MR. FEINMAN: Delegate Edmunds.

24 DELEGATE EDMUNDS: Yes.

25 MR. FEINMAN: Ms. Gould.

1 MS. GOULD: Yes.
2 MR. FEINMAN: Mr. Harris.
3 MR. HARRIS: Yes.
4 MR. FEINMAN: Ms. Rasnick.
5 MS. RASNICK: Yes.
6 MR. FEINMAN: Ms. Carter.
7 MS. CARTER: Yes.
8 MR. FEINMAN: Delegate Kilgore.
9 DELEGATE KILGORE: Yes.
10 MR. FEINMAN: Mr. Merricks.
11 MR. MERRICKS: Yes.
12 MR. FEINMAN: Mr. Montgomery.
13 MR. MONTGOMERY: Yes.
14 MR. FEINMAN: Mr. Moore.
15 MR. MOORE: Yes.
16 MR. FEINMAN: Delegate Morefield.
17 DELEGATE MOREFIELD: Yes.
18 MR. FEINMAN: Ms. Moss.
19 MS. MOSS: Yes.
20 MR. FEINMAN: Mr. Owens.
21 MR. OWENS: Yes.
22 MR. FEINMAN: Senator Ruff.
23 SENATOR RUFF: Yes.
24 MR. FEINMAN: Mr. Shell.
25 MR. SHELL: Yes.

1 MR. FEINMAN: Senator Smith.

2 SENATOR SMITH: No.

3 MR. FEINMAN: Mr. Spiers.

4 MR. SPIERS: Yes.

5 MR. FEINMAN: Senator Stanley.

6 SENATOR STANLEY: Yes.

7 MR. FEINMAN: Mr. Sutherland.

8 MR. SUTHERLAND: (Absent).

9 MR. FEINMAN: Delegate Wright.

10 DELEGATE WRIGHT: No.

11 MR. FEINMAN: The ayes have it, Mr. Chairman.

12 DELEGATE KILGORE: Is that your report?

13 DELEGATE MARSHALL: Yes.

14 DELEGATE WRIGHT: Mr. Chairman, I'd like to hear
15 something about, we talked about Phase I and things like that,
16 but as far as the broadband in our area, Lunenburg,
17 Mecklenburg, and Nottoway, and I will soon be getting that.

18 DELEGATE MARSHALL: Tad, would you give a brief
19 overview of these projects.

20 MR. DERISO: Yes, sir. Mr. Chairman, Tad Deriso,
21 President of Mid-Atlantic Broadband. I apologize, Delegate
22 Wright, I didn't hear your question.

23 DELEGATE KILGORE: Can you explain Phase I in
24 Mecklenburg and Charlotte County.

25 DELEGATE WRIGHT: Lunenburg, Lunenburg, sorry

1 about that. My question was what Phase I covers, I wanted to
2 know what the future planning is and what Phase II may include
3 and the areas I'm talking about is Mecklenburg, Lunenburg,
4 Amelia, Nottoway, and Cumberland, when will that be coming
5 online?

6 MR. DERISO: Thank you for the question. Phase I
7 was chosen for Halifax and Charlotte Counties, because there
8 were some existing schools with existing tower masts, and some
9 towers in Charlotte County. It was for Microsoft to be able to
10 deploy the project. Microsoft today would like to do all 26
11 counties in Southern Virginia and as much as we can do. It's just
12 simply a money issue. In round numbers, it's \$22 million to \$25
13 million to do all. What we're anticipating as Phase I rolls out,
14 we've seen some great success with that. We'll be working with
15 Microsoft and some of our fellow partners to find additional
16 dollars to do that.

17 Phase I does include the western side of Lunenburg
18 County from a tower site that we'll be building at Patrick Henry of
19 Southside Virginia Community College. Yes, we do have plans to
20 cover the entire region.

21 DELEGATE WRIGHT: Thank you, and I appreciate that
22 update and look forward to having that all happen, appreciate all
23 that you do.

24 MR. DERISO: Thank you.

25 DELEGATE KILGORE: Thank you. Moving on to the

1 TROF.

2 DELEGATE MARSHALL: The TROF Committee met
3 yesterday, and the Committee recommends a temporary
4 amendment to the TROF policy to increase the Executive
5 Director's approval authority from \$2 million to \$4.7 million with
6 the following limitations: Only for Project Traction, only within
7 the TROF guidelines, and only for the next 12 months, and I so
8 move.

9 DELEGATE KILGORE: Do I have a second? All right.
10 It's been moved, and I have a second. Any more discussion? All
11 those in favor, say aye. (Ayes). Opposed? (No response). That
12 motion passes.

13 DELEGATE MARSHALL: Yes, and, also, the Committee
14 recommends the approval of a performance agreement for
15 Project Transport. That's Grant Number 3037, and it's a little bit
16 of a change in wording, and the Committee so moves.

17 MS. COLEMAN: Second.

18 DELEGATE KILGORE: Any discussion? All those in
19 favor, say aye. (Ayes). Opposed? (No response).

20 DELEGATE MARSHALL: That's it.

21 DELEGATE KILGORE: Thank you.

22 Senator Ruff, Executive Committee.

23 SENATOR RUFF: Thank you, Mr. Chairman. There are
24 two actions that came out of yesterday's Executive Committee.
25 The first is I move that a budget transfer of \$500,000 from the

1 TROF project that did not come to a conclusion, be transferred to
2 the Special Projects Committee. This reverses the January
3 action.

4 MR. OWENS: Second.

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

8 SENATOR RUFF: Mr. Chairman, I recommend that
9 \$5 million be set aside within the Commission's general account
10 to be used as a revolving loan fund pursuant to Code Section
11 3.2-3113. Mr. Chairman, as the legislation that passed in
12 January and February, it called for an opportunity to work with
13 VRA, Virginia Resources Authority, to fund some projects in
14 localities. The goal here is to try two or three projects to see if
15 this is a viable thing to do and moving money to make that
16 happen and make us capable of doing that and it would allow the
17 Executive Director to go to the VRA and try to arrange a
18 memorandum of understanding so we can move forward in
19 proper timing.

20 DELEGATE BYRON: Mr. Chairman, it's my
21 understanding though that any applications that we have for this
22 are going to come back to us for approval, correct?

23 DELEGATE KILGORE: Yes.

24 MR. FEINMAN: The Commission has to approve this.
25 What we needed was a budget and an initial recommendation so

1 we can begin working up a couple of loans and the MOUs so we
2 can present sort of a trial loan and our MOU with VRA to the
3 Commission.

4 DELEGATE KILGORE: We have a motion and a
5 second. All those in favor, say aye. (Ayes). Opposed? (No
6 response). That motion carries.

7 SENATOR RUFF: Mr. Chairman, that's all the action in
8 the Executive Committee yesterday.

9 DELEGATE KILGORE: Now, we're at the public
10 comment period. Anyone have any public comments?

11 MR. TENNEY: Mr. Chairman, my name is Tyke
12 Tenney, I'm the Executive Director of the Virginia Technical
13 Institute. Next to me is the Kyle Goldsmith of VTI, Dean of
14 Instruction. We'd like to bring you some good news with a report
15 on your return of investment.

16 First, we'd like to thank the Commission for their
17 initial grant, for the creation of the Virginia Technical Institute,
18 and then a secondary grant that supplied some tools and
19 equipment for VTI.

20 VTI is beginning their sixth year offering training in
21 carpentry, electrical, HVAC, plumbing, and welding. This
22 semester, we have 233 students, all 233 will complete the
23 semester with an NCCER, industrial-recognized credentials. VTI
24 also oversees over 100 high school students in our dual
25 enrollment program at nine locations. In addition to our school,

1 we also offer customized training, and a current example of this
2 would be our deal with Danfour International, and they are
3 bringing over 40 unemployed individuals to VTI to train for
4 immediate employment at Danfour.

5 We're also conducting two courses this year in a joint
6 venture with CVCC, and I cannot forget our partnership with the
7 Liberty University who sends over 100 students to VTI and they
8 also accept all VTI's credits towards an Associate or Bachelor's
9 degree at Liberty University.

10 In summary, over the past five years, VTI has
11 graduated over 139 students, but, more importantly, 97 percent
12 of these students are placed in a job in their field. Thank you
13 very much.

14 DELEGATE KILGORE: Thank you very much. Sounds
15 like you're doing a great job there, and 233 students is a big
16 number, and we appreciate all you're doing to provide those
17 certifications. Thank you.

18 Now, anyone else have a public comment?

19 MR. RIEDHAMMER: Mr. Chairman and members of
20 the Commission, I'm Chuck Riedhammer, I'm the Executive
21 Director of Spearhead Trails. I just wanted to thank everybody
22 for your ongoing support. Your investments have had huge
23 returns in the region. I think many of you are aware of new
24 businesses and investment Saint Paul. I know Will is aware of
25 this.

1 There was a recent announcement that I wanted to
2 update you on. They're building Trailhead lodging in our most
3 recent trail there, and that represents a \$2 million investment in
4 Tazewell County in the Town of Pocahontas, and that's the
5 largest investment in the last 44 years in that community, and
6 we're very proud of that.

7 We've really enjoyed building the trail and the
8 structure that brings this kind of economic development. We've
9 liked it so much we're going to open another trail system on
10 October 10. So I'd like to invite everybody from the Commission
11 to come to Pennington Gap, and you can come before you go to
12 Big Stone Gap where they're going to release the movie. At
13 10:00 o'clock, we're going to do a ribbon-cutting and open our
14 fourth trail system, Stone Mountain in Lee County.

15 DELEGATE KILGORE: What day was that?

16 MR. RIEDHAMMER: 10-10, October 10th, same day as
17 the Big Stone Gap event up in Big Stone. So, come at 10:00 in
18 the morning, do the ribbon-cutting with us, and then head to Big
19 Stone Gap, and that's where we'll be. So, thank you very much.
20 Love to see you all at the ribbon-cutting.

21 DELEGATE KILGORE: Thank you, Chuck, for
22 reminding me, on 10-9, Big Stone Gap movies comes out, so
23 everybody go see the Big Stone Gap movie. We've got some
24 investment in that. And that's having a big festivity day on 10-
25 10 in Big Stone Gap, so if any of you are around Big Stone Gap,

1 please stop by and visit, and that would be great.

2 Do I have a motion we adjourn?

3 DELEGATE MARSHALL: So moved.

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PROCEEDINGS CONCLUDED.

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