

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

3                   701 East Franklin Street, Suite 501

4                   Richmond, Virginia 23219

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9                   Southside Economic Development Committee Meeting

10                  Thursday, October 16, 2008

11                  10:00 a.m.

12  
13                  The Hotel Roanoke

14                  Roanoke, Virginia

1           **APPEARANCES**

2           The Honorable Edward Owens, Chairman

3           The Honorable Barnie K. Day, Vice Chairman

4           The Honorable Kathy J. Byron

5           Lynn Hammond

6                 Deputy Secretary of Commerce and Trade

7           The Honorable Daniel W. Marshall, III

8           The Honorable Harrison A. Moody

9           Mrs. Connie L. Nyholm

10          The Honorable W. Roscoe Reynolds

11          The Honorable Frank M. Ruff

12          The Honorable Thomas C. Wright

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14           **COMMISSION STAFF**

15          Mr. Neal Noyes, Executive Director

16          Mr. Ned Stephenson, Deputy Director

17          Mr. Timothy J. Pfohl, Grants Program Administrator

18          Ms. Britt Nelson, Manager of Program Assessments Ms.

19          Sarah Capps, Grants Program Administrator

20                 Southside Virginia

21  
22           **OFFICE OF THE ATTORNEY GENERAL**

23          Mr. Francis N. Ferguson

24          Deputy Attorney General

25          Counsel for the Commission

26          October 16, 2008

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MR. OWENS: I'll call the Southside Economic Development Committee to order. Neal, would you call the roll?

MR. NOYES: Mr. Bryant?

MR. BRYANT: (No response).

MR. NOYES: Delegate Byron?

DELEGATE BYRON: Here.

MR. NOYES: Deputy Secretary Hammond?

DEPUTY SECRETARY HAMMOND: Here.

MR. NOYES: Mr. Harwood?

MR. HARWOOD: (No response).

MR. NOYES: Mr. Hite?

MR. HITE: (No response).

MR. NOYES: Delegate Hogan?

DELEGATE HOGAN: (No response).

MR. NOYES: Delegate Marshall?

DELEGATE MARSHALL: Here.

MR. NOYES: Mr. Moody?

MR. MOODY: Here.

MR. NOYES: Ms. Nyholm?

MS. NYHOLM: Here.

MR. NOYES: Senator Reynolds?

SENATOR REYNOLDS: Here.

MR. NOYES: Senator Ruff?

1 SENATOR RUFF: Here.

2 MR. NOYES: Delegate Wright.

3 DELEGATE WRIGHT: Here.

4 MR. NOYES: Mr. Day?

5 MR. DAY: Here.

6 MR. NOYES: Mr. Owens?

7 MR. OWENS: Here.

8 MR. NOYES: You have a quorum Mr.  
9 Chairman.

10 MR. OWENS: Can I have a motion to approve  
11 the minutes from the last meeting, July 29, 2008? It's  
12 been moved and seconded that we approve the minutes of  
13 the prior meeting. All in favor (Ayes). Opposed (No  
14 response).

15 MR. STEPHENSON: Mr. Chairman and  
16 members of the committee, I invite your attention to the  
17 unfulfilled TROF obligations. At your meeting last spring  
18 you had a similar list and on that occasion you approved a  
19 number of grants and you made the disbursement of  
20 those grants subject to those entities curing the problem  
21 of the unresolved TROF grants. I present this list to you  
22 today and suggest that you may want to consider a similar  
23 move on today's grants. The second list you have before  
24 you is similar in nature, it's entitled Grant History; credit  
25 to Britt Nelson for putting this together. It's rather self-  
26 explanatory and it's an aging schedule. It shows you

1 those grants which have been approved this year and have  
2 been approved in years' past that have not been performed  
3 or disbursed or de-obligated and returned. You can see  
4 some go back as far as 2002/2003. We're presenting this  
5 aging schedule to the Committee with the idea that you  
6 might in some way use this information to restrict some of  
7 your approval today until such time as some of these old  
8 stale grants are cleaned up and cured. I leave those two  
9 with you Mr. Chairman for the Committee's pleasure on  
10 what it wishes to do with them.

11 MR. OWENS: Are these accurate to date?

12 MR. STEPHENSON: There is a date on each  
13 sheet that it was prepared and obviously since those dates  
14 events have happened and some of them have gotten  
15 cleaned up. I think the point is that if somebody appears  
16 on the list before you but they have cured the problem,  
17 then that particular problem has gone away and that will  
18 not be a problem for that grantee.

19 MR. OWENS: Has any of this changed since the  
20 8<sup>th</sup>?

21 MS. NELSON: Yes, I have updated copies Mr.  
22 Chairman. Mr. Chairman, I don't believe the copies are  
23 currently at hand but I can give you the changes based on  
24 the version I have. It should be dated 10/8, the most  
25 notable to change. The 52,000 listed under '02 for  
26 Pittsylvania County that now is reflected to show 19. It's a

1 small balance. If you go down to the next county, Sussex,  
2 the 34 listed under the '05 column, that is now zero and  
3 those funds were de-obligated and back to the Committee.  
4 Another notable change would be under the '06 column  
5 for Pittsylvania. That's 193,000 and that is now reflected  
6 to be only 5,000 remaining in that for that year.

7 MR. OWENS: The funds were de-obligated?

8 MS. NELSON: Yes. Those are the only major  
9 changes that have happened in the last few days.

10 MR. STEPHENSON: Mr. Chairman, if I may  
11 offer a suggestion and certainly the Committee can ignore  
12 this list and the staff will comply. An alternative might be  
13 to choose the year. For instance, 2005 and restrict all  
14 disbursements for any grant for 2005 and before that has  
15 not been properly extended or completed. Give staff that  
16 blanket rule and we will follow that authority. Obviously  
17 the staff motivation is to clean up a lot of old stale grants  
18 and get that money on the ground or back in the house so  
19 that you can approve it for another project.

20 DELEGATE MARSHALL: I have a question.  
21 What is the total now, I haven't done the math.

22 MS. NELSON: The copies are being passed  
23 around now. We'll update the allocation that will reflect  
24 the de-obligation that has just happened.

25 DELEGATE MARSHALL: If you pick a number  
26 like 2005, should we go another route and say that any

1 project you don't have to readdress this in the future or  
2 any project that's over three years old is deactivated?

3 DELEGATE WRIGHT: I think we should have  
4 some rules in certain circumstances to say that unless  
5 something is offered to justify the delay.

6 MR. OWENS: Unless there's a request for an  
7 extension on a project, we might go through each one of  
8 these, how do you want to do it?

9 MR. NOYES: Mr. Chairman and members of  
10 the Committee, for a grant that fails to start within one  
11 year or has exceeded two years, I do not have the  
12 authority to grant an extension unless I'm so directed by  
13 this Committee.

14 DELEGATE MARSHALL: Just to check off by  
15 this deal or is it the full Board?

16 MR. NOYES: By this Committee.

17 DELEGATE WRIGHT: Mr. Chairman, I think  
18 that would probably take care of any concerns as far as  
19 legitimate reasons for a delay. The staff could make that  
20 decision approved by us.

21 MR. NOYES: Correct. When you give me  
22 direction, we go to the very first one on the list, Brunswick  
23 County. They want an extension at this point until  
24 December 31, is that right?

25 MS. NELSON: Correct. June 30<sup>th</sup> of '09.

26 MR. NOYES: That exceeds the two years that it

1 can be handled without bringing it before the Committee  
2 so you have to tell me how you want to proceed.

3 DELEGATE MARSHALL: My idea of the three  
4 years is that people who are making applications would  
5 know that in the future and then they would make a  
6 request of the staff if we need to do that. If we just say  
7 2005 then what happens in 2009 or 2010? If you say  
8 three years, people know that means three years.

9 DELEGATE BYRON: What problem occurs if  
10 they reapply at some point, we're just going to have to  
11 draw a line at some point. Put in a new application and  
12 start all over.

13 MR. OWENS: The conversations I've had is that  
14 some of these are already in progress they're just not  
15 completed by a certain date. Problems like title to  
16 property. I think you're correct if you set the three years  
17 from the beginning, is it three years from the beginning or  
18 -

19 MR. NOYES: - Grants, you have one year to get  
20 underway and then at any point during that second year,  
21 a time extension can be requested. I have the authority,  
22 based on the recommendation from the staff to do that. I  
23 could extend it for 18 months within the 23<sup>rd</sup> month of  
24 that two year period and if it's a reasonable request from  
25 the judgment of the program staff, then I'll do it. If it's  
26 not, then it has to come back before the Committee.

1 DELEGATE BYRON: Most of these things look  
2 like that, that they go beyond your control or they have to  
3 do with indebtedness or things like that. If it's a project  
4 that's underway and looks like it's a reasonable extension,  
5 and the extension is granted, you have to go back and  
6 reapply if the application looks good all along and there's a  
7 delay and you still have time with the extension to reapply  
8 until you get on track. There are ways to handle this and  
9 still not hinder the project.

10 MR. DAY: Maybe this is a foolish question but  
11 what is the problem we're trying to solve?

12 DELEGATE MARSHALL: I think we're trying to  
13 find the money to spend.

14 MR. NOYES: Funds that are dormant or funds  
15 that have been approved and there's no activity on the  
16 project, maybe two, three, four or five years old.

17 DELEGATE BYRON: We have basic authority  
18 and guidelines to go by in order to deal with the grants.

19 MR. MOODY: Mr. Chairman, I understand  
20 what we're trying to do and to get this money moving to  
21 have some results and not have the results sitting there. I  
22 think every project on this list might have a different  
23 reason for not having spent the money. I think we need to  
24 look at each one and see what explanation they had given  
25 and let it go on by it's own merits.

26 DELEGATE BYRON: The staff had made

1 recommendations on just about everyone of these projects  
2 before they have even come before us. Do you have any  
3 recommendations for how you think the best way would  
4 be to handle this; from your recommendations?

5 MR. PFOHL: This is an evolving policy issue I  
6 think for us. You do not today have staff  
7 recommendations on all of these extension requests. In  
8 effect, that would be going back and looking at a project  
9 all over again.

10 DELEGATE BYRON: I mean do you have a  
11 recommendation on a timeline that would work for  
12 someone to reapply that we could put in place, not talking  
13 about an individual recommendation.

14 MR. STEPHENSON: I did make a suggestion  
15 and I believe that Delegate Marshall's amendment to it is  
16 much better. He had something on the order of a three  
17 year rule all of the time. So we're operating on a three  
18 year clock. After three years, it has to come back before  
19 this Committee.

20 SENATOR REYNOLDS: I move that  
21 recommendation be adopted.

22 DELEGATE MARSHALL: I second that  
23 recommendation.

24 MR. OWENS: Do you want to restate your  
25 recommendation?

26 DELEGATE MARSHALL: I'll let you do it.

1 MR. STEPHENSON: What I'm hearing the  
2 Committee say is that projects that have reached a 36  
3 month mark and not been completed or disbursed or  
4 properly extended either by the director or by the  
5 Commission that those grants would be rescinded and  
6 returned to the Commission and those parties would have  
7 to come back with a new application to finish up.

8 MR. OWENS: Does that mean things that are  
9 going forward, not on this list?

10 MR. STEPHENSON: As you might chose.

11 DELEGATE MARSHALL: Does this take a full  
12 Board vote?

13 MR. NOYES: The Committee can decide and  
14 this applies only to the Southside Economic Development  
15 Project.

16 DELEGATE BYRON: Have we granted  
17 extensions? Have they been requested on here?

18 MR. NOYES: Correct me if I'm wrong but they  
19 would not appear on this list if there'd been an extension.

20 MS. NELSON: We have authority to put the  
21 extension in because there are a handful that are beyond  
22 three years or they've never asked for an extension.  
23 They're spending money but technically on the books, it's  
24 expired.

25 DELEGATE BYRON: What if we do a six  
26 months extension from this date with the new criteria and

1 then that would be giving them a six month extension to,  
2 rather than say after today we're going to go to the three  
3 year rule but give them six months and in six month three  
4 years kicks in for the ones that are on the sheet.

5 MR. OWENS: Is that an amendment to the  
6 motion?

7 DELEGATE BYRON: We're talking about that  
8 motion goes from today's date for three years but we're  
9 talking about the old ones that are on this sheet, are we  
10 going to immediately impact those?

11 MR. NOYES: A grace period of six months.

12 DELEGATE MARSHALL: Six months, we'll have  
13 another Board meeting in a couple of weeks or are we  
14 going to go to the January Board Meeting because six  
15 months.

16 DELEGATE BYRON: Either way.

17 MR. OWENS: Senator Ruff, there's a  
18 recommendation that we set three years, have a three year  
19 expiration on these grants and if they don't spend this  
20 money in three years they come back and reapply for the  
21 money. It goes back to the allocation. Those on the list  
22 have a six month grace period.

23 SENATOR RUFF: Coming in cold, I would say  
24 that would be a good general rule but there has to be  
25 some extensions because there's going to be problems,  
26 depending on the projects. One set date may work for 60

1 or 70 percent of them but there may be some fallout. I  
2 don't know what kind of hoops you're going to make them  
3 jump through but I think there ought to be some  
4 tightening but I'm not sure if we want a hard and fast  
5 rule.

6 DELEGATE MARSHALL: What we were talking  
7 about is that the county's could ask for an extension.

8 SENATOR RUFF: That would supercede this  
9 motion?

10 DELEGATE MARSHALL: The extensions would  
11 come before this Committee and we can say yes or no.

12 MR. MOODY: I know some counties that are in  
13 the process of getting contracts bid out. What if it's a wet  
14 winter and the six months have passed and if you take the  
15 money away, they couldn't finish the project, maybe  
16 they're in the middle of a project.

17 SENATOR RUFF: As an example in  
18 Mecklenburg County, that was contingent on getting other  
19 funds. Rural development came down last week and  
20 awarded that check and now they've got to put out bids  
21 and what this Commission is paying for was the, they  
22 can't really do a lot because, I think maybe Delegate  
23 Marshall is right, come back before us, that's all right. I  
24 think we need to use a little discretion when we're going  
25 forward.

26 DELEGATE WRIGHT: Mr. Chairman, Mr.

1 Moody or Senator Ruff just brought my concern to  
2 surface. Is there a way that we can separate the ones that  
3 are in progress right now? If we could separate them from  
4 the ones that haven't done anything and the money is just  
5 sitting there. They should have a time rule. I think we  
6 need to have some flexibility for people that are in the  
7 process of doing these things, things that; we need to look  
8 at what they're doing now. I think we need to separate  
9 those two out.

10 MS. NYHOLM: Some of these federal grants, if  
11 you're losing money after a certain time, are there any  
12 reports that have to be generated from all this?

13 MR. PFOHL: Yes, we do. There's an annual  
14 grant report, they're called Annual Grant Reporting  
15 Requirements. In reality, we have to initiate contact with  
16 a lot of people and ask for updates on why a project is not  
17 moving forward. There's any number of reasons including  
18 issues from other funding sources and as just was pointed  
19 out, issues with environmental regulations.

20 MR. NYHOLM: That would get you where you  
21 want to go?

22 MR. STEPHENSON: I understand the  
23 suggestion of the three year rule that only apply to those  
24 grants that have not been properly extended. So that  
25 would take care of extenuating circumstances where they  
26 needed an extension and they asked for it and the director

1 gives it to them, that would not be a problem. If it's  
2 nonresponsive and no activity and the grant is seven years  
3 old and nothing is happening, there's got to be a  
4 mechanism to sweep that back into the kitty and return  
5 those funds and start over again.

6 SENATOR REYNOLDS: If I understand, even in  
7 that situation localities are free to apply and receive funds  
8 again?

9 MR. STEPHENSON: Yes, sir.

10 DELEGATE MARSHALL: It goes back to their  
11 allocation.

12 DELEGATE WRIGHT: The case that Frank  
13 mentioned that Mr. Moody mentioned, how would that  
14 process work? What would those localities have to do in  
15 both those cases?

16 MR. NOYES: If the project started, initially  
17 started within one year from the date of the award and a  
18 request was made within the next year for an extension  
19 based on the staff recommendation, my authority would  
20 allow me to provide that extension. If either of the projects  
21 didn't get started within one year for any reason or the  
22 federal funding didn't come or the weather was bad or  
23 anything like that, then during that second year I'm not  
24 suppose to grant an extension. If it happens in the 25<sup>th</sup>  
25 month, I do not have the authority to grant that extension.  
26 That's the problem, we have legitimate reasons why a

1 project needs to be extended and I do not have the  
2 authority on behalf of this Committee to sign an extension  
3 for a recommended or recommended basis from the staff.  
4 That's our predicament. If it doesn't get started within a  
5 year, even if it's the most perfect reason, it has to come  
6 back before this Committee and I can be directed to  
7 extend that project but I can't do it independently, I don't  
8 have that authority. I believe that Delegate Byron's six  
9 month grace period and with the motion that was  
10 presented, I believe that in virtually every case, the  
11 problem of inactive grants will go away. I'll always  
12 approve an extension if somebody's working at it if it's  
13 underway and that's at the will of the Committee.

14 DELEGATE WRIGHT: That takes care of my  
15 concerns.

16 MR. NOYES: I think the three year with the six  
17 months, I think everybody can get done what needs to be  
18 done and we'll see these things disappear.

19 MR. DAY: Mr. Chairman, I was going to suggest  
20 that we give the staff, particularly the director the  
21 authority to clear these up and charge him with doing so  
22 and give the grant recipients standing to appeal his  
23 decision if they don't like it. We've got 21 local  
24 governments here and we're trying to come up with a one  
25 size fits all solution. It seems to me we're going to have 21  
26 sets of excuses or reasons why these things are not done.

1 Rather than directing the grant recipient, let's direct the  
2 staff and let's say clear these up and use your good  
3 judgment and discretion to do that. If you make a  
4 decision somebody doesn't like, let them appeal back to  
5 this Committee.

6 MR. OWENS: There's a motion on the floor for  
7 that three years with a six month grace period. Are you  
8 ready for the question? All in favor of granting the three  
9 year – would you restate it?

10 MR. STEPHENSON: I think the motion was  
11 that all grants older than three years, if not properly  
12 extended, would be rescinded and the money returned to  
13 that county's allocation within this Committee for all new  
14 grants made today going forward. For grants that are  
15 already made, appearing on this sheet, they would have  
16 three and a half years or three years plus six months.

17 SENATOR RUFF: Three years from the date of  
18 the approval.

19 MR. STEPHENSON: Yes. Mr. Day, the staff  
20 always gives every applicant appeal rights back to this  
21 Committee for whatever they wish to appeal.

22 MR. OWENS: All those in favor, signify by  
23 saying aye. (Ayes) Opposed. (No response)

24 MR. STEPHENSON: Mr. Chairman, the  
25 unfulfilled TROF list remains before us.

26 MR. OWENS: Those people that have not

1 complied with the TROF even though we approved their  
2 applications we're not disbursing anything until that  
3 information is fulfilled. How do you want to handle that?  
4 Appeal directly to the staff to do that?

5 MR. NOYES: I would recommend a blanket  
6 instruction to the staff to continue the policy that was  
7 established at the last meeting which is that the  
8 recommendation is made by this Committee and projects  
9 may be approved at the next Commission meeting. The  
10 funds are not to be disbursed until the pending TROF  
11 matter is resolved. That's the current policy. Now we  
12 have a new set of grants.

13 SENATOR REYNOLDS: As I understand it, we  
14 extended the policy and we would instruct the localities to  
15 clear those up. I move we accept the policy.

16 SENATOR RUFF: Second.

17 MR. OWENS: It's been moved and seconded  
18 that we accept the policy, any further discussion? All  
19 those in favor (Ayes) opposed (No response). Mr. Phofl.

20 MR. PFOHL: Mr. Chairman, before I start out  
21 on the grant proposals, I would like to clarify something.  
22 Going back to the list of extensions that are requested  
23 here, your action is to put a three and a half year limit on  
24 these and that effectively kills about three quarters of  
25 these grants. Do we issue a notice to de-obligate to these  
26 folks that that's the will of the Committee?

1                   MR. FERGUSON:       Mr. Chairman, my  
2 understanding of the motion and slightly differently stated  
3 but as I understand the motion, it was a three year look  
4 back and these would not begin until six months from  
5 now. We haven't really given three and a half years; we've  
6 given three years starting and six months. Six months to  
7 clean them up before the three year look back kicks in.

8                   MR. STEPHENSON: I would agree. That should  
9 take care of it.

10                  MR. PFOHL:     All right, thank you. That  
11 answers my question. We'll get started with our grant  
12 proposals. Before I move into the applications before you  
13 today, I want to report to the Committee that your new  
14 Southside Grants Administrator, Sarah Capps has set up  
15 her shop in Chatham and there's an office there that the  
16 Commission has leased and she has officially made the  
17 transition from living to Southern Virginia. She's making  
18 the rounds and is trying to meet with as many of you as  
19 she can over the next several weeks. We look forward to  
20 having her present full time with Southside. The  
21 information in your packet on the pending grant  
22 applications is a first opportunity for folks to apply for the  
23 FY09 budgeted amount of \$12 million in your committee.  
24 There's an additional \$15 million or so that is carried  
25 forward from the previous years and there's a pretty  
26 substantial balance under the allocation formula. We

1 received 12 proposals by the announced date grant  
2 application deadline of September 15<sup>th</sup>. Two of those have  
3 been withdrawn; one has been reduced in the amount  
4 requested. We have project updates on several of those.  
5 When we published the staff recommendations late last  
6 week, there was a flurry of responses by applicants trying  
7 to adjust proposals and update information and I'll try to  
8 summarize that to give you the latest and greatest news.

9 The first proposal is by the Brunswick County  
10 Industrial Development Authority to do a Phase II  
11 incubator feasibility study. The first phase was funded by  
12 the Commission a couple of years ago and one of the  
13 targeted sections is based on the timber and wood  
14 products industry in Brunswick County. In the first  
15 phase they suggested that the incubator focus on the  
16 wood products industry and create opportunities there.  
17 Not only related to Brunswick County historical and  
18 traditional economy around wood but also an  
19 opportunities in biomass and energy projects that we're all  
20 very familiar with in Southern Virginia. The request is for  
21 33,300. Virginia Tech's Office of Economic Development  
22 and the Southside Business Technology Center both  
23 agreed in principal to conduct the study and that centered  
24 around feasibility and operational planning, and site  
25 selection among its components and the staff has  
26 recommended an award of 33,300 which is the full

1 request. The County has a very substantial allocation  
2 balance and this will easily fit underneath that cap.

3 SENATOR RUFF: I move we accept the staff's  
4 recommendation.

5 MR. OWENS: What I would like to do is those  
6 that have been recommended for money, call those first  
7 and vote in a block. Then go back and go through the  
8 others. Is that all right with everyone? Tim.

9 MR. PFOHL: The second project recommended  
10 for funding is number 1729, submitted by the Danville  
11 Pittsylvania Regional and Industrial Facility Authority  
12 which is a partnership with the City of Danville and  
13 Pittsylvania County. The project title is Berry Hill  
14 Regional Mega Park. The request is for \$3,370,726. That  
15 would be obtained in equal amounts from the allocations  
16 for Danville and Pittsylvania. The request would entail  
17 \$1,685,363 from each of their grant allocation balances.  
18 There are substantial balances available to accommodate  
19 that request. The project is to continue engineering and  
20 land acquisition, to do some master site planning and  
21 development on a 3,200 acre project site on Berry Hill  
22 Road, southwest of the City of Danville. If you recall, in a  
23 previous round, the Committee funded some sewer and  
24 water service not only to this site but an adjacent very  
25 large privately owned tract where a private company has a  
26 TROF to establish operations. The Regional Industrial

1 Facilities Authority has contracted with a consultant firm  
2 for a mega site in automotive assembly site. They are in  
3 the process of studying and certifying this site, what's  
4 called a mega site. Potentially perhaps an automotive  
5 assembly project which could possibly accommodate  
6 2,000 jobs and a million dollar plus private capital  
7 investment in addition to suppliers that typically would  
8 locate to close proximity of projects like that. Automotive  
9 assembly is not the sole target because there are a  
10 number of potential users for this project. I will note that  
11 the staff has requested a detailed budget for the requested  
12 amount of funds and we have not yet received that. We  
13 would recommend the full award contingent upon the  
14 applicant submitting a detailed project budget that would  
15 be approved by the staff prior to the release of the funds.

16 The next project that has a staff  
17 recommendation is the Greenville County Southside  
18 Virginia Education Center, Phase II. The request is for the  
19 entire allocation that's available to Greenville County  
20 which is \$102,876. The Southside Education Center is an  
21 8,800 square foot multi-purpose facility that adjoins the  
22 new adjacent to the newly constructed and open regional  
23 workforce center and the Commission has very substantial  
24 funding. Greenville County has used their southside  
25 allocation with the course of several years to the tune of  
26 about a million dollars to build that 13,000 square foot

1 workforce development center. This Phase II is an  
2 assembly hall that is adjacent that's under construction  
3 right now. The county has a very substantial loan  
4 obligation on this for the construction of Phase II. The  
5 application included letters of support from several major  
6 regional employers who has committed to using the facility  
7 for training workers and there'll be some other potential  
8 uses including social gatherings, events, trade shows, we  
9 would note that the county at staff suggestion conducted  
10 an economic impact assessment of this facility and given  
11 the fact that they're located at Crossroads I-95 and Route  
12 58 and have a substantial number of hotel rooms and  
13 restaurants so they have the support services in place that  
14 actually capitalize on some of those events like trade show  
15 and meeting traffic. The economic impacts assessment  
16 suggest that the regional economic economy could benefit  
17 to the tune of \$131,000 annually; that's not a massive  
18 amount but certainly a significant amount and would have  
19 potential impact on the economy of the locality. I'd point  
20 out that often we do get requests for these type of facilities  
21 and community centers. The Commission has determined  
22 in the Executive Committee that these projects are a low  
23 priority of the Commission. The staff felt that given the  
24 fact that this is co-located with the workforce training  
25 facility and we do have commitments from local employers  
26 to use the site that it would tip it over toward project

1 funding from the Commission so we recommend the full  
2 award.

3 The next project is the Halifax County  
4 Industrial Development Authority and they're requesting  
5 \$2 million from their allocation which is available for the  
6 Riverstone Technology Park. Project Number 1734. The  
7 request is to conduct engineering and put a number of  
8 infrastructure and site improvements at Riverstone  
9 Technology Park. The two front lots that are on Route 58  
10 both have sewer service at this time and they're requesting  
11 money to build 1,000 feet of sewer for the two front lots  
12 and do a substantial amount of grading work on the lots  
13 front on Route 58. There's also a NAPA prospect working  
14 with the County and looking at other sites in the park that  
15 would require a build out of the electrical service that's  
16 located interior to the park as well as doing the design. A  
17 future new electrical substation could be built on a  
18 portion of the park to serve as a data center. The prospect  
19 is discussing building a speculative data center project  
20 that would require substantial electrical service more so  
21 than is available right now. In hindsight a substation  
22 would be required to provide the amount of necessary  
23 electrical services. The staff recommendation includes a  
24 condition that we recommend full funding contingent on  
25 the IDA executing a development agreement with private  
26 partners for site development at Riverstone prior to the

1 release of funds. I would note that subsequent to  
2 publishing this recommendation, the IDA expressed  
3 concern about that condition. A substantial amount of  
4 the requested \$2 million involves those lots that front on  
5 Route 58 and are not the ones that the current prospect is  
6 looking at. There's some speculative work within the  
7 hopes of attracting a manufacturing facility, and an  
8 advanced technology facility. I would note that the IDA  
9 and they're here to express their concern if you want to  
10 hear from them but they do object to that condition and  
11 they request the full amount be approved absent that  
12 condition.

13 The next project recommended by staff is the  
14 Town of Blackstone and they're requesting for the  
15 Blackstone Medical Center Project which is number 1725  
16 and they're requesting \$300,000 which is a portion of the  
17 \$876,000 plus out of Nottoway's allocation. The Town is  
18 requesting 11 percent of the project cost to build a 10,000  
19 square foot \$2.8 million family practice. This is the  
20 medical center and this is on property that the Town has  
21 acquired. The Town would be the owner of the facility but  
22 it would be leased and operated by Bon Secours Health  
23 Systems which has signed a ten year lease with a five year  
24 renewal option. Construction has begun on the site and  
25 they have arrangements with the UVA Hospital. Bon  
26 Secours has already stated their intent to hire additional

1 doctors and there's 760,000 in private capital and  
2 equipment for the facility. This is a project absent certain  
3 conditions which is considered a low priority because it's a  
4 medical center project. There is obvious merit to virtually  
5 all of these requests including this one and an obvious  
6 need in this case. Bon Secours has notified the locality  
7 that they were intending to close their current facility  
8 because it was losing money so there was a serious threat  
9 that they were going to lose this practice. We'd note that  
10 job creation is fairly low with three new positions but there  
11 is a significant amount of private capital investment as I  
12 noted 760,000 from medical equipment. The Town has its  
13 own commitment of more than \$2 million in borrowed  
14 construction financing. That's why the staff is  
15 recommending the award of \$300,000.

16 The next project with the staff's  
17 recommendation is Patrick County, the Route 58 Patrick  
18 Springs Water Sewer Expansion Project, number 1727. It  
19 is a request for \$1,436,013 which is 27 percent of the  
20 project costs to extend water and sewer for six miles from  
21 the Town of Stuart which is providing service to the  
22 Patrick Springs area along Route 58. The lines would be  
23 open and operated by the County Service Authority.  
24 Mandatory hook ups will be required for the 200 plus  
25 residents, their residential and commercial customers  
26 currently in the service area. The County has noted in

1 their application there is a commitment to reserve 70,000  
2 gallons per day of nonresidential capacity which will be  
3 controlled by the County's Economic Development  
4 Authority for business prospects in the service corridor.  
5 That is a state designated enterprise zone. Currently, the  
6 Economic Development Authority has two active prospects  
7 in the service area. There are two private firms that are  
8 looking for a location and expansion to the tune of 75 new  
9 jobs and there are sites in Patrick Springs that are  
10 currently under consideration and for construction review.  
11 One is a state prison which would entail 300 new jobs.  
12 Given the fact that this is a small portion of the very well  
13 leveraged and financed project and there is a reserve for  
14 business prospects in the area that's controlled by the  
15 Economic Development Authority, the staff is  
16 recommending the full award.

17 The last project that has a staff  
18 recommendation is the Robert Moton Museum in Prince  
19 Edward County asking for all of Prince Edward's allocation  
20 in FY09 for the Moton Museum facility renovation. This is  
21 request 1735 for \$116,679. A nonprofit applicant that is  
22 requesting the County allocation and they do have the  
23 enforcement of the County Board of Supervisors on this  
24 request. The specific request for the use of funds would  
25 be for window repair and replacement as well as some  
26 attic insulation which is a continuation of a detailed plan

1 to renovate the building. Roof repairs have been  
2 accomplished to stabilize the facility which is currently  
3 open on a fairly limited scale. The staff has contracted for  
4 an economic impact study that very conservatively  
5 projects that they can grow visitation from the current  
6 5,000 visitors per year to the museum to a ballpark of  
7 about 35,000 folks per year and there are a number of  
8 economic impacts that are estimated, including an  
9 additional half million dollars annually from direct visitors  
10 spending in Southern Virginia when the building is fully  
11 completed and renovated prior to the 60<sup>th</sup> Anniversary of  
12 the 1951 walk out that happened here and lead to the  
13 area of massive resistance and Virginia's participation in  
14 the Brown vs. Board of Education Supreme Court ruling.

15 SENATOR RUFF: Please explain how you  
16 project you're going to increase about seven times the  
17 amount of traffic here? How do you do that?

18 MR. PFOHL: The Moton folks contracted a firm  
19 who are very often the source of these economic impact  
20 studies that you see on various projects coming before  
21 you. One of the things that the study did was look at  
22 similar facilities. They saw annual visitation of 150 to 200  
23 plus at Civil Rights Museums. They noted of course we're  
24 in much larger metropolitan areas, they projected very  
25 conservatively that a certain number of folks would come  
26 and visit the museum. They attributed their spending to

1 just a portion of the visit that they would spend at the  
2 Moton Museum. That would be like a time that they're in  
3 Southside Virginia and that would contribute to the  
4 economic impact number. The study lists very  
5 conservatively by estimating that none of these 35,000  
6 folks would be coming to the area primarily to visit the  
7 museum. The study folks said if you increase that  
8 amount 5 percent or 10 percent of the visitors are coming  
9 primarily to see the museum, it would greatly increase  
10 those numbers. They got data from similar facilities they  
11 looked at with current visitation. So they projected a  
12 number of visitors that they felt was reasonable and  
13 conservative and applied those factors about what was the  
14 primary trip purpose. I'd be happy to make that available  
15 to you if you'd like.

16 SENATOR RUFF: You could apply that  
17 everywhere.

18 MR. PFOHL: Yes, obviously it would have to be  
19 marketed and get the word out, outside of Southern  
20 Virginia so you can bring those visitor dollars in from  
21 other areas.

22 SENATOR RUFF: I mean no harm to this one  
23 but four or five years ago, we funded a museum and then  
24 they came back with a lot more requests for museum  
25 funding. I thought there was some decision by the  
26 Committee we weren't going to fund museums anymore.

1 Have I misremembered that?

2 MR. PFOHL: There was discussion several  
3 years ago about museums and visitor centers and  
4 subsequently there was the low priority discussion in the  
5 Executive Committee. At that point I think we tried to  
6 have or apply a blanket policy that if a project defined  
7 what was called basic economic development or  
8 demonstrated that or growing the economic base of the  
9 region by attracting new jobs or new private capital  
10 investment, that that would be the type of project that  
11 could demonstrate economic outcomes. For to your point  
12 Senator, we do get requests in other grant programs for  
13 local museums and local history museums and that's  
14 where we draw the line. If those projects are not likely to  
15 attract visitor spending or something that anchor on the  
16 Civil Rights area, and if we have reasonable projections,  
17 that might fall on the good side of that dividing line.

18 SENATOR RUFF: Mr. Chairman, I think we  
19 probably ought to direct staff to make a very clear line  
20 what those priorities are, what would be reasonable for  
21 one might not be reasonable for somebody else. We need  
22 to set those parameters before we get next years'  
23 applications because I guarantee you, I can think of about  
24 four that we'll see here requesting money.

25 DELEGATE MARSHALL: I think the flood gates  
26 will open. Do we have a specific set of benchmarks we

1 need to meet for this so that we'll know which ones would  
2 fall under the priorities or not?

3 MR. PFOHL: We look for the economic impact  
4 on visitor spending.

5 DELEGATE MARSHALL: If I came in and  
6 discussed with you a project, if I asked for a list of those  
7 recommendations, would you have that now?

8 MR. PFOHL: A list of past recommendations  
9 and support?

10 DELEGATE MARSHALL: I'm on the Education  
11 Committee and I called and I asked what are we trying to  
12 do as far as education and it's pretty easy to go down and  
13 say what fits in that criteria and what didn't fit in that  
14 criteria. I think Senator Ruff is correct; we need to have  
15 some guidelines or some priorities as to what we will fund  
16 and what we won't fund.

17 MS. NYHOLM: Museums, we talked about new  
18 dollars turning within the locality. We've done some  
19 because it was recommended it brought dollars in from  
20 outside. I believe that was clarified and however possible  
21 it is to kind of draw that line. I think that's what you're  
22 talking about.

23 MR. PFOHL: As of now, the economic  
24 development criteria in the application say that  
25 enhancement to regional tourism infrastructure are  
26 eligible projects. We say that we're looking for economic

1 impact from outside of the region.

2 MS. NYHOLM: If it's significant.

3 MR. OWENS: I would suggest to the staff in the  
4 future to have some set criteria for that. What is new that  
5 we're bringing to the area with these?

6 MS. NYHOLM: And come up with an impact  
7 from outside.

8 MR. OWENS: That's what I mean. One of the  
9 stipulations would be attractiveness and what is it  
10 bringing to the area? Any other questions about funding?

11 SENATOR RUFF: There seems to be a question  
12 on Halifax. You mentioned they may want to speak to  
13 that.

14 MR. OWENS: What I'd like to do is pull that  
15 one out of the block. So we've heard an explanation of  
16 1730, 1729, 1726, 1734, 1725, 1727, and 1735. We'll pull  
17 out 1734; Halifax County and we'll have a discussion of  
18 those outside of the block.

19 DELEGATE MARSHALL: I'd move that we  
20 accept the staff's recommendation.

21 MR. MOODY: I was going to ask the project in  
22 Lunenburg, is that going to be included in the block?

23 MR. OWENS: What I'd like to do is get these  
24 approved and address that one and then those that with  
25 no funding recommended we'll address those. Is anyone  
26 opposed to that? We've got a motion, it's been seconded,

1 all in favor say aye (Ayes). Opposed (No response). That's  
2 unanimous. Those are in the block. Now, Halifax County  
3 Riverstone Technology Park ready site development, 1734.  
4 Is there someone that would like to speak to it?

5 MS. VAUGHN: Good morning, the staff's  
6 recommendation on the award to Halifax with the  
7 Industrial Development Authority executing a development  
8 agreement with a private partner. This is for the purpose  
9 of the site ready application. We would need to proceed  
10 with spending money to make the Riverstone site ready for  
11 a perspective company or they'll pass us by. The Virginia  
12 Economic Development Partnership has a ready site  
13 building program and what we got in the grant would meet  
14 the requirements of their program and allow us to or list  
15 the existing building or list the virtual building on the  
16 existing building list of the Virginia Economic  
17 Development Partnership. We need to extend utilities and  
18 we need electric services within the park. As far as the  
19 electric service, we're only putting in distribution lines to  
20 complete the loop for extending the service area. We're  
21 doing some grading on a primary lot in front of the park  
22 and that includes a marketable lot. We have no contract  
23 right now with a developer. We would like this  
24 contingency to be removed so it would allow us to be  
25 flexible to be able to market this area to companies like  
26 technology companies and without the flexibility of being

1 able to negotiate with any of these companies, or having a  
2 ready site when they come in, we can't wait until they  
3 come in to say by the way, we have a grant pending or to  
4 say we've got to get a contract with Tobacco before we can  
5 spend money on a site. If we're not ready, they'll bypass  
6 us and go somewhere else and those communities that are  
7 in competition with us.

8 MR. CANNON: I'm John Cannon. I'm chairman  
9 of the IDA Board. I've been in economic development in  
10 Halifax County for a long time and I can tell you the way  
11 the deal comes down when a person's getting ready to  
12 build a facility, they know more about you than you know  
13 about yourself. They're going to visit four or five sites in  
14 one day. When they come on your site and they say to  
15 you, what are you going to do for us and you show them a  
16 bunch of trees over on a hill and say we have an  
17 agreement that we can go ahead and make this ready and  
18 it'll take us so many months to do it, six months or  
19 whatever and they say what the next one looks like. This  
20 is a carrot and this is how you get customers and you  
21 have to have a pad ready site and that includes having  
22 everything ready to go including permits and conditional  
23 use permits, et cetera. Then you make the deal and that's  
24 when the decision is made. You've got 20 minutes to sell  
25 your project and you don't get a second chance. I'm just  
26 telling you that's the way this is done. The other thing

1 that's important in economic development is mega sites  
2 and at least a metal building or something to show or to  
3 bring the people in or when the economic partnership  
4 brings them down to see us. We've got a tremendous site  
5 and we've got some problems with the infrastructure.  
6 About 20 percent of Riverstone is electrified. It's pretty  
7 tough to sell a site when it's going to take 18 months to  
8 get power to it. I'd like for you all to think about what  
9 we're saying but we need to have pad ready sites and we  
10 need to have the flexibility to spend this money the way we  
11 see fit to make Riverstone all it can be and we need to get  
12 ready to make it happen. Thank you.

13 MS. VAUGHN: What the grant does is eliminate  
14 a lot of the lead time, the prospects that are looking. It  
15 would put us ahead of the competition rather than behind  
16 the competition as we have been on some other projects.  
17 As John was saying, we cannot wait for us to get the sites  
18 ready because people are looking for communities that  
19 already have sites ready and available.

20 MR. OWENS: I wouldn't have a problem with  
21 releasing funds for those things and having a pad ready.  
22 My concern would be, without having a person that's  
23 ready for it.

24 MR. CANNON: That sum of money is to be used  
25 in conjunction with the Virginia Department of, in  
26 Richmond, they're looking for virtual buildings so they can

1 put them on the website, that you can actually see a  
2 building and the folks come to see you. The 268,000 was  
3 for the total design of the building. I would be more than  
4 happy to work with you on that. If we have a customer  
5 ready to go, we can use that money for that purpose but  
6 the rest needs to be turned lose for the infrastructure and  
7 pad so we can get some sites ready to go.

8 SENATOR RUFF: I'd make a motion that we  
9 release all but –

10 MR. CANNON: I would love for you to release it  
11 all but conditioned on the fact that we wouldn't use that  
12 other sum unless we were ready to move with the  
13 architectural work on that one site.

14 MR. NOYES: With the company or the  
15 architect?

16 MR. CANNON: For a company that would  
17 support the architect.

18 MR. OWENS: We've got a motion, is there a  
19 second?

20 DELEGATE MARSHALL: Second.

21 MR. OWENS: It's been moved and properly  
22 seconded with the stipulation that to release all funds but  
23 the pre-design building portion until we have an actual  
24 company that's ready to come to Riverstone.

25 MR. MOODY: Mr. Chairman, is that the two  
26 million?

1 MR. OWENS: Yes. Any other discussion?

2 DELEGATE BYRON: I would just make a point  
3 that in future decisions, discussions that we have in  
4 allocation, if we're going to start doing things like this,  
5 we'd have a lot of locations throughout our southside area  
6 that might want to be considered in the future if this is an  
7 acceptable means using our economic development money  
8 to look at some other sites that could benefit from the  
9 same preparation. Some of the areas that don't get as  
10 much of an allocation, there's another argument that if we  
11 need to look at changing the allocation or look differently  
12 at that.

13 MR. OWENS: Any other discussion? All those  
14 in favor signify by saying aye (ayes). Opposed (No  
15 response). Now, there's a request to reconsider a couple of  
16 these, I mean I'm speaking of Lunenburg County.

17 MR. PFOHL: We've had substantial  
18 conversations with Lunenburg County in the last several  
19 days; the timing of the grant application deadline was  
20 September 15<sup>th</sup>. There's a challenge to them in performing  
21 their homework and talking with other potential funding  
22 sources for the project. I'm speaking in terms of the  
23 custom hanger and office building number 1732. That's a  
24 request for \$215,000. Ninety-six percent of the project  
25 cost to put up a 24 hundred square foot hanger at the  
26 county airport. The county economic development office is

1 working with a perspective business and a tenant that is  
2 considering a 20 year lease of space to establish a  
3 skydiving business. The business would invest a million  
4 dollars in equipment and hire 20 workers on somewhat of  
5 a seasonal basis. Over the last week or so the county  
6 economic development officer submitted a TROF proposal  
7 to us that shows that the job creation does not justify a  
8 TROF award. There's one potential funding source. The  
9 Department of Aviation has had conversations with  
10 Lunenburg and because of the designation of this airport  
11 as a local level airport, it would not qualify for the site  
12 improvement grant funds that the Department of Aviation  
13 has for hangers and that's a potential second source of  
14 funding out the window. The Virginia Resource Authority  
15 is a potential source and they look at airport funding to  
16 have the Department of Aviation approve the project. So if  
17 the Department of Aviation doesn't want to give grant  
18 funds, there's a concern that they might not be able to  
19 finance this and that's the third strike. There's a potential  
20 source of local conventional bank financing and that  
21 would depend on the company's financials and business  
22 plan and also the county talking with the Virginia Small  
23 Business Financing Authority and they have said we  
24 might be able to help this project and we can't say how far  
25 at this point, we've got to see the company's financials and  
26 their business plan. The county is asking that you

1 approve the full request of 215,000 contingent upon  
2 whatever amount of funding that the company is able to  
3 secure through lending sources; that amount be deducted  
4 from the grant so that the amount that is obtained by the  
5 company to invest in the structure would be funds that  
6 would approved under our grant and that wouldn't have to  
7 be spent and the county would return that to it's  
8 allocation. I hope that's clear.

9 DELEGATE MARSHALL: Would you explain  
10 one more time?

11 MR. PFOHL: There are potential lending  
12 sources that the company might be able to qualify for for  
13 building this structure on county owned property but the  
14 company would have a long term lease like 20 years. If  
15 the full 215,000 is approved, whatever amount the  
16 company is subsequently able to get in bank financing  
17 would be deducted from the grant and that would be the  
18 company's contribution toward the construction costs.  
19 The whole 215 would not have to be released.

20 DELEGATE MARSHALL: If the company does  
21 not do a good job selling itself to the bank then they get  
22 the 215,000?

23 MR. PFOHL: That would be what the county  
24 would ask you to consider. The county economic  
25 development director is here to speak to that.

26 DELEGATE BYRON: What is the company

1 doing to get a loan?

2 MR. PFOHL: Good question.

3 DELEGATE MARSHALL: Can they borrow the  
4 215, how would they pay it back?

5 MR. PFOHL: That's how loans work.

6 MR. OWENS: How many jobs is this going to  
7 create?

8 MR. PFOHL: Twenty jobs, the full time  
9 equivalent is about 13.

10 DELEGATE WRIGHT: I'd like to thank the staff  
11 for the work they've done. I know Lunenburg has worked  
12 very hard on this, the county and town supports this  
13 project and it's very important to our area. The county  
14 economic development officer is here to answer any  
15 questions and speak to that matter.

16 DELEGATE MARSHALL: That's the question I  
17 had. Is this an existing company that's been in business  
18 or is this just the start up or is there any background for  
19 this company?

20 MS. HAWTHORNE: Thank you, I'm Beverly  
21 Hawthorne. It's a start up company and the owners of the  
22 company have worked with another company in this  
23 capacity of the trainers and the instructors in the  
24 business. So they come with a lot of experience and both  
25 of them have their own businesses outside of this  
26 particular business in working with this other company.

1 MR. OWENS: Do you already have a signed  
2 agreement?

3 MS. HAWTHORNE: No, that's one of the things  
4 we've talked to the town, that we would not request any  
5 funds or proceed with the project until we have a signed  
6 lease agreement with this company as well as a signed  
7 performance agreement with them on the number of jobs  
8 that would be created and the amount of investment.

9 SENATOR RUFF: This is on county owned  
10 property?

11 MS. HAWTHORNE: Yes.

12 SENATOR RUFF: What you had proposed  
13 originally that it would be a county owned building that  
14 was leased for long term?

15 MS. HAWTHORNE: Yes.

16 SENATOR RUFF: If private money came into  
17 the equation, how would that fit? Would you lease them  
18 the land?

19 MS. HAWTHORNE: Yes.

20 SENATOR RUFF: It would be their building at  
21 that point?

22 MS. HAWTHORNE: Yes. There is another  
23 airport that has the exact same situation and I have  
24 copies of their leases and agreements and everything that  
25 would guide us and they've been approved by the  
26 Department of Aviation.

1 DELEGATE MARSHALL: What's the liability to  
2 the county?

3 MS. HAWTHORNE: None, that's all in the  
4 agreement.

5 DELEGATE MARSHALL: The financials of the  
6 company, this is two individuals?

7 MS. HAWTHORNE: I talked to them yesterday  
8 and they are submitting their application for the plane  
9 that they need and they have the pre-approval of that  
10 already.

11 MS. NYHOLM: There's a lot of economic  
12 incentive.

13 DELEGATE WRIGHT: I just like to say that this  
14 money will not be spent unless there's an actual company  
15 on the premises, that's the contingency. No money would  
16 be spent unless the deal is made. Based on that and the  
17 staff's recommendation, I would ask you to accept it, ask  
18 you to accept the staff's recommendation and approve it  
19 for 215,000.

20 MR. DAY: I'll second that.

21 SENATOR RUFF: Is that motion saying that  
22 those conditions will be met?

23 MR. OWENS: With the same stipulation and  
24 with the staff recommendation. What he said today. The  
25 recommendation he made today. The motion is to grant  
26 Lunenburg County 215,000 based on the fact that they

1 would have a signed agreement and this would create 13  
2 fulltime jobs and that they have a performance agreement  
3 in place.

4 DELEGATE WRIGHT: In other words, if there's  
5 no company to do the business, there's no money.  
6 Nothing can take place until the company has an  
7 agreement and they agree to come.

8 DELEGATE MARSHALL: So the 215,000, if the  
9 company goes out and they're able to borrow the 215,000,  
10 the Tobacco Commission would not give them any money.

11 MS. HAWTHORNE: If they're able to get all of  
12 the 215,000, yes.

13 DELEGATE MARSHALL: So the total, you said  
14 earlier, they would do this financing themselves. So after  
15 that, they wouldn't get anymore money, 215,000 is the  
16 most they'd get?

17 MS. HAWTHORNE: Yes.

18 DELEGATE MARSHALL: The total project is  
19 225 and certainly an airplane would cost more than  
20 10,000.

21 MS. HAWTHORNE: The 225,000 is for the  
22 building of the airport and the office space within the  
23 building at the airport. The building of the hanger and  
24 office space within the hanger that they need to operate.  
25 The plane is in an additional expense for them and that  
26 would be considered as personal property. It's in the total

1 project cost but not anything that the county would be  
2 spending money for.

3 DELEGATE MARSHALL: My problem with this  
4 is the incentive is not for these people to borrow the  
5 money. The incentive is I don't know, have to go out and  
6 work because we're going to get this 215,000 because the  
7 Tobacco Commission will give it to me. My suggestion  
8 would be that we would do this on a pro rata basis.  
9 Maybe a certain percentage. Figure out if they get a  
10 certain amount then we loan them.

11 MS. HAWTHORNE: One thing we can consider,  
12 the public private partnership and the agreement might  
13 include deferring the lease for the amount of money that  
14 they could contribute up front for the building.

15 MR. DAY: I don't know of any other instance  
16 where we have required companies to first see if they can  
17 borrow the money.

18 DELEGATE WRIGHT: I agree Mr. Chairman. I  
19 think it strengthens the proposal by them trying to get  
20 money to do it. I think we made some people do that  
21 today but I think we have a motion and a second.

22 MR. OWENS: Any further discussion? All  
23 those in favor of the motion say aye (ayes). Opposed (No  
24 response). The motion passes.

25 MR. PFOHL: 1738 is a proposal by Danville  
26 Community College and initially submitted at 443,000 and

1 they notified us this week due to an award of some  
2 additional state funds, they reduced the request to  
3 391,000. One of the questions on this project is whose  
4 allocation are they seeking here? Potentially this could be  
5 seen as a Danville allocation or the Pittsylvania County  
6 allocation or the Halifax County allocation. The request  
7 specifically is to do industrial training certification  
8 programs and establish a new wood products advanced  
9 manufacturing site or lab. That site has been determined  
10 and I believe they have a conceptual agreement for a lease.  
11 One of the programs is an industrial manufacturing  
12 technician program that was established last year. The  
13 first 19 graduates and others were hired by the IKEA  
14 Manufacturing Facility. Another training program is one  
15 that was initiated several years ago for Goodyear and  
16 continues to train Goodyear employees. Information we  
17 received after the staff recommendation was published is  
18 that 80 percent of the graduates of the program are hired  
19 by the companies that have made some very substantial  
20 job announcements in the Danville and Pittsylvania  
21 County area over the last several years. This would  
22 continue funding to train folks for those announced jobs  
23 in the region. Included in the additional information is  
24 that the college is committing that the Tobacco  
25 Commission funds will be last dollar tuition assistance for  
26 these people that are entering these training programs.

1 Other funds such as Workforce Investment Funds and  
2 PELL Grants and other sources of financing would be used  
3 before Tobacco Commission dollars. The representatives  
4 of the college are here today. I will note that since the  
5 staff report was published, that there's been an additional  
6 377,428 and that money has been de-obligated by the City  
7 of Danville from older grants. In terms of the Danville  
8 allocation, the City of Danville applied for everything that  
9 was available for the Berry Hill Project. Since then,  
10 through the efforts of your staff, there has been a  
11 recapturing of an additional 377,000. So this project is  
12 not entirely directly competing against the Berry Hill  
13 Project that you already approved. I would suggest that  
14 one of the possibilities with this is to refer it to the  
15 Education Committee which meets this afternoon.  
16 Conversations with the college this morning indicates that  
17 they're hopeful you'll consider funding a portion of the  
18 request to retrofit the building that is being negotiated  
19 with the wood products lab today.

20 MR. DAY: What does the City of Danville say to  
21 this?

22 MR. PFOHL: I don't have anything published by  
23 the City of Danville. I can't speak to any direct  
24 correspondence. One would think the City of Danville  
25 would be very, have folks trained for the announced job  
26 opening in the region. If we don't have people qualified to

1 fill those positions at Yorktown and Sweatwood and  
2 Goodyear and others, it'll create a very serious statement  
3 for the region.

4 MR. DAY: Is anyone here from the City of  
5 Danville?

6 MR. PFOHL: Inasmuch as one of the DCC  
7 representatives on City Council and I'm sure he would love  
8 to speak on behalf of the consensus of the city.

9 MR. ARNOLD: There is a letter of support.

10 MR. PFOHL: Mr. Arnold of DCC points out  
11 there's a letter of support to the application.

12 SENATOR RUFF: You indicated you didn't  
13 know whose allocation it should come from? Do you want  
14 to expand on that a little bit?

15 MR. PFOHL: Inasmuch as the DCC service area  
16 is primarily Danville, Pittsylvania and Halifax and that's  
17 probably a starting point that may be a very slippery  
18 slope. I'm a little reluctant to make strong suggestions to  
19 you on that. That 377,000 plus that is available under  
20 Danville's allocation and a very substantial amount  
21 available under Pittsylvania's allocation.

22 SENATOR RUFF: You mentioned the Education  
23 Committee, there's a far, far greater desire for money  
24 under the Education Committee than we can possibly  
25 fund. In the past, some counties like Mecklenburg felt like  
26 education was the most important thing they could do for

1 job development. We funded out of this allotment from  
2 this committee, some of those projects. I think it's fairly  
3 and properly before this committee. I can't imagine how  
4 we would find more money.

5 MR. NOYES: Have we ever used economic  
6 development money for financial assistance?

7 MR. PFOHL: Not to my knowledge.

8 MR. NOYES: Through this committee for  
9 construction of training facilities for development projects  
10 but not to offset faculty salaries or providing financial  
11 assistance.

12 DELEGATE MARSHALL: Tim, would you break  
13 this down for us as far as the infrastructure cost of the  
14 project? The request is for 19,000 in personal services,  
15 314 for contractual services and 110,000 for plant  
16 improvements. Personal services are staff salaries, 19,000  
17 for adjunct faculty. The contractual services of 314,000  
18 and that includes costs to cover some students, 20  
19 students per cohort for the manufacturing technician  
20 program and that covers tuition, textbooks, course  
21 materials and assessments for the students. It covers  
22 costs for the maintenance entry training program which is  
23 an Associate Degree Program in Industrial Maintenance,  
24 tuition, books and supplies. Then there's the multi-craft  
25 maintenance training and that has similar costs. The 314  
26 is primarily tuition, books, skills assessment and so forth;

1 110,000 for plant improvements and that's for retrofitting  
2 this facility that they are looking to lease as well as  
3 covering a monthly lease payments for one year. The  
4 wood products lab needs substantial air handling systems  
5 and things like that.

6 MR. DAY: How time sensitive is this one?

7 MR. PFOHL: I'd have to turn to the DCC people  
8 to answer that. One program began in September and I  
9 think these are 10 week training programs and they'd be  
10 looking to start up additional cohorts in the next two  
11 months.

12 UNIDENTIFIED: Currently right now Danville  
13 and Pittsylvania we're trying to plan for workforce  
14 development. There will be a report next year. You know  
15 how this fits with that ongoing effort?

16 MR. PFOHL: I don't specifically because I'm not  
17 with the project you just mentioned.

18 UNIDENTIFIED: My understanding is that the  
19 Regional Innovation Grant award and that's suppose to be  
20 coming up sometime next year. I think there's another  
21 cohort of funding that we were looking for this project  
22 from the Department of Labor. My most recent  
23 conversations with the Department of Labor was that they  
24 didn't think there'd be much opportunity for funding this.

25 MR. RAMSEY: Thank you Mr. Chairman and  
26 appreciate the opportunity to be here. I'm Carlyle

1 Ramsey, President of Danville Community College.  
2 Several of my staff folks are here. Why do we chose to  
3 submit this when some of it is clearly for training and I'll  
4 give you several reasons why we decided to submit this.  
5 One of those has been addressed by Senator Ruff  
6 somewhat. First, we understand that there is sometimes  
7 a danger in trying to blur preparation of workforce with  
8 economic development. In the last two or three editions of  
9 Site and Selection Magazine which is a trade publication,  
10 the availability of a trained workforce is the number one  
11 issue in retaining business and industry or bringing in  
12 new industries. All the other factors that have been  
13 discussed are extremely important as well. Sometimes  
14 when something is really critical and strategically  
15 important, I hope the Committee will consider different  
16 circumstances. The amount in the request, we do have a  
17 facility and in fact we have a couple of sites that we're  
18 looking at. It does require some retrofitting and that's not  
19 a significant amount of money but some and we also need  
20 to look at a one year lease. Long term this is not our  
21 solution and long term we want to build out our regional  
22 center for advanced technology. We have several members  
23 of the General Assembly here today and they can tell me  
24 very quickly, there's no help coming there. There's 1,500  
25 manufacturing jobs that have to be filled. These are jobs  
26 at hand and not jobs that we hope for and that's a fairly

1 conservative estimate. I think this information was in  
2 your proposal but I'll pass it around. We have nine or ten  
3 companies who have formally endorsed this program and  
4 involved in developing the curriculum. These are the ones  
5 that are hiring the graduates. We know that several of  
6 these companies are, they're hiring. They range from ABB  
7 in Halifax County, some in Danville and Pittsylvania  
8 County. This is a regional project. Thanks to the support  
9 of the Education Committee we have 250,000 that we  
10 used to purchase wood equipment that's being stored.  
11 We'd like to be able to deploy this equipment because  
12 these companies are waiting for some of these trained  
13 personnel. We can't purchase the equipment until Jeff  
14 and four of his colleagues took three trips to Poland to  
15 make sure that we purchase the correct equipment. We  
16 think this is very important. We do have letters of support  
17 from the various companies for jobs to be filled now; at  
18 least in the next three or four years. Finally, we know  
19 about going to your committee Senator Ruff and after  
20 talking to staff a little bit and knowing how much money  
21 we might anticipate, we just felt like this project has  
22 training and a facility and the most compelling thing is  
23 jobs and we have to have trained people for the jobs that  
24 are here or are coming. I just don't think we can afford to  
25 let these employers down. We can't let our communities  
26 down. I don't want to get in a situation where Danville

1 Community College is trying to maneuver itself to acquire  
2 funds that should go to the jurisdictions. We think we've  
3 made modifications and we have returned some money  
4 recently. We would hope that the Commission will help us  
5 with this project. I want to thank Senator Ruff and this  
6 Committee for approving or at least what the staff is  
7 recommending a proposal that we submit it to the  
8 Education Committee. Thank you very much.

9 DELEGATE BYRON: Senator Ruff and I both  
10 serve on the Virginia Workforce Committee so this is a  
11 very important committee and it's one that I strongly  
12 believe in and I know Delegate Marshall also understands  
13 the jobs that will be available over the next say ten years  
14 and it's very important that we fill those and especially  
15 these manufacturing jobs. With all that said, there's so  
16 many different types of money allowed and the Governor  
17 has discretionary funds and there's all different types of  
18 avenues that money can be obtained. We don't want to  
19 make a mistake in setting precedent changing the course  
20 of this committee, the guidelines we've set forth for  
21 economic development and revitalization. There is nothing  
22 stopping us from discussing that in our full commission  
23 meetings setting up a new committee. Otherwise, I think  
24 we need to send this to Education. If Education needs  
25 more money then we can sit down and evaluate what the  
26 big thrust has been on education from what our priorities

1 are going to be. I'm very concerned that we have many  
2 community colleges, Danville does a great job and I'm a  
3 champion of what they're trying to do in different  
4 certification programs. I just don't know that it fits within  
5 our mission and the committee. We're going to have a lot  
6 of people that are going to be very concerned about the  
7 budgetary conditions in the General Assembly and we're  
8 going to have a lot of tough decisions to make in the next  
9 year. We need to make sure that we're going to be very  
10 careful about the decisions we make. I know Delegate  
11 Marshall agrees.

12 DELEGATE MARSHALL: My suggestion  
13 concerning this project or of the 391,000, 110,000 is in  
14 infrastructure cost; so my motion would be to the  
15 Southside Economic Development to approve 110,000  
16 infrastructure costs for this project and then refer the  
17 remainder to the Education Committee.

18 DELEGATE BYRON: I think it's wonderful what  
19 you're doing but we have to decide as a committee how we  
20 prioritize these matters. We have to decide if we do this  
21 without the formulary but job creation is also number one  
22 and we must consider the allocation. We have to decide  
23 where the money is going to come from.

24 MR. OWENS: We've got a motion, do we have a  
25 second?

26 SENATOR RUFF: I would amend the motion to

1 say 50,000 coming from Danville and 50,000 from  
2 Pittsylvania; and 10,000 from Halifax.

3 MR. OWENS: I understand that from what you  
4 just said that we have a one year lease and you're going to  
5 retrofit the building for 110,000 to use for one year.

6 MR. RAMSEY: We anticipate we'll be in that  
7 building two years. We were also reminded by staff that  
8 we actually did have a three year plan. We were reminded  
9 by staff you go one year at a time just as we have over the  
10 past year, education approved funding for the Advanced  
11 Manufacturing Training Program more than a year ago.  
12 Just as we've been able to leverage funds for training over  
13 the past year, 15,000 from Goodyear and I was able to  
14 secure about 30,000 from VCCS and this is before the  
15 budget reductions. We got a cohort of 19 in September.  
16 One company is interviewing for jobs as we speak. We'll  
17 make every effort to try to secure the additional funding  
18 from other sources over the next year. I can appreciate  
19 what you all have said about other pots of money. We  
20 tried to get these on Pell Grants and we've tried to exhaust  
21 every possibility and we would only use Tobacco  
22 Commission funds as the last resort.

23 MR. OWENS: You're saying the 110,000.

24 SENATOR RUFF: I seconded that but I made  
25 the motion to amend the original motion.

26 DELEGATE MARSHALL: If we accept it today, it

1 still won't be voted on until the Board meeting. This will  
2 give us a couple of weeks to see if we want to look at it.

3 MR. OWENS: It will come out of the  
4 Committee's recommendation to the full Commission. So  
5 it's been moved and seconded any other discussion? Do  
6 you want to restate your motion?

7 DELEGATE MARSHALL: The motion is that the  
8 Southside Economic Development Committee \$110,000  
9 for this project and 50,000 would be allocated from  
10 Danville; 50,000 from Pittsylvania County and 10,000  
11 from Halifax.

12 DELEGATE BYRON: The two training  
13 programs, that's 110 for the wood lab is that where the  
14 110,000 comes into this?

15 MR. RAMSEY: That's correct. It would be a one  
16 time commitment except for the lease which we anticipate  
17 going two years and then we hope we'll have a permanent  
18 place and all the equipment that would be deployed, that  
19 lab would be moved to a permanent place. You're correct,  
20 the rest of the funding and you're talking about 390,000  
21 or 391 to be precise but the rest of the funding is  
22 committed to an advanced manufacturing technician  
23 program and these 9 or 10 companies have endorsed this  
24 and they get first shot at interviewing the candidates.  
25 There's about 110,000 maybe Goodyear specifically  
26 because of what you pointed out Delegate Byron. They're

1           losing craftsmen and trained technicians, it's a little more  
2           specific for Goodyear.

3                   DELEGATE BYRON:   Basically, based on the  
4           motion, we would have a different grant request then. We  
5           would revise it to be for a lab or something along those  
6           lines or are you just adjusting one to make it to fit the  
7           grant?

8                   MR. PFOHL: This one piece that's broken out in  
9           the budget narrative would be funded under the motion.

10                   MR. DAY: If I could ask Delegate Marshall if we  
11           pass your motion as amended, what happens if they don't  
12           get the rest of the money?

13                   DELEGATE MARSHALL: Then I don't think  
14           they should get the 110. If we can't get it from the  
15           Tobacco Commission, why would you want to spend  
16           110,000 to build out a structure that would just sit there?

17                   MR. OWENS: I've got two concerns. Has  
18           anybody contacted Halifax or Pittsylvania and asked them  
19           about it, asked them if they wanted to put their money  
20           into this?

21                   MR. RAMSEY: Probably not directly but I had  
22           not planned to approach it that way because I felt that  
23           these people made commitments and I have talked to  
24           some informally but I haven't had a chance to speak to  
25           Dan Sleeper. The community college generally speaking,  
26           we're mutual partners and we don't get involved in

1 politics. We don't try to do that. Our job is training the  
2 workforce. We're good at it. We'll be performing a service.  
3 I think we need to be an active partner. If we don't have  
4 the equipment and the programs then we shouldn't be  
5 invited to economic development and we don't deserve to  
6 be. I can tell you that since 2000, if it hadn't been for this  
7 Commission, the Virginia Community Colleges that have  
8 received funding would not have been competitive. You  
9 have made us competitive and we're competing with the  
10 rest of the world. We made commitments to these new  
11 industries and I'm absolutely determined we're going to  
12 have this workforce but I don't know what we'd do without  
13 support from the Tobacco Commission to do some of the  
14 training, I really don't. In all due respect to our federal  
15 partners, we cannot depend on federal money, it's a  
16 murky, murky world, unpredictable. To answer your  
17 question specifically Chairman Owens, I feel comfortable  
18 with a goal of trying to get money from localities without a  
19 thorough discussion. All I know is that there's 1,500 jobs  
20 out there and they've got to have the technicians to fill  
21 those jobs.

22 MR. PFOHL: Mr. Chairman, the applications  
23 did include a letter signed by both the Economic  
24 Developers from Danville and Pittsylvania supporting this  
25 project and asking for your consideration of this  
26 application. It did not specifically address or endorse the

1 use of any localities allocation. I have a letter as Mr.  
2 Arnold pointed out, the City Manager in Danville  
3 supporting the application.

4 MR. OWENS: We have a motion that's been  
5 moved and properly seconded, let's have a roll call vote.

6 MR. NOYES: Delegate Byron?

7 DELEGATE BYRON: Aye.

8 MR. NOYES: Deputy Secretary Hammond?

9 DEPUTY SECRETARY HAMMOND: Aye.

10 MR. NOYES: Delegate Marshall?

11 DELEGATE MARSHALL: Aye.

12 MR. NOYES: Mr. Moody?

13 MR. MOODY: Aye.

14 MR. NOYES: Senator Reynolds?

15 SENATOR REYNOLDS: Aye.

16 MR. NOYES: Senator Ruff?

17 SENATOR RUFF: Aye.

18 MR. NOYES: Delegate Wright?

19 DELEGATE WRIGHT: No.

20 MR. NOYES: Mr. Day?

21 MR. DAY: No.

22 MR. NOYES: Mr. Owens.

23 MR. OWENS: No.

24 MR. NOYES: Mr. Chairman, the motion carries.

25 MR. OWENS: The last one is from Pittsylvania  
26 County.

1 MS. NYHOLM: You didn't call my name.

2 MR. NOYES: I'm sorry. Ms. Nyholm?

3 MS. NYHOLM: Aye.

4 SENATOR REYNOLDS: I'm a little bit  
5 uncomfortable about what happened, about the affect it  
6 has on Halifax County. I guess my question is, this is my  
7 second meeting. It seems to me that somehow or other,  
8 we should try to or in the future to reach some kind of  
9 understanding or agreement or somehow input from the  
10 localities that are going to be affected by the grant  
11 decrease. I just think it's appropriate to make that  
12 comment.

13 DELEGATE MARSHALL: But this is a  
14 recommendation to the full Commission. I mean in about  
15 two weeks the full committee will meet. I'm sure the staff  
16 with the existing localities will bring it back. I do agree  
17 with what you just said.

18 SENATOR REYNOLDS: I would like the  
19 localities to meet and reach an agreement on how to see if  
20 they can get together by the next meeting; get that  
21 information by the next meeting.

22 MR. STEPHENSON: Mr. Chairman, it may be  
23 worth noting to the committee that the formulary allocates  
24 the money for use in the county, not for use by the  
25 county. So the committee is within its right to approve  
26 this for the entity other than county government.

1 MR. OWENS: So noted. Mr. Phofl.

2 MR. PFOHL: The last proposal that we haven't  
3 spoken about today is from Pittsylvania County Old  
4 Dominion Agriculture Complex Water and Sewer  
5 Extension.

6 SENATOR RUFF: Before you go into that but  
7 you left the impression it was going to come to the  
8 Education Committee but without a motion from this  
9 committee, I don't think it can.

10 DELEGATE MARSHALL: Motion to refer to  
11 education and education funded.

12 DELEGATE BYRON: Yes, second.

13 MR. FERGUSON: Mr. Chairman, I think that's  
14 what we would call preparatory language.

15 MR. OWENS: We have a motion and a second  
16 by Delegate Byron to move this to the Education  
17 Committee for funding. Any discussion? All those in favor  
18 signify by saying aye. Opposed (No response). The motion  
19 carries.

20 MR. PFOHL: The Pittsylvania County Old  
21 Dominion Agricultural Complex Water and Sewer  
22 Extension which is 1737 and this is a request for  
23 \$900,000 which is 90 percent of the project cost to extend  
24 water and sewer service from Chatham, Virginia north on  
25 Route 29 to the site of Old Dominion Agriculture Complex.  
26 The lines would be operated by the county public service

1 authority under a service agreement with the Town of  
2 Chatham to provide those services. The intention is to  
3 extend them to the Town of Gretna, to the Gretna  
4 Industrial Park in the future. The request proffers a ten  
5 percent match for water and sewer and the staff would  
6 point out it had several other possible funder and revenue  
7 generating capability. The PER and cash flow analysis  
8 and preliminary engineering report. There is projected  
9 demand and revenues for the ag complex and other  
10 properties that will be served by these facilities and to  
11 show the ability to finance a portion of the call. We've  
12 requested evidence that the applicant has had  
13 conversations with other sources of water and sewer loan  
14 and grant funds. We haven't received that information as  
15 of yet and absent that information the staff recommends  
16 no award.

17 MR. OWENS: Anyone here from Pittsylvania  
18 County who would want to speak to that very quickly?

19 MR. SIDES: I just want to speak to that very  
20 quickly. Pittsylvania considers this a very worthy project  
21 and its regional in scope and it involves contributions from  
22 Henry County, Pittsylvania County, Franklin County and  
23 Campbell County. There is a substantial private  
24 contribution as well through a nonprofit organization or  
25 foundation. We think the project is important in term of  
26 its agricultural development aspect. We'd like to push

1 that program. While the project does not generate a big  
2 number of jobs initially but it has the potential to create a  
3 new industry in terms of alternative crops and bio-fuel  
4 and the site has potential capacity for the bio-fuel's  
5 program and capacity. I didn't get a chance to respond in  
6 writing to the staff's recommendation or questions. We're  
7 trying to explore some other options. We met with various  
8 organizations; the United States Department of  
9 Agriculture and Rural Development about this specific  
10 project. Most of their funding programs are loan programs  
11 as far as grant projects. As far as cash flow and revenue  
12 generation, there really is no significant revenue projected  
13 for the project. From our standpoint this is considered as  
14 the county's contribution to a regional agricultural  
15 development. Our contribution would be getting water  
16 and sewer to this facility so that it could grow in the  
17 future. That particular facility as it stands today is not  
18 going to be a large user. There is the potential as has  
19 been noted for economic development projects along  
20 Highway 29 corridor. This is designed in such a way that  
21 it would be the first phase of a water line that would go all  
22 the way to Gretna and help solve a regional water supply  
23 problem between Chatham and the Gretna Industrial  
24 Park. We have looked into other funding options in terms  
25 of loans and grants. The county has issued bonds and  
26 we're about to issue bonds along with the City of Danville

1 for the Megasite project. As a side issue, we're issuing \$70  
2 million in bonds for the school project in the county. In  
3 terms of our loans and bonds and debt obligations, we're  
4 pretty well tapped in that area right now. We do feel this  
5 project has a lot to offer. We have investigated the  
6 options. We certainly have no problem with supplying  
7 whatever information is needed.

8 DELEGATE MARSHALL: In your application,  
9 1727 and we approved \$1.4 for Patrick County. This  
10 doesn't fall under the same idea.

11 MR. OWENS: The agribusiness, what have we  
12 done with that?

13 MR. NOYES: The Special Projects Committee  
14 transferred the funds to the Agribusiness Committee  
15 earlier this year for another application. We've heard that  
16 multiple counties were involved and I think that was like a  
17 \$5,000 contribution from those counties. There was some  
18 question about whether this was really a regional effort  
19 rather than a local project and so forth. The Economic  
20 Development Committee from Southside looked at and  
21 said the private sector investment and private sector jobs  
22 as its criteria. That if you raise \$70,000 we'll reserve for  
23 commercial and industrial users in Patrick County. The  
24 end users for this phase will have a larger utility project,  
25 agricultural complex. Because of the lack of private sector  
26 jobs and the staff was uncomfortable making an

1 affirmative recommendation, the use of an economic  
2 development project.

3 MR. OWENS: Is there any other committee in  
4 this Commission that could fund this water and sewer  
5 project?

6 MR. NOYES: The budget for agribusiness is  
7 probably not sufficient to take on a million dollar project.  
8 If this Committee were determined to move allocated funds  
9 from economic development to the Agribusiness  
10 Committee, that committee meets some time in December  
11 and then a final decision could be made at the January  
12 meeting.

13 DELEGATE MARSHALL: This is not just for the  
14 project, this is going to go along a four lane divided  
15 highway and there will be water and sewer along that  
16 highway. The potential for additional, this is not just for  
17 agribusiness, it also moves the water and sewer line  
18 further north towards Gretna.

19 SENATOR RUFF: Mr. Chairman, the building  
20 has not been funded or has been funded?

21 MR. NOYES: The funds were moved from  
22 special projects so it might be considered in December by  
23 that committee.

24 SENATOR RUFF: I'd move that we leave this on  
25 the table until we determine what's going to be out there.

26 DELEGATE BYRON: Second.

1 MR. OWENS: It's been moved and seconded  
2 that we table the project until the agribusiness makes a  
3 final determination how they're going to use this. Any  
4 other discussion? All those in favor say aye (Ayes).  
5 Opposed (No response). Any other business or comments?

6 MR. NOYES: Members of the committee, we  
7 have these parking validation slips. Please see Michelle if  
8 you're getting ready to leave and lunch will be served next  
9 door.

10 DELEGATE BYRON: I have some concern  
11 based on what we just did with Danville and having been  
12 on the prevailing side which approved the 10,000 for one  
13 project. I'd like to bring that motion back, 1735.

14 DELEGATE MARSHALL: I'll second it. I believe  
15 that's 1738 Mr. Chairman.

16 MR. OWENS: 1738.

17 DELEGATE BYRON: I'd like to lay this on the  
18 table as well until we have some further information and  
19 have gathered some of the concerns that were addressed  
20 here with regard to breaking this amount out and how  
21 education is going to respond to it. Rather than try to  
22 piecemeal, I would like to suggest that we lay it on the  
23 table and take it up at a later time.

24 MR. OWENS: It's been moved and we have a  
25 second, any other discussion? The motion is to lay it on  
26 the table until –

1           SENATOR RUFF: I guess you may want to put  
2 a contingency on this if the Education Committee funds it.  
3 If you leave it on the table and their starting to hire people  
4 today or right now, I'm not sure that doesn't do some  
5 damage to that project.

6           DELEGATE BYRON: I wasn't aware of that,  
7 maybe I missed that, missed that conversation. They all  
8 have higher, I know there's some concerns from some of  
9 the members and it's a very unusual way for us to do  
10 business. I was concerned that we were approving  
11 something without having some contingency. If I'm  
12 incorrect on that then I'll withdraw my motion. What is  
13 the contingency if it's approved by education?

14           MR. NOYES: That's not part of the motion.

15           DELEGATE BYRON: Then I would move to  
16 amend it contingent on approval of education.

17           SENATOR RUFF: Then I would second it.

18           MR. OWENS: It's been moved and properly  
19 seconded.

20           DELEGATE BYRON: That the 110,000 as  
21 stated earlier be approved contingent on the rest of the  
22 project being approved in the Education Committee.

23           MR. OWENS: Any other discussion?

24           MR. FERGUSON: Mr. Chairman, clarification.  
25 Perhaps the motion should be contingent on funding  
26 coming from education or some other source and I

1           suppose it possibly could be funding elsewhere. The point  
2           is, you won't pay 110 unless the rest of it is funded. You  
3           may not want to have in there just approved by education.

4                       DELEGATE BYRON: Thank you. You want me  
5           to restate it or –

6                       MR. OWENS: I think we all understand it. Any  
7           further discussion? All in favor say aye (Ayes). Opposed.

8                       MR. DAY: No.

9                       MR. OWENS: Is there any further business?  
10          Any public comment? All right, we're adjourned.

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13                       PROCEEDINGS CONCLUDED  
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2 CERTIFICATE OF THE COURT REPORTER

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5 I, Medford W. Howard, Registered Professional  
6 Reporter and Notary Public for the State of Virginia at  
7 Large, do hereby certify that I was the court reporter who  
8 took down and transcribed the proceedings of the  
9 VIRGINIA TOBACCO INDEMNIFICATION AND  
10 COMMUNITY REVITALIZATION COMMISSION, Southside  
11 Economic Development Committee meeting when held on  
12 Thursday, October 16, 2008, at 11:00 o'clock a.m. at the  
13 Hotel Roanoke in Roanoke, Virginia.

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

17 Given under my hand this 15<sup>th</sup> day of  
18 November, 2008.

19

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21 Medford W. Howard

22 Registered Professional Reporter

23 Notary Public for the State of Virginia at Large

24 MY COMMISSION EXPIRES: October 31, 2010

25 CERTIFICATE NUMBER: 224566

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