

Approved October 18, 2001

Minutes
SOUTHSIDE ECONOMIC DEVELOPMENT COMMITTEE
June 7, 2001
Radisson, Lynchburg

Members Present

Mr. Lief
Mr. Taylor
Ms. Thomas
Senator Ruff
Mr. Walker
Mr. Arthur, Acting Chairman

Also Present

Mr. Currin
Ms. Wass
Ms. Bruce
Mr. Barber
Mr. McCollum
Mr. Vassey

Mr. Arthur opened the meeting.

Senator Ruff moved to approve the minutes from the March 8, 2001 meeting of the Committee.

Motion seconded

All in favor by aye vote

None opposed

Motion adopted

Mr. Arthur suggested that the Committee address those projects unanimously supported by the review panel and vote on them in a block then address those projects unanimously rejected. The projects that had dissenting votes within the review panel will be discussed separately. **Mr. Arthur** then reviewed the projects with unanimous support from the review panel (see attached panel recommendations).

Senator Ruff asked if any representatives from Bedford County were in attendance. (There were not) He then asked if the panel discussed whether the County could handle the project without the entire amount of money requested because the panel could only recommend that the County get their full allotment, which is less than the requested amount.

The panel replied that they did not.

Approved October 18, 2001

Mr. Arthur continued with the review of the unanimously supported projects.

Ms. Bruce drew the committee's attention to subsequent information on the Greenville County application, which was in the meeting packet. This information stated that if the matching funds noted in the application were not received, the County would match it themselves.

Senator Ruff asked how the money granted to the Crater Regional Partnership was divided among the various counties it included.

Ms. Wass responded that the amount was divided proportional to the counties' allotments.

The review of project applications continued.

Mr. Arthur asked for further information regarding the web site for which the Patrick County Board of Supervisors' application requested money.

Mike Burnette, Patrick County Economic Development Director, responded to the question, stating that the web site is part of an overall tourism enhancement project. It will be an interactive web site for tourism to the county.

Senator Hawkins commented that the Committee and the Commission need to be sure that the projects being funded mesh with technology and telecommunications plans of the Commission.

Mr. Arthur continued with the Virginia's Region 2000 application.

Senator Ruff requested that the application for Virginia's Region 2000 be taken out of the unanimously supported block and addressed separately.

This application is held out of the unanimously approved block for individual consideration.

Senator Ruff moved to approve for recommendation to the Full Commission, the block of unanimously approved applications (not including Virginia's Region 2000).

Motion seconded

All in favor by aye vote

None opposed

Motion adopted

Mr. Arthur addressed the panel's unanimously rejected applications (see attached panel recommendations).

Mr. Taylor moved to disapprove these requests (Phenix Dixie Youth Ballpark, Town of Chatham and Town of Farmville).

Motion seconded

All in favor by aye vote

None opposed

Motion adopted

Mr. Arthur continued on to the contested applications (see attached panel recommendations).

Senator Ruff commented on the Appomattox County Board of Supervisor's application. He stated that the mix of signage and that tourism industry did not quite make sense. The one thing Appomattox does have going for them is tourism; he would be reluctant to reject an application for assistance that would improve their tourism industry. The Committee ought to help them amend the request, but they need some welcoming signs.

Mr. Barber stated that he did not participate in the initial discussion on the applications and that there appeared to be a conflict between this project and the regional project. He did not have a basis to choose one over another.

Mr. Lief voiced his concern over the panel and the Committee picking and choosing between the region and a member of the region. It is important that when there are applications like this, that the staff go back to the locality to find out which is the priority. The Committee should consider carefully when it is the locality's Board of Supervisors making the request; this shows priority for the county.

Mr. Lief moved to accept for recommendation to the Commission, the Appomattox Board of Supervisors' application for funding.

Motion seconded

Senator Ruff asked **Mr. Lief** if he objected to including an industrial park in the approved request.

Mr. Lief responded that he assumed the County feels it important for the marketing of their county to advertise this industrial park.

Mr. Taylor commented that this might be setting a precedent of funding approval for industrial parks.

Senator Hawkins asked if VDOT put up signs for industrial parks.

Mr. Lief stated that signage is a major issue for tourism and economic development.

Senator Ruff added that the signs in the county look old and the county is need of this assistance.

Ms. Thomas asked how this requested amount related to their allocation.

Senator Ruff replied that it would leave them with \$3.

All in favor by aye vote

None opposed

Motion adopted

Mr. Arthur addressed the application submitted by Campbell County for \$200,000 to purchase and renovate an existing building in Brookneal as a workforce training facility and satellite campus for CVCC.

Mr. Barber stated that his reason for dissenting on this application was again that he did not have a basis for deciding between this application and the regional application.

Delegate Byron spoke to the application. She addressed the affect that the recent closing of Lane Furniture Company in AltaVista and Franklin County will have on Campbell County. Brookneal is in an isolated part of Campbell County and towns have an already difficult time keeping up with essential services because of people leaving. If the Committee could work with them on the workforce training facility, it would provide great assistance to a need that is definitely there.

Mr. Lief commented that he is concerned with the process of how the applications and projects are assigned to the Committees; if this is an education project, should the Education Committee hear it. CVCC is already up for money through the Education Committee.

Delegate Byron added that the Education Committee is looking at a broader picture. This Committee needs to look after the smaller towns that are often lost in the process.

Senator Hawkins spoke to the importance of workforce training in these areas.

Mr. Lief added that he would, again, defer to the County's priority.

Senator Ruff asked **Dr. Daryl Staat**, President of CVCC, if they have made the commitment that if the structure is provided for, CVCC can operate it with ongoing expenses.

Dr. Staat responded that all they need is the facility and they will be able to provide the rest of the operation needs. It is a very small facility and operation.

Mr. Mike Davidson, Director of Community and Economic Development for Campbell County, added that the workforce-training center is the primary goal for the Campbell County Board of Supervisors within these applications for funding to the Commission.

He stated that over 700 jobs have been lost in the past five years in Brookneal; these jobs were in the traditional industries of textiles and furniture. The jobs available today require more and different skills, therefore the workers need to be able to be trained and upgrade their skills. This center will have an impact on the surrounding counties as well. Workforce training is crucial to bringing new companies to the area.

Mr. Walker asked if the county would be able to complete the project with partial funding from the Commission?

Mr. Davidson replied that they would work with whatever funds are available; they would have to scale back on the plans with lesser money. This is possible.

Mr. Taylor asked if there was additional room for expansion.

Mr. Davidson confirmed that.

Mr. Lief asked **Mr. Davidson** if, as a representative of Campbell County, he preferred this application over that of the Virginia's Region 2000?

Mr. Davidson replied yes.

Mr. Lief made the motion to approve for recommendation to the full Commission, Campbell County's request for \$200,000.

Motion seconded

All in favor by aye vote

None opposed

Motion adopted

Mr. Arthur addressed Henry County's application for \$500,000 to build a shell office building to house an economic development-marketing agency and 4-5 new businesses. The review panel recommended that the County provide further information and resubmit their application in the next round of funding.

Mr. Clower, County Administrator of Henry County, stated that he thought they addressed a number of the panel's questions in their application. He explained that they understand the County's remaining allocation is less than the amount requested and they would be happy with however much the Commission was able to provide. There is already a computer software company planning to locate in this building that would provide substantial jobs and wages for the County. This building will not technically be a County office. This project is crucial to the County.

Mr. Barber commented that he felt that since this was a County request, it warranted consideration by the Committee.

Mr. Lief moved to accept for recommendation to the full Commission Henry County's request at the remaining amount in their allocation, \$214, 922.

Motion seconded

Discussion:

Mr. McCollum stated that the panel did not know that it was a multi-jurisdictional economic development project. They were also unsure if the county could make any progress with half the requested funds.

Mr. Clower responded that Henry County has done many economic development projects but they still lose more jobs than they can create. Though the county's allocation is not the full amount of the request, it would assist in paying off the debt service of the building.

Mr. Lief commented that economic development starts at the local level.

Mr. Arthur asked if the employees to be housed in this building are on the county payroll.

Mr. Clower replied that they are not now but could be in the future.

Mr. Arthur stated that it would then be a county agency and he has a problem with the Tobacco Commission funding that type of project.

Mr. Lief spoke in support of funding the project.

Mr. Walker called for the question.

All in favor by aye vote

None opposed

Motion adopted

Mr. Arthur introduced Patrick County's application for \$75,000 in start up costs to begin operations, hire staff, and provide scholarships and property tax incentives to raise educational level. The panel recommended that the project should not be funded; there was minority dissent.

Mr. Barber, the minority dissent, stated that budget aspects of the application may be worthy of the committee's review.

Mr. Mike Burnette, Patrick County Economic Development Coordinator, stated that they could shift the budget line items around. The Patrick County contribution can be used for administrative costs and the Tobacco Commission funding can be used strictly for scholarships. The goal is to make it possible for Patrick County citizens to go to college for free. They will be providing the last dollar scholarships. The property tax

incentive is a tool the county has looked into to provide residents with an incentive to get their GED's. The foundation would pay up to \$1000 of the student's property tax so the county would not suffer from lack of tax revenue.

Mr. Currin stated that the panel felt that the Commission should not fund what should be the county government's responsibility.

Mr. Arthur agreed.

Mr. Walker moved to recommend to the Commission that this request be denied.

Motion seconded

All in favor by aye vote

None opposed

Motion adopted

Mr. Arthur directed the Committee's discussion to Sussex County's application for \$102,374 to develop and distribute an industry survey to assess interest and need for workforce development and training programs and to coordinate Employer's Roundtable meetings. The majority of the panel believed that this request was for on-going administrative support that could be provided through other sources.

Mr. McCollum stated that the panel's thoughts were that this was an expensive labor force survey.

Senator Ruff spoke to the application, commenting that the county has some significant problems.

Mr. Lief asked the panel if this application came directly from the County.

Mr. Barber confirmed.

Mr. McCollum added that the panel thought the request and survey might be able to be reworked to take a regional approach.

Mr. Arthur asked if, rather than rejecting the request, the Committee could amend it to include other counties or have them re-submit in the next round of applications.

Mr. Lief commented that he had concerns over requiring Sussex County to submit a regional application when all other counties are not required to do that.

Mr. Arthur responded that he understands the concern but it would be a better allocation of Commission funds to include a multi-jurisdictional area for that money.

Senator Ruff stated that the Committee needed to return to the original proposal. The survey was only estimated at \$9,000 but this application included a three-year budget.

The clerical assistance is the most expensive aspect of the three-year budget, which the Senator did not feel the Commission needed to get involved in funding.

However, he made the motion that the staff work with the county to provide them assistance in preparing a better application for the next round.

Mr. Lief asked **Senator Ruff** how he would feel about amending his motion to include funding the County \$9,000 to complete the survey

Senator Ruff then asked if that was a realistic dollar amount for a survey.

Mr. McCollum stated that \$9,000 would probably not be enough to effectively complete the survey.

Senator Ruff restated his motion to allow the Commission staff to work with Sussex County for possible consideration of a resubmitted application in the next round.

Motion seconded

All in favor by aye vote

None opposed

Motion adopted

Mr. Arthur continued to the Virginia's Heartland application for \$1,075,000 to develop property to provide direct access to Route 360 for the industrial park purchased with previous TICRC funds. Though the request was for more than the remaining allocation in the Heartland's counties, the panel felt it was an important project and should be funded to the amount available. A minority of the panel felt that the application should be resubmitted with more complete information and a more defined long-range plan.

Mr. Walker commented that when the Commission began this grant process, they strongly encouraged regional projects; this is the largest regional project they have funded to date.

Mr. Walker moved to accept the panel's recommendation and recommend to the Commission that this project be funded to its remaining allocation.

Motion seconded

All in favor by aye vote

None opposed

Motion adopted

Mr. Arthur addressed the Pittsylvania County applications.

Ms. Bruce stated that the Pittsylvania County and Town of Hurt applications need to be considered together because the Town of Hurt is in Pittsylvania County.

Mr. Arthur reviewed for the Committee the two applications. Pittsylvania County requested their total allotment of \$106,449 to provide an engineering study with

documentation and drawings on construction of utility services, including sanitary sewer and conduits for fiber optic communication transmission to Pittsylvania County Industrial Park and along the 58 West corridor. The panel supported the project but felt it lacked sufficient planning and budgetary information; they recommended that the application be resubmitted in the next round. The Town of Hurt requested \$100,000 to clear, grade, and grub three parcels in the 70-acre Key Industrial Park. As before, the panel supported this project but felt it lacked sufficient long-range planning; they recommended the Town of Hurt resubmit after further details become available.

Mr. Sleeper stated that the County Board of Supervisors was not aware that the Town had applied for funding. They had just funded the Town to complete their preliminary engineering and have been working on the 58 corridor along with the other industrial parks to get the Park underway. The county is asking for partnership with the Commission on the engineering of this project. The County supports the Town of Hurt's application subsequent and secondary to the County's application.

Mr. Currin commented that the Town of Hurt is not obligated to work with the County in applying for Tobacco Commission funding.

Mr. Arthur remarked that a portion of this engineering would be done by the E-58 project.

Mr. Sleeper clarified that they are not going down the same route as the E-58 project. That is why they are trying to do the engineering now.

Mr. Lief asked what happened at the last meeting in regard to Pittsylvania County applications.

Mr. Sleeper responded that Pittsylvania and Danville are building a cyber park together in Danville. In the County, they are looking to develop a regional industrial park near 58. They were awarded \$2 million from their allocation for the Future of the Piedmont.

Mr. Arthur addressed the dilemma of the committee. The County's remaining allocation is \$106,000; they are requesting all of that and Hurt is requesting \$100,000.

Mr. Lief reiterated that this type of situation is a flaw in the formula system. Could the committee make a recommendation to fund the Town of Hurt similar to the way funding was provided for Martinsville?

Mr. Arthur responded that this would be a decision to come before the full Commission.

Senator Ruff warned that that type of action would require the Commission to inform all other communities who feel left out. This may set a difficult precedent to follow.

Mr. Lief requested to hear the dissenting panel view.

Mr. Barber stated that he felt they were each worthwhile projects and some agreement should be come to between the Town and the County.

Mr. McCollum added that the two projects are equal in merit; he also stated that the panel was unsure if partial funding would do either project any good.

Delegate Byron spoke in support of Hurt. Pittsylvania County is the largest county in the Commonwealth; the Town of Hurt is a very small locality with many senior citizens and people lacking in the tax-base to do a lot of things. They have been trying to get sewers for so long but are unable because their income base is too low. These people are being left behind and forgotten. **Delegate Byron** recommended that the Commission assist the Town of Hurt with their request.

Mr. Lief asked **Mr. Sleeper** how \$75, 000 to the County and \$30,000 to Hurt would help.

Mr. Sleeper responded that the County would work with the Town. They would have worked with them to begin with.

Delegate Byron added that the Town does not have a base from which to secure matching funds. **Delegate Byron** stated that she would like to see the Commission provide for the Town this time and do what we can to help them.

Senator Hawkins commented that he thought it would be beneficial to postpone the decision on these projects until tomorrow at the full Commission meeting so that a decision can be reached that is supported by the County and the Town.

Delegate Byron consented to postpone the vote but reiterated that she is in support of Hurt receiving the funding. The County had additional means of securing funding for their project.

Mr. Lief stated that the staff has recommended that the County and the Town work together to settle this issue; there is no harm in postponing action on these applications until tomorrow.

Mr. Lief moved to postpone action on the County of Pittsylvania and the Town of Hurt applications until the following day at the full Commission meeting.

Motion seconded

All in favor by aye vote

None opposed

Motion adopted

Mr. Arthur directed the committee discussion to the Virginia's Region 2000 application previously removed from the unanimously approved block of applications.

Ms. Wass stated that there is \$56,450 left in the allocations of those counties included in the Virginia's Region 2000.

Mr. Arthur reviewed the project application.

Mr. Stan Gilsman, Program Manager for Virginia's Region 2000, stated that the committee has already helped them by funding the Campbell County and Appomattox requests. This project, too, is vital to the region.

Mr. Arthur asked if they would be resubmitting the application in the next round with the participation of the other counties.

Mr. Gilsman replied that they would.

Dr. Staat added that they completed a survey on the business and industry needs in the area two years ago and have since been trying to address those needs. The industry needs this equipment and the \$56,450 would be helpful to this end.

Mr. Lief moved to recommend to the Commission the funding of the remaining \$56,450 to the Virginia's Region 2000.

Motion seconded

All in favor by aye vote

None opposed

Motion adopted

Meeting adjourned

Submitted by **Carthan F. Currin, III**

Executive Director

Virginia Tobacco Indemnification and Community Revitalization Commission