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7 Southside Economic Development Committee  
8 Monday, April 21, 2003  
9 11:00 a.m.  
10 Pocahontas Room  
11 Hotel Roanoke and Conference Center  
12 Roanoke, Virginia  
13

14 **APPEARANCES**

15 Mr. Thomas W. Arthur, Chairman  
16 Senator Frank M. Ruff, Vice-Chairman  
17 L. Jackson Hite  
18 Delegate Clarke N. Hogan  
19 John T. Taylor  
20 Gary D. Walker  
21 Tucker C. Watkins  
22 Delegate Thomas C. Wright, Jr.  
23

24 **Commission Staff**

25 Carthan F. Currin, III  
26 Mary Cabell Sherrod  
27 Tim Pfohl  
28 Britt Nelson  
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30 **Attorney General's Office**

31 Anne Marie Cushmac  
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34 MR. ARTHUR: I call this meeting to order. This is the Southside Economic  
35 Development Committee meeting. First off, I'd like to thank everyone for coming today. This is  
36 probably the single most important meeting that we as a committee will have this coming year and  
37 if there's another one, it will be a follow up meeting in which not as much will be transacted that  
38 is as important as what we have to transact here today. Each of you present or guests, if we are  
39 discussing your project we will give you a chance to defend it and have your comments regarding  
40 what affects you directly. The meeting was called here in Roanoke and it requires a little bit of  
41 travel for most of us Southside people. I apologize for that but it was necessary in my opinion, for  
42 the efficiency of staff because they've got to have about six or seven meetings between now and  
43 Thursday, they couldn't spend all of their time on the road because of the paperwork involved.  
44 So, to the Committee members, I apologize for you having to travel out of the area but it just  
45 seemed to be more efficient to me to do it this way. With that, I'll ask Carthan to call the roll.

46 MR. CURRIN: Mr. Bryant?

47 MR. BRYANT: No response.

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4914 Fitzhugh Avenue, Suite 203  
Richmond, Virginia 23230  
Tel. No. (804) 355-4335

1 MR. CURRIN: Delegate Byron?

2 DELEGATE BYRON: Here.

3 MR. CURRIN: Mr. Hite?

4 MR. HITE: Here.

5 MR. CURRIN: Delegate Hogan?

6 DELEGATE HOGAN: Here.

7 MR. CURRIN: Secretary Schewel?

8 SECRETARY SCHEWEL: No response.

9 MR. CURRIN: Mr. Taylor?

10 MR. TAYLOR: Here.

11 MR. CURRIN: Ms. Terry?

12 MS. TERRY: No response.

13 MR. CURRIN: Mr. Walker?

14 MR. WALKER: Here.

15 MR. CURRIN: Mr. Watkins?

16 MR. WATKINS: Here.

17 MR. CURRIN: Delegate Wright?

18 DELEGATE WRIGHT: Here.

19 MR. CURRIN: Vice Chairman Ruff?

20 SENATOR RUFF: Here.

21 MR. CURRIN: Mr. Chairman.

22 MR. ARTHUR: Here.

23 MR. CURRIN: You have a quorum.

24 MR. ARTHUR: The next item on the agenda is approval of the minutes of the  
25 April 1 meeting. Are there any corrections? Is there any discussion?

26 SENATOR RUFF: Mr. Chairman, I move the approval of the minutes as  
27 presented.

28 DELEGATE WRIGHT: I'll second it.

29 MR. ARTHUR: There's a motion made and seconded, any further discussion? All  
30 in favor of approving the minutes as submitted signify by saying aye. (Ayes) Opposed no. No  
31 response. Hearing none the minutes are accepted. We got some old business to attend to. Back in  
32 November or about November I think it was, we set aside a fund of \$3 million dollars so that we  
33 know what we're going to have to spend not only today but down the road. We need to tackle this  
34 problem and let's do what we're going to do with this three million dollars. I open the floor for  
35 discussion and or suggestions. Delegate Hogan.

36 DELEGATE HOGAN: Of the \$3 million dollars, as far as how much time we're  
37 going to discuss or what we're going to spend it on, I'd like to make a motion on two things. I  
38 think there's a lot of projects out there that we want to direct and have the resources to deal with  
39 and some of it has not been defined completely although I think one of them has. That is the fund  
40 for the Institute for Advanced Research. So, I'd make a motion that we take a million of that and  
41 fund the institute and hold another \$2 million until such time as we figure out what we want to do  
42 with it.

43 MR. ARTHUR: You all heard Delegate Hogan's explanation of what he would  
44 like to do with the \$3 million dollars. It is a fact that \$2.5 million dollars is needed in operating  
45 funds or start up funds is the key word for the institute, which is going to open in late September.  
46 Someway or another \$2.5 million dollars is what we've got to come up with. Delegate Hogan's  
47 suggestion is that \$1 million out of that \$3 million go to the institute for part of that start up fund.  
48 Any further discussion or any suggestions?

49 SENATOR RUFF: Mr. Chairman, the start up is \$2.5 million?

1 MR. ARTHUR: Yes, there was a motion and we need a second for discussion.

2 MR. WALKER: I'll second it.

3 SENATOR RUFF: Mr. Chairman, as you laid it out, we need \$2.5 million dollars  
4 to accomplish what they need to do to start up. If you're talking about a million dollars and  
5 according to my math that's a million and a half dollars more, do we have a commitment from  
6 Pittsylvania County to put in the other from their allotment, the other million and a half dollars?

7 MR. ARTHUR: The way it's laid out at present, is that Pittsylvania County and the  
8 City of Danville has agreed to \$500,000 a piece out of their allocation being their contribution for  
9 the City and the County and this million dollars will bring up to \$2 million. There is a  
10 presentation which you'll hear Thursday for special projects to fund the other half million dollars.  
11 They're actually asking for more but they're not aware of our generosity so there's the \$2.5  
12 million dollars. The County and City are participating out of their allocation for the total of \$1  
13 million dollars.

14 SENATOR RUFF: Mr. Chairman, not to fast forward in anyway but in previous  
15 conversations this morning, I was told that a certain project would not be probably considered by  
16 Special Projects because it did not deal with or it was not regional in concept. There are some  
17 people with heartburn calling Pittsylvania County and Danville a region when a lot of other  
18 communities have to see as many seven communities get together to call a region.

19 MR. ARTHUR: It is my opinion that the institute is a regional project involving  
20 Halifax, Franklin, Pittsylvania, and Henry. I guess somewhere we've got to set a definition of  
21 regional. Either that or we're going to have a big shell building that's not going to be operational.

22 SENATOR RUFF: Mr. Chairman I agree with you and I think it's a great project  
23 but I want to make sure that all of our communities are treated fairly and we're not letting the  
24 biggest gorilla dominate the scene.

25 MR. ARTHUR: Senator Ruff, I wholeheartedly agree with you and you'll get no  
26 argument from me on that.

27 MR. WATKINS: Mr. Chairman, if that \$3 million dollars is put back in the  
28 formulary, how much of that would Danville and Pittsylvania County get?

29 MR. SLEEPER: Almost a million.

30 DELEGATE HOGAN: Seven hundred and fifty thousand.

31 MR. ARTHUR: Actually Pittsylvania County would come out better if you put it  
32 back in the allocation.

33 MR. WATKINS: I think the total was like \$800,000 or something like that.

34 DELEGATE HOGAN: It's more than that. Between the two of them it's better  
35 than one million.

36 MR. ARTHUR: Any other discussion?

37 MR. TAYLOR: I'd like to make an amendment to that motion. I'd like to see a  
38 half a million set aside to market Southside Virginia of that \$3 million.

39 MR. ARTHUR: JT, I can't really disagree with you that we don't need marketing  
40 because that was part of the original agreement for setting aside \$3 million dollars. We were also  
41 hoping at that time that we would have securitization, which would mean a continuing cash flow.  
42 With that somewhat being in doubt or at least casting dispersion on that, maybe this might not be  
43 the time to do it but that's just my opinion. That's not the chair talking, that's just my opinion.

44 MR. WATKINS: I agree with you but just to knock it off the top and not having a  
45 plan, I can't see doing it.

46 MR. ARTHUR: There is a plan afloat.

47 MR. WATKINS: I understand that.

48 MR. ARTHUR: But it was not the time to present it because of the problem with  
49 securitization. Maybe next time we'll have better input on that. Any further discussion? The

1 question's been called for. The motion was that \$1 million dollars of the \$3 million dollars to go  
2 straight to the institute for start up funding with the history being we know we need \$2.5 million  
3 dollars in the first year. The other two million out of the \$3 million would still be kept and set  
4 aside for projects that we know are probably coming and that we don't have today. Did I say that  
5 right?

6 DELEGATE HOGAN: Yes, you got it. The question's been called and that was it  
7 and I hope I stated it properly and you said I did. All in favor of Mr. Hogan's motion signify by  
8 saying aye (ayes). Opposed. (No response). That carries. One million dollars goes to the start up  
9 fund and \$2 million dollars is going to stay. There are no contingencies on this. It's going to stay  
10 in reserve.

11 Right now we'll start with the individual requests and I hope all of you have in  
12 your packet the summary of each of the requests for allocations.

13 SENATOR RUFF: Mr. Chairman, before we begin, can I understand the rating  
14 system a little better. At the last meeting I asked for a rating by individuals and I know  
15 constituents received that but I have not received a copy of that.

16 MR. ARTHUR: You and Ms. Terry both requested it.

17 SENATOR RUFF: I'd like to get that too but I still want to ask a couple of  
18 questions. In the rating for the institute, Danville's rating was 65.83 and Pittsylvania County's the  
19 same proposal for their share was 60.83. When it got into the installation of the wiring, one of  
20 them was 55.83. The other was 53.75. When we got into the VIR proposal, one of them rated at  
21 49.50. The other one was 47.75. When we got into the start up, Danville's portion was 41.25 and  
22 Pittsylvania's rating was 36.25. If we have the same people doing the rating, why do we have  
23 such a variation on exactly the same proposals for two different titles, named at the top.

24 MR. PFOHL: Senator Ruff, I think the staff included the scoring as well as some  
25 quantitative factors. They looked at other things. They looked at a jurisdictions ability to pay for  
26 projects so the relative fiscal health would be one of many factors that we looked at. I think the  
27 scoring was not intended to be all and end all as the sole indicator of whether or not a project was  
28 worthy of funding or not. It was one of the factors in the discussion. The people came in and the  
29 reviewers scored their projects individually before we all met and as we met, we gathered the  
30 individual scores and then averaged them out. The people may have changed opinions about  
31 projects as we got in a group discussion about that. I think the scoring was one step leading into  
32 the group discussion that included some other quantitative factors as well. The average score is  
33 certainly not the sole factor that was taken into consideration in making recommendations on the  
34 projects. I don't know if that addresses your project or not.

35 MR. ARTHUR: Tim, do you have a list somewhere that shows the weight that was  
36 put on certain things?

37 MR. PFOHL: Yes, I think I've got a copy here.

38 MR. ARTHUR: That might help, can you show it to Senator Ruff?

39 MR. WATKINS: How each person ranked or did the scoring for each project, are  
40 we getting those?

41 MR. ARTHUR: I don't recall it being exactly like that, you asked for the weight.

42 SENATOR RUFF: We don't care about who the panel was as much as we care  
43 about the 150 to 27 so that we get some feel how that average was arrived at. I appreciate what  
44 you all have done but it brings more doubt in my mind as to how much of the rating was really  
45 objective and how much was subjective and that concerns me.

46 MR. WATKINS: Where do we go from here?

47 SENATOR RUFF: Mr. Chairman, is that information not available?

48 MR. PFOHL: Certainly we'd be willing to make it available. One reviewer who  
49 wanted to keep his role anonymous so to speak, and that's confidentiality but we can remove the

1 name if you'd like and show you how the scores were ranked from those reviewers if that's  
2 something that would be beneficial. We'd be happy to give you what information we have.

3 SENATOR RUFF: I don't know what kind of timeframe this will take. What  
4 concerns me is that one of my constituents did have a copy of who rated what and they had that  
5 information and I did not.

6 MR. CURRIN: Senator Ruff, I don't know how you got it. I didn't send it out. If  
7 she got that, she shouldn't have had that.

8 MR. ARTHUR: Senator Ruff, considering where we are right now and what our  
9 objective for today is, could I ask that you and Gary Walker work with Carthan to come up with a  
10 method before the next time we evaluate these applications?

11 SENATOR RUFF: Mr. Chairman, I'm not going to be a pain in the neck, if that  
12 works out that will be fine. To me it's more important how several people evaluated the project,  
13 how they did it is more important to me. That's my way of doing it. MR. CURRIN:  
14 We'd love to have any feedback and we welcome any comments or suggestions.

15 MR. ARTHUR: Would you like to participate Tucker? Maybe the three of you all  
16 in the subcommittee could meet with Tim and staff to come up with, and making sure we get these  
17 things before the next go around because there's nothing we can do about it today. We have got  
18 things we have to do and be objective about it.

19 MR. WATKINS: I guess this was downloaded this morning. We asked for it and I  
20 know Mary Sue asked for it. It was not just what the person did that was in that ranking of 42.75  
21 how you came up with it or whatever it happened to be.

22 MR. ARTHUR: Do you want to work with them so this doesn't come up again?

23 MR. WATKINS: I would love to. As a matter of fact, if you can copy it, here's  
24 what Frank was asking for right here.

25 MR. ARTHUR: On all projects?

26 MR. WATKINS: Yes.

27 MR. ARTHUR: All right, can we move forward?

28 MR. WATKINS: Mary Sue and I were looking for how, within that framework.

29 MR. ARTHUR: Let's move this meeting forward. I'm going to take these  
30 alphabetically the way they appear on this sheet for those of you that want to follow along. We've  
31 got Amelia County Business Park expansion requesting \$244,667, which was exactly their amount  
32 of allocation. The staff has recommended to fund it contingent on providing current local match  
33 as proposed in application of \$144,600.

34 BOARD MEMBER: Move to approve.

35 DELEGATE WRIGHT: I'll second it.

36 MR. ARTHUR: The motion has been made and seconded to approve Amelia  
37 County consuming all of their allocation. All in favor signify by saying aye (ayes). Opposed.  
38 (No response).

39 MR. ARTHUR: Coming up next Brunswick County allocation was \$1,438,899.  
40 Within that was a group of requests and we can take them one at a time. Amelia Business Park,  
41 Brunswick County IDA \$763,459. Funding requested for assistance with the purchase of a 114  
42 acre site, which 90 acres are usable to be the developed as Alberta's first business park.  
43 Additional activities include the completion of a PER master plan and site improvements, which  
44 include main access improvements and so forth. Prior economic development funding was  
45 awarded last year. Staff recommended funding contingent on providing current local match as  
46 proposed in application of \$106,401.

47 MR. TAYLOR: I so move.

48 DELEGATE WRIGHT: Second.

49 MR. ARTHUR: It's been moved and seconded. Any discussion?

1 MR. WATKINS: I had a question for staff. I looked at the Alberta Park and the  
2 Brunswick Park, why in one case they ask for cash match and the other case they did not?

3 MR. PFOHL: The staff's position was basically as proposed with the match that  
4 they had in the application that that was deserving of a recommendation for funding.

5 MR. WATKINS: They asked for two ninety-one and you all recommended on the  
6 second one two sixty-two and asked the county to put that up on the first project.

7 MR. PFOHL: On the Brunswick County Industrial Park the only match that was  
8 proposed in the Brunswick County situation was the value of the land and the existing park. So  
9 that in effect, was an old match. We were recommending that a ten percent current match be used  
10 with Commission funds be a condition of that award.

11 SENATOR RUFF: Mr. Chairman, Tim that was the only factor in reducing that  
12 one?

13 MR. PFOHL: Yes, sir.

14 SENATOR RUFF: I'm trying to understand the rating system. You gave  
15 Brunswick County a higher rating than you gave Alberta. Does the Alberta one have a ten percent  
16 cash match?

17 MR. WATKINS: The local match is \$106,000, see the last sentence in the  
18 summary.

19 MR. PFOHL: We felt that if there was a ready built site in Brunswick Park and we  
20 could make it happen and it was a strong application, the only thing lacking from that application  
21 with Brunswick in our mind was some sort of current, local contribution for participation in that  
22 project. That's why we suggested a ten percent current local match. That's not a hard and fast  
23 rule the ten percent. It was just that we felt that was a ballpark and that was a reasonable request  
24 of the county to participate in the project.

25 MR. ARTHUR: Any further discussion?

26 SENATOR RUFF: Not trying to belabor the point but I just don't quite understand  
27 the rating system. If we ended up doing more for one than you do for the other, the one you rate  
28 better you do less for, that doesn't make sense.

29 MR. PFOHL: Scoring is just one part of the discussion. Most of the panels and  
30 you have different ranges of scoring. People come to the table with varying levels of interest in  
31 seeing certain types of projects happen and you have different ranges in scoring that affects  
32 cumulative averages for the projects.

33 DELEGATE HOGAN: Do you want to handle these individually or in a block?

34 MR. ARTHUR: We can handle them in a block but as I discover, there's some  
35 discussion on each one.

36 DELEGATE HOGAN: I'd move them in in a block and see what happens.

37 SENATOR HAWKINS: Mr. Chairman, I'd prefer we not do that.

38 DELEGATE HOGAN: We can do the first three.

39 DELEGATE WRIGHT: I call the question on the motion.

40 MR. ARTHUR: The question is called, approval on the Brunswick County  
41 Industrial Park site. All in favor signify by saying aye (ayes). Opposed (No response).

42 DELEGATE HOGAN: I move the next item.

43 DELEGATE WRIGHT: Second.

44 SENATOR RUFF: Mr. Chairman, we're on the second one now, is that correct?

45 MR. ARTHUR: We're on Brunswick County Lawrenceville Water/Sewer  
46 expansion project, Town of Lawrenceville.

47 DELEGATE HOGAN: Why are we doing that?

48 MR. ARTHUR: Because it's alphabetical all under Brunswick County.

49 SENATOR RUFF: The first two were done together?

1 MR. ARTHUR: We're on the third one called Lawrenceville Water/Sewer  
2 expansion project.

3 MR. WATKINS: We never voted on one of the Brunswick County ones.

4 MR. ARTHUR: We just had a vote on Alberta because I already checked it off.

5 SENATOR RUFF: Now we're on the second one?

6 DELEGATE HOGAN: The Brunswick County Industrial Park site is approved.

7 MR. ARTHUR: That's all right, we'll take the vote again.

8 SENATOR RUFF: Do we have anyone here from Brunswick County Mr.  
9 Chairman?

10 MR. ARTHUR: Not on this project, that's on the other one.

11 SENATOR RUFF: Is there any discussion on Brunswick Tim? The proposal you  
12 all made?

13 MR. PFOHL: No.

14 SENATOR RUFF: Are they aware of what you made?

15 MR. PFOHL: No, sir.

16 SENATOR RUFF: We'll recommend the funding of a little less than \$30,000.

17 MR. ARTHUR: With a match.

18 SENATOR RUFF: Ask some questions, if nobody's here we can move forward  
19 then.

20 MR. ARTHUR: I have a motion on Brunswick County.

21 MR. WATKINS: I'd make a motion we move to the last project, which is the one  
22 we need to address. I think we should change the order since they only recommended \$10,000 out  
23 of a \$400,000 request.

24 DELEGATE HOGAN: I move we take them up out of order.

25 MR. WATKINS: The reason is that if the money were not spent, it would be spent  
26 somewhere else.

27 MR. ARTHUR: It still stays in the Brunswick County allocation.

28 MR. WATKINS: It would not be addressed at this meeting or in this order. My  
29 real question is when it comes to the \$400,000 project and the staff's recommendation is that it be  
30 done and include a small business resource center I'm not sure you can do anything with \$10,000.

31 MR. ARTHUR: There's only one in between the two. The Chair is going to rule  
32 that we go straight ahead. Lawrenceville Water/Sewer Expansion project.

33 DELEGATE WRIGHT: Brunswick County Industrial Park, there was a motion  
34 and it was seconded.

35 MR. ARTHUR: The questions on the floor. Let's vote again. All in favor of the  
36 Brunswick County Industrial site improvement signify by saying aye (ayes). Opposed (No  
37 response).

38 MR. PFOHL: Is that the requested amount Mr. Chairman or the recommended  
39 amount?

40 MR. ARTHUR: The recommended amount. The Lawrenceville Water/Sewer  
41 Expansion project, Town of Lawrenceville requested \$383,740.

42 MR. HOGAN: So moved.

43 MR. HITE: Second.

44 MR. ARTHUR: It's been moved and second, any further discussion? All in favor  
45 signify by saying aye (ayes). Opposed. (No response). South Brunswick Recreational Cultural  
46 Center, Brunswick County Lake Gaston Tourism requesting \$400,000 dollars.

47 DELEGATE WRIGHT: Mr. Chairman, this is a very good project and I see it's  
48 only been approved for \$10,000 dollars. Was the reason for that because the appropriation of  
49 Brunswick had been used before they got to the project versus the appropriateness of it? What

1 was the reason for the \$10,000?

2 MR. PFOHL: I think we looked at each one of these projects on their on merits.  
3 I'd say no, the allocation was not the determining factor in this. Probably what the determining  
4 factors were, were the meetings where the Committee has discussed the types of projects that  
5 they're interested in funding with the economic development funds. Some of the particular  
6 components of this project like museums and community meetings and office space and so forth, I  
7 think we got a signal those were the type of activities that were a lower priority for the Economic  
8 Development Committee so that's why we latched onto the small business resource center being  
9 the piece most directly involved with economic development and present that for your discussion.

10 MR. WATKINS: Is that your project in Brunswick County, would you mind  
11 speaking to it?

12 MS. ANDERSON: Thank you Mr. Chairman, gentlemen and ladies. My name is  
13 Kay Anderson and I reside in the Meherrin District of Brunswick County and I am a volunteer.  
14 Our project is the South Brunswick Regional Cultural Center. How much time do I have and what  
15 do you expect me to tell you?

16 MR. ARTHUR: You can just explain your project and you have five minutes.

17 MS. ANDERSON: Thank you, give me four minutes. About eight months ago we  
18 were approached by the Board of Supervisors from Brunswick County and told we had this school  
19 out on Route 46 to use our imagination and see what we can do with it because it was going to  
20 cost a small fortune to tear it down. The group has met with volunteers throughout the county and  
21 we have come to the conclusion the best use of this center is as a regional cultural center. Don't  
22 let that word throw you but this is going to do many things for Brunswick County. It will bring in  
23 the equivalent of 38 full time jobs which will start out with volunteers and move on. It will have a  
24 small business conference center which will have computers with the primary focus the education  
25 and re-education and assistance of those in Brunswick County who have been displaced out of  
26 their jobs as farmers and small businessmen when that money has dried up in the County. We  
27 have a cadre of professional people within the community that will offer assistance as they go to  
28 set up these businesses and get retrained into a vocation or avocation and that cadre of people  
29 available to help range all the way from bankers, to accountants, to people that set up businesses  
30 and human resource procedures. To make the system operational, we're going to have a museum,  
31 a ballroom, an auditorium so that we can make money and keep the place operational. I have not  
32 submitted with the application but I have preliminary drafts of phase I and phase II operating  
33 budgets and it will be profitable. To start the project we have a big hole in the roof and that has to  
34 be re-roofed and then we can start working. So far our architectural plans, our legal advice and  
35 even our grant writers had been a volunteer who has given time to do this. We had three of our  
36 five members of the Board of Supervisors who is coming with us when the meeting was a week  
37 before last to support the project and unfortunately with a change of dates, they had a meeting this  
38 morning and weren't able to make it.

39 In a nutshell, I have put together at Tim's request some copies of letters of  
40 recommendation that we have received for this project and then there also is the architectural  
41 drawing of the layout which again was provided to the group complimentary. If I've used my four  
42 minutes I'll be happy using the last minute to answer any questions that you might have.

43 DELEGATE WRIGHT: I have question. Ms. Anderson, we talked about this  
44 project before and you know I do support it. I noticed the County submitted other proposals that  
45 really take up the majority of the money and by the time we get to you, there's not much left. I see  
46 where you got support from the County by the Supervisors and so forth. Have you gotten any  
47 assurances from them or any words from them that the next round they will be willing to support  
48 your proposal and use more of the Brunswick County appropriation?

49 MS. ANDERSON: No, I think the reason you did not see this the other time was

1 because of timing. If you look at the letter of support, they realize that the other applications had  
2 already been made and those letters are written after that application to support this group to show  
3 that they supported this project is my understanding. I don't want to speak for the Board of  
4 Supervisors.

5 DELEGATE WRIGHT: What would you do with the \$10,000?

6 MS. ANDERSON: It's going to cost about \$350,000 to put that roof on and I can't  
7 do much with \$10,000. I can put it in the bank and I can add it toward my big fund that we're  
8 doing continuously, doing public fundraisers for but I appreciate \$10,000 but it doesn't do my job.  
9 Thank you.

10 MR. ARTHUR: I think we're going to find here what the \$25,000 or splitting with  
11 the museums, they must be small, I don't see room for anything else.

12 MS. ANDERSON: I would direct your attention to the floor plan which is page  
13 three in the handout.

14 MR. ARTHUR: I would submit that we have, I know we've made a statement  
15 categorically we don't support museums and in defense of staff, I think that's why their  
16 recommendation was as low as it was. Mr. Walker.

17 MR. WALKER: Mr. Chairman, I'd like to make a motion that we reject this  
18 proposal.

19 MR. ARTHUR: A motion has been made to reject it. Is there a second? All right.  
20 There's been a motion made and a second, any further discussion?

21 SENATOR RUFF: Mr. Chairman, I'd like to ask Ms. Anderson a question. Ms.  
22 Anderson, you referred to raising private money. How much money has been raised privately?

23 MS. ANDERSON: I'm in negotiations for naming opportunities that are in excess  
24 of a quarter of a million dollars. However, in actual bank funds, I have less than \$10,000.

25 SENATOR RUFF: Thank you.

26 MR. ARTHUR: Any discussion?

27 MR. HITE: Ms. Anderson, what time did you leave home this morning to come  
28 here?

29 MS. ANDERSON: Sir, because of our age and health, we left yesterday.

30 MR. HITE: Maybe I should have too.

31 MR. ARTHUR: Any further discussion? All in favor signify by saying aye (ayes).  
32 Opposed. (no.) Let's have a hand vote.

33 DELEGATE WRIGHT: Would you please restate the motion?

34 MR. ARTHUR: The motion was that we reject this request for \$10,000. The staff  
35 has proposed \$10,000. Roll call.

36 MR. CURRIN: Mr. Bryant?

37 MR. BRYANT: No response.

38 MR. CURRIN: Delegate Byron?

39 DELEGATE BYRON: No.

40 MR. ARTHUR: Yes means you're rejecting it.

41 MR. CURRIN: Mr. Hite?

42 MR. HITE: No.

43 MR. CURRIN: Delegate Hogan?

44 DELEGATE HOGAN: Yes.

45 MR. CURRIN: Secretary Schewel?

46 SECRETARY SCHEWEL: No response.

47 MR. CURRIN: Mr. Taylor?

48 MR. TAYLOR: Yes.

49 MR. CURRIN: Ms. Terry?

1 MS. TERRY: No response.

2 MR. CURRIN: Mr. Walker?

3 MR. WALKER: Yes.

4 MR. CURRIN: Mr. Watkins?

5 MR. WATKINS: Yes.

6 MR. CURRIN: Delegate Wright?

7 DELEGATE WRIGHT: No.

8 MR. CURRIN: Vice Chairman Ruff?

9 SENATOR RUFF: No.

10 MR. CURRIN: Mr. Chairman?

11 MR. ARTHUR: Yes.

12 MR. CURRIN: That's five yeas and three nos.

13 MR. ARTHUR: That request is rejected.

14 MS. ANDERSON: Thank you for your consideration.

15 MR. ARTHUR: Thank you for coming up here, I'm sorry it was so far. Moving  
16 now at the Buckingham County allocation. Staff has recommended approval of the \$26,000  
17 which is the total amount I believe.

18 SENATOR RUFF: Mr. Chairman, I would move that the \$26,000 be done that  
19 way.

20 MR. ARTHUR: To be approved?

21 SENATOR RUFF: Yes.

22 MR. ARTHUR: A motion has been made and seconded that we approve the  
23 \$26,000 dollars requested by Buckingham County. Any further discussion? The question's been  
24 called, all in favor signify by saying aye? (aye) Opposed (no response). That carries. Moving  
25 now to Campbell County's allocation which is \$443,427. Their total request for \$393,427. Do  
26 you want to look at these one at a time like we've been doing or move them as a block?

27 SENATOR RUFF: I would ask one question. Campbell County, the \$50,000  
28 proposal that was moved to technology was worth spending their money for. Knowing that they  
29 may not get that money out of the Technology Committee, are we serving the economic  
30 development purposes of Campbell County properly if we don't deal with today?

31 MR. PFOHL: Thank you for bringing up the subject of the referred  
32 recommendations. As the reviewers looked at several of these projects it became apparent to us  
33 that all other factors being removed and we looked at a project run by an educational organization,  
34 that is its measurable outcome of training X number of students or construction of classroom space  
35 that that looked to us like a project that belonged in the bailiwick of the Education Committee.  
36 Likewise we saw projects that were purely the installation of the wireless internet system. In the  
37 Campbell County request we felt like that was technology projects and we also saw some projects  
38 like beef cattle marketing and cooperative efforts that were candidates for agribusiness. What we  
39 suggested was that several of the applications uses you see listed at the back of the handout where  
40 the paragraphs describe each of the projects, that includes a list of projects that we would  
41 recommend be referrals to the Committees that seems to be more likely candidates for dealing  
42 with that kind of activity. In this case, that was one of those projects Senator that we felt like all  
43 other things being equal that this was a wireless internet system most likely a candidate for  
44 consideration by the Technology Committee. You'll see the \$50,000 for that wireless project is  
45 the same amount as the balance available after the staff recommendations have been calculated.  
46 We certainly recommend that any of these staff recommendations are just a starting point for  
47 discussion. We fully expect some of these staff recommendations to altered, dropped or ignored  
48 altogether. We're big kids and thick skinned and we can take it.

49 MR. CURRIN: Mr. Chairman, Thursday, when the budget is approved that these

1 various committees that have had things referred to them, meet shortly after that or sometime in  
2 May to disburse and discuss these things.

3 MR. ARTHUR: Carthan, my problem is that the next full Committee meeting is  
4 not until July to approve funding of these things. My question to him was what timeframe is  
5 necessary on the Campbell County wireless broadband?

6 MR. PFOHL: Mr. Chairman, the Director of Community and Economic  
7 Development for Campbell County is here, Mike Davidson and maybe you'd like to hear from  
8 him and he can explain this better than I can.

9 MR. ARTHUR: I'd like to know the timeframe on this funding. If we don't  
10 approve this today, you won't be funded until late in July or mid July so that's my question.

11 MR. DAVIDSON: Mr. Chairman, while we certainly would prefer to move  
12 forward on this project, we can certainly survive waiting until mid July if that is the decision of the  
13 Committee.

14 MR. ARTHUR: That answers my question, thank you very much. Does that  
15 answer your question?

16 SENATOR RUFF: The timing is the key concern that I had. I don't know whether  
17 the Technology Committee has worked out a timeframe when they're meeting but I know in  
18 Education we had said that a proposal would not be approved until August so we know that's  
19 going to cause a problem with some of the others. That was my concern whether we need to get  
20 that out on the table.

21 MR. ARTHUR: Delegate Hogan's committee has not been funded so we're not  
22 going to be able to have a meeting until after this Thursday when he probably would be funded.  
23 So he really can't do anything and that's the reason I was asking the question, we needed to bring  
24 it back into this Committee to vote.

25 SENATOR RUFF: My follow up question would be this; if in the bureaucratic  
26 process that we go through, we can't get you on board until September, October or November,  
27 does that work in your timeframe?

28 MR. DAVIDSON: When we submitted the application, we had a wireless internet  
29 provider that said if we could find half of the cost to buy down the backbone they would come in  
30 and put the system in. Two weeks ago that company changed ownership and I suspect if we wait  
31 until September, I'm going to go out and provide some other providers but I'll certainly work with  
32 the Commission and I'll do whatever you want. We've had a tremendous amount of difficulty and  
33 I've talked to at least 12 wireless internet service providers trying to get them interested in putting  
34 it in and no one is willing to come in and establish a system without a private/public partnership  
35 and being able to buy down the cost of putting in that backbone system.

36 MR. ARTHUR: Staff, did you all make a recommendation for approval from other  
37 committees to meet or did you just leave that out?

38 MR. PFOHL: No, we haven't made a recommendation.

39 MR. ARTHUR: You haven't made a recommendation one-way or the other. Mr.  
40 Byron, do you have any comment on that? Our main concern is the timeframe when funding is  
41 available and Delegate Hogan's committee has not been funded yet.

42 DELEGATE HOGAN: We promise to be post haste.

43 SENATOR RUFF: Mr. Chairman, I'd like to argue with the Executive Director  
44 here for a moment. The reality is that once that budget is approved, at that point the Technology  
45 Committee has to meet and they have to set some type of deadline some time in the future of when  
46 and how they're going to accept proposals and they cannot do it overnight in a 24 hours period  
47 and be fair to everybody.

48 MR. CURRIN: Mr. Chairman, I didn't say that. This Commission and the  
49 Committees within the Commission can move as expeditiously as they deem necessary. I didn't

1 suggest that. I would suggest to you it wouldn't take four months. We got a half a dozen requests  
2 that are before the Technology Committee.

3 DELEGATE BYRON: Mr. Chairman, I move that we disapprove it as it was  
4 originally requested. I don't think this is going to be the last opportunity that Mr. Hogan is going  
5 to have to look at other technology issues. I would be more concerned that the projects move  
6 forward at a reasonable pace. We don't have to make a decision as we did a couple of weeks ago  
7 with watching what happened to the tobacco money.

8 MR. ARTHUR: I had question that we might lump Campbell County. Would you  
9 amend yours to move this back into Campbell County's allocation?

10 DELEGATE BYRON: So moved.

11 MR. WALKER: Second.

12 MR. ARTHUR: Everybody signify by saying aye if you agree to that please.  
13 (ayes). Opposed (no response). All right, we're moving this back into Campbell County's  
14 allocation and you're voting on it unapproached by staff.

15 MR. WATKINS: Are you going to do that with everyone of these technology  
16 things?

17 MR. ARTHUR: There were only two and they're back in there. Campbell County,  
18 there was one other that was moved back. Who is the ownership of this system?

19 MR. DAVIDSON: What we're proposing, a copy of the application submitted by  
20 Netwave who is the company, Jonathan Witt, is the president of the company and in the letter he  
21 stipulated that if the grant got approved they were willing to move in. Mr. Witt is also the person  
22 that sold his company. We suggested that we'd have to work a contract so that Campbell County  
23 would own 50 percent of that backbone system until the company stayed in Brookneal for a period  
24 of three years or a minimum of three years. If this company folded and was not able to go  
25 forward, we would still have a backbone that we can provide to another wireless service provider  
26 to come in and take over and operate it.

27 MR. ARTHUR: My concern is are we funding a privately owned company?

28 MR. DAVIDSON: Yes.

29 MR. ARTHUR: We can't do that.

30 DELEGATE HOGAN: We could send this to the Committee. We got some pretty  
31 big technology movers and in the process of being made most people are aware of how this ties  
32 into it. Approving a private entity, we just can't do that.

33 MR. ARTHUR: We cannot do that.

34 MR. HOGAN: We need to send this to Technology to take a look at it and see  
35 what we can come up with.

36 MR. ARTHUR: Under these conditions I recommend we move it back to  
37 Technology.

38 DELEGATE BYRON: After further discussion, I move that we move the  
39 technology proposal to the Technology Committee for further research and development with  
40 cable that may already be laid somewhere nearby in Altavista.

41 MR. WATKINS: Second.

42 MR. ARTHUR: A motion has been made and seconded, all in favor say aye  
43 (ayes). Opposed (no response). We're going to move that back to Technology. Now, Campbell  
44 County has three other items.

45 DELEGATE BYRON: Can we take those in a block?

46 MR. ARTHUR: That question is already on the floor when I asked do we move  
47 them in as a block.

48 DELEGATE HOGAN: I'd move approval of that.

49 MR. WATKINS: I do have one question. Mike, the airport thing, is Jensen going

1 to do that?

2 MR. DAVIDSON: Jensen is already operating in Brookneal and they started in  
3 November with 25 employees and there are 75 but in order to get to that 200-employee level.

4 MR. TAYLOR: Mr. Chairman, on that Brookneal to the airport, this hanger  
5 situation, is that going to be owned by Brookneal, excuse me, is that going to be owned by  
6 Campbell County, the IDA?

7 MR. DAVIDSON: The airport is operated by the Airport Authority and that would  
8 be owned by the Airport Authority. There is an independent Airport Authority that is, the Board  
9 of Supervisors of Campbell County has appointed some of the members and the Town of  
10 Brookneal has appointed some of the members but it is a constituted authority.

11 MR. TAYLOR: This is not going to be a privately owned hanger?

12 MR. DAVIDSON: No, sir.

13 MR. ARTHUR: It's a not for profit organization?

14 MR. DAVIDSON: Yes.

15 DELEGATE HOGAN: I move the pending question.

16 MR. ARTHUR: In a block these three, airport authority, the commercial center  
17 and the incubator. All in favor signify by saying aye (ayes). Opposed (no response). All right,  
18 moving on, Virginia Heartland Regional Industrial Park. Charlotte County's allocation is  
19 \$844,797 and they requested a total of it. The recommendation from the staff is \$158,000.

20 MR. CLARKE: If I might address the Committee.

21 MR. ARTHUR: You have five minutes.

22 MR. CLARKE: I've done my homework properly and it won't take that long. I  
23 want to thank you gentleman, I want to thank you for what you did. As immediate past president  
24 of the group, those 300 jobs are very important and 65 new ones and 250 that we kept. I want to  
25 commend you for the work you did and commend you for the way you did it so quickly. One  
26 thing about the Commission is that you do business when business needs to be done and we thank  
27 you for that. I brought you the Farmville Herald to show you, those of you that weren't there, the  
28 ground breaking. The Governor came down and the regional heartland park is now a reality and  
29 ground was broken on it. Having said that, the reason I'm really here is to have the \$844,797  
30 restored. I do want to apologize to you. In this application it was my idea that the region submit a  
31 unified application as a region rather than a bunch of individual ones. That's because we were  
32 given the charge by this Commission to be a region and we are a region. If there's one in the  
33 Commonwealth that works together it's us. I'm a little embarrassed that Charlotte County was the  
34 only part of this thing that wasn't totally approved and I accept full credit for that. It's ambiguous  
35 in nature. We use the term contingency and they did it at my request and I want to confess today  
36 and tell you why. All of the \$844,797 is needed to upgrade the sewer system for the Town of  
37 Keysville in order for our regional industrial park to have the 250 to 350 thousand gallons a day  
38 that we contracted with them for. As a result of an inflow problem, they found something that  
39 nobody could foresee and it's got to be fixed. Charlotte County wants to take the money and use  
40 it for that. I didn't want to say that in here because I have four incorporated towns and for  
41 political reasons I didn't want to say we were taking all of Charlotte County's allocation and  
42 giving it to Keysville and that's the truth. It's going to be spent on infrastructure water and sewer  
43 improvements and that's all it's for and it's not a contingency at all. I hope that won't get me in  
44 trouble and I hope it makes it clear and I hope you all accept that. Are there any questions?

45 DELEGATE HOGAN: Mr. Chairman, can you tell us today what has been  
46 invested in this industrial park? How much has the Tobacco Commission invested and what's the  
47 total so people will have some idea of the scope of this project?

48 MR CLARKE: You're our largest partner and we're in excess of \$8 million now,  
49 right, and you're our largest partner. We got \$1.375 million dollars in federal money, we've got

1 some state money and a lot of tobacco money. Charlotte County has put it's full allocation in this  
2 project every year from it's inception. Prince Edward County has as well except this year.  
3 Lunenburg County, up until this year, was the largest contributor to the project. If you fund  
4 Charlotte's request, then Charlotte will be the largest stakeholder in it but actually that's the way it  
5 should be because we're fortunate enough that it's located in our county.

6 DELEGATE HOGAN: Would it be fair to say this money is necessary to get this  
7 \$8 million dollars into action?

8 MR. CLARKE: Yes, sir, it would be. We have to have the sewer system fixed and  
9 there's a lot more to it. The environmental questions have got to be answered and I wanted to  
10 make you aware of that. The drought also made us aware of this problem. This will take care of  
11 it.

12 MR. ARTHUR: Tim, would you like to present your recommendation?

13 MR. PFOHL: The budgeted request as Mr. Clarke indicated, included \$653,000 of  
14 contingency funds for a variety of projects and most of them related to this particular regional  
15 industrial park. We felt that this was in effect extending a line of credit to the county for activities  
16 that would be very difficult to track the progress and the need for the Commission to reimburse  
17 them. We felt the biggest issue with this one was that contingency element.

18 MR. ARTHUR: Thank you. This recommendation was approved for \$158,000 for  
19 fiber optics, if you're going to do the sewer, what happens?

20 MR. CLARKE: Nothing.

21 MR. ARTHUR: That's in the future? Contingency plans was a bad choice of  
22 words.

23 MR. CLARKE: Yes.

24 MR. ARTHUR: What's your pleasure?

25 SENATOR RUFF: Just to clarify it, this is a revenue sharing project for all the  
26 counties including Charlotte, Cumberland and Lunenburg?

27 MR. CLARKE: Yes.

28 DELEGATE HOGAN: Mr. Chairman, I would reject the staff's recommendation  
29 and award the full amount.

30 MR. ARTHUR: The motion is made and seconded. We got to have some  
31 contingencies on that that this money goes to where this gentleman said it was going.

32 DELEGATE HOGAN: That money could be used for water and sewer and for the  
33 development of this industrial park.

34 SENATOR RUFF: Clarke, would you amend that to say that the County will  
35 provide a guideline to the Commission on how they're going to spend the money?

36 DELEGATE HOGAN: Yes.

37 MR. ARTHUR: This young lady here is tracking this project. Would you restate  
38 the motion?

39 DELEGATE HOGAN: That we reject the staff's recommendation and award the  
40 full amount of Charlotte County's allocation to the regional industrial park for the completion of  
41 the water and sewer projects that are necessary for that park's development and Charlotte County  
42 will give us guidelines for how the money will be spent.

43 MR. ARTHUR: Does everybody understand the motion?

44 MR. WATKINS: What's the capacity of the sewer?

45 MR. CLARKE: The sewer is in excess of 250,000 gallons per day.

46 MR. WATKINS: The water?

47 MR. CLARKE: A million plus. Those are conservative figures.

48 MR. ARTHUR: Any further discussion? Does everyone understand the motion?  
49 All in favor signify by saying aye (ayes). Opposed (no response). The motion carries forward.

1 Moving right along, Cumberland County allocation of \$66,445 the staff  
2 recommends the total amount to go with the project.

3 DELEGATE HOGAN: So moved.

4 MR. ARTHUR: It's been moved and seconded, any further discussion? Hearing  
5 none, all in favor signify by saying aye (aye). Opposed (no response). Approved.

6 MR. ARTHUR: We now come to Danville's allocation. Do you want to take these  
7 in a block or not? Nobody's opposed to that?

8 DELEGATE HOGAN: So moved.

9 MR. ARTHUR: If there's no discussion –

10 SENATOR RUFF: Is this in the block or

11 DELEGATE BYRON: Some of these projects are broken down into various  
12 phases.

13 MR. ARTHUR: Do you want to take them one at a time then? All right, we'll take  
14 them one at a time. The first is the Institute for Advanced Learning and Research; \$1 million  
15 dollars.

16 DELEGATE HOGAN: I so move.

17 MR. ARTHUR: It's been moved and seconded. Any discussion?

18 DELEGATE BYRON: I want to make sure where we're at. The \$1 million  
19 dollars, it's going to debt services, the \$1 million?

20 MR. ARTHUR: The start up funds.

21 DELEGATE BYRON: What about the others that are separated?

22 MR. ARTHUR: That was for the wiring and the startup.

23 DELEGATE BYRON: They're all separate?

24 MR. ARTHUR: This one we're talking about here is debt service for the City of  
25 Danville. All in favor signify by saying aye (ayes). Opposed (no response). Approved. City of  
26 Danville, Pittsylvania County Regional Industrial Park, phase I including VRI sanitary sewer, any  
27 discussion?

28 DELEGATE BYRON: Is this what we were doing before?

29 MR. SLEEPER: Yes.

30 DELEGATE BYRON: I thought we did the whole thing.

31 MR. ARTHUR: No, we did the preliminary study.

32 DELEGATE BYRON: Is this completed?

33 MR. SLEEPER: No. Are you talking about the whole VIR project? This is just  
34 the pump station.

35 MR. ARTHUR: This VIR \$450,000, this does not complete the project.

36 MR. SLEEPER: It's a \$4.3 million dollar project for VIR, this is the recipient.  
37 The reason we couldn't do anything is that we had to get this to receive it.

38 MR. GWALTNEY: This helps to receive it into the system. This receives the line  
39 that's being built and funded by the Commission for VIR and this makes it so it can be received in  
40 the Danville system.

41 MR. ARTHUR: There's actually three authorities involved.

42 MR. GWALTNEY: Right. We couldn't take what the Commission has approved  
43 without this to receive it in the system is my understanding. There'll be some other steps later but  
44 this will get it to the point of getting it into the system.

45 MR. ARTHUR: Did I hear a motion?

46 DELEGATE HOGAN: I so move.

47 DELEGATE BYRON: I'll second it.

48 MR. ARTHUR: Any further discussion? All in favor of approving this, signify by  
49 saying aye (aye). Opposed? (No response). It is approved. The next one is the institute start up

1 funds. The County and the city have agreed to use part of their allocation, \$500,000 a piece for  
2 their participation in the start up funds and they agreed to do this out of their allocation. Do I hear  
3 a motion?

4 SENATOR RUFF: Mr. Chairman, I move that we accept the amount requested, the  
5 amount requested figure as the figure that would be used.

6 MR. WATKINS: Second.

7 MR. ARTHUR: The new sheet has that recommendation from staff. The motion  
8 has been made and seconded that we approve the \$500,000 from the City of Danville's allocation  
9 for start up funds.

10 MR. WATKINS: I'd like to make a comment. We have not before and we had a  
11 restriction on using operating expenses and I think all the rest of the communities need to  
12 understand that if they want to do that from here out, it's open for them to do also.

13 MR. ARTHUR: Only for the first year start up funds. That was the long range  
14 plan that we approved. That's the first year. Any further discussion?

15 MR. TAYLOR: The one I'm looking at –

16 MR. ARTHUR: You're looking at the old one. The new one says approved the  
17 entire amount.

18 MR. TAYLOR: No questions.

19 MR. ARTHUR: All in favor signify by saying aye (ayes). Opposed (no response).  
20 That carries. All right, City of Danville, \$500,000 for special wiring and equipment. This  
21 includes the fiber optics, Ethernet systems, broadband communications.

22 DELEGATE HOGAN: Move to accept the proposal.

23 MR. ARTHUR: The motion has been made we accept it as recommended. The  
24 entire amount is recommended. Do I hear a second?

25 DELEGATE BYRON: Second.

26 MR. ARTHUR: Motion has been made and seconded, any further discussion?

27 MR. WATKINS: One question, we looked at this design and they didn't figure the  
28 wiring for the internet or what?

29 MR. GWALTNEY: Tucker, we didn't do that because at that time, the way it was  
30 set up they were just going to set aside in our future allocation an amount of money. We couldn't  
31 do that in order to wire the building.

32 MR. ARTHUR: This building is going to open in September?

33 MR. GWALTNEY: Right.

34 MR. ARTHUR: With it opening in September, it must be approved at this  
35 particular meeting.

36 MR. GWALTNEY: Now, in order to make the deadline.

37 MR. ARTHUR: Any further discussions? All in favor signify by saying aye  
38 (ayes). Opposed (no response). Approved. Moving onto Dinwiddie County. Their allocation is  
39 \$1,072,159. Recommended total \$1,072,159. This is Dinwiddie Industrial Park phase II. Do I  
40 hear a motion?

41 DELEGATE WRIGHT: Move to approve.

42 MR. ARTHUR: It's been moved and seconded, further discussion? Hearing none  
43 all in favor say aye (ayes). Opposed (no response). Approved. Franklin County, we'll take these  
44 individually. On the Ferrum water system improvements, they requested \$250,000.

45 MR. PFOHL: The water system request was \$250,000. Staff recommended  
46 funding contingent on funding from rural development.

47 MR. ARTHUR: Do I hear a motion?

48 SENATOR RUFF: I make a motion to accept as recommended.

49 MR. ARTHUR: The motion's been made to accept as recommended. There's a

1 second. Any further discussion?

2 MR. WATKINS: You said in the past there were no funds for residential water.  
3 We've got a number of communities asking for money for residential water.

4 MR. PFOHL: Our guidelines call for not funding systems or projects that would be  
5 entirely residential. It doesn't give a guideline for what percent of residential would be eligible.  
6 In this case they were talking about 23 non-residential users and among them Ferrum College with  
7 employment of 300.

8 MR. WATKINS: Once we do residential water, we'll receive applications from  
9 them.

10 MR. ARTHUR: I guess you're going to have to show some industrial connection  
11 too.

12 MR. WATKINS: The connection here is institutional.

13 MR. SLEEPER: You have to serve them like an industry.

14 SENATOR RUFF: Mr. Chairman, or Tim, what percentage of the total volume is  
15 Ferrum?

16 MR. PFOHL: I couldn't tell you that. There's some representatives from the  
17 college here. I'm not aware of anybody from the water and sewer authority.

18 MR. ARTHUR: Any further discussion? All in favor signify by saying aye for a  
19 water system (ayes). Opposed like sign. The Ferrum water system is approved. Next in Franklin  
20 County is the Ferrum College Golf Partnership. Staff has recommended not to approve.

21 MR. PFOHL: There's actually a couple of things to note with this particular  
22 request. In addition to the use which calls for assistance in developing architectural documents,  
23 environmental impact statements and other analysis that are needed for construction of an 18 hole  
24 championship public golf course, a multipurpose clubhouse conference center and retail shop.  
25 The applicant noted possibility of hotel lodging. The second item of note with this one is that they  
26 had requested that the approved last year for the Ferrum Industrial Park study which was an award  
27 of \$92,688 be approved for application of this project. So they basically take the FY02 award that  
28 was awarded to this land for another use and apply it to this project so there's kind of two requests  
29 here. As far as the staff review, while the thought was this project is a project that had merit, it  
30 certainly could become an economic engine for the Ferrum area. We felt like going back to the  
31 conversation that had been had with the Committee at their workshops and talking about the kind  
32 of projects whether their direct economic development or indirect if you will, or activities in  
33 support of economic development and this fell into the indirect economic development. We felt  
34 like the job creation numbers were somewhat speculative. So, based on the discussion the  
35 Committee has had in its workshops, we felt like we were going in the direction of not  
36 recommending funding for this.

37 MR. ARTHUR: In the past we've turned down two requests for golf courses and  
38 we refused to hear those. This particular request is in the form of two requests and that is to  
39 redirect monies that were earlier approved which is the \$92,000 and then additional funds to the  
40 golf course. Anyone want to defend this?

41 MR. FITZPATRICK: Mr. Chairman and members of the Committee, I'm Bev  
42 Fitzpatrick and I'm Vice President for Institutional Advancement at Ferrum College. Let me  
43 welcome you to Roanoke. Your Executive Director is a graduate of Ferrum College. We  
44 appreciate this opportunity to come before you. We may not have made our application as clear as  
45 I think we should have and this is not for a golf course literally. Ferrum is in a pretty rural section  
46 of Franklin County. We've seen all of our major businesses and industries leave over the last 35  
47 years and we currently only have a couple of cabinet factories, we loss all of our textile and  
48 manufacturing over this period of time. Ferrum College owns 650 acres and 350 of that is  
49 currently not being used and it lies next to the county industrial park that was put there by the

1 Board of Supervisors. We're asking that we take the money they allocated last year in addition to  
2 the request before you and start to put together a kind of information that will allow us to  
3 encourage investors to look at the proper use of this land. It involves a major cultural conference  
4 center which we have partial funding to do from private funds. We have no marketing  
5 information or nothing that will entice those people to come to Ferrum College to do this kind of  
6 thing. We're interested in the potential use of this industrial park. One of our concerns is that  
7 we're not likely to see major prospects come to the park and we need to understand that better  
8 before we say that park should not be used for that. So this is a comprehensive look at what that  
9 land might be used for and try to create some kind of economic development in western Franklin  
10 County. Thirty-eight percent of the residents of Franklin County go to Henry County either to  
11 work or come here to Roanoke. It's a tragedy because we're not creating jobs and opportunities in  
12 Franklin County for the people there. There's not much industrial property and not much  
13 opportunity. So it's not just what could be used for a golf course but nursing homes, residential,  
14 potential for housing for our own students on a private sector basis. Something that would create  
15 more of a community at Ferrum College. Obviously, I'd be glad to answer any of your questions.  
16 Ferrum College does not have the money to do this on their own. We're willing to get this land  
17 one way or another, to make this partnership work. The real challenge is we face at the moment is  
18 trying to get a partnership with Franklin County and others to induce private sector investment  
19 from that park in western Franklin County. Thank you.

20 MR. ARTHUR: Any questions? Anybody want to ask them any questions? All  
21 right, keep in mind this is a two part request. Do I hear a motion?

22 DELEGATE BYRON: For a golf course? I suggest they go back and reapply or  
23 redo the application and make it more definitive. He's referring that it could be doing other things  
24 and right now it's just a golf course. He talked about other possibilities like a nursing home and  
25 other uses. Perhaps if they took pen and paper and defined a little bit better just what they're  
26 asking for.

27 DELEGATE HOGAN: Mr. Chairman, do you plan on us meeting again right  
28 before next week, Thursday?

29 MR. ARTHUR: No. I don't see that happening between now and then, do I hear a  
30 motion or anything?

31 MR. WALKER: Mr. Chairman, I'd move that we reject this proposal.

32 MR. ARTHUR: A motion has been made that we reject this proposal. Do you  
33 want to ask them to go back to the drawing board?

34 MR. WALKER: I think that's assumed.

35 DELEGATE BYRON: I'll second it.

36 MR. ARTHUR: Any further discussion? All in favor signify by saying aye (ayes).  
37 Opposed (no response). That is rejected.

38  
39 NOTE: A luncheon recess is had.  
40

41 MR. ARTHUR: I call this meeting back in session. The next one on the list is  
42 Greensville County, the allocation is \$221,501. This is for construction of a 300,000 gallon a 125-  
43 foot tall water tank in the County's industrial park.

44 DELEGATE HOGAN: So moved.

45 MR. ARTHUR: It's been moved and seconded we approve. Is there any  
46 discussion? Hearing no discussion, the question has been called. All in favor of approving this  
47 signify by saying aye (ayes). Opposed (no response). Approved. Now we're going into Halifax  
48 County and let's pay attention, this is a lot of money. There's three requests here, is there a  
49 motion to treat them as a block?

1 MR. WATKINS: I move not to.

2 MR. ARTHUR: Then we'll do them one at a time. The first one on the list is  
3 Building One in the Riverstone Technology Park, Halifax IDA, a request for \$3 million dollars.  
4 The staff recommends \$2,700,000 contingent on a 10 percent local match and documentation of  
5 funding to complete the project.

6 MR. WATKINS: I move to approve that.

7 DELEGATE HOGAN: Mr. Chairman, this is a lot of money. We're going to ask  
8 for a variety of reasons and Tucker's got another motion visa vie this project in a similar, he might  
9 ask that we recommend \$2 million dollars at this point.

10 DELEGATE BYRON: Mr. Chairman, what if the \$300,000 was left off of your  
11 recommendation?

12 MR. PFOHL: That's relatively arbitrary, 10 percent to suggest that an appropriate  
13 local match for the current year.

14 MR. ARTHUR: Tucker, do you have a comment?

15 MR. WATKINS: I think it would come under another motion.

16 DELEGATE HOGAN: It would come under another motion. That's why I say we  
17 go ahead and approve \$2 million for that project now and it will become self evident when we  
18 move to another motion.

19 MR. ARTHUR: Do I hear a motion?

20 SENATOR RUFF: There was a motion and I'll second it.

21 MR. ARTHUR: Any further discussion?

22 MR. WATKINS: Why are you cutting back the \$2 million from the \$2.7?

23 DELEGATE HOGAN: Because I think what you're looking at in the context of a  
24 \$200,000 dollar or \$10 or \$12 million dollar project and how that moves forward, it makes more  
25 sense with \$2 million dollars at this point and they can come back and get some started and it  
26 allows them to do some things and they can come back.

27 MR. WATKINS: Does that cause you a problem Scott?

28 MR. MORRIS: I'm Scott Morris, Halifax County IDA. The best thing I would  
29 recommend Tucker is to look at the project as a whole and given the status of where we are with  
30 this project, we are moving forward with the project as a whole as we speak. The request needs to  
31 be looked at, I guess, in terms of the entire project as submitted a grant of \$12.28 million dollars.  
32 The project, the single project and not something that we intended or planned on doing in phases  
33 as suggested. Any grant would be treated just as we've done the institute in making a  
34 commitment in future years. The status of where we are is that we need that commitment on the  
35 project and we have the moral obligation that Halifax County puts behind this as Danville and  
36 Pittsylvania did on the Institute. They put their name and obligation behind this project. We seek  
37 to go out to local financial institutions for participation and seek this money all at once. If we do  
38 that, those financial institutions are going to see two things. Number one, a commitment of the \$2  
39 million dollars at this point which I'm okay with. The other being a commitment from the full  
40 Commission to support the rest of the project assuming funds are available.

41 MR. ARTHUR: Would you restate the motion?

42 DELEGATE HOGAN: We will award \$2 million dollars to that project.

43 MR. ARTHUR: Any further discussion? All in favor of the motion as stated  
44 signify by saying aye (ayes). Opposed (no response). Two million dollars.

45 MR. WATKINS: In the past we made a commitment so long as it did not shrink  
46 other communities monies for the Institute to go to the bank and borrow money and build. Halifax  
47 County needs the same kind of commitment to do this. If the money would be available. If the  
48 monies are available a million dollars per year would be dedicated toward Riverstone.

49 DELEGATE HOGAN: I'll second that. Can I speak to it?

1 MR. ARTHUR: Wait a minute, I'll let you speak to it. I don't know that we or  
2 there has to be something that the full Commission would have to approve. All right.

3 DELEGATE HOGAN: I would just say to the extent that this project is similar in  
4 scope and importance to Halifax as the Institute is to Danville and Pittsylvania County and it's  
5 important for them to put this in the same posture. Therefore, I hope we take that recommendation  
6 to the full Commission.

7 MR. ARTHUR: I think we're going to have to have more information for me to  
8 present that to the full Commission than just we want a letter of credit and we need to know the  
9 extent, the depth of it.

10 DELEGATE HOGAN: Scott, can you provide that.

11 MR. MORRIS: What information do you need sir?

12 MR. ARTHUR: I want to know how much the commitment is and for how long.

13 MR. MORRIS: In the grant proposal it's written out this is a \$12.28 million  
14 proposal. What we're seeking to do with financing is to finance approximately \$10 million dollars  
15 of that project. Depending on the commitment from the Commission, it depends on how we  
16 rearrange the financing. Similar to, with the commitment of a million dollars we would go  
17 through each year and we would do the financing portion again very similar to what's been done  
18 with the Institute. A \$15 million dollar bond was done there. I think it's contingent upon that  
19 amount the way we do it. It's written up as a total project and what we're going to do with that  
20 financing and we've already started to approve the architectural and RFP process and they're on  
21 standby ready to go and we're in the design phase right now of completing the design documents  
22 for the building. We seek to go with financing so we can continue on with the project. With the  
23 commitment from the full Commission we hope that would be done so we can move forward in a  
24 timely manner on this building. Treating it as a whole, I think the dollar amount would be  
25 committed. We have looked at the Commission's long range plan and we have looked at the  
26 amounts that have been considered relates to the Institute based on the allotted percentages that  
27 have been used by this Committee and we're pretty certain that money would be there assuming  
28 the funds continue to come in. This is a priority and the number one supported project supported  
29 by Halifax County Board of Supervisors, by the Chamber of Commerce, the Economic  
30 Development Council, South Boston Industrial Development Authority. This is the primary key  
31 project for Halifax County.

32 MR. ARTHUR: I might have a problem with that by Thursday. To make sure I  
33 got all the information in my hand in order to present that. I'm sure I'm going to need that in  
34 order to make a presentation to the full Board.

35 MR. MORRIS: You'll have it.

36 MR. TAYLOR: Mr. Chairman, you're looking for future funds of several million  
37 dollars?

38 MR. MORRIS: We're looking or we need the ability to go and finance this project  
39 as a whole and that requires that we put a priority on the project from the Commission standpoint  
40 and lock in the monies for a future date assuming that they would be here. We're making an  
41 assumption that this will continue on and the funding will continue from the Tobacco Commission  
42 and those dollars will be there and allocated for Halifax County. We're asking and we want to  
43 continue to look to the Commission for support for this particular project and is our key primary  
44 project. If the funds are there that we allocate into this project, that's what Halifax wants to do.  
45 They've put their moral obligation behind it stating to the bank that if something happens and the  
46 dollars aren't there from the Commission they're on the hook for this project just as Pittsylvania  
47 and Danville are if the money goes away for the Institute.

48 MR. ARTHUR: The buck stops with you all.

1 MR. MORRIS: The banks are simply looking for a commitment that those dollars  
2 are going to be there if available but the bucks stops with us.

3 MR. TAYLOR: The IDA or Halifax has committed \$2 million?

4 MR. MORRIS: The \$2 million 280 and if you go back to the staff  
5 recommendations on the \$3 million and ten percent for local match. The way we're financing the  
6 project is going to create somewhere between a million or two million worth of interest similar to  
7 what was done on the institute project. Basically we're committing anything above the \$10  
8 million and we're certain that at least 10 percent above the \$10 million will have to be required  
9 from the community depending on the scope of the project. We are definitely committed to 10  
10 percent match on the whole \$10 million.

11 MR. ARTHUR: Any further discussion?

12 DELEGATE HOGAN: Is there a motion on the table yet?

13 MR. ARTHUR: Yes, it is. Is there a motion to that effect, to the full Board?

14 DELEGATE HOGAN: So moved.

15 MR. ARTHUR: State that for the record.

16 MR. WATKINS: I would move that Halifax County commit \$1 million dollars per  
17 year subject to not affecting the allocation of any other county, that funds were declined from,  
18 Halifax County get a million dollars a year and that future funds be allowed to the Halifax County  
19 IDA to fund parts quicker than otherwise would be done.

20 DELEGATE HOGAN: Second.

21 MR. ARTHUR: The motion has been made and seconded, any further discussion?  
22 All in favor signify by saying aye (ayes). Opposed (no response). It carries.

23 MR. PFOHL: Mr. Chairman, Ms. Cushmac asked me to clarify. If \$2 million  
24 dollars is approved for FY03, does that include any contingencies or ten percent match or anything  
25 along those lines?

26 DELEGATE HOGAN: Mr. Chairman, that's not included in the motion. In all  
27 fairness, I think Halifax County's commitment far exceeds \$2 million dollars at this point. I think  
28 there's already 3 or 4 or 5 million dollars on the project.

29 MR. ARTHUR: Is everyone happy? All right. Moving right along. The next one  
30 is a Highway 360 water sewer extension project, Town of South Boston for a million 251.  
31 Funding requested to assist with the extension of public water and sewer service to South Boston  
32 Speedway, the William Tuck Airport and the Edmonds Memorial Park, a county owned 440-acre  
33 recreational park currently under development. The staff has recommended a \$1,221,346  
34 contingent on providing current \$30,000 local match.

35 MR. WATKINS: I move approval.

36 MR. ARTHUR: Is there a second? Motion is made and seconded.

37 MR. WATKINS: Discussion.

38 MR. WALKER: Mr. Chairman, in the original application there was something  
39 about residential development, do you have the particulars of that here?

40 MR. PFOHL: It talks about commercial development, the Tuck Airport, extension  
41 of existing businesses, I'm not finding anything in regard to residential on that.

42 MR. ARTHUR: Scott, can you address it?

43 MR. MORRIS: I have not had an opportunity to review this proposal. That's an  
44 area that's a multi-use area and mixed recreation, commercial and out in that area is general  
45 residential. I don't know that the grant was submitted for that purpose. I think the primary intent  
46 was to open up the area for a commercial but I have not read the proposal.

47 DELEGATE HOGAN: Mr. Chairman, would you say by looking at the Tuck  
48 Airport and South Boston Speedway that the Speedway is closest to Tuck Airport and South  
49 Boston Speedway.

1 MR. MORRIS: I think in terms of proximity as far as development opportunities  
2 as the grant was submitted, I would say the area around the Edmonds area as well as the Speedway  
3 is one of our primary local assets and that would be the first to come across where the water and  
4 sewer would hit and probably be a priority area.

5 MR. WALKER: Mr. Chairman, contingent on clarifying this part about the  
6 residential since nobody seems to be able to address it, I've been told a residential subdivision  
7 development would be part of this which would possibly be private. I would move to accept the  
8 proposal to take it out to the South Boston Speedway and stop there until we get more definition  
9 of whose going to be the beneficiary of it.

10 DELEGATE HOGAN: Second.

11 MR. ARTHUR: There's been a motion and a second. Any further discussion?  
12 Hearing none, as I understand the motion, it is to approve contingent on taking it as far as the  
13 Speedway and pending further clarification as to whether its primary purpose past there would be  
14 to benefit a residential section.

15 SENATOR RUFF: Mr. Chairman, are we clarifying that in dollars?

16 MR. ARTHUR: No, it hasn't been qualified in dollars.

17 DELEGATE HOGAN: I'd say it's dependent on coming back with a plan. My  
18 understanding is that something about or less than half million dollars but they'll have to come  
19 back and tell us and I think they can do that.

20 MR. ARTHUR: Mr. Walker, would you like to restate your motion and clarify it.

21 MR. WALKER: Could I ask Tim or Scott how much of a problem would it present  
22 to you if we didn't approve it and table it until July so we could get this information before us?

23 MR. MORRIS: I don't know of anything to my knowledge that's eminent but I  
24 know the racetrack is operational and I think this is more for future opportunities to be created so I  
25 don't know that, I'm not aware of anything that I'm working on or that I'm aware of or the County  
26 is working on that's eminent at this point. So I'd say it's not a major significance to withhold it  
27 and wait until that happens either way.

28 MR. WALKER: We could move towards a speedway so it doesn't mess them up.

29 MR. ARTHUR: I understood you to say to table it until the July meeting.

30 MR. WALKER: I think we need to let them proceed to the speedway. I mean to  
31 table the portion beyond the speedway.

32 MR. ARTHUR: Are you putting a dollar amount on it?

33 MR. HOGAN: Mr. Chairman, I think by Thursday before the full Commission we  
34 can clarify and bring that number to the Commission for approval.

35 MR. MORRIS: I think we can quantify the percentage to take it to the speedway  
36 and get a number. We can quantify what it takes to get to the speedway by Thursday.

37 MR. PFOHL: I can't find any reference to residential in here. There may be  
38 residential zoned areas that could be served but they don't mention it in the application and we  
39 don't have a breakout as far as costs.

40 MR. ARTHUR: Are you saying that approximately 25 percent to get to the  
41 speedway?

42 MR. MORRIS: I would say somewhere between half and 25 percent but I don't  
43 know the number.

44 MR. ARTHUR: Gary, do you approve 33 percent?

45 MR. WALKER: If that's sufficient to get you to the speedway.

46 MR. ARTHUR: He said between 25 and a half.

47 MR. MORRIS: I can't quantify that number but I'd say before Thursday, we can  
48 have a number on Thursday that would be an engineering based number.

1 MR. ARTHUR: The full Commission is not going to actually hear these figures  
2 and in general, I'll make a recommendation that it's the recommendation of the staff which is this  
3 Committee and they're going to take it as a block so the numbers are not important to the full  
4 Commission but it's important to us. Do I hear a recommendation?

5 DELEGATE HOGAN: We can hold it until the July meeting.

6 MR. ARTHUR: Do you want to table the whole thing. Come on, let's move along  
7 here now. Delegate Hogan is recommending we table it until July Gary.

8 MR. WATKINS: Second.

9 MR. ARTHUR: That was the motion, table it until the July meeting, we'll meet  
10 before then with this Committee.

11 SENATOR RUFF: Mr. Chairman, I agree it probably should be tabled but with the  
12 recommendation that the staff and the community work out an alternative proposal.

13 DELEGATE HOGAN: We'd be willing to accept that.

14 MR. ARTHUR: Any further discussion? The recommendation is tabled until prior  
15 to the next committee meeting subject to the staff working out more details. All in favor signify  
16 by saying aye (ayes). Opposed (No response). Moving along. The Imperial Outlet Mall and  
17 Business Center, Town of South Boston, \$1,000,015.00. The staff recommends funding of  
18 \$50,000 per the master plan development.

19 MR. WALKER: I'd like to move that we reject that proposal Mr. Chairman in  
20 total.

21 MR. ARTHUR: The motion has been made to reject this plan in total.

22 DELEGATE BYRON: Second.

23 MR. ARTHUR: The motion has been made and seconded, any further discussion?  
24 Hearing none, all in favor of rejecting signify by saying aye (ayes). Opposed (no response). It is  
25 rejected. Henry County's allocation site development at Patriot Center at Beaver Creek. The staff  
26 has recommended approval as proposed. Do I hear a motion?

27 MR. WATKINS: Motion to approve.

28 MR. TAYLOR: Second.

29 MR. ARTHUR: The motion is made and seconded, any further discussion?  
30 Hearing no further discussion all in favor signify by saying aye (ayes). Opposed (no response).  
31 Henry County is approved. Lunenburg County's allocation is next. \$1,170,646. Recommended  
32 \$1,005,000 leave a balance of \$165,664. This is for the Victoria water treatment plant upgrade  
33 \$1,005,000.

34 DELEGATE WRIGHT: I move approval of this proposal.

35 DELEGATE HOGAN: Second.

36 MR. ARTHUR: A motion is made and seconded that we approve Victoria's water  
37 treatment plant. Any further discussion?

38 MR. WATKINS: Is that money available for projects like this Tim?

39 MR. PFOHL: Yes, depending on who the beneficiary would be. There could be  
40 any number of sources.

41 MR. ARTHUR: There is a contingency on this.

42 MR. WATKINS: I'm just wondering if this is the best place to get the money.

43 MR. PFOHL: They don't propose this as matching.

44 DELEGATE WRIGHT: The Commission approved the very same project last  
45 year.

46 MR. ARTHUR: Hearing no further discussion, is there a motion to approve?

47 MR. HITE: So moved.

48 DELEGATE BYRON: Second.

1 MR. ARTHUR: There's a motion made and seconded, if there's no further  
2 discussion all in favor signify by saying aye (ayes). Opposed (no response). That carries.  
3 Moving onto the Mecklenburg County allocation \$3,120,278. Do you want to take them  
4 individually? All right. Boydton Courthouse Square water project, Town of Boydton, \$83,745.  
5 Recommended funding contingent on funding from DHCD, \$700,000 matching. Any discussion?

6 SENATOR RUFF: Move to approve.

7 DELEGATE WRIGHT: Second.

8 MR. ARTHUR: Motion made to approve and there's a second. Any further  
9 discussion? All in favor signify by saying aye (aye). Opposed (no response). Chase City water  
10 pretreatment facility, Town of Chase City, \$750,000.

11 DELEGATE HOGAN: Move to approve.

12 MR. ARTHUR: Motion is made and seconded to approve. Any discussion?

13 DELEGATE BYRON: Mr. Chairman, I would like to point out that at our last  
14 meeting we had in Richmond that some of the things we're approving in here are water related.  
15 I'm anxious to get moving along with the discussion we had with regard to the checklist that we  
16 were going to get maybe for future meetings to see where the water improvements fit into the  
17 overall economic development and as far as if they're completed or how much more money needs  
18 to be spent to improve an area and we should make note of that.

19 MR. ARTHUR: I believe a subcommittee was appointed for that.

20 DELEGATE BYRON: We're waiting for the staff to get back to us on that  
21 information and I think they've been busy with these grants and other issues.

22 MR. ARTHUR: This recommendation for funding with a contingency of a ten  
23 percent match.

24 DELEGATE HOGAN: So moved.

25 MR. ARTHUR: It's been moved and seconded, no further discussion?

26 MR. WATKINS: I'm looking at Boydton and we're giving them \$80,000 and  
27 they're getting \$700,000 from DHCD and here we're going to fund \$750 with a match of ten  
28 percent. Looks like we're missing the boat again here, we're just not getting the other dollars that  
29 we should be getting for these water projects.

30 MR. PFOHL: I think what we anticipate doing now that we have staff on board to  
31 work with the regions so we can get with these applicants and make sure that they've talked to all  
32 the other appropriate funding authorities I would anticipate next year you won't see many of these  
33 come in without other sources.

34 SENATOR RUFF: Mr. Chairman, I would point out that I think they probably  
35 have looked at the other alternatives and the reality is that one industry is causing problems that  
36 have to be dealt with that's not on the federal government's time but it's on the community's  
37 timeframe.

38 MR. WATKINS: Well, checklist on these projects when it comes to water and  
39 sewer, have they asked for other funds. They've just done it and it just that we happen to be easier  
40 for them to ask for funds.

41 MR. HITE: This is a very good project and I'm familiar with the project.

42 MR. RANDOLPH: I just want to clarify that it's much more than ten percent. We  
43 have funds from the DHCD on that. It's a matter of \$650,000. We got much more than ten  
44 percent.

45 MR. ARTHUR: The motion has been made and seconded. If there's no further  
46 discussion all in favor of approving Chase City's water treatment plant signify by saying aye  
47 (ayes). Opposed (no response). Lake Country Multi-Tenant Building, Town of Clarksville IDA,  
48 \$550,000.

1 DELEGATE HOGAN: Mr. Chairman, can we take those next three as a block?  
2 The Lake County and the Mecklenburg, Airport and the Northside Industrial Park Site  
3 improvements. Does anybody object to that motion?

4 DELEGATE WRIGHT: Second.

5 MR. ARTHUR: A motion has been made and second that we approve the next  
6 three projects as a block. Not hearing any objection and no further discussion, all in favor of the  
7 three signify by saying aye (ayes). All opposed (no response). Those three are carried. All right,  
8 site work for Boydton Comprehensive Medical Center.

9 DELEGATE HOGAN: Mr. Chairman, I'd make a motion that we send this to  
10 special projects. I'm just not comfortable spending, I just don't think that this should, I'm not  
11 comfortable spending this on a privately owned facility. I'd make that motion.

12 MR. ARTHUR: I was going to raise that myself and I understood it to be privately  
13 owned so I personally have a little problem with that. Did anyone read it differently?

14 MR. PFOHL: They checked that they're a 501(c)(3) nonprofit on their application.  
15 The nonprofits are eligible applicants.

16 MR. ARTHUR: They are nonprofit? Any discussion?

17 MR. PFOHL: Ms. Hill the Executive Director is here.

18 MS. HILL: My name is Carolyn Hill. I'm the Executive Director and we most  
19 certainly are private nonprofit since 1987. I put a copy of our IRS determination letter in with our  
20 application. The Comprehensive Medical Center is actually as it, it has two outcomes we believe.  
21 One is rehabilitating an entire square block of the town square. About two-thirds of it will be for  
22 the Comprehensive Medical Center and two other buildings will be rehabilitated to be put into  
23 commercial use. The Medical Center brings a lot of traffic into Boydton and Boydton is a town  
24 that has suffered over the last 50 years. The change of the Dam and routing of 58. We feel it is an  
25 important part of the revitalization of the center part of the County. We not only are contributing  
26 to the Town of Boydton but our efforts are going to help build infrastructure into the County that  
27 allows the lower paid skilled worker to still have access to primary care and our services are based  
28 on income. About 27 percent of our revenue comes from primary health care in order to assist  
29 patients who don't have insurance. That's what we call underinsured. We feel like having the  
30 primary care services in Mecklenburg in the center of the County also would be an attractive  
31 feature. We have also tried to find ways to show partnership from a lot of areas to make it truly a  
32 community-based activity. We're proud we're going to be making a significant face-lift to the  
33 Town of Boydton. What we've already done helps to drive our feelings about our economic  
34 impact. When we opened the pharmacy three years ago in our town of 474 people we found two  
35 years later we had close to 2,500 users of the pharmacy. This past year we had 3,000 unduplicated  
36 users. So from that we've pulled traffic into Boydton that we are an economic engine for the  
37 town.

38 SENATOR RUFF: How would this change the service you're providing today?

39 MS. HILL: It would expand the service and right now we have 2,400 square feet  
40 of a modular building that we meant to be temporary when we erected it in 1987. We're unable to  
41 take advantage of the present initiative to add dental services, mental health care services through  
42 community health centers. We didn't have room on that lot to do it and it became apparent that  
43 we could take advantage of historic tax credits to rehabilitate those derelict buildings and bring  
44 some life into the town with that. President Bush has spent a significant portion of his healthcare  
45 budget pouring it into services for community health centers because we've proven to be very  
46 effective with what we can do with the tax dollars.

47 MR. ARTHUR: Your organization is going to own the building?

48 MS. HILL: Yes, we and USDA.

1 MR. ARTHUR: We have a motion on the floor and its been seconded. Would you  
2 restate the motion?

3 DELEGATE HOGAN: Because to a certain extent we're going off an uncharted  
4 territory with this facility but not only serving Boydton and Mecklenburg but serving other  
5 counties as well, I would suggest that we recommend this or we send it to the special projects and  
6 let them look at it if they want to get into the funding of it, of this regional healthcare center. One  
7 of my concerns is that we'll see five or six more of these if we right this check. I'm not sure that's  
8 the way we want to go with the Southside dollars and therefore, I move that we send it to special  
9 projects.

10 MR. ARTHUR: You've heard the amendment, is there a second?

11 DELEGATE BYRON: Second.

12 MS. HILL: Could I make a comment?

13 MR. ARTHUR: It's not really open for discussion.

14 MS. HILL: I would like to say we are pioneering this project for USDA rural  
15 development also. They were okay with funding a community facility but it never occurred to  
16 them nor had they thought through the medical center being an economic development project.  
17 We had a lot of national attention with this. We understand that if you do medical centers and  
18 ours is a primary care and not a hospital. If you do primary care health facilities and one of the  
19 things we're hoping as an organization and members of our own association are trying to promote  
20 how that is done in a way that stimulates the area economy as well. Numerous numbers from  
21 Oklahoma University have been studied that support this.

22 MR. ARTHUR: Thank you Ms. Hill. You've all heard the motion. It's been  
23 restated and seconded. Any further discussion?

24 DELEGATE WRIGHT: Would you please restate the motion?

25 DELEGATE HOGAN: I move that we send this project to the Special Projects  
26 Committee with the idea in mind that special projects can look at this project from a regional  
27 standpoint and consider whether or not we want to get involved in providing healthcare to the  
28 rural areas. I don't think that's for us and for that reason I make that motion.

29 DELEGATE WRIGHT: I think it's an excellent project and can be considered by  
30 special projects but I don't want to send it to special projects with the connotation that we don't  
31 approve it. I'm not sure if you're going quite that far or not.

32 DELEGATE HOGAN: It's not my intent to prejudice it one-way or the other. If  
33 you could restate the motion that doesn't prejudice it.

34 DELEGATE WRIGHT: If you could just stop and say refer it to special projects.

35 DELEGATE HOGAN: I'll withdraw my motion.

36 MR. ARTHUR: Jack.

37 MR. HITE: Tim, would you explain the staff's rational for recommending  
38 funding?

39 MR. PFOHL: We looked at this and thought that if there's such a thing as smart  
40 growth, this is probably it. This is an organization that's utilized the 501(c)(3) tax exemption,  
41 they've leveraged our money with ten times the amount through the USDA loan of \$3.4 million  
42 and they've got a pending application for a community development block grant for \$700,000 and  
43 I think this is the first and only case in this pool of money here this year where they actually sold  
44 historic tax credits that generated over a half million dollars for the project. In addition, they are  
45 renovating a block of buildings in the historic courthouse square and it fits in nicely with the  
46 community development block grant revitalization project that's going on with the courthouse and  
47 we felt like it was a good fit.

48 MR. HITE: If it goes to special projects, would your recommendation be the  
49 same?

1 MR. PFOHL: Yes, I think the review would be very supportive of the use of a  
2 variety of sources of funds.

3 MR. ARTHUR: When's the next committee meeting?

4 MR. PFOHL: Tomorrow morning.

5 DELEGATE WRIGHT: I believe Delegate Hogan has agreed to restate his motion.

6 MR. ARTHUR: He's withdrawing his motion.

7 MR. HOGAN: Well, I'll say that I'll make a motion to send this project to the  
8 Special Projects Committee.

9 DELEGATE WRIGHT: I'll second it.

10 MR. ARTHUR: The motion is made and seconded. All right.

11 MR. WALKER: The South Hill Hospital is nonprofit and South Boston and  
12 Halifax is nonprofit and they both have facilities in Chase City. Won't both of them, South Hill is  
13 the closest one, South Boston is renovating and adding onto one. If we're opening the door, will  
14 we have to help pay for those facilities?

15 MR. PFOHL: I recognize that and that's probably a valid concern. To what extent  
16 are you sending a signal to future applications for projects of this type are going to be considered  
17 for economic development funding. So yes, that's probably the flip side of this.

18 MR. WALKER: Mr. Chairman, the pharmaceutical part of this project, is there any  
19 room in here for private industries to get involved in this. I think private industry is going to be  
20 thinking about this and if it's feasible then you'll have another knock on the door.

21 MR. PFOHL: I'd have to refer to Ms. Hill in response to the market demand for  
22 pharmaceuticals.

23 MS. HILL: With pharmaceuticals, we did open the pharmacy in town. We  
24 expected that primarily our customers would be people that come to us on a sliding fee because we  
25 could offer them a reduced rate on their pharmacy needs. We set the charges in our pharmacy  
26 consistent with the general market because we were not interested in being competitive in the  
27 market. It just happened to be that we turned out to be convenient for the courthouse and the  
28 surrounding area. All the physicians in the area are happy to send patients with their prescriptions  
29 to us. We did manage with just our own two providers to provide almost a half million dollars of  
30 free medication to the community, Mecklenburg County. Then we also reduced the rate of about  
31 \$200,000 worth of pharmacy because patients were indigent.

32 MR. WATKINS: The question I have and I know how South Hill and South  
33 Boston are about doing clinics or whatever. I'm just wondering if one of those won't pick this up  
34 if they thought it was expanding the market share.

35 MS. HILL: We have the market share they don't want because we have the  
36 uninsured or the underinsured. They don't want that market.

37 DELEGATE WRIGHT: Mr. Chairman, I think this project was a little different  
38 because this is involving tax credits but I think this could be, since they're using or they're  
39 renovating buildings and so forth. So I think from several standpoints it could be defended very  
40 easily.

41 MR. ARTHUR: The motion was to send it to special projects and I don't want to  
42 be accused of ducking the issue but I don't see it as economic development, I see it as a special  
43 project and I think that's where it should be.

44 MR. TAYLOR: I do have a question. Tim, did you find duplication in this  
45 application, in this courthouse square project?

46 MR. PFOHL: No, we investigated that because that was one of our initial concerns  
47 when the reviewers got together to read this. This particular application from the community  
48 health facility will address some of the site improvements of their site. The Boydton Courthouse  
49 Square water project will be in the public right of way. The town of Boydton was the applicant on

1 that one and that will be water lines running in the public right of way in front of the community  
2 health facility. It was a cost that was not anticipated when they applied for a community  
3 development block grant to do the rest of the water system in the Courthouse Square.

4 MR. ARTHUR: All right, the motion was made and seconded to refer this to  
5 special projects so that \$300,000 will stay in the Mecklenburg allocation. All in favor, signify by  
6 saying aye (ayes). Opposed (no response). All right, it's referred to special projects.

7 MR. RANDOLPH: Mr. Chairman, on Mecklenburg County, you all passed two  
8 projects to the Special Projects Committee; one of those is the Lake Country and the Estes Center.  
9 Both of these projects we think are economic development projects. Both of them was really  
10 important in training and retraining people. We have no problem with it being educational funded  
11 other than the timeframe. We've got to get this addressed, the Lake County Multi-Center finished  
12 by the end of August. I just wanted to point that out to you and see if you can get this going.

13 SENATOR RUFF: We have a process established that we'll look at proposals in  
14 August. That means if you want to be ready by September 1<sup>st</sup>, it would be impossible to get it  
15 approved. Once the Committee approves it, then it will have to go to the full Commission at the  
16 October meeting and that will not work. Both of these are time sensitive and both are obviously  
17 educational issues. Mecklenburg County believes that we have so much ground to make up in  
18 education that these two functions are more important than some other economic development  
19 issues. We will be meeting Wednesday morning.

20 DELEGATE HOGAN: Mr. Chairman, for my edification, we're sending this  
21 project to special projects and the \$667,000, we have sources to meet both the Estes Center and  
22 the South Hill and the Lake Country Center out of the Mecklenburg County allotment, is that true.  
23 Then I so move.

24 DELEGATE WRIGHT: I'll second it.

25 MR. ARTHUR: State your motion.

26 DELEGATE HOGAN: I move we fund the two projects, the Estes Center and the  
27 Lake Country Development Center out of the Mecklenburg County allotment.

28 MR. ARTHUR: The motion has been made that the Mecklenburg County Estes  
29 Center and the Lake Country Advanced Knowledge Center totaling \$981,900 be approved out of  
30 the Mecklenburg County allocation. We do not have a staff recommendation on these. Tim, do  
31 you have anything?

32 MR. PFOHL: They're both very successful facilities that are stellar projects for  
33 their region. I think the staff review would be very supportive of both of those.

34 SENATOR RUFF: Mr. Chairman, I would disagree that there was not a rating.  
35 One of them received a 76 and the other received a 75.5 which were the two highest ratings that  
36 were awarded for all the projects.

37 MR. ARTHUR: You're looking at a different songbook than I am.

38 MR. HITE: Mr. Chairman, both of these projects are on a timeframe that needs  
39 attention and I'd certainly ask this Committee to act favorably on the motion.

40 MR. ARTHUR: The motion has been made and seconded to fund these two  
41 projects out of Mecklenburg's allocation or the remainder of it, staff says we have the funds. If  
42 there's no further discussion, all in favor signify by saying aye (ayes). Opposed.

43 MR. WALKER: No.

44 MR. ARTHUR: Let the record reflect there is one no. Nottaway County  
45 allocation, \$290,125 and they requested \$400,000 for these two projects. I think we need to look  
46 at these individually as opposed to a block. Any objection to that? The first one being the Crewe  
47 Railroad Historical Museum, Town of Crew requesting \$110,000 and the staff has recommended  
48 no funding but what's your pleasure?

49 DELEGATE HOGAN: Move approval.

1 MR. WALKER: Second.

2 MR. ARTHUR: The motion has been made and seconded, the motion has been  
3 made and seconded to disapprove the recommendation. Discussion.

4 MR. WALKER: To approve the recommendation.

5 MR. ARTHUR: Of no funding. To accept the staff's recommendation of no  
6 funding.

7 MR. WATKINS: Anyone from Nottaway here?

8 MR. ARTHUR: Hearing no further discussion, everyone in favor of accepting the  
9 staff's recommendation signify by saying aye (ayes). Opposed (no response). All right, that's  
10 disapproved. Nottaway County Community Resource project, \$290,125.00. Recommended  
11 funding contingent on submission of status report from previous award activities and the master  
12 plan for the project.

13 DELEGATE WRIGHT: I move we approve the project.

14 MR. ARTHUR: There's a motion that we approve the project as proposed by staff.

15 MR. WATKINS: Do we have a staff report on this project?

16 MR. PFOHL: Yes, they have met the contingency from last year and they're  
17 getting under agreement right now so at this point they're at the point now where they can start  
18 drawing down last years' money. They've drawn down some of that FY01 money that was  
19 awarded to them up front. They submitted annual reports saying they spent some of that money  
20 from 01.

21 MR. WATKINS: Should we be looking as a Committee, looking at the reports  
22 where we, what's going on and what we've given them. Particularly one like this that is  
23 apparently a continuing project. Particularly this one involves a farmer's market and a  
24 commodity-clearing house to area farmers.

25 MR. PFOHL: One of the top priorities for the two regional grant administrators is  
26 to take the FY01 projects and figure out what they're doing with that money. They're in  
27 possession of copies of all the files from 01 and that's their first item of business when they get set  
28 up.

29 SENATOR RUFF: Mr. Chairman, as I'm reading this, in one or two paragraphs  
30 tell me what they really are trying to accomplish?

31 MR. PFOHL: I'd characterize this as a very complex multi-piece puzzle. This is a  
32 challenging project because they are trying to do so many things. I think they did a fair job of  
33 stating what the various functions are and what some of the costs will be. It was somewhat  
34 confusing to read numbers referred to two or three times but it's a multi-faceted project.

35 MR. ARNO: Mr. Chairman, as one of the people who was in on the review  
36 process, I would agree with Senator Ruff's observation. I read the application two or three times  
37 and I couldn't get or tell what the proposal was.

38 SENATOR RUFF: That's why you didn't rate it?

39 MR. ARNO: That's exactly why I did not rate it.

40 MR. ARTHUR: Can we get more information due to everybody not understanding  
41 what's happening?

42 DELEGATE BYRON: I move we table it.

43 MR. ARTHUR: There's a motion that we table this. We have a motion and the  
44 Committee doesn't understand what this is all about and I think the motion to table it is proper  
45 until the next meeting. Do I hear a second? Motion is made and seconded, any discussion?

46 DELEGATE WRIGHT: I have a motion and that is to approve it. Based on the  
47 discussion, I don't think I'll ask to call that motion. If it's going to be tabled then I'd ask staff to  
48 answer a couple of questions that the Committee has raised before our meeting on Thursday so  
49 action can be taken on Thursday. The staff has approved it and the Committee seems to have

1 questions.

2 MR. ARTHUR: I think the staff admitted they didn't know what they were  
3 reading.

4 DELEGATE WRIGHT: I'd like to see the answers from the staff.

5 MR. ARTHUR: Do you want to call a special meeting of this group on Thursday  
6 morning? If we're going to table it, we'll table it until the July meeting.

7 DELEGATE WRIGHT: This is the entire request of the county. It's the only thing  
8 we're going to be able to do for them and I feel bad about them not having a chance to enter input.  
9 Since it was approved by staff, I assumed they think it's probably not a problem.

10 DELEGATE BYRON: Following up on this I'm sure that it's noteworthy, we  
11 can't understand what they're trying to do and they can't get that message across but I'm not sure  
12 they totally are sure what they're trying to do. We just have an estimate of \$85,000. We have an  
13 estimated \$85,000 on salaries and maintenance. It's still undefined and there's a lot in here that's  
14 not understood.

15 MR. WATKINS: We have to move on our meeting and let them have an  
16 opportunity to talk to them before Thursday's meeting. If it takes 20 minutes before the meeting I  
17 don't think that's bad or they can come to Halifax but we should accommodate them and give  
18 them that opportunity. I don't think we should wait until July.

19 MR. ARTHUR: There's a recommendation that we table it today pending further  
20 information from Nottaway by Thursday. Pending not hearing from them by Thursday to table it  
21 until July. Everybody in favor of that signify by saying aye (ayes). Opposed (no response). All  
22 right, tabled until Thursday pending further information. Patrick County's allocation is \$522,813  
23 and they requested \$326. We need to take them one at the time. The Jeb Stuart Birthplace Visitor  
24 Center requesting \$180,000. The staff recommends no funding. I passed this by the Patrick  
25 County rep and she's satisfied with it.

26 DELEGATE HOGAN: I'll move it's disapproval.

27 MR. ARTHUR: It's been moved that we disapprove this and seconded, discussion.

28 MR. MUNDY: I'm Eric Mundy and I'm the grant applicant and I am on the Board  
29 of that organization and former president of the Chamber of Commerce and on the Industrial  
30 Development Authority. I think the reason your staff recommended no funding was that was  
31 primarily viewed as a museum development project. We view it more in heritage tourism  
32 development and I know this Board has funded some projects in the past. The year before that,  
33 Patrick County was funded a website and in the northern end of the county the Visitor Center  
34 request from the Chamber of Commerce. The Jeb Stuart site is in the western end of the county.  
35 We have two heritage tourism sites in Patrick County and one is the Reynolds Homestead which  
36 has a significant association with the tobacco industry and then the Jeb Stuart birthplace. There's  
37 no structure on this site and all we have to offer for visitors right now is a field with an  
38 archeological dig and a few plaques. The installation of this visitor's center which is two tobacco  
39 barns which would be moved onto the site, it would have some interpretive plaques, regional  
40 tourism. We're interested in the handicapped accessible restrooms as well as regional tourism  
41 information. The largest draw for the homestead at this time is the civil war reenactment which is  
42 the best-attended event in the county even more than the peach festival. We receive about 5,000  
43 people at this every year. We're not asking for marketing money but if we had some sort of  
44 facility there which would be more effective and get these tourists there and keep them a little bit  
45 longer than the 20 minutes that it takes to see the site. It's hoped that they will spend a little more  
46 time in our community and spend a little more money. Now, we have a marketing budget of  
47 \$8,000 and tourism is the third or fourth highest industry in Patrick County.

48 We receive more money from tourism than Floyd County does, if you're familiar  
49 with the reputation that Floyd County has. We're hoping that with the enhancement of the site we

1 will be able to increase tourism development overall in the county. I coordinated this application  
2 with Mike Burnett who is the County Economic Development Director so it would not be  
3 competitive.

4 The County doesn't have any large economic development projects on their plate  
5 this year and tourism is something that our industrial development authority that has been merged  
6 with us. It's a long-term goal of the county and we don't have the infrastructure and workforce to  
7 put into a large-scale development. It's our opinion that the amenities that the County has to offer  
8 lend themselves more to tourism development and this is one of the premier sites in the County.

9 MR. WALKER: Are you saying that this Commission in Patrick County approved  
10 this project?

11 MR. ARTHUR: No, I flew these two projects by her earlier this morning and gave  
12 her a staff recommendation. She accepted the staff recommendation.

13 MR. WALKER: She approved not funding it?

14 MR. ARTHUR: Not funding it. She didn't say it in those words but she said I go  
15 along with that. She was very high on the Rich Creek project and not quite as high as the Jeb  
16 Stuart.

17 MR. MUNDY: I don't know that we've had any communications with Ms. Terry  
18 about this application. I'm not the one to communicate that to her and I don't know if another  
19 member of our Board is suppose to be the one to communicate that to her or not.

20 DELEGATE HOGAN: We'll give you the opportunity to work on that relationship  
21 but I would call the question.

22 MR. ARTHUR: The question's been called and the question was to follow staff's  
23 recommendation. All in favor signify by saying aye (ayes). Opposed.

24 MR. WALKER: No.

25 MR. ARTHUR: One opposed.

26 SENATOR RUFF: Mr. Chairman, Mr. Mundy, yes, we did approve some things in  
27 the past and the direction from the full Commission was we were not to do that in the future.  
28 That's the rub between then and now.

29 MR. ARTHUR: Next project Rich Creek Corporate Park site development project.  
30 Requested \$146,500. The staff has recommended funding as proposed as a recommendation for  
31 approval.

32 DELEGATE HOGAN: I move that we approve it.

33 MR. ARTHUR: There's a recommendation that we approve it and a second. A  
34 motion has been made and seconded, any discussion? Hearing none, all in favor signify by saying  
35 aye (aye). Opposed (no response). That carries. Moving onto Pittsylvania County. Their  
36 allocation is \$5,619,167 and their total request is for \$5,135,000 and the recommendation from the  
37 staff is \$4,850,000. Let's take them one at a time. Institute for Advanced Learning and Research  
38 start up operational costs request for \$500,000 which goes along with Danville, Pittsylvania  
39 County's part of the same money that we approved for Pittsylvania County.

40 MR. TAYLOR: That would be for the \$500,000?

41 MR. ARTHUR: Yes.

42 DELEGATE HOGAN: So moved.

43 MR. WATKINS: Second.

44 MR. ARTHUR: Any discussion?

45 MR. WATKINS: This is a one-year deal?

46 MR. ARTHUR: Yes, start up costs. If there's no further discussion, all in favor of  
47 approval signify by saying aye (ayes). Opposed (no response). It's approved. Gretna Industrial  
48 Park alternative water supply request \$1,500,000 and the staff has recommended funding.

49 DELEGATE HOGAN: So moved.

1 MR. ARTHUR: Motion has been made and seconded. Further discussion?

2 MR. WATKINS: Is the representative here? Based on that action can we approve?  
3 I move that we approve the project.

4 MR. ARTHUR: All in favor signify by saying aye (aye). Opposed (no response).  
5 It's approved.

6 MR. PFOHL: There is a belated item to that that appears later on in your agenda  
7 regarding the change in use from the FY02 allocation for this project. We can take it up now  
8 while we're on that topic.

9 MR. ARTHUR: Let's just go down the line. Pittsylvania County Town of Hurt,  
10 key industrial park, \$135,000 requested. The staff recommended funding of \$100,000 contingent  
11 on submission of a status report from previous award and a current ten percent match.

12 DELEGATE BYRON: I move we approve that as suggested. I suggest we change  
13 the name to Danburg Industrial Park.

14 MR. SLEEPER: I want to make sure you understand what it is. \$135 carries over  
15 \$35 from the previous years' allocation. Carrying over \$35 and asking for a hundred this year.

16 MR. ARTHUR: You're really only asking for a \$100.

17 MR. SLEEPER: Right, the \$35 is from last year rolling it over.

18 MR. ARTHUR: That's not the way I read this.

19 MR. PFOHL: The front page of the request said they're asking for \$135 this year.  
20 When you go to the budget page, I guess I can see what Mr. Sleeper is saying.

21 MR. SLEEPER: We tried to make sure we covered this and we've never had one  
22 where we rolled over any money before. We're trying to do it because your book says if we don't  
23 spend it, we'd have to reapply. So we're reapplying \$35 along with a \$100 to do the project.

24 MR. WATKINS: Mr. Chairman, I move we strike out the ten percent match and  
25 approve this.

26 MR. ARTHUR: Approve the \$100 or approve the \$135?

27 MR. WATKINS: The hundred.

28 MR. ARTHUR: The motion has been made and seconded we strike \$135 and  
29 make it \$100,000 and remove the ten percent match. The motion was made and seconded, further  
30 discussion? Hearing none all in favor signify by saying aye (ayes). Opposed (no response). That  
31 carries. Pittsylvania County City of Danville Regional Industrial Park, phase I \$750,000.

32 MR. TAYLOR: So moved.

33 MR. ARTHUR: Recommended funding contingent on submission of status report  
34 from previous award, master plan for the project, total development costs figures and current ten  
35 percent match.

36 MR. TAYLOR: So moved.

37 MR. SLEEPER: We're moving so fast. When we were moving with this park and  
38 we announced it last year and we started getting options on the property and we had money from  
39 the state and ISDF grant, we got the options on the property and they were due in October. You  
40 changed your funding period and we went ahead and exercised the options so we own the land and  
41 we already bought it. That means I'm asking for reimbursement for the first phase. We're now in  
42 the process of buying phase II. We're now behind the second part of that. I want to make sure  
43 when you look at it that, each year you ask us for a master plan in front of every application and  
44 we've got six years worth of projects and we've stayed right on line with all six years. We have a  
45 master water and sewer plan that covers a thousand square miles of the county and Gretna and all  
46 these guys are in that plan and we're working right down the line. Just like the Board approved  
47 when we started this project. When we started with 2000, we're still on the same page but due to  
48 our timing we had to move and that gave us a problem. So, I think we wanted reimbursement for  
49 the funds we used to buy the land.

1 MR. CURRIN: Mr. Chairman, does anyone on the review panel have any reaction  
2 to what Mr. Sleeper had to say?

3 MR. PFOHL: I think the most noteworthy item is our letter of agreement that  
4 specifies we will reimburse for eligible activities that happen once the project came under  
5 agreement. We are reimbursing for a land purchase that happened before the application was  
6 submitted and yes, we probably have a problem with that.

7 UNIDENTIFIED: We came to the Commission last year for a 02 supplemental  
8 with \$674,000 for the City's half of the purchase of the property and the Commission approved  
9 that. We are buying these acres jointly and you've already told Danville we can spend 50 percent  
10 of that money for acreage that Dan is talking about. I think the records will reflect that.

11 DELEGATE HOGAN: This pains me but I want to compliment Dan and  
12 Pittsylvania for coming up with this six-year plan. I'd like to think some of the other localities  
13 would do similar things but to penalize them over dates and time seems to be a little silly so I hope  
14 that you'll go along and approve this thing.

15 MR. SLEEPER: We may come to a screeching halt with a bunch of things here if  
16 we don't work this way. Delegate Byron asked that question about VIR and its relationship with  
17 the regional pump station. My board votes tonight on this years' budget and we're up fronting  
18 almost \$1.8 million dollars of county money into anticipated Tobacco Commission projects to  
19 keep things going and VIR is one of them. We have to fund that to keep moving. We've got up  
20 front over three quarters of what we've asked from this allocation for funding.

21 DELEGATE HOGAN: I move we approve.

22 MR. WALKER: Second it.

23 MR. ARTHUR: It's been moved and seconded.

24 MR. WATKINS: I like the way you've done that plan.

25 MR. SLEEPER: I'm going to start pulling back here. I'm getting a little worried  
26 when I come up here whether we're doing it right or wrong but we're doing what you ask us to do.

27 MR. ARTHUR: All in favor of approving, signify by saying aye (ayes). Opposed  
28 like sign (no response). Hearing none it is approved as recommended by the staff. Route 58 west  
29 industrial park improvements requesting \$500,000. Approved by the staff contingent on  
30 submission of status report from a previous award, master plan for project and current ten percent  
31 match.

32 MR. WALKER: I move we approve.

33 DELEGATE HOGAN: Second.

34 MR. ARTHUR: It's been moved for approval and second. Any further discussion?  
35 Hearing none, all in favor signify by saying aye (ayes). Opposed like sign (no response). It's  
36 approved. The Institute for Advance Learning and Research, \$1 million dollars. This is part of  
37 the debt service deal. It's been moved that we approve it and seconded. Discussion. Hearing  
38 none, all in favor signify by saying aye (ayes). Opposed like sign (no response). It is approved.  
39 Virginia International Raceway Regional Sanitary Sewer System.

40 MR. SLEEPER: This is funding for part of our costs of the \$4.3 million. The  
41 pump station is outside the \$4.3 million.

42 MR. WALKER: Move to approve.

43 MR. ARTHUR: It's been moved to approve and second. Any further discussion?  
44 Hearing none, all in favor signify by saying aye (ayes). Opposed like sign (no response).  
45 Approved. Pittsylvania County Institute for Advanced Learning and Research, special wiring and  
46 that has been approved. Is there a motion we approve?

47 MR. WALKER: Approved.

48 MR. ARTHUR: Is there a second?

49 DELEGATE BYRON: Second.

1 MR. ARTHUR: It's been moved and seconded that we approve this. Any  
2 discussion? All those in favor signify by saying aye (ayes). Opposed like sign (no response).  
3 Motion carry, congratulations. All right, Prince Edward allocation. Prince Edward County  
4 Industrial Park site development \$221,067 and that's the total allocation and the staff has  
5 recommended approval.

6 SENATOR RUFF: I make a motion to approve as recommended.

7 MR. ARTHUR: A motion is made and seconded to approve as recommended.  
8 Any discussion? Hearing none, all in favor signify by saying aye (ayes). Opposed like sign (no  
9 response). It's approved. Sussex County allocation \$294,720. Sussex County U.S. Route 460  
10 Industrial Park \$45,000. The staff has recommended funding contingent on providing revised  
11 budget of project activities to be funded with grant, and funding plan to complete project. Do I  
12 hear a motion?

13 DELEGATE BYRON: So moved.

14 MR. ARTHUR: Motion has been made to approve and seconded. Discussion?  
15 Hearing none, all in favor signify by saying aye (ayes). All opposed (no response). The motion is  
16 carried.

17 MR. PFOHL: Is that the full allocation or the \$45,000? They ask in their  
18 application that we reserve the balance of their allocation and when then they submitted materials  
19 from the County asking that the full allocation be awarded to that project.

20 MR. ARTHUR: That changes that.

21 MR. HOGAN: I'd move we reconsider that motion.

22 MR. ARTHUR: Motion made to reconsider.

23 MR. HITE: Second.

24 MR. ARTHUR: Motion has been made and seconded that we reconsider. All in  
25 favor signify by saying aye (ayes). Opposed (no response). This motion is back on the floor for  
26 reconsideration. Give us background on this Tim.

27 MR. PFOHL: Their application, when it came in February 18<sup>th</sup> asked for \$45,000  
28 and they pasted a note on the budget page asking that the remainder of the allocation for the  
29 County be reserved for this project when they accomplished preliminary engineering review and  
30 some of the development work. About a week and a half ago we got a packet from the county  
31 administrator with the predevelopment studies in tact and completed. They asked that the full  
32 allocation be awarded to this project. We have somewhat of a policy issue of whether what was in  
33 the application asking that the balance be reserved constitutes a full request for the allocation or do  
34 we want to stick to the \$45,000 they put on the front page of the application February 18<sup>th</sup>.

35 MR. ARTHUR: Should we stick to what's in the application since they didn't  
36 make the rest of it in the timeframe necessary?

37 MR. PFOHL: The balance will carry over to next year presumably. I suggest if we  
38 start opening the door for people to amend their requests after the application deadline, we're  
39 going to get into thin ice.

40 DELEGATE HOGAN: We've already done that more than once. We've had  
41 people redirect or want to redirect money they have not spent in the middle of a project.

42 MR. CURRIN: The full Commission has to agree to it. In this situation we have a  
43 process in place. If you open up this door then I'd tell everyone in this room to do the same thing  
44 and then you lose complete control. That's how the executive director feels about it.

45 DELEGATE HOGAN: Mr. Chairman, my question is that these people want to go  
46 ahead with an industrial park that I don't know anything about and we're going to hold it up a year  
47 if we don't give this money.

48 MR. ARTHUR: Until September at the latest with the second round of  
49 applications.

1 MR. WATKINS: Can we do the same thing with this one as we did with  
2 Nottaway.

3 DELEGATE HOGAN: If we're just talking September then I have no problem and  
4 I'll withdraw.

5 DELEGATE BYRON: I move that we approve what was recommended and let the  
6 rest of the balance be applied for in September.

7 MR. ARTHUR: Did you hear the motion?

8 SENATOR RUFF: Mr. Chairman and Tim, in this process did they talk about any  
9 timeframe that they're working on or that jeopardize them?

10 MR. PFOHL: They have not, they're ready to move ahead. Mr. Barber with the  
11 Economic Development Partnership has provided technical assistance and he might be able to  
12 respond to the question.

13 MR. BARBER: Tim said they're ready to move ahead and there is no specific  
14 urgency that I know of in terms of a contract deadline or anything of that nature.

15 MR. ARTHUR: I don't think we ought to change the rules here in the middle of  
16 the stream. That's my opinion. If we approve what the original request was for, the money stays  
17 in their allocation and they ask for it, whatever they want to do with it and that's my opinion.

18 MR. WATKINS: Let's do it this way.

19 MR. ARTHUR: The motion has been made, is there a second?

20 MR. TAYLOR: Second.

21 MR. ARTHUR: The motion is made and seconded that we approve the staff  
22 recommendation. There will be another round late in the summer. Any further discussion? All in  
23 favor signify by saying aye (ayes). Opposed (no).

24 SENATOR RUFF: No.

25 MR. ARTHUR: Let the record reflect there is one no vote. Voting all the  
26 recommendations to the full Commission, do I hear a motion? I want authority to recommend  
27 what we said to the full Commission. They're going to summarize all that and I'll present it to the  
28 full Commission. The motion has been made and seconded to ask that the work of this Committee  
29 be approved and recommended to the full Commission. Any discussion? All in favor signify by  
30 saying aye (ayes). Opposed no. (no response). Now, discussion on referred application.

31 MR. PFOHL: The remainder of the handout you have include some of the projects  
32 received February 18<sup>th</sup> as economic development applications and appear to be candidates for  
33 other standing committees, that being technology, agricultural business and education.

34 MR. ARTHUR: Other than the ones we transferred back into our committee and  
35 voted on today, do I hear a motion to accept the staff's recommendation?

36 MR. WATKINS: So moved.

37 MR. TAYLOR: Seconded.

38 MR. ARTHUR: The motion has been made and seconded that we accept the staff's  
39 recommendation to move these other projects into other committees. All in favor signify by  
40 saying aye (ayes). Opposed no (no response). The Town of Gretna's application change, we  
41 covered that I believe.

42 MR. PFOHL: Not exactly. The County contacted us a few months ago saying that  
43 these request in FY02 that was approved for the Gretna Industrial Park included land acquisition,  
44 engineering, construction of the reservoir to provide a source of water for the park. With the  
45 drought last year, they changed gears and said an eight-mile pipeline from the Pig River would be  
46 more cost effective and reliable water supply. We're asking the committee to consider that change  
47 in use which was deemed by the attorney general's office to be substantial enough to merit your  
48 action. Mr. Sleeper can address your questions.

49 MR. SLEEPER: I wasn't planning on making a full presentation to you today but

1 the brochures I handed out gives you the pictures and a quick story behind what had happened.  
2 We applied for a \$400,000 grant to do the preliminary engineering work for the Gretna Industrial  
3 Park and develop the engineering for a reservoir to provide additional back up water for that park.  
4 In the interim of getting started with the grant application, the grant got approved and the drought  
5 got worse and in May you see what happened. The first time in 54 years of that reservoir they  
6 went down to the bottom and it went dry. The pictures show the pump assembly putting over two  
7 and a half miles of line across pastures and through the town. The board of supervisors at a time  
8 were going to try to build a quick reservoir in the County's Industrial Park site. The site you guys  
9 are helping fund for us to build and pump that water two and a half miles over the town, 300,000  
10 gallons a day to pump the reservoir back and it took us about four days to get it back to the level.  
11 We tried to apply for federal emergency disaster funds but apparently nobody had any kind of  
12 funds for building dry reservoirs anywhere in the country and the board of supervisors absorbed  
13 that burden with the town and paid for the cost of almost \$89,000 worth of work there. We had  
14 about \$110,000 involved in this emergency to get water. The engineering part of that \$400,000  
15 grant for the reservoir, the reservoir is on the same tributary, the northern part of the tributary of  
16 that pond that went dry. We said if it's going dry here there's no need if we only go north about a  
17 quarter of a mile. We looked at alternate sources around the town and determined the best draw  
18 for us would be the Pig River. The Pig River is a tributary in the Commonwealth of Virginia  
19 feeding to Smith Mountain Lake and Staunton River. The Leesville Dam are part of the federal  
20 project. When we draw water out of a river that's in the Commonwealth, it's easier for us to deal  
21 with our own permitting processes than three others. In our original grant application this year it  
22 said USDA HUD Grant, it would be an EPA grant. Somebody thinks this will be a beneficial  
23 project and the project this year is funded by EPA and it has been funded. I'm asking for approval  
24 to change \$175,000 of our \$400,000 preliminary engineering for the reservoir to engineering for  
25 the pipeline so we can get this project started.

26 DELEGATE HOGAN: You said this has got to go before the full Commission?

27 MR. SLEEPER: The Attorney General said that such a change from a reservoir to  
28 a nine-mile pipeline that it required the full Commission review.

29 MR. TAYLOR: You're returning that water to the same basin?

30 MR. SLEEPER: Yes. We've got six rivers in Pittsylvania County but the river  
31 basin is the Roanoke River basin and that's the same basin coming down from Gretna, that would  
32 be coming back down through Gretna into the Roanoke River.

33 MR. ARTHUR: Do we have a motion?

34 MR. WATKINS: I suggest we recommend to the full Commission to approve it.

35 MR. ARTHUR: We have a motion and a second that we recommend to the full  
36 Commission that we approve. Any further discussion? Hearing none, all in favor say aye (ayes).  
37 Opposed like sign. (no response). It is approved.

38 DELEGATE HOGAN: Everything has to go to the full Commission, there's no  
39 difference between this and the full Commission.

40 MR. ARTHUR: Except we're allowing some changes, change the project.

41 DELEGATE HOGAN: This is the first I think we've seen of this proposal, is that  
42 right?

43 MR. ARTHUR: We approved this one.

44 DELEGATE HOGAN: This is the first we've seen of it right here, we just said a  
45 minute ago we're not going to let people change their applications in mid stream and now we're  
46 approving it, not with any notice. Without looking at it, we've just broken the very rule that we  
47 insisted upon five minutes ago. I don't understand that.

48 MR. WATKINS: You're a lumberman.

49 DELEGATE HOGAN: That doesn't make sense.

1 MR. CURRIN: It's different.

2 DELEGATE HOGAN: What's different about it?

3 MR. SLEEPER: It was requested back in November.

4 MR. PFOHL: It's essentially the same project.

5 MR. SLEEPER: It took the Attorney General 90 days to answer it.

6 MS. CUSHMAC: It was recommended from our office that it be looked at again  
7 because of the change from what was originally proposed or seemed to be substantial enough that  
8 we thought it should come back here and take another look at it and that was our recommendation.

9 MR. ARTHUR: We voted. All right, it's public comment time. Anyone want to  
10 address us?

11 UNIDENTIFIED: I want to say I appreciate what the Commission is doing. I'm a  
12 supervisor in Southside Virginia but what you folks are doing, I really appreciate your time and  
13 effort and you are making a difference in Southside Virginia. As one lonely citizen out here, I  
14 appreciate what you're doing. Thank you.

15 MR. ARTHUR: Any other citizen comments?

16 MR. WATKINS: I've been asked by my community to talk about water projects  
17 and their problems. They have an issue, we only issue checks every three months.

18 MR. PFOHL: The standard policy is quarterly draw.

19 MR. WATKINS: If the community gets into a situation where they run into a  
20 problem with contractors for three months and their waiting to pay bills. How can we assist  
21 communities that run into that kind of a situation?

22 MR. PFOHL: We're not sticklers for every 90 days, but we don't want to get into a  
23 situation where we're stroking a check once a week. We're pretty flexible. If they reach a  
24 threshold point we can get that disbursed fairly quickly.

25 MR. ARTHUR: That's the staff's policy. Do I hear a motion to adjourn?

26 MR. HITE: So moved.

27 MR. ARTHUR: Motion made to adjourn and seconded, we're adjourned.

28  
29 PROCEEDINGS CONCLUDED  
30

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31  
32 CERTIFICATE OF THE COURT REPORTER  
33

34 I, Medford W. Howard, Registered Professional Reporter and Notary Public for the  
35 State of Virginia at large, do hereby certify that I was the court reporter who took down and  
36 transcribed the minutes of the Tobacco Indemnification and Community Revitalization  
37 Commission public meeting, Southside Economic Development Committee when held on  
38 Monday, April 21, 2003 at 11:00 a.m. in the Pocahontas Room, Hotel Roanoke and Conference  
39 Center, Roanoke, Virginia.

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

42 Given under my hand this \_\_\_\_ day of May, 2003.  
43  
44

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45 Medford W. Howard  
46 Registered Professional Reporter  
47 Notary Public for the State of Virginia at Large  
48 MY COMMISSION EXPIRES: October 31, 2006