

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

3 701 East Franklin Street, Suite 501
4 Richmond, Virginia 23219
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9 Research and Development Committee Meeting
10 Monday, May 16, 2011
11 1:00 p.m.
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13 Institute for Advanced Learning and Research
14 Danville, Virginia
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1 **APPEARANCES**

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3 The Honorable Kathy J. Byron, Chairman

4 The Honorable Daniel W. Marshall, III, Vice Chairman

5 Ms. Mary Rae Carter, Deputy Secretary of Rural Economic
6 Development, Office of the Secretary of Commerce & Trade

7 Ms. Connie Greene Nyholm

8 The Honorable Edward Owens

9 The Honorable Philip P. Puckett

10 Mr. Kenneth O. Reynolds

11 The Honorable Frank M. Ruff, Jr.

12 Ms. Cindy M. Thomas

13 The Honorable William Wampler, Jr. (via telephone)

14

15 **COMMISSION STAFF**

16 Mr. Neal Noyes, Executive Director

17 Mr. Ned Stephenson, Deputy Executive Director

18 Mr. Timothy Phofl, Grants Program Administration Manager

19 Ms. Sarah K. Capps, Grants Coordinator, Southside Virginia

20 Ms. Sara G. Williams, Grants Coordinator, Southwest Virginia

21 Ms. Stephanie S. Kim, Director of Finance

22 Ms. Stephanie S. Allman, Program Administrator

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24 **Counsel to Commission**

25 Mr. Francis N. Ferguson, Esquire

1 May 16, 2011

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DELEGATE BYRON: Good afternoon, I'm going to call the meeting of the Research and Development Committee to order and welcome to Danville. We have a number of applications before us. Neal, would you call the roll?

9

MR. NOYES: Delegate Byron?

10

DELEGATE BYRON: Here.

11

MR. NOYES: Secretary Carter?

12

SECRETARY CARTER: Here.

13

MR. NOYES: Mr. Hamlet?

14

MR. HAMLET: (No response)

15

MR. NOYES: Delegate Marshall?

16

DELEGATE MARSHALL: Here.

17

MR. NOYES: Ms. Nyholm?

18

MS. NYHOLM: Here.

19

MR. NOYES: Mr. Owens?

20

MR. OWENS: Here.

21

MR. NOYES: Senator Puckett?

22

SENATOR PUCKETT: Here.

23

MR. NOYES: Mr. Reynolds?

24

MR. REYNOLDS: Here.

25

MR. NOYES: Senator Ruff?

1 MR. RUFF: Here.

2 MR. NOYES: Ms. Thomas?

3 MS. THOMAS: Here.

4 MR. NOYES: Senator Wampler?

5 SENATOR WAMPLER: (By phone)

6 MR. NOYES: You have a quorum.

7 DELEGATE BYRON: Thank you Neal. Next we
8 have approval of the minutes of 1-10-11, all those in favor say
9 aye. (Aye). Opposed. (No response). The minutes are
10 approved. Stephanie Allman.

11 MS. ALLMAN: I just want to let everyone know
12 we have online applications now. The R&D were posted the
13 last round. Whenever there's a round of grants it will be
14 posted on the front page of the Commission's website on the
15 right hand corner. It's of benefit to using the online
16 applications to the Commission and goes directly to the
17 database and we get more consistent data. Once they create
18 an account and is accessible via the internet and we can work
19 with somebody and they can upload documents and that's
20 much easier and faster. Thank you.

21 DELEGATE BYRON: Thank you. Ned, you're
22 up.

23 MR. STEPHENSON: Chairman Byron, before
24 you begin to look at individual applications, I'd like to give you
25 a view of what we've done to date just to bring everybody up to

1 date. This is not in the program but you may remember the
2 Commission earmarked \$100 million for use in R&D and
3 roughly speaking the first approval was for 5 energy centers at
4 \$8 million a piece for a total of \$40 million and its actually a
5 little less than that. VEDP has reviewed for this Committee 15
6 applications to date and the cost of that review is \$129,000.
7 Of the 15 that VEDP reviewed, we have approved 10 of them
8 for \$28 million and today there's \$62 million.

9 I want to focus, for just a minute, on the
10 scores that VEDP has presented to you on the 15 applications
11 that they have brought. All 15 applications have an average
12 score of 5.3 and you can see the scientific components and
13 commercial components of those scores. Of all of those
14 scoring 5.3, the average of those that you have approved is 5.8
15 so you have left some of the lowest scores unapproved and the
16 applications before you today which there are 8, average score
17 is 5.0. That will give you some feel for the scoring. I want to
18 point out if I may, Madam Chairman, there's a little bit of
19 math that we need to consider in the scores. Applicants that
20 have a combined score of 5.0 that could either be one for
21 science and four for commercial or vice versa. So I encourage
22 the Committee not only to look at the total combined score but
23 also the components because the commercial side might be
24 more valuable to you than the scientific side and you need to
25 consider that in your deliberations. I believe the director will

1 speak to that later on in the session but I wanted to make you
2 aware that the combined scores can be deceiving.

3 If you look in your package, you will find a
4 little spreadsheet that looks like this. It may give you a guide
5 as to what we are about to do. The spreadsheet has these
6 bars on it and the box on the bottom right hand side are the
7 decisions we'll ask you to make today with respect to the
8 applications. If there's no further questions about that, I'll
9 turn it to Jerry Giles.

10 MR. GILES: Good afternoon. I'm Jerry Giles,
11 R&D Committee, what I'm looking at and I hope what the
12 Committee is looking at and I'll do the best I can from this
13 position so everybody can hear me. For round four which was
14 really a combination of two match and cut-off dates we
15 actually processed 8 grant applications for the vetting process.
16 Those particular applications were reviewed by the same
17 lineup of team leaders and numbers that we used in the first
18 three. I can read these to you; University of Virginia, Virginia
19 Commonwealth University, Virginia Tech, Georgia Tech,
20 University of Maryland, West Virginia University, Southwest
21 Virginia R&D Center, Ch3Hill also SRI International out of
22 Atlanta. The scores for these particular 8 applications
23 combined ranged from a high of 6.39 to a low of 2.40. We had
24 several applications that were 5 plus in terms of overall score.
25 The Committee members have the actual score sheets.

1 The other thing I would point out is that,
2 which I think we'll talk about later and that is when you add
3 together the direct job creation meaning the people that are
4 going to be hired in the first 3 to 6 months if the application
5 gets approved and the total hiring from the 8 applications 209
6 positions. Some of the applications made reference to indirect
7 impact. Of course the telling signs are payroll but there were
8 a total of 209 positions. The process as those of you who have
9 been through this before know, the review team panel
10 members, team of experts basically evaluate the grant
11 applications on 5 elements on the scientific side and also 5
12 elements on the commercial side of the application. The
13 ultimate goal as we understand it basically not only support
14 the science at or close to the concept but as well is trying to
15 make an informed decision as to which project gets the grant
16 money if approved will have the high probability of being
17 successful in terms of job creation and bringing new skill
18 opportunities to the Tobacco region. Also be able to thrive if
19 these companies can have the funding so they can get to their
20 full potential. The issues we saw in the first three rounds also
21 were prevalent in the fourth round and that's basically to get
22 the more robust and the more clear view of why funding that
23 particular grant application will in fact be transformative into
24 the Tobacco Commission footprint or region. As well as
25 defending the size of the financial ask versus the jobs and

1 investments to be created in the Tobacco region by this overall
2 project. We have to continue to have applicants that didn't
3 necessarily mine deep enough into those particular categories.
4 The other elements in terms of defending their science and
5 defending their commercial position their particular solution
6 tended to be pretty solid. The economic impact and the
7 outcome we continue to focus on each of the first four
8 integrations in the overall process.

9 That's the conclusion of my formal comments.
10 I'll be more than happy to try to answer any questions you
11 may have from the Committee itself.

12 DELEGATE BYRON: Looks like no questions.

13 MR. GILES: Does that mean that I've
14 explained that fully?

15 MR. NOYES: Please don't leave yet Jerry.

16 DELEGATE BYRON: Thank you very much.

17 MR. STEPHENSON: Madam Chairman, in
18 your package each one of you have VEDP scoring of each of
19 the grants, expanded scores and some comments. I might
20 suggest Ms. Chairman maybe you want to take them one at a
21 time.

22 DELEGATE BYRON: The first one we have in
23 front of us is 2222.

24 MR. NOYES: You can take them or go through
25 any order you choose. The Committee has talked in the past,

1 whatever our practice might be. What you've done in the past
2 is not recommend for approval any project that had an average
3 net score commercialization less than 5. We're not able to
4 distinguish between science and commercialization. We're
5 getting to that point but we're not bound in any way, shape or
6 form, just what we've done in the past. I'd also point out to
7 the members of the Committee that a score of 4 by the vetting
8 group indicates that the response exceeded expectations, 3
9 that it met expectations, 2 that it fell short at least in some
10 aspects and 1 did not meet expectations. There are five
11 separate components to the scientific and commercialization
12 tract. If you want to go through, I can give you the scores, or
13 members of the Committee can raise their individual questions
14 that they might have. I'd recommend that we vote as we go
15 through one by one if that makes sense to you. 2222, the
16 aggregate scientific is 3.6. The aggregate on commercialization
17 is 2.87, combined score of 5.93.

18 DELEGATE BYRON: Does anyone have a
19 question or a comment about this application?

20 DELEGATE MARSHALL: Are we going to ask
21 someone from this project 2222 to speak?

22 DELEGATE BYRON: That's up to the
23 Committee. We can take brief comments, we can hear from
24 their representatives if you wish. Would you like to speak?

25 MR. ROGERS: I'm Edwin Rogers, Director of

1 Clean Energy R&D Center. I'll be glad to answer any
2 questions you have.

3 DELEGATE BYRON: Why don't you very
4 briefly summarize.

5 MR. ROGERS: This project is to fund a landfill
6 gas to pipeline for a natural gas project in Tazewell County.
7 It's at the Tazewell County Landfill. It's in partnership with a
8 private company in Tazewell County and has been working in
9 Tazewell County for probably about a year now. This is to
10 demonstrate a technology that is not commercially available.
11 There are landfill gases or typically they'll take landfill gas and
12 burn it for electricity which is better than just letting it float off
13 in the air but a lower value use and you can upgrade it. The
14 problem with the technology is you can't get rid of the non-
15 energy component, the nitrogen and oxygen in particular.
16 This particular technology can get rid of the contaminants the
17 CO₂ and the nitrogen and oxygen. The county landfill is
18 economically viable and we're going to plan to pursue at least
19 two other projects within the Tobacco region including one in
20 Southside during the development period. I think we put 40
21 jobs in our application; 40 to 50. The company with this
22 technology will be moving to Southwest Virginia that will be
23 their headquarters in addition to pursuing this project. It's
24 not just a project for the Tazewell County Landfill plus the
25 company and the job creation from it.

1 MS. CARTER: Is this a private partnership?

2 MR. ROGERS: This technology is or the
3 company is located in Ohio and there's a patent pending, it's
4 currently working its way through the USPTO. This is a very
5 unique process. It's a process which is well known and one of
6 the individuals involved in the company has authored books
7 on this. There's also a journal out there on the absorption.
8 These folks have very impressive credentials.

9 MS. CARTER: What about the infrastructure
10 and the natural gas?

11 MR. ROGERS: What's interesting about this
12 particular project in Tazewell County is that in order to get to
13 the landfill, we have a three page letter in support from
14 Appalachian Natural Gas. It would go from Bluefield down to
15 Tazewell, down Highway 460 passing by Bluestone, there's a 7
16 ½ mile extension and we'll have that fill over into economic
17 development.

18 MS. CARTER: You've got that commitment
19 from them?

20 MR. ROGERS: Yes. I should say subject to
21 proving that the gas is of the quality that's required and we
22 believe that will happen.

23 SENATOR RUFF: How much volume does it
24 take to make this economically feasible?

25 MR. ROGERS: That's one of the deliverables

1 or one of the things that we'll learn but the volume in the
2 Tazewell Landfill is 322 standard cubic feet per minute which
3 translates into something like 72 million cubic feet per year
4 and it's a big number. That's on the low end of the typical
5 projects out there for landfill gas. So for example, the Bristol
6 Landfill is 6 times as large and the Pittsylvania Landfill is, I
7 guess, a little bit larger I guess. Bedford County has one also.
8 We really won't know until we finish the work but our
9 numbers show a modest profit even from the smaller landfills.

10 MR. OWENS: Madam Chairman, I'd make a
11 motion to approve this.

12 SENATOR PUCKETT: Second.

13 DELEGATE BYRON: A motion and a second to
14 approve 2222, any further discussion? All in favor say aye
15 (Ayes). Opposed? (No response).

16 MR. NOYES: Next is 2224, improving health
17 through biomedical innovations. Average scientific score 2.86,
18 average commercialization score 2.65, combined score 5.51.
19 The proposal shows 32 new FTE positions to be created under
20 this grant application.

21 MS. MARTIN: My name is Lydea Martin and
22 I'm with Jack Russell from Floyd County Economic
23 Development Authority.

24 DELEGATE BYRON: Can you pull the
25 microphone a little bit closer. We're having trouble hearing

1 you.

2 MS. MARTIN: The Company was founded by a
3 professor from Virginia Tech. This material is used for
4 surgical implements and sold for other parts including sutures
5 and we're anticipating 32 jobs and that's really important to
6 us. We have a net out rate in Floyd County greater than 50
7 percent. We have no interstates and no rail and no natural
8 gas and business is very hard to come by so we do have a
9 general store and one stop light. As you know biomedical jobs
10 are a growing sector and this is a very important opportunity
11 for us and we'd ask for your consideration.

12 DELEGATE BYRON: Any questions?

13 MR. NOYES: These research and development
14 applications will take up a substantial amount of Commission
15 funds. I think it's important somehow for private sector
16 companies to have ownership long-term with that facility and
17 an understanding from the county where that is. It is our
18 policy that we don't turn it over to the private sector and
19 whether they need it or not.

20 COURT REPORTER: Would you please speak
21 up?

22 MS. MARTIN: The nuance there is that the
23 National Science Foundation has awarded the company a
24 second grant of \$500,000 and with that comes an opportunity
25 for a Phase II automatic funding to build a building, the

1 research application would provide money for that required
2 match so what is before us is to figure out how the county
3 would contribute land to that building and can either do a
4 long term lease with the company or something along those
5 lines and I think we can work out those details. The issue is
6 the National Science Foundation.

7 MR. NOYES: The County and private sector
8 beneficiary as I understand, I want to make sure both the
9 County and beneficiary understand we're not going to spend
10 several million dollars simply to turn over a building here. We
11 can work with the County and if there's a reasonable lease
12 agreement, that's something we can proceed with. If that's not
13 going to be acceptable, then I think the Committee needs to
14 know that right now before it votes on this R&D application.

15 MR. RUSSELL: We certainly appreciate that
16 consideration and certainly appreciate that consideration in
17 the application part. We're going to try to deal with that and
18 hope they will work with us and we have exchanged letters of
19 commitment with the applicant on the R&D application.
20 Under that letter of commitment, the monies that might come
21 via the reserve fund would be used once there is a match but
22 there's also the pilot research and the commercialization for
23 that project for a period of no less than 10 years.

24 MR. NOYES: What's the expected life of the
25 facility, 20 years or 25 years and then this facility or if you

1 have a lease purchase arrangement where there's some kind of
2 unusual benefit for year 11. My point is we're going to have to
3 look very carefully at this because it is the Commission's
4 policy not to turn over their funds the way it was suggested
5 initially in the application. I just want to make you aware
6 that's not so, which means maybe to recommend that may be
7 a condition but that's got to be resolved.

8 MR. RUSSELL: But there's a letter of
9 commitment which there could be some further consideration
10 that might be extended by the Tobacco Commission for that as
11 far as the performance and jobs expected and those are really
12 needed in Floyd County. We also understood that laying out
13 those parameters there would be some players to be named
14 later in this process.

15 SENATOR RUFF: You've got money coming
16 from several sources, how much private money?

17 MS. MARTIN: There's a commitment of
18 \$200,000 in contributions from the company.

19 SENATOR RUFF: Two hundred thousand from
20 a private sector company? You're looking at \$500,000 from
21 the reserve, is that correct?

22 MR. NOYES: Do we know?

23 MS. MARTIN: It would be about a million
24 potential in the reserve, two national grant applications, both
25 of those were from them matching. They were to be funded for

1 matching money. This could be on a smaller scale as we move
2 forward.

3 SENATOR RUFF: So around \$100,000?

4 MS. MARTIN: Yes. One thing I'd like to share
5 for a moment, we've never put forward a lot of applications to
6 the Tobacco Commission and I think out of over 1,200 that
7 have been funded by the Tobacco Commission, we as of last
8 year had two funded and we got a total of \$75,000 out of the
9 \$600 million plus and we've been waiting for what we consider
10 a good project to come forward. We've gone through our own
11 vetting process and we feel this is an excellent project and I
12 just kind of wanted to share that with the Tobacco
13 Commission.

14 MR. RUSSELL: I'd like to share with you one
15 more bit of information. The private company has also
16 reached a certain level of understanding with the
17 commercialization partner. I don't have more information and
18 I apologize but I would say there's additional private money
19 coming for this operation.

20 DELEGATE BYRON: Any other questions?
21 Thank you.

22 MS. CARTER: What's the job situation?

23 MR. STEPHENSON: The job commitment
24 information that appears to us in the application is often
25 unclear or absent or words that really we can't tell what the

1 commitment is and that's a problem across all these
2 applications. If we seek to enforce theses, it's difficult because
3 the language is so unclear. I think in this particular one it
4 doesn't represent jobs. Job creation has not so far been a
5 condition of the award, the applicant puts in there whatever
6 they think they would like it to be.

7 SENATOR RUFF: Madam Chairman, I think
8 we have a certain responsibility or certainly a responsibility to
9 the Tobacco region. I think we need to be very careful when
10 we're spending all these dollars for one job. Looking at the
11 panel review, it seems to me there's some concern that the
12 market is dominated by major players. I would move that we
13 not move this forward.

14 DELEGATE MARSHALL: Second.

15 DELEGATE BYRON: We have a motion and a
16 second not to forward this application. Any further
17 discussion? All those in favor say aye. (Ayes). Opposed?
18 (Opposed).

19 DELEGATE BRYON: Neal would you call the
20 roll?

21 MR. NOYES: Delegate Byron?

22 DELEGATE BYRON: Yes.

23 MR. NOYES: An affirmative vote is not to go
24 forward with the application. Deputy Secretary Carter?

25 SECRETARY CARTER: Yes.

1 MR. NOYES: Delegate Marshall?

2 DELEGATE MARSHALL: Yes.

3 MR. NOYES: Ms. Nyholm?

4 MS. NYHOLM: No.

5 MR. NOYES: Mr. Owens?

6 MR. OWENS: No.

7 MR. NOYES: Senator Puckett?

8 SENATOR PUCKETT: No.

9 MR. NOYES: Mr. Reynolds?

10 MR. REYNOLDS: No.

11 MR. NOYES: Senator Ruff?

12 MR. RUFF: Yes.

13 MR. NOYES: Ms. Thomas?

14 MS. THOMAS: Yes.

15 MR. NOYES: The votes are five no, 4 yes. The
16 motion fail.

17 DELEGATE MARSHALL: I'd like to make an
18 amendment. If we approve the \$700,000 requested is the
19 reserve -

20 MR. NOYES: The reserve is being held,
21 decision by the R&D Committee. It's not going to go forward to
22 a vote by the reserve panel. It arrived in time like, there's no
23 point in doing a building if we're not going to do the R&D.

24 MR. OWENS: How much is in the reserve?

25 MR. NOYES: I believe it's \$1.2.

1 DELEGATE BYRON: \$1.1.

2 MR. NOYES: \$1.1, there's a sufficient balance
3 in the reserve to do it. It was sufficient before the deadline but
4 there's no point in doing one and not doing the other.

5 MS. CARTER: That's a different committee.

6 MR. NOYES: The reserve panel.

7 MS. CARTER: The reserve panel can so
8 authorize on a contingency whether they give the money?

9 MR. NOYES: The reserve on whether R&D
10 agrees to go forward.

11 DELEGATE MARSHALL: R&D is step one and
12 the reserve is the second.

13 MR. NOYES: Correct.

14 DELEGATE MARSHALL: My motion is that we
15 approve step one, R&D money and then what is step two?

16 MS. CARTER: The reserve could take it away,
17 why is that?

18 DELEGATE MARSHALL: The reason I put the
19 reserve like, it's the number of jobs, you're talking 32 jobs and
20 we have private investment of \$200,000.

21 MS. MARTIN: At this time, it could be even
22 more.

23 DELEGATE MARSHALL: They're putting up
24 \$200,000 and we're putting up \$700,000 for R&D that's a
25 million seven for the reserve.

1 MR. NOYES: And in addition there's federal
2 money. To get the R&D thing you got 50/50 match and the
3 reserve is predicated on that required match by a third party
4 source of funds.

5 MS. MARTIN: There's a huge amount of
6 federal grant money not yet, those federal grant funds as we
7 understand it.

8 MR. OWENS: So they're going to match
9 another 700 and then on the reserve you get at least 80
10 percent on your 101?

11 MS. MARTIN: It's a one to one match.

12 MR. NOYES: If we put 1.1 into the reserve
13 program then there's 2.2 and 700, that's \$3.6 million.

14 MS. MARTIN: The Tobacco Commission
15 dollars, not considering the private money.

16 MS. NYHOLM: What comment did the review
17 panel make, the dominate players, what I believe I recall from
18 the original application was that you had a private sector
19 partner that was not very well positioned to give you that
20 market.

21 MS. MARTIN: There were a couple of options
22 and there were several dominate players. I know around the
23 most recent, they were counting on one of those players. We
24 had a concern we didn't want this to happen on the fall out
25 and the jobs would go elsewhere. If they do require

1 complementation, they're interested in bringing the jobs to
2 central locations.

3 MS. NYHOLM: There's a 7 year minimum
4 commitment to the facility that might be funded as that
5 partnership.

6 MR. NOYES: Madam Chairman, we reviewed
7 this and there's a motion and a second. The motion is that
8 the Committee voted and recommended approval and then we
9 had a roll call and then the amended.

10 SENATOR RUFF: We're talking about a lot of
11 public money and what you're saying today is a limited
12 amount of private and there's an illusion to possible more
13 private money but we don't know today if that's to come or
14 not. I think we have a responsibility here.

15 SECRETARY CARTER: I would agree with
16 what you say but when it comes to being able to move forward,
17 I don't know whether these terms can be worked out and when
18 you consider the infrastructure and give the county an
19 opportunity to work on this, then we should work with them.

20 DELEGATE MARSHALL: The amendment is
21 that if 2224 is disapproved then they will not be eligible for the
22 Tobacco Commission reserve and there's a second.

23 DELEGATE BYRON: All right, there's a motion
24 and a second. Neal would you call the roll?

25 MR. NOYES: Delegate Byron?

1 DELEGATE BYRON: Yes.

2 MR. NOYES: Secretary Carter?

3 SECRETARY CARTER: No.

4 MR. NOYES: Delegate Marshall?

5 DELEGATE MARSHALL: Yes.

6 MR. NOYES: Ms. Nyholm?

7 MS. NYHOLM: No.

8 MR. NOYES: Mr. Owens?

9 MR. OWENS: No.

10 MR. NOYES: Senator Puckett?

11 SENATOR PUCKETT: No.

12 MR. NOYES: Mr. Reynolds?

13 MR. REYNOLDS: No.

14 MR. NOYES: Senator Ruff?

15 MR. RUFF: Yes.

16 MR. NOYES: Ms. Thomas?

17 MS. THOMAS: Yes.

18 MR. NOYES: It's a 5 to 4 vote and the motion

19 fail.

20 SENATOR PUCKETT: I'm going to renew my

21 motion madam chair.

22 DELEGATE BYRON: We have a motion to

23 approve 2224 as is in the amount of \$700,000 and it's been

24 seconded. All in favor say aye. (Ayes). All opposed? (No).

25 MR. NOYES: It's 5 to 4 in favor.

1 DELEGATE BYRON: Then this will go before
2 the full Committee.

3 MR. NOYES: We can hold this in abeyance
4 until after the Full Commission votes on the reserve fund.

5 DELEGATE BYRON: All right, let's proceed
6 forward.

7 MR. NOYES: 2225 the scientific score is 3.16,
8 commercialization is 3.23, combined score 6.39, 17 new hires
9 and 7 retained.

10 DELEGATE BYRON: That's one of the higher
11 scores on the application.

12 MR. OWENS: How much capital investment?

13 MS. MARTIN: These jobs will average \$20,000
14 a year and the average wages in the county are \$26,000 so
15 these are exceptional jobs for us. There will be 7 jobs retained
16 and 14 more created and the request is \$750,000 and the
17 company is offering or providing a match above that number is
18 a match. In terms of capital investment beyond the match,
19 this project is actually or, each of those carry an additional
20 investment if it goes forward and it partly depend on whether
21 the current facility will be large enough for that. I can't give
22 you exact investment numbers on that. Several million
23 depending on whether it's private equipment to add on to the
24 building. I apologize for not having those numbers with me
25 today. They were given to VEDP at the meeting in Richmond

1 recently.

2 DELEGATE BYRON: Any further questions for
3 her?

4 SENATOR RUFF: This is developing into an
5 existing business?

6 MS. MARTIN: That is correct, been in the
7 county since 1975 or '76.

8 SENATOR RUFF: Therefore, I would move its
9 approval.

10 SENATOR PUCKETT: Second.

11 DELEGATE BYRON: We have a motion to
12 approve the application 2225 and a second in the amount of
13 \$750,000. All in favor say aye. (Ayes). Opposed. (No
14 response).

15 MR. NOYES: 2228 scientific score 1.7,
16 commercialization score is 1.13 and combined score is 2.4. I
17 didn't have an opportunity to participate in the meeting with
18 VEDP.

19 DELEGATE BYRON: This is a minor point but
20 what was the reason in the application process, you can come
21 back to the Committee again and we certainly want to be
22 mindful of the funds going into the project and the cost of the
23 vetting.

24 MR. OWENS: I make a motion we not approve
25 it.

1 DELEGATE BYRON: A motion and a second
2 not to approve 2228. Further discussion? All in favor say aye.
3 (Ayes). Those opposed. (No response).

4 MR. NOYES: 2279, City of Danville. Scientific
5 2.79, commercialization 2.63, combined score 5.42, 19 FTEs
6 added. High risk, high reward.

7 MR. STRATTON: I'm Jeremy Stratton. I'm the
8 Director of Economic Development for the City of Danville and
9 I have the President of Engineered BioPharmaceuticals
10 Company with me today. The City of Danville has a very large
11 interest in this project to have this company locate in our area.
12 We've got a good opportunity and a great idea and we want
13 them to come here. In fact, there's a \$3 million grant that's
14 been given for this project. In Danville our hope in the next
15 three years will have a building right here in the park and
16 there will be 100 people here. I'll ask him to describe the
17 project.

18 MR. SAHI: As Jeremy said my name is Carl
19 Sahi; I'm President of Engineered BioPharmaceuticals
20 Company. We are in the drug delivery business,
21 pharmaceutical business. As everyone knows, we have to
22 constantly consider reducing costs and one way to do that is
23 move the self administration. Many drugs have to be
24 administered by healthcare workers in a centralized location
25 and the only way we can drive the costs down is to move it to

1 self administration. A lot of the new therapies that are
2 available today and the more effective ones, have reduced side
3 effects of protein based drugs. Protein based drugs are drugs
4 that were basically you're making the same molecules that the
5 body is currently using and for some reason, maybe because
6 of aging or some other illness, your body is not able to make
7 those drugs in the quantity that it needs it. A lot of industry
8 has moved biologics which are taking the natural substances
9 in the body and using it in the laboratory. The problem is that
10 these are very large protein based drugs that fall apart if
11 they're left out, they're kept in a liquid stage and they have a
12 very short shelf life and very high cost. As everyone knows if
13 they've come across some of these drugs, it could be
14 something like \$30,000 a month for treatment so again there
15 is a movement to make these drugs less expensive. The best
16 way to do that is increase your shelf life and protect the
17 molecule so it doesn't fall apart and get a higher yield and
18 that's the business we're involved in. We use atmospheric
19 spray process. What we do is we instantly freeze the molecule,
20 we pack it with sugar and then we remove the moisture from
21 this. Basically you're holding a protein based drug in
22 suspended space and then it does not have the ability to move
23 or degrade so we get a higher yield and then at some later
24 time, we can reconstitute it back into a liquid and maybe as
25 an injection. Another thing is that we have worked with a

1 number of companies on this pulmonary delivery of the drug
2 directly. I don't know but you may have heard some of these
3 projects with insulin inhaling the drug and second to injection
4 delivery to the pulmonary system. So either you hold the
5 protein in the powdered state or the solid state or you put it
6 back into the liquid injector. We received a \$3 million grant
7 which is a 50 percent matching grant to continue to develop
8 this technology, the base technology that we have and that
9 was developed by a large medical device company in
10 cooperation with the Department of the Army. We have
11 acquired or given the equipment from the Army and a facility
12 at the Dan River Business Development Center as well as we
13 licensed the technology. So what we're looking for is the other
14 half of the match of this needed grant. Thank you.

15 MR. OWENS: There's 19 new FTEs?

16 MR. SAHI: Yes, the 19 is in the R&D phase
17 and what we're currently doing is scaling up the process. At
18 the end of that, as Jeremy mentioned, we want to develop and
19 build a facility in the Cyber Park and at that point we want to
20 go into full scale manufacturing. We're going to have at least
21 100 people. Our requirement for this funding is that the
22 manufacturing has to be in the United States. We believe the
23 technology I just described is very high end and we feel it
24 could be automated and manufactured relatively inexpensive.
25 The equipment requires highly skilled people and the average

1 salary is in the \$60,000 range. Going forward we need that
2 skill base to do this job effectively and that's where we are.

3 MR. NOYES: How would the business feel
4 about conditions, we're spending \$3 million here if there were
5 commercialization that would have to take place in the
6 Tobacco Commission footprint. There's nothing right now in
7 this requirement.

8 MR. SAHI: I can't make personal decisions but
9 on the surface I think that would be fine. We are committed to
10 this community. We believe there's a lot of strength in being
11 close to the research triangle.

12 MR. NOYES: Close is one thing, Danville is
13 another thing. I would think maybe the members of the
14 Committee wants to attach that condition.

15 DELEGATE BYRON: Any questions?

16 SECRETARY CARTER: How much or what's
17 the investment level?

18 MR. SAHI: So far about \$500,000.

19 MR. OWENS: We're talking about people in
20 permanency.

21 MR. SAHI: Absolutely. We believe that RTB as
22 far as the pharmaceutical industry, their methods are not
23 quite the methods that we're talking about with the change in
24 the future of pharmacy medicine. If you read the paper, all
25 these large pharmaceutical companies have a tough time

1 developing new products. If you look at Pfizer and all the large
2 manufacturers, they are not building at new locations. We
3 believe being close to the research triangle is a plus and for
4 some of the technical basis in pharmaceuticals and we don't
5 believe the research triangle is going to be in place to develop
6 these new technologies. Its close enough but it won't be the
7 same old standard operating procedure.

8 SENATOR RUFF: Generally the federal
9 government takes awhile to approve new medicines. How long
10 do you think this will take? Their approval process usually
11 takes years. How does that fit into what you want to do? I'm
12 talking about before you can start production of this?

13 MR. SAHI: We've already received that.

14 DELEGATE MARSHALL: You're not doing the
15 drug, you're doing the drug delivery?

16 MS. SAHI: I'm sorry, yes. On the drug
17 absolutely.

18 SENATOR RUFF: Your perception of that is
19 that the federal government, is that separate or the same thing
20 or are they going to require you to do or go through that
21 process?

22 MR. SAHI: It has different levels. Our number
23 one target initially out of the gate is reconstitute. Apparently
24 there are drugs on the market today that are dry powders and
25 you add water at the time of injection. Some of these drugs

1 take 30 minutes or more to reconstitute. The FDA does not
2 allow some of these companies to, our initial target is to go
3 after those drugs which does not require the multi-year
4 approval. In our industry you have to show that it's the same
5 sort of on the generic side and the process involves about a
6 year's approval versus 7 or 8 or 10 years approval process.
7 With the federal government, we're working on a bio defense
8 vaccine and that's a little bit different. You can't test those or
9 some of those drugs on humans and that involves the animal
10 world. Typically with the approval of any drug, you have to go
11 through animal test before you can insert into humans. With
12 the bio defense, you just have to bring it to and approve it
13 through the animal stage. That's a much shorter period for
14 FDA approval. Getting into regular drugs, that's way down the
15 road.

16 DELEGATE MARSHALL: I move we approve
17 application 2279. When they go into production and that
18 those facilities be located in the Tobacco region.

19 MR. OWENS: Second.

20 SENATOR RUFF: What's the penalty if they go
21 outside the region? Wouldn't it be a little late at that point,
22 how about a payback?

23 MR. NOYES: It would be a claw back.

24 SENATOR RUFF: Is that part of the motion?

25 DELEGATE BYRON: We'll make it part. All in

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

2 MR. NOYES: That brings us to 2280, the
3 scientific score is 3.29 and the commercialization score is 1.77
4 for a combined total of 4.16.

5 MR. BROWN: I'm David Brown with Edison 2.
6 I'll very briefly give you an overview of what we're doing and
7 what we've done since the application was submitted. Our
8 company was a, we have a car that gets 129 miles per gallon
9 and that was done with EPA testing. We have a car platform
10 which car can go 50 miles an hour with 3 ½ horsepower.
11 What we'll do now is try to take this achievement and
12 accomplish a prototype and that will end up being a car which
13 will be produced and this is very unique. This has created an
14 entirely new market center. Since the application was
15 submitted, we've acquired the – facility and that was being
16 scrapped but it was built for us and it's a large testing facility
17 for us and it was crash tested. We've been working on an
18 advanced level of our design and we've had experience with
19 Mercedes and Porsches. We feel our car in particular can help
20 address the issue with the emerging electric car market.
21 Electric cars have a big problem with weight and batteries and
22 ranges to charge. Our car uses the same battery pack as the
23 Chevy volt. The Chevy volt gets 40 miles on a charge and you
24 can go up to 200. The electric model under construction in
25 the shop and we brought in designers and we should have

1 that car running within a couple of months and should
2 achieve a range of over 100 miles. We're working on safety
3 testing and we're going from preliminary testing. This fall we
4 will do some initial testing. In sports car racing we feel like we
5 can show a low matched car can be a safe car. We built a car
6 and as a demonstration project and we put smart car engines
7 in our cars. Preliminary testing shows we would get in excess
8 of 89 miles per gallon with a standard engine.

9 We've been working hard and some people
10 have advised us we should wait until we get a grant but we
11 want to move ahead but we have lined up investors and we are
12 going to match the award from the Tobacco Commission.
13 We're also working with corporate partners who in a number
14 of segments because this is a new market. People in the
15 industry are very interested in partnering with us and we want
16 to go ahead with a new generation of cars and co-locate it in a
17 facility in the county. Since this grant was put in, we were
18 approached by the University of Virginia to submit a grant
19 with them and part of a \$12 million University of Virginia
20 grant of which if awarded, we would receive \$4 million if the
21 grant would create a more efficient electric drive. The
22 University of Virginia has recognized the only way to do that is
23 by having a more efficient platform for the car. There will also
24 be licensing opportunities. With the existing technology, 6
25 months to a year to license those for those folks looking

1 forward to the next generation. I'll be happy to answer any
2 questions.

3 DELEGATE BYRON: Do you feel that your
4 application in your meeting with the Department, that you
5 have additional information that you might be able to
6 compliment some of the scores, speaking of outcomes.

7 MR. BROWN: We've been moving ahead very
8 fast on the business side of our project, finding a way to make
9 this clearer. On the technical side for example, we've been a
10 mother to or have running electric car.

11 DELEGATE BYRON: A big part of our process
12 rests on this Committee is the commercialization side. I think
13 we need some more attention with regard to the application
14 with your investment or with our investment I should say. It
15 might be best for you to come back when you have more
16 information and work on your application.

17 MR. DAVIDSON: I'm Mike Davidson. We
18 realize from the commercialization point of view, this project
19 was weak, we can basically guarantee there are other partners
20 coming in. I think what's going to happen and I know for
21 myself in Campbell County, we're going to have to go out and
22 attract all of the other suppliers that are necessary to the
23 project. Back in December of 2010 we had the fiber company
24 wanting to come in and carbon fiber was one of the people that
25 were partnering with Edison 2 and making bodies for their

1 cars to be used. This carbon fiber company not only did those
2 kind of parts but they did aerospace products as well so that
3 there would be a little bit more diverse than just an
4 automotive company. Edison 2 wants to develop the
5 technology and wants to prove and test the cars prior to going
6 to the American market. They're going to manufacture a
7 number of these high tech components and it's going to be up
8 to us in the Tobacco Commission region to go out and work
9 with Edison 2 and bring in other jobs that will be created to
10 the Tobacco region. We have discussed with Edison 2 and
11 they are willing as we move through the contract part of this
12 so that the technology that comes out of the licensing, the
13 Tobacco Commission will share in. If the economic
14 development directors in the Tobacco region are not successful
15 in being able to bring a manufacturer here, I'm absolutely
16 confident that we're going to be able to produce a number of
17 components and going to be a very big player in the technology
18 in producing this car but at the moment we can't go further.
19 It's going to be up to the Southside region before we're ever
20 able to bring those other companies in.

21 DELEGATE MARSHALL: Was that message
22 given to the partnership?

23 MR. DAVIDSON: Not as lengthy as I did but
24 the same message I shared with the Tobacco Commission was
25 that the economic development folks had to work together to

1 be able to do that. Campbell County, I don't have a site for
2 automotive manufacturer, Pittsylvania County does and I
3 understand Halifax County does. My hopes are we can bring
4 in that carbon fiber company and be able to produce
5 components of the car and we could land one of these other
6 companies to help make those parts. I think there's an
7 opportunity throughout the Tobacco region to make this
8 happen.

9 DELEGATE MARSHALL: We have never
10 approved a project that scored less than a total of 5. Your
11 score is 4.16 so there is an option to try to improve that.
12 Maybe at our next meeting which is in September.

13 MR. NOYES: The Committee will meet before
14 that.

15 DELEGATE MARSHALL: If you can do that, go
16 back and submit new information to the partnership so you
17 can get this score up, we'd feel more comfortable about your
18 trying to do that. You're also asking for \$5 million more than
19 any application here and that gives us a little heartburn.

20 MR. DAVIDSON: I'm certainly willing to do
21 most anything other than kill it. I'd be happy to present as
22 much information as possible.

23 DELEGATE MARSHALL: I have a motion that
24 we table 2280.

25 MS. NYHOLM: I'll second it.

1 DELEGATE BYRON: Motion is made and
2 seconded that we table 2280. Any further discussion? All in
3 favor say aye. (Ayes). Opposed? (No response).

4 MR. NOYES: 2281, Scientific score 2.78,
5 commercialization 2.49 for a combined score of 5.27. Job
6 creation is listed at 25 FTE.

7 MR. BRENNER: My name is Bruce Brenner
8 Mr. Chairman from Cycle Systems and Ashley Fields would be
9 our project manager.

10 DELEGATE BYRON: It would be very helpful
11 for your project if you could be brief.

12 MR. BRENNER: A minute and a half or two
13 minutes.

14 DELEGATE BRYON: Thank you.

15 MS. FIELDS: Cycle Systems has 9 locations
16 throughout Virginia and generates 500 tons a day of scrap
17 cars and scrap appliances. Twenty-five percent of the material
18 is landfill waste, mostly plastic and different materials. We
19 discovered that the heating value of that is similar to coal.
20 The technology is in place in our industry. We can convert
21 that plastic and rubber into different oil based products.
22 We've consulted with different people in similar industries and
23 came to the conclusion that we could handle this material
24 better. If you're recovering the metals that were out in the
25 landfill and what's left is what I'm saying is a viable energy

1 source for everyday. The process itself has the ability to run
2 internally on the energy made by our process. What's left we
3 use in our internal combustion engines. We've received
4 expressed interest from one of our neighbors who purchased
5 the fuel left over at the end power provided that we meet
6 certain specifications. The initial testing we've done on the
7 different projects we can make out of this and with the
8 technology available out there right now, there shouldn't be an
9 issue.

10 With this project, we'd be able to create 25 jobs
11 both with the manufacturing and assembly production issues.

12 DELEGATE BYRON: Any questions from the
13 Committee?

14 SECRETARY CARTER: You'll create some
15 jobs?

16 MR. FIELDS: Yes, we can create these jobs.

17 MR. NOYES: I had in here a few comments
18 about franchising or can it be franchised in the Tobacco
19 Commission?

20 MR. FIELDS: There's a possibility with the
21 shredders in the Tobacco Commission and they'd benefit from
22 having this process on site and the rest are nationwide, across
23 the country. Any idea would be if you're interested in the
24 shredder but this would all take place in the Tobacco
25 Commission region.

1 MR. NOYES: The Commission would like some
2 assurance that this would benefit the region rather than
3 franchising it outside the region.

4 MR. FIELDS: There's plenty of applications for
5 it and there's a guarantee right now that would be in the
6 footprint.

7 MR. NOYES: At a single facility?

8 MR. BRENNER: There's two other facilities.

9 MR. NOYES: The recommendation to award
10 for some period and not be able to franchise this outside the
11 Tobacco Commission footprint.

12 MS. NYHOLM: You said you could franchise it
13 anywhere but the shredder would be something that would be
14 within the footprint? The franchise would be within the
15 footprint?

16 MR. BRENNER: The equipment we would take
17 somewhere else and manufacture it here in the Tobacco
18 Commission.

19 MS. NYHOLM: The more franchises you'd sell
20 the product but it would be manufactured here?

21 MR. BRENNER: Yes.

22 MS. NOYES: This would be manufactured in
23 Campbell County?

24 MS. NYHOLM: Did you also say that you
25 primarily use metals, now you're doing plastics and rubber?

1 MR. FIELDS: Yes. The business is founded on
2 scrap metal and this process has increased and we've been
3 able to expand.

4 DELEGATE MARSHALL: Mr. Chairman, I
5 move that we accept the application 2281 of \$3 million on the
6 condition of the manufacturing of the equipment be done in
7 the Tobacco Commission footprint.

8 MR. NOYES: Seventy-five percent.

9 DELEGATE BYRON: We've got a motion and a
10 second, any further questions? This would be manufactured
11 where, in Campbell County and not Roanoke? All in favor say
12 aye. (Ayes). Opposed? (No response).

13 MR. NOYES: 2282, scientific 2.68,
14 commercialization 2.14, combined score of 4.82; 9.5 FTE, long
15 term commercialization.

16 MR. RAWLEY: Madam Chair and Committee
17 members my name is Buddy Rawley and I'm a member of the
18 Danville City Council and I chair the Danville Business
19 Development Center. It's our pleasure to be on this grant.
20 One thing I wanted to point out in the 6 years in Danville and
21 Pittsylvania County region and our Business Development
22 Center is a partnership between Danville and Pittsylvania. It's
23 my pleasure to introduce Peter Majeranowski.

24 MR. MAJERANOWSKI: Thank you, I'll be very
25 brief. My name is Peter Majeranowski. Our plan is to modify

1 tobacco plants to a bio processing. We do that by adding
2 sugar and oil content. Right now what we've grown in the
3 greenhouse is 1,200 gallons per acre ethanol and 150 gallons,
4 three times more than corn or soybean. What's unique about
5 our product is the types of fuel and this is a patent pending
6 plant. We feel this is a very good technology site and because
7 this region, we think our client could really do well in this
8 sector. Our job numbers are a little bit low and that's really
9 matching the right people with the right job. The nature of
10 business involved. As our said, our model involves farming.
11 The scientists have already reached halfway through milestone
12 one as described in the proposal. This means that the new
13 modified seeds have been completed and are ready for planting
14 and analysis to determine the exact enhanced sugar content
15 available for the production of ethanol. We've engaged
16 European biofuel energy trading group who has specific
17 interest in tobacco based crude plant oil produced within the
18 United States. Third we've added Professor Toma to our team.
19 As Buddy Rawley mentioned, we will be in Danville for a
20 minimum of 6 years and we think it's a natural fit and the
21 wonderful institute here and your support. Also this area has
22 a very good tobacco growing history. We just think with the
23 advanced technology this is a great fit. Lastly we'll bring in
24 approximately \$2.6 private investment to the project.

25 DELEGATE BYRON: Any questions?

1 SECRETARY CARTER: How is this different?

2 MR. MAJERANOWSKI: Our main application
3 would be for other industrial applications; gasoline and –

4 SENATOR RUFF: It seems like this proposal
5 and the other one we heard of is very similar or comparable. I
6 guess my concern is that you've got two crops essentially
7 trying to do the same thing, putting them side by side. I
8 would move to table this until September.

9 MR. OWENS: Second.

10 DELEGATE BYRON: So there's a motion and a
11 second for 2282 to be tabled for further consideration at the
12 September meeting.

13 DELEGATE MARSHALL: As far as comments,
14 we've never approved anything under 5. I think we could use
15 additional information. You may want to submit to the
16 partnership and work on your commercialization to get that
17 up between now and then.

18 DELEGATE BYRON: Any further discussion?
19 All in favor say aye. (Ayes). Opposed? (No response). Thank
20 you. We have an issue that's not on the agenda, the
21 Committee will meet next Wednesday afternoon before the full
22 Commission meeting on Thursday to look at some new
23 requests that are going to need to be addressed at that time
24 that we can't get to today. I know some of you had quite a bit
25 of traveling distance but we've just ran longer than we thought

1 and I am sorry that we didn't get to you today. We will
2 consider yours next Wednesday, the 25th when we're in
3 Lynchburg.

4 MR. STEPHENSON: Madam Chairman, I'm
5 going to go very fast and you can slow me down if you need to.
6 Back in October you approved a \$5 million R&D grant by the
7 Committee in favor of Halifax County who was going to partner
8 with Dominion Power to build a solar and in that particular
9 grant Halifax represented that it would take your \$5 million
10 and buy the batteries and lease them to Dominion. Halifax
11 and Dominion representatives are here today asking you to
12 change the terms of the deal to permit them to not buy the
13 batteries but instead buy the equipment, lease the equipment
14 to the battery manufacturer conditioned upon the battery
15 manufacturer giving the batteries to Dominion. So the change
16 is they're not going to buy the batteries but they're going to
17 buy the equipment. They're not going to lease the batteries to
18 Dominion, they're going to lease the equipment to the battery
19 manufacturer.

20 DELEGATE BYRON: Basically they're going to
21 replacement equipment for other equipment we already
22 approved, correct?

23 MR. STEPHENSON: To summarize it, yes. I
24 been very fast and I may have omitted some details.

25 DELEGATE BYRON: That's okay, Delegate

1 Marshall.

2 DELEGATE MARSHALL: What type of
3 equipment are we talking about?

4 MR. STEPHENSON: Equipment that is used in
5 the battery manufacture process in Halifax.

6 DELEGATE MARSHALL: Sounds like a better
7 deal with the batteries.

8 MR. STEPHENSON: Those lease terms are pro
9 forma.

10 MR. NOYES: That application also indicated
11 there would be a certain number of jobs that would come to
12 Halifax County as a consequence of this.

13 MR. STEPHENSON: There's a representation
14 that 140 some jobs will result from this transaction. That is
15 still in tact but all of the parties are not committed to this deal
16 yet. Your money is not spent until they do.

17 MR. NOYES: The employment outcomes are
18 retained and that's a key to this. We'll be back before the
19 Committee if there is any subsequent change in that
20 commitment in the application that you all heard.

21 MR. STEPHENSON: Madam Chairman, we
22 have representatives here from Dominion and Halifax if you
23 need them. I think I have a duty to report to you that part of
24 the problem in structuring this grant arises from, as I
25 understand from counsel, is a constitutional prohibition

1 against using public monies, our monies to benefit for profit
2 companies and that's going to happen in this case.

3 DELEGATE BYRON: Is that a question for the
4 Committee?

5 MR. FERGUSON: Madam Chair, I guess one
6 could maybe argue there is public purpose being served here
7 and there certainly is if this process is successful then that
8 would be proven true. What I don't feel a 100 percent sure of
9 is that, so I'm concerned about that being, that wouldn't stand
10 in good stead. On the other hand, the legislature does this all
11 the time because it's a judgment call and this will be a
12 judgment call for the Committee. I'm just trying to make you
13 aware. This is sort of pushing the envelope on this point. I
14 think it can be justified if necessary and I'm not sure it will
15 become necessary because I think it has a great upside
16 potential. Anyway that's my comments.

17 SECRETARY CARTER: Are you saying that if
18 you move from the current proposal and proceed with this
19 proposal that we're a little bit good?

20 MR. FERGUSON: I don't think there's any real
21 difference. Frankly the new proposal is probably a little bit
22 better at least as far as hard assets and how available that
23 asset is might be another thing.

24 MR. NOYES: Maybe we need a motion to
25 present it to the full Commission.

1 MR. FERGUSON: Yes.

2 MR. OWENS: So moved.

3 DELEGATE MARSHALL: Second.

4 DELEGATE BYRON: You've all heard the
5 motion and a second; all in favor say aye. (Ayes). Opposed?
6 (No response).

7 MR. STEPHENSON: Madam Chairman, I just
8 reached an observation to this Committee that none of your
9 R&D grants are made with the grantee, county or IDA being
10 liable for this. Secondly, many of the entities that are the
11 beneficiaries of these grants from whom we extract promises
12 have no assets and there is no security and therefore we're
13 unprotected. I don't want that to be wasted on the Committee.
14 We get promises and write claw backs into the agreements
15 that may be largely unenforceable.

16 DELEGATE BYRON: Do we have any public
17 comment? All right, so we'll have a meeting on Wednesday the
18 25th of May in Lynchburg and our application deadline is
19 Monday, August 1st. We'll have a meeting on September 21st
20 in our next round. So, I'm sorry some of you drove a long way
21 and we didn't get to you but we'll see you on Wednesday, May
22 25th in Lynchburg. Do I have a motion that we adjourn. All
23 right, we're adjourned.

24

25 PROCEEDINGS CONCLUDED

