

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

**VIRGINIA TOBACCO INDEMNIFICATION
AND COMMUNITY REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501
Richmond, Virginia 23219

Southside Economic Development Committee Meeting

Tuesday, May 20, 2008
10:00 a.m.

Heartlands Business Park
Keysville, Virginia

1 **APPEARANCES:**

2 The Honorable Edward Owens, Chairman

3 The Honorable Lynn Hammond, Assistant Secretary of Commerce
4 and Trade

5 Mr. L. Jackson Hite

6 The Honorable Clarke N. Hogan

7 The Honorable Danny Marshall

8 The Honorable Harrison A. Moody

9 Ms. Connie Lee Green Nyholm

10 The Honorable Frank M. Ruff

11 The Honorable Thomas C. Wright, Jr.

12

13 COMMISSION STAFF:

14 Mr. Neal Noyes, Executive Director

15 Mr. Ned Stephenson, Deputy Director

16 Mr. Timothy J. Pfohl, Grants Program Administration Manager

17 Ms. Britt Nelson, Grants Coordinator - Southside Virginia

18

19

20

21

22

23

24

25

1 MR. OWENS: Let me call the meeting to order.
2 Neal, would you call the roll?
3 MR. NOYES: Mr. Bryant?
4 MR. BRYANT: (No response.)
5 MR. NOYES: Delegate Byron?
6 DELEGATE BYRON: (No response.)
7 MR. NOYES: Ms. Hammond for Secretary
8 Gottschalk?
9 MS. HAMMOND: Here.
10 MR. NOYES: Mr. Harwood?
11 MR. HARWOOD: (No response.)
12 MR. NOYES: Mr. Hite?
13 MR. HITE: Here.
14 MR. NOYES: Delegate Hogan?
15 DELEGATE HOGAN: Here.
16 MR. NOYES: Delegate Marshall?
17 DELEGATE MARSHALL: Here.
18 MR. NOYES: Mr. Moody?
19 MR. MOODY: Here.
20 MR. NOYES: Ms. Nyholm?
21 MS. NYHOLM: Here.
22 MR. NOYES: Senator Ruff?
23 SENATOR RUFF: Here.
24 MR. NOYES: Delegate Wright?
25 DELEGATE WRIGHT: Here.

1 MR. NOYES: Mr. Day?

2 MR. DAY: (No response.)

3 MR. NOYES: Mr. Owens?

4 MR. OWENS: Here.

5 MR. NOYES: You have a quorum, Mr. Chairman.

6 MR. OWENS: Thank you. The purpose of the
7 meeting today is to discuss the Southside formula. If it's all right with the
8 Committee discuss, first, I'm concerned about any changes to it. Then set
9 some rules on our policies and procedures about how we do the allocation
10 for the appropriations for Southside and fund them. Then thirdly, have a
11 vote on whether we're going to change it or not change it. I've been through
12 this exercise probably six or seven times, and every time we go right back to
13 the formula. It worked over the past.

14 I'd ask that all questions or comments be made directly to the
15 Chair and that you respect each other's time when they're speaking and wait
16 until you're recognized before you speak. With that in mind, do you have
17 anything, Mr. Director?

18 MR. NOYES: No.

19 MR. OWENS: In the past we've had this formula
20 system; each county had so many dollars allocated to them for economic
21 development. I have spoken to many of you over the last few weeks, and in
22 our discussions there were some concerns about whether we should change
23 it. I've listened to some of the concerns, so if there are no objections. Mr.
24 Moody, I spoke to you before, and you had a concern about changing it.
25 What would be your concerns?

1 MR. MOODY: Well, in the Dinwiddie County
2 area we're on the fringe of the Tobacco Commission area. One of my
3 concerns is that the counties that are on the fringe, the benefit they would get
4 when they're judged on the validity of their application probably wouldn't
5 fare as well as one right dead in the center, because it would not affect
6 anyone as much as somebody in the center of the tobacco region. It wouldn't
7 affect the counties around us. It would affect Colonial Heights and
8 Petersburg and people like that. I don't think our application would fare as
9 well. That was one of my concerns.

10 The one other concern is that some counties are staffed better
11 with an economic development department. I feel that counties that are not
12 staffed as well probably wouldn't put as much time in the project as some
13 other counties and therefore it wouldn't be fair as well. Those are two of my
14 major concerns with it.

15 I know what we're trying to do, and we're trying to do more
16 economic development. I understand that, and that's what the whole issue is.
17 I haven't seen anything in my concerns with the counties that are in that type
18 of situation.

19 MR. HITE: Mr. Chairman, can we have an
20 overview of the comparison between what Southwest does with their
21 allocation and Southside does now, and how we could do what Southwest is
22 doing and make it work.

23 DELEGATE HOGAN: Mr. Chairman, I think the
24 answer to that is that Southwest puts all their money in a pool when they do
25 these projects.

1 MR. HITE: That seems to be working well with
2 them.

3 DELEGATE HOGAN: They have a lot less
4 money and have a much more compact area, smaller area, and a population
5 geographically that is more compact. They have some tension, probably,
6 between the coalfields that are not in burley tobacco producing areas and the
7 areas that have burley producers. You have an occasion to see that here.
8 They've put their money in a pool and they allocate it out. They're going to
9 do it, and they do it. There's nothing more to it, and that's what they do. If
10 they have three or four million dollars instead of fifteen or twenty, it's easier.
11 I don't think they have any different criteria than we have in terms of
12 evaluating the merits of the project. Isn't that right, Mr. Noyes?

13 MR. NOYES: Yes, sir.

14 MR. HITE: From the Staff's perspective, you
15 work with Southwest and Southside, would you express your views on what
16 you use with regard to the Staff?

17 MR. NOYES: In Southwest Staff
18 recommendations are followed by the Southwest Economic Development
19 Committee slightly less often than they have been historically in Southside.
20 As a practical matter, there is very little difference in the actual outcomes.
21 There is the situation that Delegate Hogan described, the burley producing
22 areas versus those that are more reliant on coal, not on tobacco. That's the
23 tension that exists. It has not prevented funding of projects in those
24 jurisdictions. For example, Wythe County and Dickinson County
25 historically do not produce a significant amount of burley. From the Staff

1 perspective, the process that that Committee goes through is, in terms of
2 outcomes, not terribly different than what we see here in Southside Virginia.
3 They tend to have a lot more applications for dollars, but they move right
4 through those.

5 MR. OWENS: Talking about the allocations, you
6 said that you were for the system the way it is now. Can you express your
7 opinion?

8 MS. NYHOLM: Yes, in our last meeting several
9 of the Committee members here were wanting to read the Blue Ribbon
10 report, which has been produced now. I think probably some of the
11 concerns of the Committee members have been addressed in the Blue
12 Ribbon report. Some of the concerns were smaller awards. I think that's
13 been addressed here. The Blue Ribbon Panel had concerns over small
14 awards. There have been some recommendations in here for accountability
15 addressed here. Some of the concerns that I had expressed were very pro
16 accountability, pro leveraging of funds with private investment. Many of the
17 things I feel strongly about, the Blue Ribbon Panel felt strongly about. I
18 think if we were to go toward some of what the Blue Ribbon Panel made
19 recommendations of, a lot of my feelings have been addressed by the Panel.

20 MR. OWENS: Senator Ruff.

21 SENATOR RUFF: I do have concerns, back
22 maybe a half dozen years ago we were concerned about whether the smaller
23 communities, less quota communities, would be getting a fair share, and we
24 created Special Projects. We moved a sum of money over there. If we're
25 going to take some action, I would prefer to see that money come back into

1 this pool so Southside people could make decisions on Southside projects. I
2 feel that's very important. Obviously, I have constituents in the counties that
3 would lose by, or in the formula, some would gain by ending the formula.
4 There is probably a net argument either way on that, but when it comes to
5 Special Projects I think that, in saying that, I would say that we're taking a
6 step into the unknown. When Neal and I talked about it last year, I
7 expressed concerns. We don't have any representation from Buckingham
8 and Appomattox, Sussex, Greensville County at all. I'm not sure how well
9 they would be heard at the table. I'm thinking that if we possibly suspend
10 the allocation for a year or two and see if it works and see if there's a
11 comfort level, and then we can move from that direction.

12 MR. OWENS: Mr. Wright, we were just talking
13 about concerns about changing the formulary allocation. I know you have
14 some strong opinions about it, and here's your opportunity to speak to it.

15 DELEGATE WRIGHT: I don't know what's been
16 said previously, but my feelings about the allocation formulary comes from
17 two points. One is the feedback I get from my constituents, the economic
18 development people in my area, the town managers, the mayors, and the
19 people that actually use this. That isn't just from my area but other areas.
20 I've gotten resolutions from members of the board of supervisors, mayors of
21 communities. From personal experience, I know I've been a member of the
22 Tobacco Commission for a good number of years now, and I can remember
23 when we first started, and our mission was to go back to our communities
24 and tell them what we're trying to do, bring them together. There's been
25 some improvement over time, and there can be some more improvement, so

1 far as the type of proposals that come forth, and so forth. I know regional
2 cooperation is something that has been mentioned and worked on. I think
3 that's very important.

4 Another thing about this that I like is that it's done according to
5 the tobacco quota. The way this program was set up, the tobacco
6 indemnification is done, in my opinion, the way it's supposed to be done.
7 That is based upon the communities' actual tobacco dependency or tobacco
8 quota during the years which it was, '98 or '99, I think. As a matter of fact,
9 during that period of time, tobacco quota or total tobacco raised was 77
10 percent Southside and 23 percent Southwest. The way this formulary works
11 now in Southside, the money comes to Southside and it's divided among the
12 communities or allocated according to their tobacco quota and tobacco
13 dependency based upon those years. We have other programs that also
14 work. It's not like the only money we have comes out of this formulary. We
15 have TROF, we have Education, we have the Technology Committee, and
16 we have Special Projects. I don't see anything wrong with having avenues
17 for communities that want to come forward with proposals, even though
18 their tobacco dependency is smaller and goes through another committee.
19 This gives the community some sense of knowing where they stand and
20 knowing what they're going to have from year to year.

21 Another thing about it I like is that, like some governments
22 operate with their budget spread, if you don't use it all by the end of the year,
23 then there's an assumption you have more money than you need, and your
24 budget is cut the next year. With this particular program, if you don't use the
25 money it rolls over to another year. In Lunenburg County I think they've

1 done an excellent job using this formulary. There are two towns in the
2 county involved. They don't bicker about it, and they don't argue. What
3 they'll do is that whoever has the best project will go forward with that
4 project at that time. If it's the town of Victoria, and they don't have a good
5 project and the county does, they'll step aside and let the county go forward.
6 I think I've spoken longer than you intended, but I think I've pretty
7 thoroughly covered the reasons I have for keeping it the way it is. Thank
8 you.

9 DELEGATE MARSHALL: Being the new person
10 here, the first thing I want to know is what is our goal? As a former city
11 council person, when we were looking at economic development, sitting on
12 the council, the first thing we looked at was tax base. The more jobs you
13 bring in and also machinery and tools, that all helped the tax base. We didn't
14 have to hit the citizens. I'd like to know what is our goal here? Is it to build
15 local tax base, or is it for jobs? If it's for jobs, and I know in my travels from
16 Danville west to a location in Christiansburg, in the mornings going west,
17 we've got traffic leaving Pittsylvania County going to Henry County to jobs,
18 and you've got people driving from Henry County back to Danville and
19 Pittsylvania County looking for jobs or doing their jobs. Governments are
20 protective of those jurisdictions. Jobs, people don't care where they come
21 from, because if you're looking for a job you're going to go after that job and
22 drive there. People are going to drive to get to the higher paying jobs. I
23 guess my first question is what is our goal? If it's for local tax base, is that
24 what we're trying to do, or are we trying to create jobs? As somebody that
25 represents the two highest unemployment areas in the state of Virginia, and

1 Martinsville is one of the top five in the nation, then, to me it's about
2 creating jobs. If you're unemployed I don't think you care where the jobs are
3 located, you're looking for a job so you can provide for your family.

4 MR. OWENS: Our job is to stimulate job creation
5 and provide investment.

6 DELEGATE MARSHALL: Jobs is number one?

7 MR. OWENS: Yes.

8 DELEGATE WRIGHT: Mr. Chairman, doesn't
9 the legislation say the two goals of the Tobacco Commission are number
10 one, to indemnify the tobacco farmers; and number two, to stimulate the
11 economic redevelopment of the affected communities? That's my
12 understanding. It's not to stimulate economic development in northern
13 Virginia. It's a pretty narrowly defined area of the tobacco areas.

14 MR. OWENS: That is correct.

15 DELEGATE MARSHALL: So with that, Tommy,
16 then is that tax base or jobs?

17 DELEGATE WRIGHT: Both.

18 DELEGATE MARSHALL: One follows the
19 other, but when you talk about regional cooperation, the folks in Pittsylvania
20 County and Danville have been successful as far as regional cooperation, as
21 far as sharing tax base. One of the reasons they were successful is that, in
22 projects that the Governor is going to come to Danville and Pittsylvania
23 tomorrow for us too, and that tax base is shared between Danville and
24 Pittsylvania County. We have projects in Pittsylvania County, but we have
25 projects in Danville that the tax base is shared. I was on city council when

1 that happened, and it went a long way to helping take down that wall
2 because it wasn't the idea of their project or our project. To me, we've got a
3 billion dollars, which sounds like a lot of money until the government starts
4 spending it. To me, I think something that Bernie Day said when we were at
5 Berry Hill, we should look at projects that are going to change communities
6 for the next hundred years. I think we have to look at it as a regional
7 approach.

8 MR. OWENS: Ms. Hammond.

9 MS. HAMMOND: From my perspective and the
10 economic development perspective, the top priority is jobs. Again, from
11 what we're looking at, it would be those region changing projects and the
12 ability to foster regional cooperation to get more bang for your buck. I think
13 that one of the concerns that has been expressed is that with little drabs and
14 drops here and there you're not able to attract those regional projects. The
15 idea is to foster those bigger projects that can really bring jobs to the area.
16 Jobs would be the priority.

17 DELEGATE WRIGHT: That does not work in
18 any way in contravention with the formulary we have in Southside. We can
19 have both. I'm not saying the only thing we have is the formulary in
20 Southside. You've still got Special Projects and other committees that can
21 fund those types of projects. It doesn't say unless you do away with this you
22 can't have those other types of projects or developments. To me this
23 complements other committees.

24 DELEGATE HOGAN: Before you open up, and I
25 know you've got something to say, I'm probably coming the same way that

1 Senator Ruff is, and I'll make this comment, and maybe Frank or somebody
2 else who has been on this Commission for a long time can add to it. The
3 advance of the formulary creates a structure and creates some things that you
4 can sort of look at and count on. I think for as long as this Commission has
5 been in existence there has been some tension, if you will. I'm not saying it's
6 not unhealthy, but it is real. That is the economic development partnership
7 and the other executive agencies look at this chunk of money, and here is a
8 lot of money and more money than they had, and they can come up with all
9 kinds of things to spend it on. I guess there are ten or eleven of us that have
10 been on this Commission that weren't appointed by the Governor, and
11 everybody else is appointed by the Governor. We work for him in one form
12 or the other. One of the dangers of changing this formula is, I think that you
13 will see, I'm someone that if this happens I think you'll see more and more
14 pressure from the Partnership and the Secretary of Commerce, those
15 agencies, saying we want to direct this money, and we want to decide how
16 the money gets spent. We've got a \$30 million project, and we want to go
17 get it. This formula is one of the things that buffers that, and slows it down.

18

19 I can remember hearing from folks when Governor Gilmore
20 was here, and they had all kinds of plans for the Tobacco Commission
21 money. Governor Warner did it, Governor Kaine does. Whoever is the next
22 governor, they'll have it, too. I think that's something that you really have to
23 be aware of, and what you're going to find is that if we take this structure
24 down and don't replace it with another structure, you're going to have more
25 and more of this money directed from Richmond and less and less of it

1 directed from the Commission. That's something that gives me a concern.

2 Like Frank, right now we have a hybrid with all these special
3 committees, and they have funding. If we're going to do away with this
4 formula, I think at a minimum Special Projects and Technology could be
5 rolled back into Southside and Southwest so that money is held in those
6 regions.

7 In terms of indemnification, and in terms of putting money back
8 where the losses were, I think the indemnification does that as eloquently as
9 can be done. That money literally goes back to where the pounds came from
10 on a pro rated basis. I think you have that issue covered through that
11 indemnification. I'm somebody, and I'm just going to make a guess, here in
12 a couple of years when the indemnification ends, my guess is it will not be,
13 and we'll cross that bridge when we get to it, but that would be my guess. I
14 guess what I'm saying is that I think you're going to see continually money
15 going back to areas that have been hit the hardest by poundage by definition.

16 The problem with the formula is that you get these different
17 communities, and they have different amounts of money, they apply for it,
18 and it's theirs, and there's an entitlement, and we find ourselves sitting here
19 thinking of reasons not to give it to them. Barring some really good reason,
20 we give it to them without ever making any kind of determination about
21 whether that's the highest and best use. I'm someone unlike Tommy, I don't
22 think this money belongs to the communities, I don't think it's up to boards
23 of supervisors and local governments to decide how this money gets spent,
24 and I don't think it's their money. I think it's the Commission's money and
25 our responsibility to decide how that money gets spent. I don't like this idea

1 of saying we've got this project, and it's our money, and you've got to give it
2 to us, which we find ourselves doing on a regular basis.

3 With that being said, I think if we take this structure apart, we
4 have to replace it with another structure. I think we could be much more
5 proactive about deciding how we think this money ought to be spent than we
6 have been before from a historical perspective, and I think that's our
7 responsibility, and it's probably a good thing. I think if you just turn this
8 loose, \$10, \$20 or \$30 million, and say you all come on, you're going to kill
9 Mr. Moody's constituents, you're going to hurt the people that live in
10 Cumberland and Prince Edward and Amelia and other outlying counties
11 because they don't have the economic development fire power, and that
12 money would go more and more to Danville, Pittsylvania, Halifax,
13 Mecklenburg, and they'll go out there and grab it. And that would be
14 aggressive. I don't know if that's something we want to start. If you look at
15 Special Projects, that was set up to create a buffer for small communities,
16 and I don't think that's what's happened.

17 That being said, I can't think of a project that's been put before
18 us from a large or a bunch of small communities that we've turned down.
19 They just haven't applied like the larger communities, and who causes that?
20 Those are just some of my thoughts. It's fine if you want to do it, but if you
21 don't have something to replace it, I think it's fine if you do it, but you have
22 to put something in place to deal with it.

23 DELEGATE WRIGHT: I disagree with Clarke on
24 one or two points. Number one, the legislation says what the money is to be
25 spent for. It's not up to us to take it and do as we please. We don't have a lot

1 of discretion in that. I don't think we need to blame the communities by
2 saying they look at it as an entitlement. In other words, the only reason
3 they're in this is because legislation allowed them to be in it. A lot of states
4 have taken this money and put it right in the general fund, and it disappears.
5 I think the State of Virginia has been right, in my opinion, by saying what
6 the money is used for. We're the ones that went to the localities and said
7 come to us with projects, and now for us to say we're doing this as an
8 entitlement, I just don't agree with that. I do think we need tighter control on
9 the money, and if the projects aren't according to the guidelines, don't
10 approve them, wait for good projects. I think it's a stretch to say that
11 localities that were adversely affected by this money, by the tobacco quota
12 system and failure of tobacco growing operations, to say that they look at it
13 as an entitlement. If I were them, I would be looking for help, too.

14 MR. OWENS: It does create an entitlement
15 mentality, because we've got projects right now that were approved back in
16 2002, and we've got money out there now, around four and a half million
17 dollars that we've approved a project, 2002 and 2005, we actually give them
18 18 months to do the project, and it's not been done yet. Because it was an
19 allocation system, people thought it was our money and you can't take it
20 back, you can't do anything about it. That entitlement is ours, and we're
21 entitled to it, and it's our money. The formula, the way we do it now,
22 perpetuates that. I don't think that's the right way to do it, either.

23 DELEGATE WRIGHT: I think any problem we're
24 having with the localities, either applying for money or spending it, is our
25 fault and not theirs. I don't think they should be penalized for us not liking

1 the rules that we set up and then asking them to go back and change. They
2 have had no input, to my knowledge, as far as how the game is going to be
3 played. They have had to react to what we've said. I think trying to use
4 localities as a reason for changing the formulary is a mistake. I say if we
5 don't like the rules that were set up, these are rules, but don't say it's the
6 localities' fault because they're not doing like we told them to do.

7 DELEGATE MARSHALL: Mr. Chairman, Clarke
8 mentioned that if we changed this and went away from the formula we
9 needed to look at a new structure. So, my question is, what kind of structure
10 had you thought of?

11 DELEGATE HOGAN: Well, I would caveat this
12 by saying any change I support would include rolling Special Projects and
13 Technology back into Southside and Southwest. I wouldn't be interested in
14 doing it otherwise. Education is a little bit different, and the way it's worked
15 out, I see no reason to roll it back in.

16 MS. NYHOLM: That would need to go to the full
17 Commission?

18 MR. OWENS: Any way we do anything has to go
19 before the full Commission.

20 DELEGATE HOGAN: Now, I think the
21 Chairman, Senator Hawkins, is worried about what happens if we have a
22 project that is bigger than both regions, so we still need a Special Projects
23 Committee. I think you can handle that easy enough by saying we'll have a
24 Special Projects Committee to take in projects that are global, for lack of a
25 better word, in nature, and we can either allocate money for those

1 proportions in Southside and Southwest or we can go to our Endowment if
2 we've got something that's so compelling that we need twenty million dollars
3 or something like that, we can go get it. You can still have a committee
4 without a budget, and if they've got to spend, then they've got to come and
5 ask the other committees before they spend. Does that make any sense? I
6 don't think there's any reason to take TROF and make it regional. If people
7 agree to that, I have no idea how that would be received at this point. I'll just
8 say that's what I'd like to see done. From there I think to a certain extent
9 what Southwest does is Southwest's problem, and then we have to sit down
10 and say what projects are we trying to fund, what are we trying to create,
11 what are we trying to do? I think we'd have to be much more proactive
12 about saying we're going to take applications for the following kinds of
13 projects, this is what we think is important. I think we'd have to have a
14 chunk of money that people could apply for for any number of things that
15 we had not thought of. You say we don't want to do water and sewer, but
16 there are times when doing water and sewer is real important, and you can't
17 develop an industrial park without it. To say we're not going to look at
18 water and sewer because you can get federal grants for that, I wouldn't want
19 to go that far, but I wouldn't want to do every water and sewer project in 20
20 counties, I can tell you that. So then, what are we trying to accomplish, and
21 what are we trying to create? I know modern economic development says
22 don't build a shell building, but my experience has been every shell building
23 that I'm aware of that was here five years ago has got somebody in it.

24 DELEGATE WRIGHT: Mine does not.

25 DELEGATE HOGAN: You've got one. When

1 you start talking to smaller businesses about coming to a place and having a
2 building that you can lease and get them started, that's been pretty
3 compelling. We have to walk through that and start to look at it. I'm
4 somebody, I don't like direct links to businesses, because if something
5 happens and you give them \$2 million, are you going to get your money
6 back? But we're responsible for it. So I'd rather see in terms of real estate
7 and other issues like that. I think there is some job training that can be run
8 through Education and some workforce training that has value to people, but
9 we have to walk through that and start to look at it.

10 I could talk a little bit about Technology and how I'd see that
11 part of it fitting in, what part of that would fit in where. We'll have to work
12 through that and create some structure.

13 MR. OWENS: Mr. Hite.

14 MR. HITE: Mr. Chairman, one problem I have
15 defending the existing formula is that I don't think we've done a good job of
16 measuring what we've already done, accountability and measurability. How
17 much money have we awarded in the past, Neal? I haven't seen documents
18 showing what we've done as a result of the money we've awarded. We
19 haven't done our homework, in my opinion, to justify what we've done.

20 MS. NYHOLM: As far as going forward, I would
21 agree with the overwhelming majority. Like Clarke said, if we were to go
22 forward with eliminating or recommendations for elimination of Special
23 Projects and Technology and roll it back percentage basis, like Tommy said,
24 to Southside and Southwest, and bring those pools of money back in-house,
25 so to speak. Then, perhaps, go through the Blue Ribbon process, because

1 they made 22 or 25 recommendations. Maybe take a number of those and
2 establish a priority for Southside, whatever number we choose as far as those
3 recommendations. Work with those recommendations as a foundation for
4 what we would like to do in Southside. That might be a starting point to
5 create our own structure of the allocation of Southside money, create our
6 new replacement for the formulary.

7 SENATOR RUFF: Mr. Chairman, it dawned on
8 me, I'm the only one sitting at the table who was around in the beginning
9 when they started this. Maybe a little historical perspective may help.
10 When we first sat down, William Wampler was concerned that Southwest
11 was going to lose because Southside had far more tobacco. The concession
12 to Southwest was that the percentage they had was 23 percent, 27 percent.
13 Then, those of us in Southside were concerned that Pittsylvania would
14 dominate. That's the reason we came up with the formula, so that there
15 would be some relationship to that. If all the appointments came from
16 Pittsylvania County, they could do everything they wanted to do, nobody
17 else would do anything. Fear drove both of those decisions. I think that
18 whatever we have to do, we've got to get past that issue of fear. How do we
19 make sure that everybody is treated fairly and that good proposals are
20 considered reasonably? I just wanted to throw that out there.

21 Looking around at different faces from the counties that win or
22 lose, certainly Appomattox has had proposals, and I think the best thing we
23 could do for them the first year was to pay for some signs for tourism.
24 Certainly they're part of the tobacco region. Tommy's position, and I don't
25 disagree with it, but the reality is that we took a snapshot in time about

1 where tobacco was grown, and the Buckingham and Cumberlands, those
2 counties, they do a great deal of tobacco farming, but because of market
3 changes and whatever they didn't have as much in the particular years or
4 year we looked at.

5 DELEGATE HOGAN: Going back to the project
6 that we had in Buckingham, and talking about a county that has had
7 problems, if you want to talk about all the problems that affected Southside
8 Virginia, you can go to Buckingham, and you could cover it right there. We
9 had a little project up there of a couple hundred thousand dollars, and we
10 couldn't fund it, and we did not fund it, all kinds of projects like that we have
11 to deal with, and it ended up falling apart. In and out of the Executive
12 Committee two or three times back and forth for 200 or 300 thousand
13 dollars. For whatever reason we said we're not going to help you. I'll tell
14 you we funded way worse projects than the one they were asking for. Those
15 counties went in and said we want to do this, and this is what we're going to
16 do, and here's your allotment, and we're going to do this, and we said okay.
17 In terms of criticizing local governments, I'm not criticizing them, because
18 we made the rules, and they're playing by the rules we set. So what I'm
19 saying is I don't like the way that's played out in every case, and it's our
20 responsibility to change it, and I would agree with that. They're playing by
21 the rules we set up. What's interesting to me is this 77 percent or 73/27
22 percent to protect Southwest. If you go back and look at all these special
23 committees, they got they're 27 and some of ours. It's worked out pretty
24 well for Southwest Virginia. That's okay to a point. Up to the point where
25 you can say, I say if there's a good project, regardless of where it is, in

1 Southside or Southwest, if we can fund it, then whatever the rules are, as
2 long as we can fund it. When we start telling people, no, we're out of
3 money, then we've got to start thinking about how we're setting priorities. I
4 don't know how you get around the problem with a lot of small counties not
5 being as aggressive, and I don't know if you can fix that.

6 SENATOR RUFF: Mr. Chairman, I don't think it's
7 a matter of they're not being aggressive enough. When you have a
8 Cumberland County with 9,000 people, they cannot afford the same
9 personnel with the county. They can't afford the staff personnel in the
10 county with say 60,000 people. I hope as we move forward Staff will make
11 a commitment to work closely with those people so they could compete
12 equally with others.

13 DELEGATE WRIGHT: I'll say this, Mr.
14 Chairman, although Clarke and I might not agree on everything, I
15 wholeheartedly agree with his suggestion that we move Special Projects and
16 Technology back into the Southside Committee. That would take care of a
17 lot of my concerns.

18 SENATOR RUFF: Mr. Chairman, if we move
19 forward with this, and I think we need to create a pecking order of what we
20 believe are the best types of projects that we want to fund, so that if we have
21 tier one items, those would receive funding before the tier four projects. If
22 we don't have any tier ones one year, we can do three and four, so that we're
23 trying to match, be as balanced as we can.

24 DELEGATE HOGAN: Mr. Chairman, if you did
25 it that way, going back to what Danny was asking, I think you put tier one

1 on hard job creation, quality job creation. I think we have to differentiate
2 between \$8 an hour jobs and \$20 an hour jobs in terms of our priority list.
3 I'd put a high priority on that. I'm someone who is very, very skeptical of
4 some of these numbers that I've seen coming out. We're going to create X
5 number of jobs over X period of time, and a lot of those numbers have not
6 come to fruition. The indirect impact that these folks from economic
7 development come up with, that to me is just, you take your macro economic
8 classes in college to come up with something or say this is what that creates.
9 I'm just not somebody that's overly impressed with the numbers. I don't
10 know that's really what happens. It's very, very difficult to figure out, going
11 back to what Mr. Hite said, whether or not it actually works that way or not.
12 I always come back to this, and I remember Governor Gilmore standing up
13 and saying he brought AOL to Loudoun County, and I think AOL would
14 have gone to Loudoun County if the Commonwealth of Virginia did not
15 exist. Taking credit for that is to a certain extent like taking credit for the
16 sun coming up. I know that's political rhetoric, and every governor does it.
17 So far I haven't seen anyone who was the governor or thinking about being
18 the governor who doesn't do that. My point is, I think we've got to put
19 money in places where we're not taking credit for the sun coming up and
20 making sure but for our investments it did not happen or happened much
21 more quickly where it's much better because the money, good things just
22 happened, is what I'm saying. We must have done good. I think we need to
23 get started setting that up. I also could talk about Technology issues, and at
24 least in Southside we're in a place now where MBC, which is the horse we're
25 riding in effect, is either operationally in the black or not. A couple of years

1 ago we were terribly concerned about them and us having to put new
2 operational dollars into it. One of our directions was get your cash flow up
3 where you can pay your bills, number one. Then, number two, now we're
4 pretty close to, or they're right at it. Now we're trying to increase
5 penetration. What I hope to talk about in the next few months between now
6 and October, instead of laying more fiber, what we've got to do is say
7 increase use and increase access. It seems to me that's where we ought to be
8 putting money. That's probably going to be a series of relatively small
9 grants, a lot of little ones, would be my guess. If you roll Technology into
10 Southside, I'd probably be advocating maybe give \$3 million for each of the
11 grant programs, 50 thousand here or there to people to apply for, or maybe
12 100 thousand, to set some criteria which says we're going to increase or
13 provide X amount of quality of bandwidth to X number of people who can
14 get these grants. So if some little company who says if I can make this little
15 fiber run here and do this little tower there, I can get another 15 customers
16 here or there, and I can increase the number, and they'll sign up, and we can
17 give them a grant to do it that'll put the infrastructure in MBC, however you
18 want to look at it. The thing to do is do it on a creation basis, if you will.
19 That's what I'm thinking about as far as Technology right now. How you do
20 that I don't know, but that's what we want to talk about.

21 If we were to roll Technology into Southside, I was hoping that
22 at least one of the things that would be tier one is increasing access and
23 economical access to high speed Broadband. I would hope we would put a
24 high priority on that.

25 MR. OWENS: Two things, Special Projects, that's

1 quite a different animal, and initially it was proposed to be able to, or any
2 time you talk about Special Projects it's supposed to have regional impact. It
3 started off as kind of the safety net work of smaller communities, and that's
4 what it was.

5 SENATOR RUFF: Then immediately disqualified
6 anyone from small communities because it wasn't regional.

7 MR. OWENS: Do you think the full Commission
8 is willing to change or eliminate Special Projects Committee?

9 SENATOR RUFF: Obviously there are more
10 Southside members than there are Southwest members. I think most of the
11 people in Southside are concerned about doing away with the allocation
12 process. I think probably if they understood it was part of the package,
13 they'd probably feel differently.

14 DELEGATE HOGAN: I'd be curious, Mr.
15 Chairman, to know, to the extent that you're able, where the administration
16 stands?

17 MS. HAMMOND: I can't say, but I can find out.

18 MR. OWENS: If we recommend that, we have to
19 recommend guidelines to go with it, correct?

20 DELEGATE HOGAN: Mr. Chairman, I would
21 say that if you roll, and our recommendations, I don't want to start analyzing
22 other committees and get in a larger conversation with people sitting at this
23 table here. I think we could say that we think if we want to do it, we could
24 say we recommend the formula be abolished and that Special Projects and
25 Technology be rolled into Southside and Southwest respectively. That there

1 is some structure to look at global projects. If that is adopted by the
2 Commission before we award any grants or take any action, we're going to
3 create a structure to rank those grants. I don't know that we need to go to the
4 trouble of doing that until we get over step number one. Then, we can sit
5 down and scratch our heads and figure out what we want to fund and what
6 we think is the most important. Thinking back on the last ten years, there
7 have been fads that have come and gone. I use that word "fad" not as
8 pejorative as it sounds. Different things have appeared that are worth
9 funding or not worth funding, and I think that is always going to be there. I
10 think we should say we encourage development, and it's important, and
11 things like advanced manufacturing is important, or whatever it happens to
12 be that makes sense. Eight years ago, no one was worried about energy
13 because oil cost \$25 a barrel and no one cared. Now, all of a sudden,
14 everyone is really worried about that. Even working on a healthcare project,
15 that's something that until this project came up we had some, I guess we had
16 something in Boydton a few years ago involving healthcare access.
17 Personally, I think that access to healthcare and energy are the two biggest
18 challenges we face in this country right now. If we don't figure out how to
19 crack that nut, we're in trouble. You can always talk about education.
20 Access to healthcare seems to me to be very important and is a priority.
21 Maybe that should be high on the list. We had some projects brought before
22 the Executive Committee dealing with that last time that are extremely
23 important. Sitting on Southside, I'd advocate for that, and I'd advocate for
24 energy development. I'd also advocate for anything that has, if a company
25 comes in and says we have a chance to create 200 jobs, 50 high paying jobs,

1 it's going to cost \$2 or \$3 million to make that work, that seems to me to be
2 the number one priority.

3 MS. HAMMOND: I would agree with that.

4 DELEGATE HOGAN: A bird in the hand is way
5 better than two in the bush. Just thinking off the top of my head, those are
6 the kind of, how I would start to stack things up. To say to the localities
7 anything that you've got that creates jobs right now, if you need money,
8 make your application. That's number one. Then pick two or three things,
9 whether it's access to healthcare or energy development, basic infrastructure,
10 access to technology, stack those things up and look at them. I didn't come
11 here prepared to make a proposal. This is just off the top of my head, sort of
12 how I'd look at it. Then we can argue every year about what the priorities
13 are to be. So, I think the number one priority should always stay the same,
14 and that's creating jobs. As you start to stack things up lower than that, I
15 think in our minds at least we ought to say that we've got so many million
16 dollars and we've got to make sure that we've got a couple of million dollars
17 for these things and look at all the applications that meet tier one, as Frank
18 said, and make those decisions, and then always have a little money for tier
19 two, three and four. Put as much as we can into immediate job creation, as
20 much as we can get our hands on.

21 DELEGATE WRIGHT: I agree with Clarke on
22 some things he's talked about, but I think a lot of that's secondary. I think
23 the first thing we need to decide is what are we going to do, and then the
24 priorities and structure and some of that will come later. I think we need to
25 keep in mind that we've got close to a billion dollars and we need to see that

1 that money is appropriated fairly between the regions; that's one part of this
2 project, or one part of the proposal that I certainly like. I think we have
3 enough money where we can see that everybody is taken care of. I think we
4 can see that everybody will be treated fairly; and everyone won't ever get as
5 much money as they want, but we can see that the localities and the smaller
6 communities and everyone is treated fairly. I think it's very important, and
7 now is the time to take a look at combining some of these committees that
8 have been mentioned.

9 MR. OWENS: Well, so as I hear what you're
10 saying, you're saying that you're willing to change the allocation formula,
11 with the stipulation that we combine Technology and Special Projects
12 Committees into Southside Economic Development, and the part that goes
13 with Special Projects and Technology goes to Southwest based on a 73/27
14 percent of the funds. Is that what you're saying?

15 DELEGATE HOGAN: I say 70/30 if you can get
16 it. I'm not greedy.

17 SENATOR RUFF: I think that was said
18 previously, as far as the percent. I wouldn't get into that.

19 MR. OWENS: That's going to have to be
20 addressed. If our recommendation is going to be that, then we'll have to
21 have a motion on that recommendation at some point. Is that what I'm
22 hearing?

23 DELEGATE WRIGHT: Mr. Chairman, in light of
24 the fact that it's divided two ways and in a way that the agreement was to
25 divide it, 73/27, I don't think we should feel weak or defensive about 73/27.

1 In effect, that's a discount to them. They get to deal with 73/27. If I was
2 them, I'd jump at it. I introduced a resolution several years ago that all
3 money be divided 73/27. It almost passed then, now we've come to the point
4 that we realize we've got a billion dollars since securitization took place. I'd
5 love to see those two motions you mentioned separated, because I'm still not
6 satisfied with doing away entirely with the formulary, but I would agree with
7 the second part of that one hundred percent.

8 SENATOR RUFF: I would make a motion that we
9 suspend for two years the allocation formula and as part of that suspension
10 we suspend action or suspend money going to Special Projects and to
11 Technology for the same period, those funds, and stay away from the issue
12 of how the funds are divided, because they would automatically be divided
13 in the way they were set up eight years ago.

14 MR. NOYES: Senator, just so I'm clear, the
15 motion is to suspend the formulary for Southside Economic Development
16 for a period of two years. Help me with the second part.

17 SENATOR RUFF: At the same time suspend the
18 money going to Special Projects directly and to Technology directly.

19 DELEGATE HOGAN: Let me see if I can make
20 an amendment and clarify this. We're suspending the allocation for two
21 years, as Frank said, and that we suspend the non-allocated budgets of
22 Technology and Special Projects for the same period. So we've got this
23 R&D piece out there, and that's a separate issue in Special Projects. The
24 non-allocated or non-earmarked money in Special Projects and Technology,
25 this year nine and a half and thirteen, more or less, that that would go to

1 Southside and Southwest. Frank is right, you don't have to, the formula is
2 already in place, and that would take care of itself.

3 MR. NOYES: On the 73/27, this is for
4 Technology and for Special Projects.

5 DELEGATE HOGAN: If you suspend those
6 budgets and drive that money to Southwest and Southside, the formula is
7 already in place to split it up.

8 MR. NOYES: I understand the implication, that's
9 the outcome you expected.

10 DELEGATE WRIGHT: I think the final part of
11 that amendment should be, or motion should be, the money comes to
12 Southside Economic Development.

13 DELEGATE HOGAN: That would be allocated to
14 Southside and Southwest.

15 DELEGATE WRIGHT: That way the allocation
16 would be straight, and that's the way it's divided.

17 MR. NOYES: Leaving Special Projects to manage
18 its R&D initiative as it sees fit, up to the figure in terms of --

19 DELEGATE HOGAN: -- That's why I said the
20 non-allocated funds; non-delineated is probably a better word. If in that
21 model you could leave Special Projects and Technology in existence, I'm not
22 sure it would be necessary to leave Technology in existence, but you could
23 leave Special Projects in existence so when projects appear that are global in
24 nature you would have some forum to analyze projects and look at them.
25 Then if they had projects they wanted to do, they'd have to come back to the

1 Executive Committee, or in some cases the full Commission, to get the
2 funds, which would come either by reaching into the corpus, which we are
3 authorized to do, or by allocating money, much the same way as R&D
4 projects are allocated. If we've got this \$20 million project and we want to
5 do it and it's a big deal, we're going to write a budget that sends \$20 million
6 to do those particular projects, versus having to send us your application for
7 9 1/2 million bucks.

8 MR. OWENS: Senator Ruff, you made the
9 motion?

10 SENATOR RUFF: That sounds like the right
11 motion, yes.

12 MR. STEPHENSON: Mr. Chairman, to my
13 knowledge there is no standing rule or edict from the Commission that
14 divides any money by 73/27. For instance, the current budget that has been
15 approved divides 75/25. It has been different a little bit each year. I simply
16 say that, Senator Ruff, because it seems like the motion needs to specify how
17 the current Technology budget will be divided between Southside and
18 Southwest, or else the Staff won't know how to divide it. If the desire is
19 73/27, I suggest we say so.

20 SENATOR RUFF: Mr. Chairman, originally we
21 wanted to say Southside and Southwest, and it was at Senator Wampler's
22 request that it was 27 percent, and actually I think maybe burley 25 1/2
23 percent of the market. I don't know what you have to do to do that. You do
24 have Education to do that, Agribusiness.

25 MR. NOYES: Mr. Chairman, Tim has reminded

1 me, quite correctly, that we have applications due for Special Projects in less
2 than about two weeks, which may or may not include allocated targeted
3 portion, or for energy, that's extended to July 1. I'm not arguing about my
4 understanding of the motion, but I'm pointing out to the Committee how
5 practical is it to do this.

6 MR. OWENS: Delegate Hogan.

7 DELEGATE HOGAN: Mr. Chairman, I would
8 say that the amount would be that nothing that we would do now, we
9 couldn't act before the next Commission meeting at the earliest, and those
10 applications, that money is already allocated. So it would be what's not
11 allocated when we set this up, that's next year's budget, and Technology, I
12 don't know that we need to take applications until October. We could go
13 ahead and act on that.

14 MR. OWENS: We have an amendment to the
15 motion.

16 DELEGATE HOGAN: This won't be included
17 until that's already done.

18 MR. NOYES: We don't need to deal with Special
19 Projects as part of this motion; Special Projects may have --

20 DELEGATE HOGAN: -- What I'm saying is that
21 it will not take effect until after the Special Projects applications. We could
22 leave the motion just as Frank has made it. It couldn't possibly interfere with
23 the money that is already allocated by Special Projects before this would
24 come into effect. It would be from that point forward.

25 MS. NYHOLM: I would agree with Clarke.

1 MR. MOODY: It's just a recommendation until
2 the full Commission ratifies it?

3 MR. OWENS: Yes.

4 DELEGATE MARSHALL: The question is this
5 becomes effective when? If the full Commission ratifies it, it becomes
6 effective July 1 of '09?

7 MR. OWENS: You're saying July 1 of 2009?

8 DELEGATE MARSHALL: Yes.

9 MR. NOYES: July 31st, which is when the next
10 full Commission meeting would be, and whether they would decide to act on
11 it. The matter of reducing the committees is addressed in this Blue Ribbon
12 Advisory report. The motion today lends some force to that
13 recommendation, assuming that the Long Range Planning Committee makes
14 it as well.

15 MR. OWENS: Let me get a motion and then a
16 second.

17 DELEGATE WRIGHT: Second.

18 MR. NOYES: Is there an inclination to take some
19 steps? What we've got now is a suspension that will be in effect, assuming
20 the full Commission approves it, of the formulary for Southside taking effect
21 before the next round of awards. It seems to me that there is something
22 beyond that that we want to talk about, the tier one, or for any kind of
23 limitations on percentages that might be available for single projects. That
24 might be something that this Committee needs to address, if not today, then
25 very soon, because people already in southern Virginia are beginning to

1 think through what they might apply for. If they know about job creation
2 and tier one projects that this Committee wishes to hear, and that basic
3 infrastructure without near term employment is a tier four, it might be
4 helpful.

5 MS. NYHOLM: When are the applications due?

6 MR. NOYES: We haven't set an application due
7 date for Southside?

8 MR. PFOHL: We're planning on November 3rd,
9 but we'll follow the Committee's direction.

10 MR. NOYES: It may be that today is not the time
11 for that, but certainly at some point well in advance so that the folks on the
12 Staff are supposed to be working with it.

13 MS. NYHOLM: At our next full Commission
14 meeting are they going to be going through the Blue Ribbon report?

15 MR. NOYES: We plan to have a retreat the
16 afternoon before the full Commission meeting. Presumably, there can be a
17 vote to adopt or not adopt recommendations from the Blue Ribbon Panel at
18 the July 31st meeting.

19 MS. NYHOLM: Would it be prudent to set a
20 Southside Committee meeting shortly thereafter so we can discuss the results
21 of that meeting, then set our priorities based upon those outcomes?

22 MR. OWENS: Priorities and guidelines?

23 MR. HITE: We have a motion and a second.

24 DELEGATE HOGAN: I haven't read the report,
25 but there are some pieces of it that I'm not overly enamored with, and overall

1 it's fine, but what we're proposing here is somewhat radical. I would not
2 want to see this move tangled with the other possibilities coming out of the
3 Blue Ribbon Commission. I think if we're the least bit serious about this
4 structural change, it will have a dramatic effect on this Commission and how
5 it operates. We ought to try to handle that separately, as distinguished from
6 other recommendations of the Blue Ribbon Commission. I wouldn't want to
7 see that wrapped up together. If we really want to see this happen, and I'll
8 ask Secretary Hammond, it will matter where the Administration stands on
9 this. I would ask the Secretary to give us some feedback on how the
10 Administration is going to act and vote on this before we get too far down
11 the road. I don't want to see this wrapped up with the Blue Ribbon
12 Commission report. I think that could be a quagmire.

13 MR. MOODY: What is the budget on Technology
14 and Special Projects right now?

15 DELEGATE HOGAN: Nine and a half and
16 thirteen. For purposes of argument's sake, let's say they spend four or five
17 before we get there, but we'd get three or four out of Special Projects plus 15
18 in Technology, so in effect you've got about 16 million. You'll have about
19 12 million for the Southside in addition to what you have now. We'll have
20 about 24 million bucks. Is that what you're trying to figure?

21 MR. MOODY: Yes, I was trying to figure out
22 where we stood.

23 SENATOR RUFF: You saw some things in the
24 Blue Ribbon report that you ought to be considered as directions of setting
25 the tiers?

1 MS. NYHOLM: Contrary to what Clarke was
2 saying, I wasn't recommending that we dovetail our approach specifically to
3 whatever the full Commission might adopt. I think we're independent of
4 that. I think some of the things that are in this report are very well stated,
5 and we might use those in doing our guidelines.

6 SENATOR RUFF: The other thing we're talking
7 about is anything moving forward after July 1st. It won't affect anything in
8 the past, the money that the counties left on the table.

9 MR. OWENS: Yes, that's what Neal was saying.

10 MR. NOYES: But there is overlap in your motion,
11 Senator, or with the amendment and some of the Blue Ribbon things. I'm
12 not sure how mechanically we divorce this motion, if it's adopted here today,
13 from the discussion on the different committees. I think perhaps we'll have
14 some overlap. We're going to have some membership overlaps.

15 DELEGATE WRIGHT: This Committee can
16 make --

17 MR. OWENS: -- One at a time.

18 MR. NOYES: If this motion is adopted today, it
19 will go before the full Commission on 31 July, irrespective of what Delegate
20 Byron's committee, the Long Range Planning Committee does.

21 DELEGATE WRIGHT: That was my comment.

22 MR. MOODY: I just want to understand.
23 Basically, what we're voting to do is suspending the formulary for two years,
24 and money will revert from those two other committees to this fund. Then
25 we're going to meet sometime and figure out the guidelines at some future

1 date, figure out how it will be structured.

2 MR. OWENS: So we can start taking applications.

3 MR. NOYES: It is contingent, should the
4 Commission not adopt this on July 31, we operate under the formulary and
5 existing guidelines, and those guidelines need to change for fiscal year '09.

6 MR. OWENS: Whatever new guidelines we set
7 up, they don't impact the money that people have left in their allocation now.

8 SENATOR RUFF: We're looking forward and not
9 looking back.

10 MR. NOYES: Is it the view of the Committee that
11 the existing allocated funds be used ahead of pool funds should this pass?

12 DELEGATE HOGAN: Mr. Chairman, looking
13 forward, meaning this year's allocation moving forward. In other words, the
14 \$12 million out there now, that's not going to the formula; what they didn't
15 spend last year is what you're holding.

16 SENATOR RUFF: Neal was making the point,
17 spend that money first.

18 MS. NYHOLM: When you were stepping out, I
19 was not trying to confuse any recommendation of the Blue Ribbon Panel
20 that might be approved by the full Commission, but we might utilize that as
21 our own guidelines. I think the one remaining issue is we try to settle on the
22 guidelines so we can share them with the full Commission before July, or do
23 we wait until after the full Commission meeting to try to settle on the
24 guidelines?

25 DELEGATE MARSHALL: If we ask the full

1 Commission, the concept is what we're asking them to change for us to
2 change the formulary, and we have to set up our guidelines. Then do we
3 have to go back to the full Commission? I personally think we ought to set
4 these guidelines beforehand so when we go to the full Commission they
5 know what they're buying.

6 MS. NYHOLM: Do they even have to approve the
7 committee acting? I don't think they do. We have to get them to approve
8 giving us back Special Projects money and Technology money. They may
9 be more comfortable doing that if they know what we plan to do at the time.

10 DELEGATE HOGAN: I think the answer to
11 Connie's question is that they don't have to approve, but in terms of buying
12 what we're selling, we ought to take a stab at at least the tentative guidelines.
13 I suggest we better do it today if we're going to really have a decent
14 proposal.

15 DELEGATE WRIGHT: One question I would
16 ask, and it includes Special Projects and Technology. What our farmers say,
17 what will they say if we don't do Agribusiness? Are we not including
18 Agribusiness? I'd be willing to make that amendment to the motion. If
19 nobody gives a reason for not including them, they should be able to
20 participate in the same way Economic Development is being done and
21 Technology.

22 DELEGATE HOGAN: Mr. Chairman, I would
23 say that I think we're probably being bold enough for one setting, and the
24 money involved in Agribusiness is not inconsequential, but minimal
25 compared to what we're talking about in terms of other moneys. I think we

1 ought to see if we can make this work, and then maybe come back next year
2 and try what you're talking about. I think, to be honest with you, let's just
3 get this done. We'd be very fortunate to get this done in July the way it is.

4 DELEGATE WRIGHT: I think you make a good
5 point, but I wanted to bring it up for discussion. I think we should have
6 done it some time ago.

7 MR. OWENS: Would you restate the motion,
8 Senator Ruff?

9 While he's working on the motion, maybe we ought to talk
10 about what we think are the highest priorities and do it in a separate motion
11 and give him time to do that motion. I would say that one priority would be
12 the jobs, and that's tier one. I think infrastructure, such as the Broadband
13 Initiative, should be pretty high, spend some dollars on that.

14 MS. NYHOLM: Does that need to be clarified,
15 Frank, within some time frame, pay scale, that would be tier one?

16 MS. HAMMOND: If you want to qualify that by a
17 certain number of jobs, 35 jobs or more. As far as wage requirement,
18 something like a hundred percent 35, or ten percent of the state prevailing
19 average wage for localities. Making sure they're better jobs than what
20 you've got.

21 MR. OWENS: You have to set it realistic, I would
22 think, and 35 might come in a little high.

23 SENATOR RUFF: The locality, I think maybe the
24 minimum wage stated, but I don't know the number of jobs.

25 DELEGATE WRIGHT: One thing I think today if

1 we could set some broad ideas, general principles, without trying to, I don't
2 think there is enough time today to get all the details. I think we should set
3 some ideas forward. This is going to take a lot of thought and another
4 meeting or two to get what we mean. It's very important to get the right
5 steps taken. I think trying to do it today on the fly isn't the way to do it.

6 MR. HITE: I would agree with you. This is a big
7 step, and I think we should think about it. I just think it's too much to do
8 today.

9 MS. NYHOLM: I completely agree. We have real
10 good economic advisors who can help us find parameters that we can
11 quantify, which is one of our shortcomings, correct quantifications. We
12 need to get something before the Commission that we can quantify things,
13 and I think that's what we need to do.

14 MS. HAMMOND: You can qualify based on
15 economic stress if you drop those levels a little bit.

16 SENATOR RUFF: If we do that, Mr. Chairman,
17 we have to be careful it's not based on the unemployment rate, because those
18 numbers are often fictitious. The reality is that Appomattox people are
19 driving to Lynchburg and Buckingham is driving to Charlottesville. They
20 have a lower unemployment figure appearance-wise, but they don't have
21 jobs. They don't have jobs there. Those are some of the things we need to
22 address, and we have to be very careful. We don't want the wrong things.

23 MR. MOODY: I think that's what the Special
24 Projects is supposed to do, help with some regional efforts and maybe a little
25 bit higher tiers. The counties go together and try to get a project together.

1 MS. NYHOLM: Regional cooperation is
2 important, and the smaller counties cooperating getting a Brownie point.

3 MR. NOYES: I don't know what Brownie points
4 are.

5 DELEGATE WRIGHT: I think the thing to
6 always keep in mind is the legislation, and the legislation says economic
7 revitalization of the tobacco dependent communities. That's the broad thing
8 to go by. As far as how we're going to determine, that's going to be
9 something that will take a lot of discussion, but that's the key. We have to
10 be sure whatever we do is going to make a difference. Chairman Hawkins
11 has said that several times, and we've got an opportunity to do something to
12 make a difference 50 years from now. So that's the key to try to accomplish
13 this revitalization, revitalize the local economies.

14 DELEGATE MARSHALL: Back to the first
15 question I had, is that job or tax base? If you have a building full of
16 computer programmers who are making a hundred thousand bucks a year,
17 the tax base could be pretty low as far as opposed to a company that had a
18 lot of machinery and tools. To me that looks like jobs, that's got to be the
19 number one thing. That's what we're here for, is to help people get jobs.

20 MR. NOYES: Mr. Chairman and members of the
21 Committee, I would suggest that unless there are investments through
22 Southside Economic Development and jobs, then we're not doing
23 revitalization. The healthcare piece can be very, very important and ought to
24 be eligible at some point in your discussions, but unless the primary focus in
25 on employment outcomes and near term employment outcomes where they

1 present, then you don't get to revitalization. They're not going to get 50
2 million in a given year or 10 million in a given year, and that's what you're
3 going to have to decide on.

4 MR. OWENS: Let's take a five-minute break.
5 We're off the record.

6 We're back on the record, let us reconvene. We have a motion
7 on the floor. Ned, are you going to read the motion?

8 MR. STEPHENSON: Before I read the motion, I
9 want to state that this will be heard and approved by the full Commission on
10 31 July, and that's when these things happen, and by that time Special
11 Projects will have already done some things.

12 "Resolved, that the Purcell community revitalization formula 'J',
13 dated 4/12/2000, used by the Commission from 6/8/2000 until today, be
14 suspended for Fiscal Years 2009 and 2010, with the provision that all
15 monies so allocated prior to today be reserved for use in the jurisdiction to
16 which they were originally allocated, PROVIDED that the Technology and
17 Special Projects Committees' unallocated balances for Fiscal Years 2009 and
18 2010 are divided between Southside and Southwest in the ratio of 73 to 27,
19 respectively, as has been the historical custom between the two regions."

20 That is the motion as I understand it.

21 SENATOR RUFF: I would so move.

22 DELEGATE HOGAN: Second.

23 MR. OWENS: The motion is made and properly
24 seconded. Any other discussion on the motion? Hearing none, all those in
25 favor signify by saying aye? (Ayes.) Those opposed? (No response.)

1 MR. STEPHENSON: Mr. Chairman, the second
2 motion dealing with the setting of guidelines, you indicated you wanted to
3 talk about that today before the motion was made.

4 DELEGATE HOGAN: Mr. Chairman, would you
5 read what we've got so far, Ned?

6 MR. STEPHENSON: The motion on this piece is
7 that: "Further resolved, that the Southside Economic Development
8 Committee shall develop guidelines for grant applications that place priority
9 on certain criteria, and that such applications shall be considered irrespective
10 of the localities from which the applications are received."

11 The only other piece of that are the guidelines that you wish to
12 choose.

13 DELEGATE HOGAN: Mr. Chairman, I would
14 put that motion for a point of discussion. The number one I had was direct
15 and immediate job creation, and I think we ought to at least take a stab at
16 that, as far as setting priorities, so we know what we're talking about.

17 DELEGATE WRIGHT: I think Delegate Hogan
18 was out of the room writing the first motion when we had some discussion
19 on this. I think the general agreement was that to try to do it all today would
20 be too much, to get real specific. We've got some framework already done,
21 and we can work on the details at a later time. I think that was the point of
22 consensus.

23 DELEGATE HOGAN: Whatever the Committee
24 wants to do is not up to me, but in terms of gathering together I think we
25 ought to take a stab at either three, four or five, then the Committee ask the

1 Staff to work on that over the next month or so and try to refine or at least
2 get the notion of the Commission with the Staff. I think the number one
3 priority we all agree on, but two, three or four, and we could stop right there.

4 SENATOR RUFF: Part of the conversation is that
5 job issues is the highest priority. The Broadband is a priority, and regional
6 cooperation.

7 DELEGATE MARSHALL: You're saying the
8 same thing I was going to say. Job creation, as everyone agreed to earlier,
9 \$20 an hour jobs instead of \$8 an hour jobs, as Clarke said earlier.

10 DELEGATE HOGAN: Mr. Chairman, I would
11 make one other comment, that we should add to this that while we're going
12 to consider applications irrespective of their origin, I think we have to figure
13 out some ways to, let's say there's a great project in Charlotte County and the
14 next great project in Charlotte County will probably have a lower priority; in
15 other words, we've got to share the wealth. We've got to come up with some
16 reasonable way to make sure we're not leaving people hanging out there
17 where they never get anything. If you've got six great projects in a row, and
18 somebody else has a project that isn't quite as good, they'll probably get
19 theirs next. I don't know quite how to say that. We'll have to have some
20 way of dealing with that.

21 MS. NYHOLM: Distribution priority.

22 MR. NOYES: On the federal level on any
23 employment aspects, they don't tie up the specific job costs ratio, although
24 that is reported in the Staff recommendation, but it's not constrained by that,
25 it's reported. The language is higher skill, higher wage employment

1 outcome. That's easy to look at. When you get an application, are the skill
2 sets required those that are desirable and that specify a local economy and
3 those sorts of issues. That's not a difficult thing for Staff to report to the
4 Committee on. Higher wage rates, we can simply report what the wage rates
5 anticipated are or expected or promised, or however the application comes.
6 In relation to the prevailing wage rate for that jurisdiction or for the region
7 or for any subject, readily available data, and that's the way other
8 organizations address the issue. As to Delegate Hogan's point of not having
9 repeat folks coming in year after year after year and taking down money,
10 you get the distribution. It is substantial that a low priority would be
11 assigned until there is substantial completion of previous grants.

12 One of the issues that affects not just southern Virginia, it's just
13 as true in Southwest and just as true all over the place, and that is that once
14 somebody gets an award there is not the same pressure to go forward and
15 complete the work. We have in southern Virginia a lot of projects where
16 awards have been made, and those funds are not being used as rapidly as
17 was anticipated when the Committee voted to recommend and the
18 Commission voted to approve them. The term of art is substantial
19 completion. By looking at that as an issue you will accelerate the
20 implementation of those awards that are made.

21 DELEGATE MARSHALL: Mr. Chairman, you're
22 talking about the federal regulations, federal guidelines. How do they base
23 that or quantify that?

24 MR. NOYES: It is descriptive in relation to the
25 region or jurisdiction that's there. You say this is what the jurisdiction looks

1 like, and this is what's different, and this is why this is desirable, this is just
2 the same as what you've got. There is no objective criteria but what you
3 send out in terms of what was pointed out earlier by Senator Ruff or
4 Delegate Hogan who said you've got to send the message out and say what it
5 is we're looking for, what are the priorities of the Commission. If you say
6 higher skill and higher wages, it doesn't preclude somebody coming in for a
7 call center; send it in, and it will be considered and reviewed by the Staff and
8 reported to the Committee, and they'll have the opportunity to consider it.
9 The call center skill sets are not those of advanced manufacturing jobs. It's
10 easy to tell the difference and describe it and present it in the Staff
11 recommendation. You can see that when you get abstracts of the
12 applications.

13 DELEGATE HOGAN: We were talking a few
14 minutes ago about Danville and Pittsylvania County's share of property taxes
15 and how they share property tax in certain areas. I'm wondering if we ought
16 to put a priority on sharing jurisdictional property taxes, and I'll tell you why
17 I think that might help. As Danny pointed out, people go back and forth
18 looking for jobs wherever they might be, and they don't care about the tax
19 base. Localities care and they compete with each other to get that tax base.
20 If we put a priority on localities for a shared tax base, I mean western
21 Mecklenburg and Halifax citizens don't compete with each other anymore.
22 You might find that Cumberland and Prince Edward don't compete with
23 each other anymore, because the people can work anywhere and they don't
24 care. The localities would then share the tax base, and then you might find
25 that instead of finding this isn't the greatest location for this particular

1 business, but if it's a hundred million dollar investment and we need the tax
2 base, they might say this other place happens to be over this arbitrary line,
3 it's really a better place, maybe we could work together on that and share the
4 tax base. I know of a bunch of projects that ended up being pushed around
5 based on the tax base issue and really wasn't a benefit to anyone, other than
6 arbitrary things. I just point that out as an idea. Danny knows more about
7 how they set it up. We could figure it out, and if you like that idea maybe
8 we could ask if Danny could work with the Staff and figure it out.

9 MR. OWENS: Revenue sharing is fairly
10 common.

11 MS. NYHOLM: It's revenue sharing. We've been
12 hurt specifically because of the inability of utility agreements that would
13 come under revenue sharing.

14 MS. HAMMOND: I think previously regional
15 cooperation, regional cooperation grants. When we talk to localities and
16 they want to fund that type of idea, I think it's great in most cases.

17 SENATOR RUFF: I would just point out we're
18 sitting in one of those revenue sharing places from the 1997 General
19 Assembly Session, Mecklenburg, Brunswick. I believe there were four of
20 them in total.

21 DELEGATE HOGAN: If that makes sense, we
22 could just say one for one, we're going to put a priority on projects that
23 incorporate revenue sharing. Do you like that?

24 MR. MOODY: You have to educate some of the
25 counties. They don't know how to think that way. If they think there's an

1 incentive, they might think that way.

2 DELEGATE MARSHALL: In Danville we were
3 looking at if you have no base out there now, any income you're getting is
4 more than you had before. Fifty percent of something is better than nothing.
5 It was a fairly easy sale.

6 DELEGATE HOGAN: Mr. Chairman, let's say
7 there's some big project, a \$50 million investment, the best place for it is the
8 middle of Mecklenburg County. Looking around this room, I can tell you
9 that we all would say let's do it, and we're all for it, and all the people we
10 represent work there. But in terms of localities all of a sudden being happy
11 about working together on that project, saying we put 50 million in this
12 project, and then if you say you helped your application with revenue
13 sharing and really don't understand the details of it, it seems to me you might
14 start to break down a lot of the barriers that we have to deal with everyday.

15 DELEGATE MARSHALL: If you're talking
16 about revenue sharing, if two communities who are competing are all of a
17 sudden together to get this project done, if you're got three even better, or
18 four it's better. When you get into the smaller communities, it's different if
19 you have somebody like Pittsylvania County, but if you get the smaller
20 communities it works very well. If we could look at, maybe, the more
21 communities that participate, you get three more checks.

22 MR. OWENS: One thing we need to consider is
23 the leveraging of projects that come in. If the project comes in and is
24 leveraged at 50 percent, it's a better project for us than one that comes in at
25 10 percent. We want to encourage private investment. Leveraging should

1 be a part of this, also, private financing.

2 DELEGATE HOGAN: Are you saying you've got
3 two localities competing for an identical project, one of them is putting up
4 50 percent and the other one 10 percent, and you like the one doing 50
5 more?

6 MR. OWENS: I would think so.

7 DELEGATE HOGAN: That doesn't necessarily,
8 you take something like Cumberland and they only put in 10 percent and
9 Pittsylvania can put up 50 --

10 MR. OWENS: -- All things being equal.

11 MR. NOYES: Once again referring back to my
12 former life. There is only one situation I'm aware of in the country where an
13 organization like the Tobacco Commission provided 100 percent financing,
14 and that's if you're an Indian tribe recognized by the Bureau of Indian
15 Affairs, and that's the only one. If there is a natural disaster, it's not 100
16 percent federal and state funding, it's always locals in the game, unless
17 you're an Indian tribe. That's the only exception I'm aware of. To not specify
18 a minimum participation by cash, cash participation by an occupant, is
19 contrary to best practices anywhere that I've seen in the United States, state,
20 local or federal level.

21 DELEGATE WRIGHT: I don't necessarily
22 disagree with that. I know these towns and counties are under tremendous
23 stress, and we've been hearing about state cuts for localities. They've had to
24 do some tax increases themselves, and other things, but those are things I
25 think we should consider and keep in mind.

1 DELEGATE MARSHALL: Going back to what
2 Bernie Day said, where are we going to be in 100 years or 50 years from
3 now? What do we need to think about, as far as priorities as to what we
4 want to fund? Are manufacturing jobs a top priority? They could go
5 offshore. Talking about technology jobs, would that be a priority? One of
6 the things all of us in Southside have is population loss. I started off
7 representing 72,000 people in 2001, and it will be 80,000 in the next
8 redistricting. My district now is 65,000 people. We need to look at how can
9 we take this money and get people to come back here. Does that take
10 manufacturing jobs, or what kind? Maybe the Secretary can help us.

11 MR. OWENS: We're not planning on setting
12 priorities today. I think we've set up a few broad strokes out there.

13 DELEGATE HOGAN: We had a general
14 conversation, and I missed a little bit of it. I think we've got some ideas that
15 we've talked about back and forth. Then let's try to come back and work on
16 that and get that passed the next time.

17 I do have one other idea I'd like to put on the table. I'd say that
18 if we're going to talk about job creation and capital investment we should
19 prioritize and look to revenue sharing. If you don't have a particular amount
20 of capital investment, someone who is willing to invest in terms of 20
21 million or 30 million or whatever it is, that really matters. Revenue sharing
22 on the order of 20 million, or at that level, is the kind of thing we should
23 encourage, not just that amount, but we should encourage it if we want
24 regional projects. Of course, about any level for those kinds of projects.

25 MR. HITE: I'd like to see the Staff share their

1 thoughts and ideas with what we've talked about here today.

2 MR. OWENS: Of course, yes.

3 SENATOR RUFF: Should we cap any individual
4 project percentage-wise of the total that we would allow?

5 MR. OWENS: That might be a good thought.

6 DELEGATE WRIGHT: We should consider our
7 priorities that we have discussed at this time. To me, if we need a motion, at
8 least get that much done.

9 MR. OWENS: If that's a motion, can we get a
10 second on the motion and fill in the blanks?

11 DELEGATE WRIGHT: Yes, we don't have to
12 intend that this be a final list today, just some suggestions to move forward
13 and set up some preliminary guidelines.

14 MR. OWENS: It's been moved --

15 MR. HITE: -- I'd second it.

16 MR. OWENS: That we accept establishing
17 guidelines?

18 MR. STEPHENSON: The motion has some
19 blanks in it, that Southside develop guidelines for applications of grants that
20 prioritize the application and be considered irrespective of the localities that
21 apply. The blanks are those items we just talked about, job creation, revenue
22 sharing, leveraging and others.

23 MR. MOODY: We also talked about technology
24 and Broadband.

25 DELEGATE HOGAN: The motion at this point

1 simply should say Southside is developing guidelines to meet priorities of
2 the Commission. We can work out the details with the exact language and
3 then let Staff work on what we've talked about.

4 DELEGATE WRIGHT: I agree with what you
5 just said, we'll have to have another meeting.

6 MR. HITE: I would agree.

7 MR. OWENS: It's been moved and seconded.
8 Any other discussion? All in favor say aye? (Ayes.) Opposed, no? (No
9 response.)

10 DELEGATE MARSHALL: I think we will need
11 to get back together before the full Commission.

12 MR. OWENS: Can the Staff be ready by, say June
13 1st? We can poll the members for a meeting in June sometime.

14 DELEGATE MARSHALL: Can we meet before
15 the full Commission meeting?

16 SENATOR RUFF: Can the Staff e-mail or send
17 the guidelines to everyone so we will all have time to think about them and
18 come up with any changes or thoughts that we have before the actual
19 meeting?

20 DELEGATE MARSHALL: If we go to Bristol, I
21 think it would be useful to meet here in Southside Virginia before we go out
22 there.

23 DELEGATE HOGAN: The guidelines don't have
24 to be perfect for the July meeting. What we need to do is lay out broad
25 guidelines so people know what they're buying into. This might take a

1 couple of rounds to do that. It's very difficult to get them perfect now.

2 SENATOR RUFF: We can start with suggestions.

3 MS. NYHOLM: If the Staff can draft that up and
4 get them back to us by e-mail, that will give us chance to comment back and
5 further discuss it and then get it all typed up.

6 MR. NOYES: I will agree with my committee.

7 DELEGATE WRIGHT: I would agree with Neal.
8 I think we have to have another meeting.

9 MR. STEPHENSON: In the unlikely event that
10 your motion to change the formulary should fail at the July 31st meeting,
11 then we're back with the formula that we're using now. We're back to where
12 we were.

13 MR. OWENS: Yes, we will have another meeting,
14 and the Staff will get --

15 MR. STEPHENSON: -- You all set priorities and
16 how you want to use the funds that are allocated for Southside Virginia
17 Economic Development.

18 MR. OWENS: We've got to set the priorities and
19 get together and e-mail them, and we will get back together then. That's the
20 sense of the Committee, I take it.

21 DELEGATE WRIGHT: The ideas that the Staff
22 has, and their experience is very helpful to us, and we can use that to bring
23 forth these suggestions and ideas in trying to set guidelines that will help us
24 all.

25 MR. OWENS: Delegate Wright said that.

1 DELEGATE HOGAN: If we don't change Special
2 Projects and Technology, then we don't need, we'd have the status quo.

3 MR. NOYES: Yes.

4 DELEGATE MARSHALL: That's the deal
5 breaker.

6 MR. NOYES: Contingent on that.

7 MR. OWENS: The unobligated funds we want to
8 allow applications to come in. Is that November?

9 DELEGATE HOGAN: I hope we would not take
10 applications until the other matters are settled. They will not know what to
11 apply for until we get these issues settled.

12 MR. OWENS: The guidelines don't affect this
13 money; they've already got the allocation from last year.

14 DELEGATE HOGAN: The unobligated pool, I
15 think it is better to wait. That is going to change how people apply for
16 funds.

17 DELEGATE WRIGHT: I'm not clear on this. If
18 the counties didn't use these allocations last year, will they still be able to use
19 that money?

20 MR. OWENS: Yes.

21 DELEGATE HOGAN: They have to use it before
22 this goes into effect.

23 SENATOR RUFF: Have we approved the
24 Minutes from the last meeting?

25 MR. OWENS: No. Do you all have a copy, or

1 have you read the Minutes from the last meeting? Is there a motion? All
2 right, there's a motion and a second we approve the Minutes from the last
3 meeting of April 10th, at Berry Hill. All those in favor? (Ayes.) Opposed?
4 (No response.) The Minutes are passed.

5 All right, we've discussed that pretty thoroughly, and I think we
6 know in what direction we want to go.

7 Any public comments?

8 MR. ADAM BROOK: Good morning, I'm Adam
9 Brook, and I'm the Cumberland County Administrative Officer. I think the
10 first thing I would like to do is thank the Committee for allowing me to have
11 this time to speak to you briefly. I'd also like to say that any funds we
12 receive from the Tobacco Commission or through the Tobacco Commission
13 are greatly appreciated, and I can't emphasize that too much; and again,
14 thank you for that.

15 I'd also like to say that the applications that you look at, I think
16 it's important to look at them irrespective of region or individual localities.
17 To say we're looking at the region, are we saying that we are focusing on
18 jobs? I think jobs in Hampton Roads are just as important as they are in
19 Cumberland County. If 300 jobs come to Danville, to say that that's not as
20 important as say five jobs that come to Cumberland County, that's not really
21 true. If we get a company in Cumberland that employs 10 people, that's
22 important for us, too. It's also important what kind of market we have for
23 jobs. In the past few years the Tobacco Commission funds have been very,
24 very important to Cumberland, and I can't emphasize that too much. I've
25 also heard mention of water and sewer and things like that, but that type of

1 infrastructure, many times, is what we need in order to get people to come.
2 We try to leverage as many of the federal dollars as we can. If you go to
3 something like the IDA, and if you don't have a certain amount of dollars in
4 the project, maybe five million or something, sometimes you don't get very
5 good reception. You might not be qualified for some specific grant. Some
6 programs might have 60,000, but that doesn't have anything to do with the
7 Tobacco Commission funds. In a county like Cumberland we try to fill the
8 void as it comes up. I realize that population is very important.

9 So what I'm really saying is I think it's kind of dangerous to
10 totally get away from the formula, because the small counties, if we had that
11 taken away, we wouldn't get anything. Then if it's not used, Cumberland can
12 say roll the funds over because we're not ready to go at that time, but if we
13 have that option we can figure out what we want to do the next time, but
14 we'd know we'd have those funds available, the funding that we're doing and
15 the projects that we have coming on line. In the interest of developing the
16 formula, it looks like that's the way the Committee wants to go, at least need
17 to look at that before it's done away with. Then when you look at something
18 like per capita income, I know figures can be thrown around, and if you
19 don't set a minimum or maximum you can say, well, somebody might have a
20 couple of points higher, and you lose out altogether. If your per capita
21 income is higher than the next region, then certain projects don't get funded
22 because of that narrow figure difference. It's always something we have to
23 consider, that larger localities can compete for larger dollars. We always
24 have to keep that in mind, and I'd ask you to keep that in mind. If we lose a
25 business, we lose a whole lot. This formula has been very valuable to

1 Cumberland. When you say roll these committees like Special Projects and
2 Technology into one big pot, my experience has been that that helps
3 businesses, and I don't blame you. I'd probably want to do the same thing.
4 I'd probably want to shop around at which locality can get a better grant and
5 pay a better wage for different projects. We might be small, but we are not
6 the only one, and we want to be in this environment to help our counties as
7 much as we can by using these dollars that we can get wisely. A county like
8 Cumberland really needs that help, along with others.

9 I hope that makes some sense, and I do appreciate your time
10 and look forward to working with you in the future. Thank you.

11 MR. OWENS: Are there any members of the
12 public who would like to speak at this time?

13 DELEGATE WRIGHT: I would like to thank the
14 Staff and the other members for the comments that have been made, because
15 there have been some really good points brought up today. I think they gave
16 us some good points to consider, and we have to keep in mind these smaller
17 localities and their concerns.

18 MR. OWENS: Any other comments?

19 DELEGATE HOGAN: In light of the action we've
20 taken today, I don't think that the Technology Committee needs to meet
21 today.

22 MR. OWENS: All right. If there's nothing else,
23 then we're adjourned.

24

25 PROCEEDINGS CONCLUDED.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at large, do hereby certify that I was the court reporter who took down and transcribed the proceedings of the **Virginia Tobacco Indemnification and Community Revitalization Commission Southside Economic Development Committee Meeting when held on Tuesday, May 20, 2008 at 10:00 a.m. at the Heartlands Business Park, Keysville, Virginia.**

I further certify this is a true and accurate transcript

1 to the best of my ability to hear and understand the proceedings.

2 Given under my hand this 30th day of May, 2008.

3

4

5

6

7

Medford W. Howard

8

Registered Professional Reporter

9

Notary Public for the State of Virginia at Large

10

11

12

13 My Commission Expires: October 31, 2010.

14