

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

4

5

6

7

8 **Full Commission Meeting**

9 Tuesday, January 12, 2016

10 11:00 o'clock a.m.

11

12

13

14 The Hilton Downtown

15 Richmond, Virginia

16

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 Ms. Gayle F. Bartz
5 The Honorable Kathy J. Byron
6 Mr. John R. Cannon
7 The Honorable Charles W. Carrico, Sr.
8 Ms. Mary Rae Carter
9 Ms. Rebecca Coleman
10 The Honorable James Edmunds
11 Ms. Missy Gould
12 The Honorable Frank Harris
13 Ms. Cassidy Rasnick, For Secretary Haymore
14 Mr. John S. Holland
15 Ms. Catherine L. Lowe
16 The Honorable Daniel W. Marshall, III
17 Mr. Robert J. Mills, Jr.
18 Mr. Dale Moore
19 The Honorable Will Morefield
20 The Honorable Edward Owens
21 Mr. Cecil Shell
22 Mr. Robert Spiers
23 The Honorable William M. Stanley, Jr.
24 Mr. Richard Sutherland
25 The Honorable Thomas C. Wright, Jr.

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

COMMISSION STAFF:

- Mr. Evan Feinman, Executive Director
- Mr. Ned Stephenson, Deputy Executive Director
- Mr. Timothy S. Pfohl, Grants Program Administration Director
- Ms. Stephanie S. Kim, Director of Finance
- Ms. Sara G. Williams, Grants Program Administrator -
Southwest Virginia
- Ms. Sarah K. Capps, Grants Program Administrator -
Southside Virginia
- Ms. Stacey Richardson, Executive Assistant

COUNSEL FOR THE COMMISSION:

- Ms. Elizabeth B. Myers, Assistant Attorney General
Richmond, Virginia 23219

1 January 12, 2016

2

3 DELEGATE KILGORE: Welcome, everybody.

4 Mr. Feinman, please call the roll.

5 MR. FEINMAN: Yes, sir. Ms. Bartz.

6 MS. BARTZ: Here.

7 MR. FEINMAN: Secretary Brown.

8 SECRETARY BROWN: (No response).

9 MR. FEINMAN: Delegate Byron.

10 DELEGATE BYRON: Here.

11 MR. FEINMAN: Mr. Cannon.

12 MR. CANNON: Here.

13 MR. FEINMAN: Senator Carrico.

14 SENATOR CARRICO: Here.

15 MR. FEINMAN: Ms. Coleman.

16 MS. COLEMAN: Here.

17 MR. FEINMAN: Delegate Edmunds.

18 DELEGATE EDMUNDS: Here.

19 MR. FEINMAN: Ms. Gould.

20 MS. GOULD: Here.

21 MR. FEINMAN: Mr. Harris.

22 MR. HARRIS: Here.

23 MR. FEINMAN: Ms. Rasnick.

24 MS. RASNICK: Here.

25 MR. FEINMAN: Mr. Holland.

1 MR. HOLLAND: Here.

2 MR. FEINMAN: Secretary Jones or Ms. Carter.

3 MS. CARTER: Here.

4 MR. FEINMAN: Delegate Kilgore.

5 DELEGATE KILGORE: Here.

6 MR. FEINMAN: Ms. Lowe.

7 MS. LOWE: Here.

8 MR. FEINMAN: Delegate Marshall.

9 DELEGATE MARSHALL: Here.

10 MR. FEINMAN: Mr. Merricks.

11 MR. MERRICKS: (No response).

12 MR. FEINMAN: Mr. Mills.

13 MR. MILLS: Here.

14 MR. FEINMAN: Mr. Montgomery.

15 MR. MONTGOMERY: (No response).

16 MR. FEINMAN: Mr. Moore.

17 MR. MOORE: Here.

18 MR. FEINMAN: Delegate Morefield.

19 DELEGATE MOREFIELD: Here.

20 MR. FEINMAN: Mr. Owens.

21 MR. OWENS: Here.

22 MR. FEINMAN: Senator Ruff.

23 SENATOR RUFF: Here.

24 MR. FEINMAN: Mr. Shell.

25 MR. SHELL: Here.

1 MR. FEINMAN: Mr. Spiers.

2 MR. SPIERS: Here.

3 MR. FEINMAN: Senator Stanley.

4 SENATOR STANLEY: Here.

5 MR. FEINMAN: Mr. Sutherland.

6 MR. SUTHERLAND: Here.

7 MR. FEINMAN: Delegate Wright.

8 DELEGATE WRIGHT: Here.

9 MR. FEINMAN: Mr. Chairman, you have a quorum.

10 DELEGATE KILGORE: Thank you. I also want to
11 thank Senator Smith for serving on the Commission.

12 Do we have a motion to approve the 9-23-15
13 minutes? I have a motion and a second to approve the minutes.
14 All those in favor, say aye. (Ayes). Opposed? (No response).

15 All right, the first matter of business is the Southside
16 Economic Development Committee, and I'll turn that over to
17 Delegate Wright.

18 Well, let me acknowledge our new members first. I
19 want to welcome all the new members. We have Mr. Holland,
20 and we have Ms. Lowe, and Mr. Mills. Welcome. Also, Ms. Bartz
21 is back on the Commission. Usually, we try to make you give a
22 speech why you want to be on the Committee, but we'll waive
23 that today. Usually, we want you to give a little speech, but we'll
24 just do that all in May, so you all can be thinking about that.
25 Anyway, welcome, and we look forward to working with you and

1 for the service you all give to the Commission. If you need
2 something, either call me or ask Frank, and we'll be more than
3 happy to help you out. So, again, welcome.

4 Next, we have the Southside Economic Development
5 Committee.

6 DELEGATE WRIGHT: Thank you, Mr. Chairman.
7 Please turn to page 20 first and then 28. There are two different
8 recommendations, but we can make it in one motion.

9 First, referring you to page 20. The Committee
10 recommends the approval of eight grants, totaling \$2,358,453.
11 And that's on page 20.

12 Also, on page 28, the Committee recommends time
13 extensions, and that's on page 28.

14 MS. GOULD: Mr. Chairman, can we pull 3080 out of
15 the block?

16 DELEGATE KILGORE: Number 3080 will be pulled out
17 of the block. Are any of the extensions that need to be pulled
18 out of the block or anybody have any questions concerning the
19 remainder of these grants? Are you making a motion that all of
20 these be approved with the exception of 3080?

21 DELEGATE WRIGHT: Yes.

22 DELEGATE KILGORE: I have a motion. Do I have a
23 second?

24 MR. OWENS: Second.

25 DELEGATE KILGORE: Any discussion? All those in

1 favor of the remaining grant actions with the exception of 3080,
2 say aye. (Ayes). Opposed? (No response). All right, 3080.

3 DELEGATE WRIGHT: I make a motion we approve
4 3080.

5 MR. OWENS: Second.

6 DELEGATE KILGORE: We have a motion and a second
7 that we approve Grant Number 3080. Any discussion? All those
8 in favor, say aye. (Ayes). Opposed? (No response).

9 All right, we have one abstention.

10 DELEGATE WRIGHT: That completes the Southside
11 Economic Development report.

12 DELEGATE KILGORE: We'll now go to Agribusiness.
13 Mr. Spiers.

14 MR. SPIERS: Thank you, Chairman. Our committee
15 met on December 7th with a quorum. We had 17 proposals and
16 met the October deadline. Directing your attention to page 4,
17 you'll see the Committee's recommendations. I believe it was 11
18 proposals that were approved, \$2,540,894 was recommended.

19 SENATOR RUFF: I would move that Number 3102 be
20 removed from the block.

21 DELEGATE KILGORE: 3102 removed from the block.
22 Any others removed from the block?

23 DELEGATE EDMUNDS: 3105.

24 DELEGATE KILGORE: 3105, okay. Any others to be
25 removed?

1 So, we've got 3105 and 3102 being removed from the
2 block now, with the remaining items in the block. Any
3 Commission members have any questions on any of those that
4 are left? We have a motion and a second to approve the
5 remainder of the block with the exception of 3105 and 3102.

6 MR. OWENS: So moved.

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

10 MR. SPIERS: Mr. Chairman, at this time, I would
11 propose 3105 recommendation for approval.

12 DELEGATE KILGORE: I have a motion and a second
13 that we approve 3105, Halifax Soil and Water Conservation
14 District be approved. Any further discussion? All those in favor,
15 say aye. (Ayes). Opposed? (No response). That's approved.

16 The next one is 3102.

17 MR. SPIERS: Mr. Chairman, I would move that we
18 approve 3102.

19 SENATOR RUFF: Mr. Chairman, I would like to amend
20 that motion, but the purpose I think is a great idea and expand
21 the production of Virginia's wine grapes. I have a current wine
22 grower, grape grower and producer, and has a small winery. If
23 you are an existing vineyard, has three acres and currently then
24 they can grow up to, they can get credit for \$3,000 for two
25 additional acres, you have to have at least two. I would move

1 that we change that to one additional acre. The improvement, if
2 you're a small grower, and this is so you don't over-extend
3 yourself.

4 MR. SPIERS: Mr. Chairman, the discussion with Staff
5 concerning this, I don't think it would change the emphasis of
6 the, and it could allow some small growers to and incrementally
7 change it. You want to have enough size to be a commercially
8 viable contract. I think it would be a friendly amendment.

9 DELEGATE MARSHALL: Have you talked to Fred?

10 MR. WYDNER: I'm Fred Wydner, Pittsylvania County.
11 As far as the overall grant, I agree that it would be fine to go
12 ahead and lower that from two acres down to one acre, on
13 expanding the vineyards.

14 DELEGATE KILGORE: You're making a motion to
15 amend it for the --

16 SENATOR RUFF: For the existing growers, to bring it
17 down from the requirement from the two to at least one acre.

18 SENATOR CARRICO: Second.

19 DELEGATE KILGORE: I have a motion and a second.
20 Any more discussion on 3102? I have a motion and a second to
21 make the amendment as stated by Senator Ruff. All those in
22 favor, say aye. (Ayes). Opposed? (No response). That
23 amendment is approved.

24 MR. SPIERS: We also had some other business,
25 directing you to page 19. Extension for Grant Number 2476.

1 DELEGATE KILGORE: What's your recommendation?

2 MR. SPIERS: To extend.

3 DELEGATE KILGORE: We have a motion and a second
4 to grant that extension. All those in favor, say. (Ayes).
5 Opposed? (No response).

6 MR. SPIERS: That's all.

7 DELEGATE KILGORE: Thank you. The next item of
8 business is the TROF Committee, Delegate Marshall.

9 DELEGATE MARSHALL: Mr. Chairman, the TROF
10 Committee met this morning, and we have two items. The first
11 one is the Committee recommends that Staff refrain from
12 authorizing TROF Grant Number 2845 until March 12th of 2016,
13 and if that grant is certified until March 12th of 2016, and if the
14 grant is certified. What this is doing is giving until March 16th,
15 and this will give the Commission more security than we've had
16 in the past on this particular grant. I so move.

17 SENATOR RUFF: Second.

18 DELEGATE KILGORE: The motion is seconded. Any
19 discussion or any questions? All those in favor, say aye. (Ayes).
20 Opposed? (No response).

21 DELEGATE MARSHALL: Also, the Committee
22 recommended Number 1816 and 2171 until January 12th, 2017,
23 and I so move.

24 SENATOR RUFF: Second.

25 DELEGATE KILGORE: Any discussion. All those in

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

2 DELEGATE MARSHALL: That completes my report.

3 DELEGATE KILGORE: Thank you. Special Projects.

4 DELEGATE MARSHALL: Just to give you some
5 background, so I move that Grant Number 3085 for \$1,282,546
6 in favor of CCAM be affirmed for the balance of the period
7 remaining under the grant, so as to move the contingency of the
8 grant September 15th. We made a motion September 15th, and
9 the minutes are not quite clear. That's why we have brought this
10 back up today, to make sure the minutes are clear, and I so
11 move.

12 DELEGATE KILGORE: Do I have a second?

13 SENATOR CARRICO: Second.

14 DELEGATE KILGORE: Any discussion? All right. All
15 those in favor of the motion for Special Projects, say aye.
16 (Ayes). Opposed? (No response). All right, thank you.

17 The Executive Committee, Senator Ruff.

18 SENATOR RUFF: Thank you, Mr. Chairman. We met
19 this morning, and I'd ask you to turn to page 40, and that deals
20 with the Committee's bylaws. The question arose during the
21 course of last year whether the Chairman could vote, and
22 apparently our legal counsel determined that the Chairman could
23 not vote, even though the Chairman wanted to. So, that led to a
24 discussion of what the bylaws should be, and that's printed on
25 pages 43 to 46. I would move that those be approved.

1 DELEGATE KILGORE: There were some other changes
2 in the bylaws, and I would ask that you read them over at your
3 convenience. Do I have a second?

4 MR. OWENS: Second.

5 DELEGATE KILGORE: I have a motion and a second
6 to the bylaws, and the major change about the Chairman voting.
7 Any discussion? All those in favor, say aye. (Ayes). Opposed?
8 (No response). The motion carries.

9 SENATOR RUFF: Mr. Chairman, the next action deals
10 with the VRA. At our last meeting, we had a discussion about the
11 legislation and how we would work with the VRA. The Staff has
12 been working diligently with them to come up with a
13 memorandum of understanding, and that's pages 47 through 49.
14 So, I would move that that memorandum be accepted to be used
15 as a guide for working with the Virginia Resources Authority.

16 DELEGATE KILGORE: Responsibilities with the
17 Department of Treasury, and that takes in pages 49 to 53.
18 Thank you all for the work you did on that. We've got a motion
19 and a second that this was approved by the Executive
20 Committee. All those in favor, say aye. (Ayes). Opposed?

21 DELEGATE WRIGHT: No.

22 SENATOR RUFF: Mr. Chairman, the first one is the
23 Committee recommended a budget transfer \$1.2, Southside
24 Economic Development to projects to TROF, and the one we
25 approved to Dinwiddie County. I so move.

1 MR. OWENS: Second.

2 DELEGATE KILGORE: I have a motion and a second
3 dealing with the transfer of funds to a project in Dinwiddie
4 County? Any discussion? All those in favor, say aye. (Ayes).
5 Opposed? (No response). Motion carries.

6 SENATOR RUFF: The Committee also recommended a
7 budget transfer of \$500,000 from Southside to deal with the
8 Danville project, and that's from the TROF.

9 DELEGATE KILGORE: I've got a motion and a second
10 to that transfer. Any discussion? All those in favor, say aye.
11 (Ayes). Opposed? (No response). Motion carried.

12 SENATOR RUFF: Mr. Chairman, that concludes my
13 report.

14 DELEGATE KILGORE: Next, Strategic Planning.

15 MS. COLEMAN: Mr. Chairman, as a result of our last
16 meeting, the Committee met, and we had agreed on an outline
17 plan, as you can see from what has been passed out. We
18 focused on our draft language. We had agreed on a strategic
19 plan outline, which you have, as I already said. We also focused
20 on the internal operations and budgeting, traditional funding, and
21 internal spending and external funding activities.

22 Evan has been working on an MOA with the loan
23 aspects of that and not just this Committee and then trying to
24 outline a structure. Our outline explains in depth our policies and
25 outcomes and objectives across the board.

1 We also plan to hold a large meeting sometime in
2 April, I believe, in Southside and Southwest to fully discuss all
3 these details, and that should help provide a lot of information as
4 we go forward.

5 DELEGATE KILGORE: I want to thank you, Missy and
6 Ms. Coleman, for taking up this job. So, I would encourage
7 members of the Commission to attend those meetings in your
8 particular areas and encourage others to do so, and make sure
9 you attend the meeting so you can hear from the public and get
10 their ideas and what plans they'd like us to have and have some
11 interface and also Economic Developers and county officials. I
12 just think everybody ought to attend the meetings so that we can
13 all do that.

14 MS. COLEMAN: We'll be working on that between now
15 and the meetings.

16 DELEGATE KILGORE: When you get those dates,
17 we've got to make sure we publish that and get it out to the
18 public.

19 Next, we're going to hear from the Centers of
20 Excellence.

21 MR. SOBCZAK: Thank you, Mr. Chairman, and
22 members of the Staff. I'm Bruce Sobczak, the Director of
23 Workforce Development, the Commonwealth Center for
24 Advanced Manufacturing.

25 Throughout my manufacturing and workforce career,

1 I've worked on significant projects all around North America,
2 Asia, and Europe, and I consider the Advanced Manufacturing
3 Center of Excellence one of the most important projects I've ever
4 had the honor of working with.

5 Certainly taking on the technical and geographical and
6 logistical challenges is an achievement in itself, but I believe the
7 collaboration effort a big part of the story. In the spirit of the
8 collaboration and the shared leadership implement, we have
9 chosen to prepare a joint presentation.

10 If it pleases the Commission members and the staff,
11 I'd like to introduce Dr. Betty Adams, the Executive Director of
12 the Southern Virginia Higher Education Center to initiate our
13 presentation.

14 DELEGATE KILGORE: Thank you.

15 DR. ADAMS: Good morning, everyone. I'm Betty
16 Adams, Executive Director of the Virginia Higher Ed Center in
17 South Boston, Virginia. We're one of the three Centers of
18 Excellence that's being funded by the Tobacco Commission. On
19 behalf of the leadership of the three Centers of Excellence, we
20 appreciate having this opportunity to present you with a brief
21 progress report.

22 At the September Commission meeting, an Ad Hoc
23 Committee was appointed to become more familiar with what is
24 happening on the ground in each of the Centers of Excellence,
25 and that Ad Hoc Committee included Mr. Dale Moore, Delegate

1 Danny Marshall, and Mayor Ed Owens. For the past three
2 months, all three centers have worked together to provide
3 comprehensive briefings in each of the three locations for those
4 committee members, as well as Delegate Kilgore, Mr. Feinman,
5 Senator Ruff.

6 During these briefings, Committee members felt that
7 it would be important for you, as members of the Commission, to
8 hear some of the information. So, we're going to provide you
9 with a brief presentation. I'm going to talk a little bit about the
10 background and where we are right now and why the Tobacco
11 Commission and CCAM decided to go down this road. And then
12 I'm going to call on each of the leaders of the three COEs to go
13 into more specifics.

14 Let me introduce you to our team. At the Center of
15 Excellence in Martinsville at the New College Institute, we're
16 joined by Dr. Blevins, who is the acting Executive Director there.
17 Also, joining me from the Southern Virginia Higher Education
18 Center is Patty Nelson, who is our Chief Finance and Operations
19 Officer, but also the Project Manager for our Center of Excellence.

20 We are thrilled to have with us today Kevin
21 Mumpower, who is with Bristol Compressors and who represents
22 the Southwest Virginia Alliance of Manufacturing Center of
23 Excellence in Abingdon, Virginia. He is the Chairman of the
24 Center of Excellence Board, and in his spare time, he serves as
25 Vice President of New Projects and Development for Bristol

1 Compressors. And we're thrilled to have him with us today.

2 This project would not be possible without a
3 partnership among our community colleges. We are working
4 across the three Centers with seven community colleges. This is
5 a very busy time for the community college system. They're in
6 their semesters, but I do want to recognize all the community
7 colleges and ask that anyone from those colleges that are with us
8 and staff or presidents, please stand up and be recognized.

9 Danville Community College, President Dr. Bruce
10 Scism; Mountain Empire Community College, President Scott
11 Hamilton; Patrick Henry Community College, Dr. Angeline
12 Godwin; Southside Virginia Community College, Dr. Al Roberts;
13 Southwest Virginia Community College, Dr. Mark Estes; Virginia
14 Highlands Community College, Dr. Gene Couch; and Wytheville
15 Community College, President Dean Sprinkle; our CCAM partner,
16 Bruce Sobczak, who is the Director of Workforce Development,
17 who's really offered a great amount of support in shepherding
18 this project.

19 What we would like you to know about the COE
20 initiatives, this is a unique project. It is the first time that the
21 Commonwealth of Virginia has offered this advanced level of
22 training and it complements the foundational level of training,
23 the three specific areas that had already been done by
24 community colleges. We're working together to offer the
25 advanced level of training through the Centers of Excellence in

1 order to fill the skills gap that has been identified, and we do it
2 by focusing on producing credentials that are approved by
3 industry and specified that these are the credentials that we need
4 from these particular workers.

5 The specification under the grant is that at the end of
6 the three-year period, these Centers of Excellence would produce
7 at minimum 70 credentials. We're in the first year of the project
8 and have spent the last year really building the infrastructure
9 that allows us to produce those advanced level credentials. We
10 spent time trying to get the equipment and the training
11 instructors and developing our relationships with partners and
12 developing the curriculum and training. We want you to know
13 that now that we have this year of infrastructure building, we are
14 wrapping up and there'll be more training and we're ready to go.

15 Now, that we've got your attention, I'm going provide
16 you with some of the highpoints of the presentation being
17 developed for the Ad Hoc Committee. I appreciate the
18 Committee members that have already seen this, thank you for
19 looking through them. CCAM has to go down this road,
20 established the three manufacturing Centers of Excellence.

21 In 2012, the Tobacco Commission approached the
22 Boston Consulting Group and asked the Boston Consulting Group
23 to do a study to answer this question, can we position Southern
24 and Southwest Virginia as a hub for advanced manufacturing
25 and, if so, how can we develop a workforce that'll produce a

1 work-ready workforce in advanced manufacturing? The BCG
2 Report was published in 2013 here in this building, I think. Good
3 news, bad news. The good news was that the Boston Consulting
4 Group predicted there was going to be lots of new advanced
5 manufacturing jobs as of 2017 in three particular areas,
6 aerospace, heavy machinery, and automotive. The bad news
7 was that they predicted, and you'll hear from Mr. Mumpower that
8 this is reality now and no longer a prediction that there would be
9 a middle field worker gap, and that may prevent us from taking
10 advantage of this unique opportunity.

11 The gap appeared in three specific manufacturing
12 careers: welding, machine professionals, and industrial
13 maintenance mechanics. Let me talk briefly about the middle-
14 skilled worker, and it's happening in other areas, not just
15 manufacturing. You've got a class of workers who are advanced
16 and are retiring, leaving the workforce. Because of the culture,
17 we have put so much emphasis on four-year degrees and kind of
18 moved away from blue collar jobs and we don't have people in
19 the pipeline ready to take those jobs, and that's going to keep us
20 from being competitive. These middle-skilled workers don't
21 require a four-year degree, they require a high school diploma,
22 some post-secondary education.

23 So, we have tried to set up three regional Centers of
24 Excellence that would work with the community college system
25 to build capacity and close the skills gap by having advanced

1 level training that will produce middle-skilled workers, the focus
2 on credentials and hands-on advanced level training. This would
3 also benefit the Commonwealth by adding a number of
4 credentialed workers that we have that new industry would look
5 at in a measure of how work-ready we are. So, in 2013, CCAM
6 asked for a request for a proposal and folks were able to apply it
7 to the Center of Excellence.

8 The RFP asked that the Centers of Excellence do three
9 different things. You hear a lot about the advanced level
10 training, but there are two other things that we've been charged
11 to do.

12 One is to increase the number of folks seeking
13 manufacturing careers, and Commissioner Owens made a
14 comment during one of our meetings about what I'll call the
15 Three Ds. In manufacturing, people think of it as being
16 dangerous, dirty, dead-end, you're not going to take credit for
17 that.

18 The three Centers of Manufacturing careers, the
19 number of manufacturing careers strengthen the existing
20 foundational entry of the pipeline, and one of the things that
21 we've been working with our community colleges about is using
22 the resources under the grants to add equipment to their
23 foundational programs and to train their instructors and to
24 promote their programs, et cetera. In the big piece of the pie,
25 develop this new fast track training that would be credentialed

1 based and industry approved credentials in those three areas. In
2 2014, the announcements were made, and we spent the last
3 year developing that infrastructure.

4 One thing I wanted to address, and there's been a lot
5 of discussion about it, what's the difference between what the
6 Centers of Excellence are doing and what the community colleges
7 are doing? Together what we're doing is really providing a
8 comprehensive educational supply chain that includes both the
9 entry level and foundational level of training that is divided into
10 three high profile manufacturing careers, and then the Centers of
11 Excellence are also offering advanced level training. We're
12 focused on what happens.

13 So, community colleges and Centers of
14 Excellence, we're all there to help you. But we're just focusing
15 now on a few things on the advanced level training and advanced
16 level credits, condense scheduling to fit the needs of industry,
17 get things going quickly, and we're focused on a lot of long-term
18 goals, and we're focused on experience. Advanced level skilled
19 training will work for the people who have already had
20 foundational training and some experience.

21 The community colleges are a very important part of
22 this and they provide the pipeline to the advanced level skills,
23 and you have to have this feeder, and they're providing that to
24 the entry level and foundational programs. They are benefitting,
25 as we are, under this grant, because we are using resources to

1 help fill their capacity and their programs by providing
2 equipment, training, and marketing. We're trying to change
3 some attitude and get young people to consider advanced
4 manufacturing careers.

5 The next slide, I think, helps to show what a huge
6 project this is. This is one-quarter of the Commonwealth. This
7 shows the three Centers of Excellence, the counties they're
8 serving, the community colleges they're working with, the
9 distance learning, and we're adding to this as we go. One of the
10 really interesting unintended outcomes of this project is that
11 we've got folks from Southern Virginia working with folks from
12 Southwest Virginia like never before, and each have a little
13 different take on the project, but we're all working together and
14 benchmarking off of each other.

15 The only thing I wanted to bring home to you is how
16 this education can enhance everyone. We are industries and
17 we're focused on industry, and in Southwest, we have a group of
18 manufacturers very much interested, and we and the COEs are
19 providing training that is producing industry credentials, and
20 that's driving high school students into community colleges, and
21 then hopefully those people are graduating and getting
22 experience and considering careers in industry.

23 In addition to focusing on public schools and the
24 community college level students, we're also focused on bringing
25 a wide spectrum of students into the Centers of Excellence.

1 We've tried to take or encourage workers to or encourage them
2 to engage in this training. Also, we have trainers, and we want
3 to transition military and we have success with a project at Fort
4 Lee and Southside Community College, so we're communicating
5 with and focusing on six different student cohorts.

6 We've also been tasked with changing attitudes and
7 changing parent attitudes about those three Ds. It also means
8 changing young people's attitudes. We've had more success with
9 young people than parents, and some young people will prevail
10 on their own in allowing to pursue these type of careers. All you
11 have to do with young people is proof. And in this scenario
12 where they see and when they see all this technology, they are
13 really turned on by that technology and that's what
14 manufacturing is all about.

15 Now, I'd like to turn the presentation now over to Ms.
16 Blevins, and she's going to give you some specifics about a major
17 accomplishment and very brief, and then Patty Nelson is going to
18 speak about sustainability, because that's always a question.
19 And then we'll close out with Kevin Mumpower, and you'll hear
20 the perspective from a practicing manufacturer. With that, I'll
21 turn it over to Leanna.

22 MS. BLEVINS: Thank you, Betty. For us, this is no
23 longer in the concept stage. This is not a report that we're all
24 studying. This is reality for us.

25 One of the first major accomplishments is that we

1 have extended Phase I funding on all of our equipment. We have
2 equipment in place and ready to go and the students are ready.
3 The rest of our area are ongoing, and it's a revolving process.
4 We are mostly staffed at this point, and in some areas fully
5 staffed, and we have faculty either identified or hired. Many of
6 the faculty have already completed or begun training. This is
7 requiring a different level of training, and certain portions of the
8 training have taken place in Germany, and we are trying to be
9 very successful with this, and it requires a lot of planning.

10 We also are earning credentials, and they have to
11 have these in order to train other people. And that's sort of a
12 one-shot deal, and we want to make sure we have a cadre of
13 faculty available and capable of teaching these skills. We want to
14 make sure we have that cadre of trainers.

15 Betty demonstrated earlier that we have several
16 distance learning sites, and because our Southside and
17 Southwest areas are so great in size, we have to make sure that
18 folks have access to the equipment and instruction in multiple
19 areas. We have begun marketing and outreached a variety of
20 ways from summer camp opportunities to reaching parents,
21 marketing plans, and ways to infiltrate communities to get the
22 awareness raised and get the information out there.

23 The most important thing we've done is that we've
24 already begun educating people. We have students enrolled and
25 students that have completed and look past the credentials. The

1 numbers are small right now. We're getting there, and this is our
2 start. We have the pipeline already established and we're doing
3 everything to make this happen. We need to get enough
4 students in the pipeline and trained and credentialed to meet the
5 employers' demands.

6 I think Patty now is going to talk about sustainability.

7 MS. NELSON: Thank you. The question is always to
8 the Tobacco Commission, and the nice thing is we have three
9 COEs who have varying ideas and we're learning from each
10 other, and some of us are doing certain things first, and others
11 are doing other things first. We do believe this is a sustainable
12 business model. We need some years, and the funding from the
13 Tobacco Commission will get us there, but what we see
14 happening is as we develop these advanced and specialty
15 training and the incumbent worker, either through their employer
16 or their own funds will pay for the training, and this training will
17 be as compressed and as short as we can make it, but keep in
18 mind, many are working full-time, and keep all that in mind.

19 Our plan is get them through these training programs
20 so that they can obtain credentials, and some of them have
21 learned a lot of the skills on the job and they want to have some
22 proof to show their employer or others in the community that
23 they do have these advanced skills. That's one revenue-
24 generator.

25 Another one is the customized training. We've got a

1 very skilled workforce, including faculty and instructors, whether
2 community college, faculty, or those centers associating with the
3 COE. We can now provide customized training to current
4 employees and employers and hopefully employers coming into
5 our region. That's another revenue-generator.

6 There's a couple of examples I'd like to show you
7 briefly. New College Institute has a very specialized piece of
8 equipment they bought, and it's an academic coder located in
9 their new facility, and they're working with Patrick Henry
10 Community College and their advanced manufacturing degree to
11 learn at the Patrick Henry Community College campus, and they
12 come over to the New College Institute building.

13 That is a pipeline for Eastman, which is the largest
14 employer in that area, and they're in Martinsville. The New
15 College Institute is working with Eastman, and it's developed
16 some new advanced training. They've done one piece of training
17 in the fall, and three more are scheduled this calendar year.
18 These people can come from all over the nation and all over the
19 globe for very specialized training and advancing coding. That's
20 very exciting and exposes Martinsville to people from all over the
21 globe.

22 Other entities are working with a very large machine
23 distributor, and they would like us to help document specialized
24 training for their equipment and one for new employees and also
25 for all their clients, and we can be another resource where clients

1 can call, and then the documentation, which we created. We can
2 also do specialized training in our facility because we have the
3 same equipment.

4 So, you can see as a network we're trying to develop
5 relationships, not just with the companies in our footprint, but
6 companies in the nation that need this specialized training. I
7 think by doing that, this is definitely sustainable. Thank you. I'll
8 turn it over to Kevin.

9 MR. MUMPOWER: Good morning. I'd like to thank the
10 Commission for allowing us to take some time to talk to you.
11 And I'll just give you a perspective from the manufacturer's
12 perspective of how important the COE project is.

13 From personal experience from over perhaps the last
14 five or ten years, manufacturers have suffered trying to find
15 skilled workers. We can't grow and we can't compete in the
16 marketplace unless we have skilled workers. We need welders,
17 machinists, maintenance, electronics, and hydraulics.

18 When we travel the globe and see what's going on in
19 China and in Europe, how skilled in these training centers the
20 workers are, their competing against us is very scary. We've
21 fallen behind and allowed our educational system to fall behind in
22 our trade schools, and they've almost evaporated. We're very
23 dysfunctional from educating and training skilled workers in the
24 last 15 to 20 years.

25 Now, you have to consider the fact that it's very

1 difficult to find skilled workers to fill these positions. We went
2 through hundreds of interviews in searching to find a few good
3 people, even to get two to three people that were qualified.
4 Folks, it's not getting easier, but it's getting harder. We stand
5 here today with skill gaps, and they're in our factories. What's
6 holding back our production is, are we going to have the people
7 with the skill sets to do these jobs?

8 This Center of Excellence, not only in Southwest
9 Virginia, in Southside, and that means manufacturing companies.
10 When you come to meetings and you can hear people and all
11 general managers and all presidents say exactly the same thing
12 that I'm telling you. We've got to have this, this is the first goal,
13 and this is now a real collaborative effort between the community
14 colleges, the high school educational system, and economic
15 development people. One project, one focus, and then we've got
16 to move forward. We're talking to folks we've never talked to
17 before, and we're battling for this model, and the only way out is
18 to have a team effort. You don't understand it until you've gone
19 through it, unless you've been involved with it for the last 12
20 months.

21 We're traveling this entire region, which is very large,
22 and we have people now understanding how important it is to get
23 these centers up and running, to get workers trained, so we can
24 attract the jobs and we can grow. We're trying to grow our
25 businesses another 20 percent over the next five or ten years,

1 and we're not going to do it without these kind of workers.

2 Business is so important where we're going. I just
3 want to tell the Commission that this project is a hit, and you
4 really have the mission, and all this support is going to help
5 Virginia, and, more importantly, and my case, it's going to help
6 Southwest Virginia. Everybody understands about the coal
7 mining industry, and it's going away and its workers are looking
8 for jobs. And where are they going to find that employment?
9 They've got to go to manufacturing. Then the question is how
10 are you going to get these workers cross-trained and retrained in
11 order to be welders and machinists, and this is how we're going
12 to do it, and apparently, it's the only way we're going to do it.

13 Now, I think this is coming to reality, and 2016 is
14 going to be the year we really start training. The comments I
15 hear is that we should have done this 10 years ago, I'm very
16 serious, 10 or 15 years ago. We all need to understand right
17 now we're behind, because if we come back and ask for more,
18 you must understand we're trying to play catch-up, and we're not
19 status quo, we're trying to play catch-up.

20 Now, that's what I had to say, and I'll be glad to
21 answer any questions I can. Right now, I'm satisfied with the
22 progress we're making. We always want to do better, and I think
23 Southside and Virginia colleges are really helping us. We make
24 stuff and we don't educate, but now we have a team effort, and
25 that's what is really helping, to pull all our strengths and

1 weaknesses together so we can move forward.

2 Now, I'm be glad to answer any questions from myself
3 or the group, and we'll be done.

4 DELEGATE KILGORE: Thank you.

5 DR. ADAMS: I'd like to ask any members of the Ad
6 Hoc Committee if they have any comments or thoughts on what
7 they saw?

8 DELEGATE KILGORE: I'm very impressed, and what's
9 very impressive is Kevin getting up and talking about how they're
10 adding to their workforce and how they can hire more people,
11 qualified people, and that's what it's all about. And one of the
12 main jobs of this Committee is to help create jobs, and that's
13 what I see as a result of all the hard work you all have put into it.
14 It's certainly going to take a lot of work in the future to go from
15 A to B to C. Again, thank you all for all the hard work you've
16 done and for what you'll do in the future.

17 DELEGATE MARSHALL: Delegate Byron and I were in
18 a meeting yesterday of the Virginia Manufacturers Commission,
19 and there was a presentation made, and there were several
20 subjects talked about, and one of the CEO and a four-year-plus
21 degree. That's the first one. The next is, and they usually have
22 a two or four-year degree, and those people are fairly easy to
23 find. And it's the one through seven is what was talked about
24 and a problem to find these people. It's not just Southside, it's
25 across the whole U.S. So, what was talked about in the

1 Economic Development arena and the group that gets it right and
2 gets that seven gets those people trained will have an economic
3 development advantage over other localities.

4 DELEGATE KILGORE: Thank you all, and we
5 appreciate it, and we look forward to great things.

6 Now, we're going to hear the CCAM update.

7 MR. MOODY: Good morning, Mr. Chairman and
8 Commissioners. I'm Joe Moody, and I'm the President and
9 Executive Director of the Commonwealth Center for Advanced
10 Manufacturing, which is CCAM, that's manufacturing and not
11 presentation. My presentation will probably be a little bit more
12 boring than the last one, and I appreciate you taking the time,
13 and I recognize that I'm standing between you and lunch.

14 In the September meeting when we received the
15 extension of the grant that CCAM was issued three years prior for
16 Workforce Development and Foreign Direct Investment, we were
17 asked by the Commission to work with Staff to develop
18 objectives and goals and deliverables for the two activities. The
19 Workforce Development activity and the Foreign Direct
20 Investment activity.

21 Since that time, we've worked with Staff, and we have
22 developed those goals that will cover the grant period the next
23 two years. I'm here to review those quickly with you. In order
24 to set the stage, I wanted to just provide a brief of those
25 activities and a very quick overview of what was accomplished in

1 2015 and what our overall focus is in 2016.

2 Up first is Workforce Development, and you've heard
3 much of that information in the previous presentations, but I do
4 have some statistics here focused by the team that just
5 immediately was talking about. One is establishing the training
6 across the Tobacco Region, which has been a huge success.
7 Some of the statistics and numbers that are associated in terms
8 of the details and the information you just heard.

9 We've got eight community colleges participating,
10 \$4.4 million of equipment that's been purchased and installed.
11 We're training a lot of instructors across the skill sets to be able
12 to deliver the training that's necessary past the level of detail
13 required for students to pass the certification testing. We also
14 have a Transition Soldiers' Program at one of the COEs.
15 Transitioning Soldiers on graduation day all have one or more job
16 offers in hand, and that program has been a huge success.
17 There's a recognition by employers, and you've heard from
18 Bristol Compressors, and recognition by employers of the value
19 of students that are coming out of this workforce development
20 phase. We actually have 62 companies across the
21 Commonwealth interested in the students that are coming out of
22 these training programs and a huge number of companies and a
23 credit to the team that just spoke.

24 We also, of course, received a Phase II funding for the
25 COEs and for the two-year expansion to CCAM and Workforce

1 Development effort.

2 In 2016 and the near term, we're focused on
3 execution, as you heard, and readiness to deliver training,
4 operational readiness, and curriculum readiness, and instructor
5 testing, also an ability to pursue opportunities, customize
6 training, and for specific groups, like the Transitioning Soldiers.
7 There's been a lot of activity in this area and a lot of success.
8 And that success is building and the momentum is there to look
9 for great things in the coming year.

10 Now, this eye chart, I don't intend to walk through
11 this with you, but working with Staff and the Workforce
12 Development and the Foreign Investment Activity, we have
13 identified specific activities, specific objectives, and specific
14 deliverables at the CCAM element of this activity, through Bruce
15 Sobczak and his support of the COEs, will be delivering as part of
16 our contribution to the success of the COEs.

17 The intent is not to go through these in detail, but I
18 can assure you, and the Staff has reviewed them, and these
19 were developed with the Staff going forward for both activities.

20 From a Foreign Direct Investment Activity standpoint
21 in 2015, we had three companies who announced new facilities
22 and operations in Virginia, they are listed here, along with their
23 expected job creation and projections over time that have been
24 specified with their specific projects and are supported by the
25 Commission.

1 CCAM has delivered has delivered six exploratory
2 visits to the Commonwealth of additional companies, and that is
3 to the Tobacco Region, and at least three of those, Tobacco
4 Region is a front runner of a possible new facility. In fact, this
5 week, we have one of those companies here in the
6 Commonwealth talking to folks from Danville and CCAM about a
7 possible new site for them in the Tobacco Region.

8 We believe we have three acknowledgements in 2016,
9 and in 2016, as a continuation of what we did in 2015, we've
10 introduced companies to 21 cities and counties in the Tobacco
11 Region. Certainly, that's been a big accomplishment and good
12 exposure for the Commonwealth of Virginia and the Tobacco
13 Region to these foreign companies.

14 Our focus in 2016 is to continue the activity and
15 closing the deals with at least three of those companies this year
16 and securing additional investment from four additional
17 companies. We're continuing the lead generation activity and
18 participation in shows in Europe and identifying companies that
19 are of interest or have interest in coming to the Commonwealth,
20 and that activity will continue through the funding coming from
21 the Commission.

22 Then finally, the Foreign Direct Investments, the
23 specific goals we have developed with Staff with that activity and
24 looking at 2016 and we'll be measuring ourselves and reporting
25 against those goals for each of the two activities.

1 That's quickly what we wanted to review with you
2 today, and I'll take any questions.

3 DELEGATE BYRON: First of all, I'd like to get a copy
4 of that so we can read it over. Are the objectives and
5 deliverables by definition or are they incentives?

6 MR. MOODY: No, there are metrics and quantifiable
7 metrics in each of those objectives and deliverables. For
8 example, on the top one, 16 leads meet the qualified lead criteria
9 over the two-year grant, which is eight per year. And we've
10 identified specific metrics around measurable efforts.

11 DELEGATE BYRON: All the leads and experience and
12 data and considering the economy and the progress that we all
13 work for, dating back five years ago to the study that was done,
14 does anybody have any data on how many people that we have
15 trained and the goals that are in place for training, can that be
16 tracked?

17 MR. MOODY: The original objectives that were laid
18 out, as I understand it, and that was before my time is that they
19 would begin training 70 students per year starting third year.
20 We're just getting to that point where all of the groundwork has
21 been put in place, the COEs have been established, and the
22 training of instructors, the student pipeline is being created, and
23 that third year is what's coming up now that we're expecting to
24 begin delivering those students. It certainly takes time to put all
25 of that in place, including all of the infrastructure and training

1 trainers in place.

2 DELEGATE BYRON: I understand that, and I'm still
3 trying to recall, and as I recall or my recollection and training a
4 thousand people annually?

5 MR. PFOHL: That was over a multi-year period five
6 years out, but don't hold me to that answer, but there was a
7 target of 1,015 trained folks.

8 MR. SOBCZAK: Bruce Sobczak here. What it is, is 70
9 per COE, with high level credentials, the industry-recognized
10 credentials. Fifty percent of that 70 is machine professionals, 28
11 percent is welding professionals, and the other 22 are industrial
12 maintenance mechanics.

13 The 1,052 number that Tim is referring to, that's basic
14 line workers, and that's the foundational stuff that's going to be,
15 and that's why we're partnered with the community colleges. So,
16 there's a combination of jobs here. The shortfall in jobs reported
17 was a huge number, and that might be what you're referring to
18 here. There's 1,052 basic production workers, and the 70 from
19 each of these filling the mid-skill level or the higher rate
20 machinist and certified welder and the Siemen-certified industrial
21 maintenance technicians.

22 DELEGATE BYRON: Bruce, as far as your work, are
23 you staying within the footprint as far as the work that you're
24 doing?

25 MR. SOBCZAK: Absolutely. Sometimes we had to go

1 to Fort Lee, and it forces me to go to see Secretary Harvey in the
2 Governor's Office and we're trying to work with the Navy and let
3 them release personnel at Fort Lee to participate in our
4 programs. The work I do is around the Three Centers,
5 sometimes it does take me to Richmond and other places. The
6 community college here, John Tyler, and the local population
7 around CCAM, CTE and benchmark and things like that. The
8 whole promotion of manufacturing, if I'm asked to speak, I'll go
9 to some different places and outside the footprint, but that's a
10 rare occasion. Most of my work is absolutely within the footprint.

11 DELEGATE BYRON: Thank you. My question is
12 directed to Workforce and the director of that and the chairman
13 of Special Projects might want to make some comments. As you
14 know, and I am a little confused, and I just wanted to make sure
15 that I get the record straight, and those are my concerns.
16 Special Projects was on the agenda, and he mentioned earlier the
17 motion that he brought up. And the last I recall from the
18 minutes, and I looked them up, and a motion was made by Ms.
19 Carter there was going to be a committee that was going to meet
20 in regards to that grant, and that report would come back to us
21 about performance measures and a job description for the steps
22 that were involved. I really had voted without realizing what we
23 were voting for. The Chairman made a motion to bring that up.
24 I think others, just like I did, not understanding. I recall that we
25 were supposed to have a report back to provide some clarity.

1 DELEGATE KILGORE: Were you talking about 3080?

2 MR. FEINMAN: Delegate Byron, let me just say that
3 more probably that vote should have happened at a minimum
4 after this presentation. We, on Staff, have been trying to
5 rearrange things up to this morning trying to make sure that we
6 were getting, and that's an error on my part. We do believe the
7 report that's put together here and members of the Ad Hoc
8 Committee with CCAM and the COES doing that, and this is a
9 report that we contemplated being the outcome of that.

10 DELEGATE BYRON: Mr. Chairman, we had originally
11 amended the grant to approve additional money at the end of
12 January, and I was still uncertain whether or not the additional
13 money intended for the grant we voted for, until January. There
14 is still a lot of confusion over the amount of that grant and what
15 the actual figure was.

16 DELEGATE KILGORE: Workforce 283 and changed.
17 Two years, I think.

18 MR. STEPHENSON: Two years, yes.

19 DELEGATE BYRON: Was that for this or the other --

20 MR. MOODY: -- No, it covers the Foreign Direct
21 Investment Activity Joe Awall and Workforce Development
22 Activity, Bruce covers the grant, Workforce Development Activity
23 of Bruce Sobczak, I'm not covered in that grant.

24 MS. GOULD: At our last committee meeting, I was
25 one of the people on the Ad Hoc Task Force, and maybe that

1 wasn't in the minutes by oversight, but I don't want to add to the
2 confusion.

3 DELEGATE KILGORE: So, where are we? Is there a
4 motion, because we already have approved this and approved it
5 previously, and now do we need to go back?

6 DELEGATE BYRON: It's pretty difficult at this point for
7 people to rely on this, but I would ask that the Chairman or the
8 Special Projects Committee have a meeting and evaluate some of
9 the things that were highlighted in this grant and tied into this
10 grant.

11 DELEGATE KILGORE: Why don't we have the Special
12 Projects Committee do that so everybody will know, we'll just
13 have Special Projects do that.

14 DELEGATE MARSHALL: Setting up a meeting.

15 DELEGATE BYRON: Thank you.

16 DELEGATE KILGORE: Thank you all for coming.

17 Now, we have public comment period. Does anyone
18 in the audience desire to speak to the Commission at this time?

19 All right. Our next meeting, Full Commission Meeting
20 will be the end of May.

21 MR. PFOHL: It'll be in Southside Virginia.

22 DELEGATE KILGORE: All right. We're adjourned,
23 thank you all.

24

25

PROCEEDINGS CONCLUDED.

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 **Tobacco Region Revitalization Commission, Full Commission Meeting**, when held on Tuesday, January 12, 2016, at 11:00 o'clock a.m., at The Hilton Downtown, 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 February, 2016.

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

MY COMMISSION EXPIRES: October 31, 2018.