

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 Tuesday, October 13, 2009

11 11:00 a.m.

12
13 Hotel Roanoke

14 Roanoke, Virginia

1 **APPEARANCES**

2
3 The Honorable Edward Owens, Chairman

4 Mr. Barnie K. Day

5 The Honorable Kathy J. Byron

6 The Honorable Lynn Hammond

7 Deputy Secretary of Commerce and Trade

8 Mr. Scott M. Harwood, Sr.

9 Mr. L. Jackson Hite

10 The Honorable Daniel W. Marshall, III

11 The Honorable Harrison A. Moody

12 Ms. Connie L. Nyholm

13 The Honorable W. Roscoe Reynolds

14 The Honorable Frank M. Ruff

15 The Honorable Thomas C. Wright

16
17 **COMMISSION STAFF**

18 Mr. Neal Noyes, Executive Director

19 Mr. Ned Stephenson, Deputy Director

20 Mr. Timothy J. Pfohl,

21 Grants Program Administration Manager

22 Ms. Sarah Capps, Grants Coordinator, Southside Virginia

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MR. OWENS: I'll call the Southside Economic Development Committee meeting to order and ask Mr. Noyes to call the roll.

MR. NOYES: Delegate Abbitt?

DELEGATE ABBITT: (No response.)

MR. NOYES: Delegate Byron.

DELEGATE BYRON: Here.

MR. NOYES: Mr. Day:

MR. DAY: Here.

MR. NOYES: Ms. Hammond?

MS. HAMMOND: Here.

MR. NOYES: Mr. Harwood?

MR. HARWOOD: Here.

MR. NOYES: Mr. Hite?

MR. HITE: Here.

MR. NOYES: Delegate Marshall?

DELEGATE MARSHALL: Here.

MR. NOYES: Mr. Moody?

MR. MOODY: Here.

MR. NOYES: Mr. Owens?

MR. OWENS: Here.

MR. NOYES: Senator Ruff?

SENATOR RUFF: Here.

MR. NOYES: Senator Reynolds?

1 SENATOR REYNOLDS: Here.

2 MR. NOYES: Delegate Wright?

3 DELEGATE WRIGHT: Here.

4 MR. NOYES: We have quorum Mr. Chairman.

5 MR. OWENS: I hope everybody received the
6 minutes from the last meeting, do I hear a motion? It's
7 been moved and seconded that we approve the minutes of
8 the last meeting. All in favor say aye. (Aye). Opposed.
9 (No response).

10 We're going to go through the staff
11 recommendations and if any member wants to pull one
12 out of the block, let us know. We can pull it out of the
13 block and then vote.

14 MS. CAPPS: The first project is for Appomattox
15 County and it's a request to establish a county wide public
16 broadband authority. The project is similar to the request
17 we received last year from Bedford County. The funds are
18 requested for engineering and legal costs and the staff is
19 recommending an award of \$50,000. This excludes the
20 \$5,000 that was included for the technical assistance with
21 the planning district which is contrary to our general
22 funding policy.

23 The second request from Appomattox County is
24 from the IDA. This is a request for improvement to the
25 business and commerce center including extension of the
26 road to be taken into the state system and expansion of

1 sewer to the property. These modifications are to meet the
2 interest of a prospect that will be locating on the corner
3 property. The prospect has six retail locations outside or
4 six retail locations in the metropolitan area of Virginia.
5 This will be used to establish the distribution center and
6 for online sales. The staff is recommending an award of
7 \$51,014.

8 The next request is from Brunswick County, St.
9 Paul's College. They requested completed construction of
10 the fine arts building.

11 MR. NOYES: Just a moment, I would note to
12 the committee members that what you see in asterisk,
13 that application arrived after the deadline but ahead of
14 staff recommendations as far as when they were
15 published. I'll just let you know that's what the asterisk
16 means.

17 MS. CAPPS: The St. Paul's College request is
18 for complete construction of the fine arts building which
19 will house the accelerated degree completion program,
20 including the criminal justice degree and the staff is
21 recommending an award of \$164,000.

22 The second request for Brunswick County is
23 from the Town of Lawrenceville for the water plant
24 disinfection improvements. It's a new building at the
25 existing water treatment plant. The Town received
26 funding from the Department of Health and the low bids

1 exceeded the funding that was available. The staff is
2 recommending that the Town match the Commission
3 award for the project shortfall and we're recommending an
4 award of \$75,000.

5 The next request is for Buckingham County
6 tourism through mapping project. The County is
7 requesting funding for equipment, specifically a printer
8 plotter needed to transform paperless maps into digital
9 format. Their goal is to publish the digital information on
10 a website for tourists. The staff felt like the equipment
11 would be used for routine government data mapping
12 services which with a broader benefit for real estate
13 investment emergency services. Our preference would be
14 to work with the county in developing a comprehensive
15 tourism plan in coordination with Virginia tourism. The
16 staff is recommending no award.

17 The next project is Campbell County for the
18 Seneca Commerce Park public sewer system phase I.
19 Funds were requested for the first phase of providing
20 public sewer to the Commerce Park. The Park was
21 originally designed with seven sites with onsite septic
22 sewer treatment, providing public sewer will expand the
23 number of sites by at least five from 12 to 17. This Park is
24 identified as a top priority for the County in terms of the
25 Southside allocation and will allow for as many as 500
26 new jobs at the site. The staff is recommending an award

1 for the first phase of the public sewer at the site, an award
2 of \$572,825.

3 The next project we received under Campbell
4 County is for the Virginia Technical Institute. This is a
5 501(C)3 technical education institute located in Altavista
6 providing construction trades training. The applicant was
7 recently incorporated, however, they have not received
8 their 501(C)3 IRS determination status. Although that is
9 likely, it does make them ineligible as a recipient of grant
10 funds. Future funding consideration from the
11 Commission for this applicant and we're recommending
12 that they collaborate with the regions community colleges
13 allowing for coordinated offerings and that the
14 construction trades program be coordinated and marketed
15 through the community college system and the staff is
16 recommending no award.

17 The next request is from Charlotte County.
18 This is the project prison sewer and water enhancement,
19 \$550,000 annually for five years was requested for bridge
20 financing to make payments on the interest of a \$12
21 million loan from the Virginia Resources Authority. The
22 project proposes that proceeds from the issuance of a
23 state bond would be used to pay back the Tobacco
24 Commission funds. This is for the prison site and the
25 Commission has already invested about \$2.3 million in
26 construction of the sewer project. We're recommending an

1 award of the full amount of funds available in Charlotte
2 County's allocation, \$1,016,389.

3 The next project is submitted by the Danville
4 Pittsylvania County Regional Industrial Facility Authority.
5 The request is for \$3.1 million each from the City of
6 Danville and Pittsylvania County to provide financing for
7 the purchase 26,000 additional acres for the Berry Hill
8 Regional MegaPark. The staff is recommending the full
9 award of \$6.2 million split equally between the County
10 and the City's allocation.

11 The next project is from Dinwiddie County. It's
12 for the site readiness costs at two parks owned by the
13 County in preparation to position the County to attract
14 suppliers for the Rolls Royce Campus in Prince George
15 County as well as government contractors at Fort Lee.
16 The majority of the funds are to make repairs to any
17 existing damage at the Commerce Park to allow for this
18 facility to be used for storm water maintenance for the
19 park as well as to a traffic signal engineering plan and
20 permanent park signage. The County also requested
21 funds for grading and construction costs for a parcel of
22 land that the IDA owned in the enterprise zone. Staff is
23 recommending full funding, \$1,286,000.

24 The next request is from Franklin County and
25 it's from the Franklin County allocation and the request
26 comes from the Town of Boones Mill Economic

1 Development Corporation for a water bottling facility. The
2 Town received American Recovery Act funding to address a
3 new water treatment plant for improvements to their water
4 distribution system and construction of a new water
5 treatment plant. The Town owns and operates a natural
6 stream bed that has excess water, 160,000 gallons a day.
7 The funds were requested to design and construct a new
8 spring water bottling facility. The application did not
9 indicate any established retail agreement and information
10 provided suggests that the EDC would have sufficient
11 profits to cover capital and start up costs to loan. In
12 addition, the request to the Commission exceeded
13 available funds by \$1.4 million and additional funds to
14 meet the shortfall were not identified. The source of the
15 funds to meet the shortfall were not identified and the
16 staff is recommending no award.

17 The next project is Greenville County. This
18 application includes two projects and the first is funding
19 to support phase III, construction costs of phase three for
20 an education center as well as \$28,000 for a future
21 feasibility study for the former Perdue Meat Processing
22 Plant to be considered as a data center. The Commission
23 has already made a commitment of \$1.5 million under the
24 reserve fund program for matching EDA requests for
25 phase III of the education center and federal funding is
26 currently in limbo due to the requirement for a plan for

1 the Crater Regional District. The County is waiting to
2 hear the results of the EDA award and committing
3 additional funds for the phase III site would be premature
4 at this time. The staff is recommending an award of
5 \$23,000 for the feasibility study and the balance of the
6 request for the phase III education center and we're
7 recommending it can be resubmitted in the next Southside
8 grant cycle.

9 The next project is Halifax County. The original
10 submission was withdrawn and was replaced with the
11 High Bay Riverstone Pilot Plant Project and this is for the
12 build out of Riverstone High Bay Manufacturing space in
13 building number one. The majority of the Commission
14 funds are requested for equipment that would be leased to
15 a Fortune 500 Company that is considering the site for
16 research and development, of energy related polymer
17 filtration products. The staff is recommending an award
18 of \$2 million.

19 The next project is the Halifax County
20 Educational Foundation, \$1 million requested for. This
21 proposal was invited by the Commission and transferred
22 \$1 million of unobligated fiscal year 10 surplus funds to
23 this Committee specifically for start up funds for the
24 advanced manufacturing innovation center. The staff is
25 recommending an award of \$1 million.

26 The next project is Lunenburg County. Funds

1 are requested to complete the build out of a shell building.
2 The build out is for an active prospect and the build out is
3 for 50,000 square feet for a building that's been vacant for
4 over a decade. Staff is recommending an award of
5 \$800,000.

6 The next project is Mecklenburg County, South
7 Hill Community Development Association requesting
8 funds for the Colonial Center renovation project phase II.
9 This is a multi-purpose historic theatre that can
10 accommodate groups of 400 for meetings and events. The
11 applicant makes an effective argument that the traditional
12 type of projects that the Commission has supported are
13 already in place throughout the County, including 17
14 industrial parks and three distance learning centers and a
15 visitor destination center. The funds requested from the
16 Commission are last dollar and have been matched by
17 over 80 percent of the total project cost. The facility would
18 be used by the local business community including the
19 Peebles Regional Department Store chain, at least three
20 six day corporate meetings annually with average
21 attendance of 75 to 100 out of state guests. The staff is
22 recommending an award of \$734,750.

23 The next request is from the Town of Gretna,
24 the Gretna Industrial Park offsite water and sewer
25 improvement. Funds were requested to purchase
26 additional properties to be relocated and an additional

1 onsite water line, construction of onsite water and storm
2 water management fund and offsite water and sewer
3 improvements. The staff is recommending this project be
4 tabled to allow the applicant additional time to work with
5 existing grant funds that are available and revisit the
6 overall project needs in the next funding cycle. There's an
7 existing balance of about \$1.4 million in grants that have
8 been awarded to the Town of Gretna for this Park.

9 The final project on your list is for Prince
10 Edward County. Its \$145,848 request for the Southside
11 training and improvement placement services which is a
12 nonprofit that provides employment opportunities for
13 individuals that have disabilities, welfare recipients and
14 others. Our funds would be used for a portion of the cost
15 for repair and that's essential to maintaining existing
16 operations. They're also proposing expanding a new line
17 of product or producing camouflage jackets for the
18 Department of Defense contract as well as establishing a
19 document destruction is a new line of business. This
20 project will create 46 new full time jobs. Staff is
21 recommending an award of \$145,848.

22 MR. OWENS: Thank you. Any questions.

23 DELEGATE MARSHALL: The Lunenburg
24 County project, I see in the last sentence in the paragraph
25 it says County is willing to only do this work if the
26 prospect commits to the site. The staff suggests the

1 County be given the flexibility to do this work now based
2 on the current construction climate. Does that mean you
3 want to go ahead and allow them to, the County said they
4 wanted to wait and get a contract but is the staff saying
5 let's help them move forward without a contract?

6 MR. NOYES: That's correct, yes.

7 DELEGATE MARSHALL: Why would you want
8 to do that?

9 MR. NOYES: The environment for construction
10 people is hungry, contractors are hungry and we can get a
11 better price.

12 DELEGATE MARSHALL: I would agree with
13 that but what happens if you build it and they don't come
14 and you put a slab in and you do the improvements for
15 this company and company A doesn't show up and then
16 company B needs to show up and the requirements we've
17 done for Company A don't fit Company B's plans? Then
18 do we have to go and redo it?

19 MR. NOYES: That certainly is a possibility.

20 DELEGATE WRIGHT: I'd like to go back to the
21 first sentence. This building, and matter of fact, the
22 County Board of Supervisors and Economic Development
23 in the County of Lunenburg, they need to get a shell
24 building. At that time all our buildings were fully built
25 and the interest rate, free loan, and we've been taking care
26 of it since then. We've got an active prospect. I'd ask the

1 Committee to adopt this, adopt the staff recommendation
2 to approve the project. In Lunenburg as many of you
3 know, the situation is dire and we have an interested
4 prospect and I think we should move on that.

5 SENATOR RUFF: Tommy, isn't it true that it
6 does not have any kind of flooring at this time?

7 DELEGATE WRIGHT: That's correct.

8 SENATOR RUFF: So making an attractive
9 building will sell itself. You need some kind of concrete
10 floor?

11 DELEGATE WRIGHT: Exactly. This is a perfect
12 time to do it.

13 MS. NYHOLM: I have built shell buildings on
14 my own initiative or my own nickel and I prefer to leave
15 the floor out so those projects, so they can get exactly
16 what they need and I think that you should allocate the
17 money for it contingent on the prospect identifying their
18 needs.

19 DELEGATE MARSHALL: I'm not trying to do
20 any harm to this project. I'd like to see the project move
21 forward. My only problem is it's not set. If you put this in
22 and a customer requests a five inch floor and the next guy
23 wants a six inch, what do you do, you can't put one on top
24 of the existing one. If that customer doesn't want the
25 particular floor in there, so my only concern is that we
26 shouldn't do this unless we have a signed contract.

1 MS. HAWTHORNE: Tim asked me to come
2 forward. I'm Beverly Hawthorne. It is the feeling of the
3 Board of Supervisors and the Town Council right now that
4 if we do not have the prospect signed with us, we will not
5 go forward with this because you lose all the advantage of
6 having a shell building. Exactly what you presented is
7 what I said to my folks. I don't want to take the Tobacco
8 Commission's money and then have to ask for money to
9 tear up what they've already put in.

10 MR. OWENS: Bless your heart.

11 MR. NOYES: The staff recommendation simply
12 gives the flexibility to Lunenburg County to do one or the
13 other. It doesn't require them to go forward if their
14 intention is to hold off until there's a contract and that's
15 consistent with the staff's recommendation.

16 MR. OWENS: Thank you.

17 DELEGATE BYRON: Mr. Chairman, I
18 appreciate those comments. On the Halifax County
19 project, 1955 my question is talking about building out a
20 space for a Fortune 500 Company who is considering this
21 site. I'd like to know what the County has in mind should
22 the prospect not come to fruition, the way you plan on
23 doing them?

24 MR. SEXTON: I'm Mike Sexton with the IDA.
25 At this point we are competing with Ohio for this prospect.
26 These are the proposed updates and costs and leasing

1 options that we have proposed to the prospect. We're not
2 going to do anything or outfit anything until we have a
3 signed contract with the prospect.

4 DELEGATE BYRON: Thank you.

5 MR. OWENS: Do we now want to vote what's
6 recommended in a block? All right, it's been moved and
7 seconded that we accept the staff's recommendation in the
8 block. All those in favor signify by saying aye. (Ayes).
9 Opposed. (No response). Thank you very much. We have
10 an application that came in.

11 MR. PFOHL: There's two other business items
12 for the Committee on the last page.

13 MR. OWENS: All right. The Town of Clarksville
14 requests further extension of Lake County Cove Project
15 number 325, approved May, 2004 with a grant of
16 \$550,000 with remaining balance of \$91,993.93. Anyone
17 here from Clarksville?

18 MS. MORAN: Good morning, my name is
19 Melinda Moran. I'm the Town Manager of the Town of
20 Clarksville. Our Cove project has, we've been going back
21 and forth with the Corps of Engineers in the
22 preconstruction phase. Our goal is to obtain a land use
23 permit from the Corps of Engineers for a project and then
24 we can seek construction funding. We had to revisit the
25 architectural design a couple of times now and revise the
26 project. Based on input from the Corps' help and they

1 worked with us in trying to help guide the process. At
2 several critical junctures they have thrown us a curve ball
3 in our design. I wanted to show you and I don't have
4 copies of all these. I want to show you some major
5 deliverables we've obtained through this preconstruction
6 phase to date. We've got the final conceptual design
7 report, we got a joint permit application that went to the
8 Corps, we've got a feasibility study and we've got the
9 environmental assessment which is where we are right
10 now with the Corps. The feedback from the Corps of
11 Engineers was that this EA was very well prepared and it
12 had only six pages of notes and questions to answer.
13 When we were about to turn that information back in,
14 there were two more pages of notes and questions. It's
15 been a time and excruciating process but we are making
16 progress. In the absence of the Tobacco Commission
17 support, the Town can't fund this on our own. The memo
18 we handed out provides a brief recap and then we have an
19 updated per charge showing the different project activities.
20 Chuck Roadley from Williamsburg Environmental Group
21 Project is here today. He can answer any specific
22 questions about our regulatory hurdle.

23 MR. OWENS: Any questions?

24 MS. MORAN: It's a very important project and
25 it has created a lot of interest. We certainly appreciate
26 your support.

1 MR. NOYES: This project was done in 2004.
2 Do you have an open ended contract with your
3 environmental consultant?

4 MS. MORAN: We do.

5 MR. NOYES: Are there items of work that you
6 have currently authorized and are under contract for some
7 portion of the balance?

8 MS. MORAN: The balance is going to take us to
9 70 percent of the design. Right now we've submitted the
10 environmental assessment to the Corps and I'm providing
11 our answers to their questions. After DEA completed,
12 they're going back and looking at the final project design.

13 MR. NOYES: By recognizing the processes you
14 have to go through are difficult and that there is a new
15 person in charge of Corps every 18 months or 2 years.
16 Had there been three Senator Ruff? Three is there a, the
17 Commission has a policy of three years.

18 MS. MORAN: Right.

19 MR. NOYES: When can you stop work or is this
20 something that will go out another three, four or five years
21 or an unknown number of years?

22 MS. MORAN: Based on our conversations with
23 the Corps, as of the last two weeks or so, the worst case
24 right now is to get through obtaining the land use permit
25 probably for 12 months but we're trying.

26 MR. NOYES: If something happens and it's not

1 12 months, do you need another extension?

2 MS. MORAN: We tried to communicate with the
3 staff and keep them apprised of our progress or the road
4 blocks.

5 MR. ROADLEY: Mr. Chairman and members of
6 the Commission, I'm Chuck Roadley, we're engaged in a
7 formal process now with the Corps of Engineers with the
8 submission of the environmental assessment and the joint
9 permit application. Melinda asked me for an estimated
10 timeline and I think we're going to bring this to closure
11 within this next six to eight months. She asked me for a
12 worst case scenario and I gave her the 12 month window.
13 The documents are in and they're actively being reviewed
14 and we're no longer in the planning stage looking at
15 engineering alternatives and policy issues. We are now
16 due for the project itself and weighing its merits.

17 MR. NOYES: Members of the Committee, the
18 Executive Director is authorized to do a one time
19 extension, not an ongoing multiple extension. No matter
20 what the circumstances are, the executive director has
21 done that and that now has expired and so the matter is
22 before this Committee. I have no authority to do this
23 extension. If you chose to do it, I would ask you to do it
24 for a specific period of time at which point your
25 instructions should be to the Commission staff to
26 terminate the grant. Whether there's another 60 days, 2

1 weeks or whatever, this is going to be going on for six
2 years.

3 DELEGATE BYRON: My question to the staff is
4 I certainly understand what the process is they have to go
5 through. It would jeopardize the project, if you get some
6 money it doesn't need to be immediate but what's the
7 problem with coming back and reapplying? Is there a
8 problem with that?

9 SENATOR RUFF: Mr. Chairman, if I could
10 rephrase that question. What happens if we take this
11 money back and six months from now things have
12 reached a point that, what's that going to do to the project
13 cost wise and everything else?

14 MS. MORAN: We cannot, we're really in the
15 home stretch here with preconstruction activities. My
16 feeling is that if we stop the project now, it will kill it
17 because our objective is to get the land use permit from
18 the Corps that's based on the environmental assessment
19 and our construction design. We work with the current
20 command of the Corps and we're afraid if we delay further,
21 it will be like starting over again with the next command.

22 SENATOR RUFF: Does that answer your
23 question?

24 MR. OWEN: Do you have the current
25 outstanding debt on the project?

26 MS. MORAN: No, no sir.

1 SENATOR RUFF: Mr. Chairman, the Town has
2 a current contract.

3 MS. MORAN: Yes.

4 SENATOR RUFF: If you do anymore work
5 they'll send you a bill and then you're in a dilemma, is
6 that correct?

7 MS. MORAN: Yes.

8 SENATOR RUFF: I would make a motion that
9 we extend it for 12 months. I won't add all the verbage
10 that the executive director did. I think this Committee can
11 successfully make that determination with what happens
12 at the end of 12 months if we don't.

13 MR. OWENS: Motion is made and seconded.
14 Everybody understand it? Any discussion? All in favor
15 say aye (Ayes). Opposed. (No response).

16 MS. MORAN: Thank you.

17 MR. PFOHL: The second item of interest is a
18 request by Virginia Tech which was the grantee in
19 January of 2008 on Project 1553 to establish a modeling
20 and simulation center of excellence at the Riverstone
21 Technology Park in South Boston with the consent of
22 Virginia Tech and the other grantees that the Commission
23 has funded to establish the center, they're requesting that
24 all Commission grants including 1553 from the Southside
25 Committee be transferred to the name of the industrial
26 development authority of Halifax County. You see the

1 balances remaining on those grants. There's other grants
2 from special projects and research and development
3 committee that would similarly be transferred to the
4 Halifax IDA. The specific grant was made by your
5 Committee so that's why this one is in front of you today.

6 MR. NOYES: Mr. Chairman, I've spoken to
7 Senator Wampler who has agreed to do the same thing,
8 the special projects award. The instruction that I have, a
9 memo to the file saying that he and I spoke and
10 concurred. I also spoke to Senator Puckett who is the
11 Chair of the Research and Development Committee and he
12 agreed as well. That memo to the file will reflect the fact
13 that the committee chairs of both special projects and
14 RND concur in this move.

15 MR. OWENS: Any questions. Do I hear a
16 motion.

17 DELEGATE MARSHALL: I so move.

18 SENATOR RUFF: Second.

19 MR. OWENS: It's been moved and properly
20 seconded, all those in favor say aye. (Ayes) Opposed. (No
21 response)

22 MR. PFOHL: Mr. Chairman and members of the
23 Committee, the Commission last week after you received
24 your staff recommendations was made aware of a project
25 in Patrick County and on Friday afternoon we received a
26 request for the Patrick County allocation in the name of

1 name of the Patrick County Economic Development
2 Authority to do further build out of the Rich Creek
3 Corporate Park shell building to allow the expansion of an
4 existing call center located in that building. The request is
5 for \$300,000 which would be matched by \$200,000 of
6 local funds to build out 6,000 square feet in that shell
7 building which is a project the Commission has supported
8 several times in the past through this Committee. There
9 is adequate allocation available in Patrick County. The
10 current available allocation is nearly \$364,000. Having
11 received this on Friday afternoon and having had limited
12 conversations with the County, we do have some
13 questions about what would be the source of the county
14 funds that would be contributed to this project. We have
15 not had time to fully review this but the County
16 Administrator is here today to speak to this project if you'd
17 like to hear from him.

18 MR. DAY: Jay, would you come up and tell us
19 why this is the best idea since sliced bread.

20 MR. SCUDDER: My name is Jay Scudder and
21 I'll be glad to tell you that and I'm the County
22 Administrator of Patrick County. Thank you Mr. Day.
23 Several months ago I was before you about our hospital
24 that was about to close and you helped that situation.
25 The company that did the lease purchase took that project
26 from about 20 employees to about 77 and today they close

1 on the whole facility and a doctor's office that adjoins that.
2 You've made a substantial investment to provide
3 healthcare in our community and I thank you for that.
4 Two weeks ago we got a call from the owner of the
5 company that leases the shell building in Rich Creek
6 Industrial Park in Patrick County. They have been a good
7 customer for about three or four years. They pay their
8 bills and provide about 150 jobs at the call center. The
9 call center closed further down in Southwest Virginia
10 several years ago. That call center has consolidated in
11 Galax. This is a subsidiary of the same company. They
12 called us two weeks ago and said that we have contracts
13 that are three to five years out and we're going to bring
14 100 jobs to Patrick County and the facility we're currently
15 in has been there since 2006 or 2007. It's full and we
16 need to complete this facility to bring the jobs to Patrick
17 County. We've been scrambling and trying to do a lot of
18 work with the County officials and the folks at the EDA
19 and the company to get this thing on track. We secured
20 some bids very rapidly and we're working on those now.
21 This is a good project and it's going to be a longstanding
22 project because as with other investments in the Rich
23 Creek area or that park, this is infrastructure that will be
24 here for a long time. The EDA will have it at its disposal
25 for jobs. The County and EDA will match the other
26 \$200,000 or whatever else it will take to get this facility

1 built out to 6,000 square feet. As we speak, the company
2 is doing training, working with people to get these jobs
3 filled. I wish I had these two week crunches more
4 frequently but that's where we are.

5 MR. NOYES: Mr. Stevenson, we received a
6 request from the Tobacco Region Opportunity Funds for
7 this project.

8 MR. PFOHL: The capital investment will not
9 meet the TROF.

10 MR. STEVENSON: We talked about it a little
11 bit.

12 MR. NOYES: Will the company agree to execute
13 a performance agreement regarding employment that's
14 projected?

15 MR. SCUDDER: We actually have that in the
16 lease with them. They've had a lease from 2006 and 2007
17 and they been a tenant every since making payments. The
18 new lease would reflect 100 jobs. The investment by the
19 County and investment by the Tobacco Commission. The
20 current lease they have provides for 90 or 120 day notice
21 for the County if they pull out. I think the thing that's
22 important to focus on here is that they been a
23 longstanding tenant in the County, has the jobs and
24 they're committed for three years in that lease.

25 MR. OWENS: How many jobs?

26 MR. SCUDDER: 100 new full time jobs plus the

1 150 that are there today.

2 DELEGATE MARSHALL: We don't have that in
3 our packet.

4 MR. PFOHL: We've got copies for you.

5 DELEGATE MARSHALL: We're going to have a
6 full Commission meeting on the 28th and 29th. It would be
7 possible to postpone this and we can have a short meeting
8 before the full Commission meeting to take this up. I
9 haven't had or maybe you haven't had a chance to read
10 this and review this and the staff hasn't had a chance to
11 read it and review it. I hate to vote on something I haven't
12 read.

13 MR. DAY: Let's take about a 20 minute recess
14 and read it and review it now.

15 MR. OWENS: Is that a motion?

16 MR. DAY: Yes. We can make a decision here
17 and we won't have to consider it or table it.

18 DELEGATE MARSHALL: I don't want to hurt
19 the project.

20 MR. DAY: Let me suggest a 20 minute recess
21 and we can review it and read it then.

22 MR. OWENS: All right, we'll recess for 15 or 20
23 minutes.

24
25 NOTE: Whereupon, a recess is had.
26 Thereupon, the Committee is reconvened and the hearing

1 continues, viz:

2

3 MR. OWENS: Let's reconvene. We've got three
4 options here, we cannot consider it at this time and we
5 can table it or we can recommend to the full Commission.

6 MR. DAY: Mr. Chairman, I make a motion we
7 recommend it to the full Commission. I appreciate this
8 Committee's indulgence for the time you spent with it.

9 MR. OWENS: It's been moved and properly
10 seconded that we recommend this to the full Commission.
11 Any other discussion? All those in favor say aye. (Ayes)
12 Opposed. (No response) For future reference this
13 Committee, I think, unless there's some very compelling
14 reason, we will not consider anymore applications that we
15 haven't had time to consider them fully by the staff.

16 MR. NOYES: The Chairman wants me to
17 announce that there will be a Southern Virginia Economic
18 Development round of applications due Monday, March 1st
19 which will then be decided in the April full Commission
20 meeting. Members of the Committee, you have some
21 vouchers in front of you. Please at least sign them and
22 Michelle will pick them up at your place. We're going to
23 make this announcement at every Committee meeting.
24 Lunch will be served next door for Commission members.
25 Hand the parking passes to the attendant at the gate.
26 That's all I have Mr. Chairman.

1 MR. OWENS: Any Committee members have
2 anything they'd like to say? It's time for public comments,
3 anyone?

4 MS. HAWTHORNE: I'm Beverly Hawthorne
5 from Lunenburg County. Last fall you all approved a
6 grant for us to build a hanger for a business to come in
7 Lunenburg County and the project was completed on time.
8 We used all the money and I'll be giving – the project's
9 ended already and the grant has been used. I'll be giving
10 a full accounting and he has had more than his wildest
11 dreams the number of people wanting to skydive. It's been
12 very successful. We have four full part-time positions
13 already filled. The goal is seven fulltime. I want to thank
14 you all a whole lot for that and it has worked very well.

16 SENATOR REYNOLDS: I move we have Neal
17 and Ned go and have this experience and report back to
18 us, to the Committee.

19 MS. HAWTHORNE: I can assure you that
20 anyone from the Tobacco Commission, if you want to come
21 and talk to me and we can probably rearrange at least one
22 or two free drops. Thank you.

23 MR. OWENS: Anyone else have any comments.
24 Alright, hearing none, meeting adjourned.

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26 PROCEEDINGS CONCLUDED

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional
Reporter and Notary Public for the State of Virginia at

1 Large, do hereby certify that I was the court reporter who
2 took down and transcribed the proceedings of the Virginia
3 Tobacco Indemnification and Community Revitalization
4 Commission, Southside Economic Development
5 Committee when held on Tuesday, October 13, 2009, at
6 11:00 o'clock a.m. at the Hotel Roanoke, in Roanoke,
7 Virginia.

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

11 Given under my hand this 20th day of October,
12 2009.

13
14
15 _____
16 Medford W. Howard

17 Registered Professional Reporter

18 Notary Public for the State of Virginia at Large

19 MY COMMISSION EXPIRES: October 31, 2010

20 CERTIFICATE NUMBER: 224566