



1    **APPEARANCES:**

2    The Honorable Edward Owens, Chairman

3    The Honorable Barnie K. Day, Vice Chairman

4    Mr. Clarence D. Bryant, III

5    The Honorable Kathy J. Byron

6    The Honorable Lynn Hammond, Deputy Secretary of the Department of

7                                   Commerce and Trade

8    Mr. Scott M. Harwood, Sr.

9    Mr. L. Jackson Hite

10   The Honorable Clarke N. Hogan

11   The Honorable Daniel W. Marshall, III

12   The Honorable Harrison A. Moody

13   Ms. Connie Lee Greene Nyholm

14   The Honorable W. Roscoe Reynolds

15   The Honorable Frank M. Ruff

16   The Honorable Thomas C. Wright, Jr.

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18   COMMISSION STAFF:

19   Mr. Neal Noyes, Executive Director

20   Mr. Ned Stephenson, Deputy Director

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

22   Ms. Britt Nelson, Manager of Program Assessments

23   Ms. Sarah Capps, Grants Coordinator - Southside Virginia

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1 **APPEARANCES:** (cont'd)

2 OFFICE OF THE ATTORNEY GENERAL

3 Mr. Francis N. Ferguson, Deputy Attorney General, Counsel for the  
4 Commission

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1 MR. OWENS: I'll call the meeting of the  
2 Southside Economic Development Committee to order.

3 I'll ask Mr. Noyes to call the roll.

4 MR. NOYES: Mr. Bryant?

5 MR. BRYANT: Here.

6 MR. NOYES: Delegate Byron?

7 DELEGATE BYRON: Here.

8 MR. NOYES: Mr. Day?

9 MR. DAY: Here.

10 MR. NOYES: Deputy Secretary Hammond?

11 DEPUTY SECRETARY HAMMOND: Here.

12 MR. NOYES: Mr. Harwood?

13 MR. HARWOOD: Here.

14 MR. NOYES: Mr. Hite?

15 MR. HITE: Here.

16 MR. NOYES: Delegate Hogan?

17 DELEGATE HOGAN: Here.

18 MR. NOYES: Delegate Marshall?

19 DELEGATE MARSHALL: Here.

20 MR. NOYES: Mr. Moody?

21 MR. MOODY: Here.

22 MR. NOYES: Ms. Nyholm?

23 MS. NYHOLM: Here.

24 MR. NOYES: Mr. Owens?

25 MR. OWENS: Here.

1 MR. NOYES: Senator Reynolds?

2 SENATOR REYNOLDS: Here.

3 MR. NOYES: Senator Ruff?

4 SENATOR RUFF: Here.

5 MR. NOYES: Delegate Wright?

6 DELEGATE WRIGHT: Here.

7 MR. NOYES: Mr. Chairman, we have a quorum,

8 MR. OWENS: Look in the packet that you  
9 received. That contains the Minutes of the October 16, 2008 meeting. Any  
10 additions or corrections, or do I hear a motion to approve the Minutes? It's  
11 been moved and seconded that we approve the Minutes of the October 16th  
12 meeting. All those in favor say aye? (Ayes.) Opposed? (No response.)  
13 The Minutes are approved.

14 At this time I'd ask Ned Stephenson to come forth with the  
15 history of the unfulfilled TROF obligations.

16 MR. STEPHENSON: Mr. Chairman, for the  
17 benefit of the Committee and for our audience today I want to remind you of  
18 two policies that the Commission has recently adopted. One of them had to  
19 do with what we would call stale grants. Recently the Commission adopted  
20 the policy of having the Commission Staff rescind or withdraw all grants  
21 that have reached their three-year anniversary and have not been disbursed.  
22 Your Committee has some two and a half million dollars that falls into that  
23 category. The Director and I talked this morning, and we're going to do that  
24 with ample notice and time to cure for those who have these failed grants. I  
25 just wanted to alert everyone that if you have a stale grant, that the

1 Commission wants to clean up those older ones, some of which go back into  
2 2002.

3 The other policy that I wish to make you aware of is one where  
4 the Commission adopted a policy of withholding grant disbursements to any  
5 entity that has a TROF contract that is unfulfilled. I'd like to make the  
6 distinction that the Commission instructed us to withhold disbursements, not  
7 approvals. We will not affect the approval process today or other days.  
8 However, if a particular locality has a TROF contract that has not been  
9 satisfied, it will stop up the cash flow from us until that is cured.

10 Thank you, Mr. Chairman.

11 MR. OWENS: Thank you. Any questions for Mr.  
12 Stephenson? We've got a deadline of April 30th for some TROFs?

13 MR. NOYES: Southside Economic Development,  
14 there is a six-month extension on three years that Delegate Byron proposed  
15 and that the Committee approved. April 30th is the drop-dead date from the  
16 October decision that the Board passed last year. In May those grantees or  
17 those people having funds that have not been disbursed for that three years  
18 and that six months expired and they're not under contract or with a time  
19 extension, then we'll notify them of our intent to rescind, and we will copy  
20 members of the Committee on those letters.

21 MR. STEPHENSON: Mr. Chairman, I have a  
22 fresh list of those localities, if anybody wants to take a look at that list. I  
23 think we put some in your packet, but I'm certainly willing to furnish that to  
24 anyone who is interested.

25 DELEGATE BYRON: If I remember correctly,

1 we also stated that there is not anything that prevents them from reapplying  
2 with a new application, so keep that in mind.

3 MR. STEPHENSON: Any funds that may be  
4 rescinded are returned to that jurisdiction's allocation. They don't disappear;  
5 they remain accessible in the next round.

6 MR. OWENS: Any questions? Thank you.

7 Tim, do you want to go ahead with the grant proposals?

8 MR. PFOHL: Thank you, Mr. Chairman. We  
9 received 17 grant proposals in this second round for FY09 in early March.  
10 Some folks went through the snow storm to get them to us. Sarah Capps, the  
11 Southside Grants Administrator, and I and Neal and Ned have worked to  
12 develop a consensus in a Staff position on these 17 proposals. We  
13 recommended funding for 14 of them and some other actions on the other  
14 proposals. I can walk through those if you wish.

15 DELEGATE BYRON: Sometimes we've done the  
16 ones that Staff recommended and pulled the other ones out for discussion  
17 later on. How are we going to handle this?

18 MR. OWENS: What we'll do is hear all the  
19 recommendations and then pull out those that you want to talk about.

20 DELEGATE BYRON: Do you want to save the  
21 discussion for later?

22 MR. OWENS: Yes.

23 MR. PFOHL: Starting at the top, alphabetically,  
24 Bedford County has submitted proposal 1786 requesting \$55,000 for legal  
25 and engineering costs to establish a county-wide public Broadband authority

1 under the state Code requirements.

2           The Staff is recommending no award, based on the fact that, the  
3 concern is that if we start establishing these for each individual locality that  
4 might be eligible within the tobacco region, we could be looking for  
5 potentially hundreds of these authorities. I think they're less concerned  
6 about the merit, but just that they lack the last mile solution, and they have  
7 indicated this has been done in other tobacco region localities and other  
8 areas of the state. Our concern is more of precedent, and we're  
9 recommending no award. The county has been advised of that  
10 recommendation.

11           Brunswick County IDA, the Brunswick County Industrial Park  
12 Expansion, project 1782 requests 1.4 million plus. That would be to develop  
13 a three-acre site adjacent to the existing County Industrial Park. Along with  
14 the expansion of that park, their request is for using funds for engineering  
15 and clearing, grading and utilities extension and road improvements to make  
16 a 38.5 acre pad ready for industrial prospects, warehousing and distribution,  
17 as well as service-related industries. They're projecting the creation of 25 to  
18 40 jobs and 25 to 40 million dollars of investment. This is in close  
19 proximity to rail and Broadband and other utilities. We noted the County  
20 has an existing site of 46 to 82 acres in the park. The County advises that  
21 there are some restrictive covenants on those sites that would not allow the  
22 outdoor storage of wood products and other related materials. That's why  
23 they're pursuing this additional acreage that is not limited by those restrictive  
24 covenants.

25           The Staff is recommending we help them with the engineering

1 process contingent the County closing on the purchase of that property. In  
2 our last check with the County the sale had been held up somewhat because  
3 of some title issues. The County economic developer is here to update you  
4 on the status of that property.

5           The next proposal is from Ellis Acres Memorial Park, Inc. This  
6 is a non-profit applicant that has this proposal in front of the Commission.  
7 This would be to renovate the former Buckingham Training School shop  
8 building at a cost of \$77,000 to prepare it to be a site for conducting  
9 educational classes, workforce training and so forth. A 2250 square foot  
10 shop building has been funded through a variety of national and state  
11 foundations for exterior renovation. These folks are asking us for funding to  
12 do interior renovations, including air conditioning, ventilation and plumbing  
13 and so forth. When completed, the facility will provide two training  
14 classrooms, computer center, conference room, kitchen, and rest rooms.  
15 Training programs for GED, Middle College, workforce training and nurses  
16 aides will be offered. There is a letter from the President of the Southside  
17 Community College expressing their interest in providing classes there. The  
18 Staff notes this is the first project in Buckingham that would provide this  
19 type of facility, which we have funded in several other Southside locations.  
20 There is an indication there will be some community center with general  
21 purpose community meetings being held there. The project is providing a  
22 dollar-for-dollar cash match, and in the past we've supported funding for  
23 projects based on their use most directly related to the Tobacco  
24 Commission's future plans. So the Staff is recommending an award of  
25 77,000.

1           The Town of Brookneal is requesting the Campbell County  
2 allocation for Wastewater Improvement Project, number 1784, requesting  
3 just under a million dollars, and this is to make improvements over a three-  
4 year period of time to the town's two existing wastewater treatment facilities.

5     The purpose is to upgrade some of the equipment. We received a  
6 preliminary engineering report from the town showing that DEQ consent. It  
7 did show that they examined the cost of an altogether new wastewater  
8 facility at substantially a less cost. There is a very low cash match, which I  
9 think is a one percent cash match on this. There are currently no prospective  
10 businesses or jobs that would be served by these improvements, and we have  
11 not received a cash flow analysis.

12           We're suggesting the project be tabled so that the applicant can  
13 pursue federal stimulus funding and other state funding programs, including  
14 USDA Rural Development the Resource Authority and so forth.

15           Cumberland County Industrial Development Authority  
16 submitted number 1792 requesting just under \$100,000 for the Proposed  
17 Cumberland Courthouse Business Park. The funds from the Commission  
18 would be used to purchase 80 acres to create a new county business park  
19 near Route 60 and east of the county courthouse. A current business  
20 prospect is working with the county to relocate a light industry to the site,  
21 bringing 20 existing jobs and creating 20 new positions along with \$6  
22 million of private investment. Additional pads would be available in the  
23 park. This is the first effort to use Commission funds from Cumberland  
24 County to develop an employment center and to attract private investment  
25 and job creation. The current property assessment is in excess of the amount

1 that is being requested from us. We feel like it is a reasonable request.  
2 We're supporting the full request of \$99,635.

3 The Dan River Business Development Center submitted 1785  
4 for Entrepreneurial Development Support in the amount of \$350,000 for a  
5 variety of uses within the non-profit regional business incubator and training  
6 center. There are quite a few requested funds, and I can certainly go into  
7 each individual one, but in the interest of time, Staff noted that several of the  
8 requested uses are what we would consider ongoing operating expenses and  
9 the incubator that's existed for eight to ten years, including salary positions  
10 and staffing and equipment replacements, training seminars and so forth.

11 We're suggesting support for the retrofitting of space for the  
12 new business center to offer new programs and services that can be  
13 construed as one-time capital improvements to expand their delivery of  
14 services. Specifically, we're recommending \$155,250 for plant  
15 improvements and retrofit of the existing space and partial equipment and  
16 telecommunications and audio-visual funding. We're further suggesting that  
17 after having some contact with local administration of the City of Danville  
18 and Pittsylvania County that the award get approved by the Committee or  
19 the Commission and split between the Pittsylvania County allocation, and  
20 the administrators are agreeable to that.

21 Next is Dinwiddie County, and they have submitted a revised  
22 request for Planned Warehouse and Logistics Park with Intermodal Facility,  
23 number 1791. They initially requested just under four million, and they've  
24 reduced that request to 800,000. They were initially requesting the  
25 Commission provide money to option a 665-acre mega site, and they have

1 removed that aspect from their request and are now focusing on an \$800,000  
2 request for site survey and Phase I environmental studies, marketing studies  
3 and engineering studies for this property. Dinwiddie is working with an  
4 international facility or a warehouse developer who has a pretty substantial  
5 track record in foreign countries, and this project is also being actively  
6 marketed with the Port Authority of Virginia.

7           The Staff is recommending an award of 800,000 for site  
8 engineering and study costs.

9           Franklin County is requesting just under \$1.3 million, number  
10 1789, for the Franklin County Commerce Park Light Industry Site, which is  
11 a grading request. The proposal as originally submitted had graded two sites  
12 within the county's Commerce Park on Route 220 south of Rocky Mount.  
13 The first five-to-eight-acre pad would accommodate a 200,000 square foot  
14 building and another pad which was about five acres, and that would  
15 accommodate a 50,000 square foot building. The County has contacted us  
16 and asked for 300,000 of that proposal be made available for grading within  
17 the joint county and town of Rocky Mount Industrial Park. They have an  
18 active prospect they're working with right now, and we are supportive of that  
19 approach, with the ability to use that 300,000 for grading on the so-called  
20 Cox Property, which has been previously supported by the Commission in  
21 that joint town and county industrial park.

22           Halifax County Industrial Development Authority, number  
23 1790, and they're requesting just under 100,000 for the Day Site Prospect  
24 Ready Development. This is a 34-acre property acquired with Commission  
25 funds in FY06. The requested improvements include engineering, access

1 road, pad grading, waterline extension. This is a Virginia Enterprise Zone  
2 site. The County does have right-of-way easements for both utilities and  
3 road construction. Right now the roads are built into the site, so that would  
4 be accomplished by the Commission as well as VDOT with access road  
5 funding. The Committee is recommending the full award contingent on  
6 VDOT funding for construction of industrial access road.

7           The Town of Kenbridge in Lunenburg County is requesting  
8 \$55,000 for the Kenbridge Farmers' Market, number 1777. The Town has  
9 submitted some supplemental information in addition to what was provided  
10 in the application. The outcome for this project is primarily agricultural, and  
11 the Staff is recommending the project be referred to the Agribusiness  
12 Committee in its FY10 cycle.

13           The Town of Victoria in Lunenburg County, they're requesting  
14 the Lunenburg County allocation for the Modest Creek Raw Water Upgrade,  
15 number 1781 at a cost of \$770,981 to make improvements in the Town of  
16 Victoria Water Treatment Plant, including pumps and water lines to increase  
17 the capacity significantly. The Town is actively working with a prospective  
18 business, which is BioMass facility, who is considering locating in  
19 Lunenburg. Matching funds, as indicated in the application, are less than  
20 five percent of the project. We did receive some additional information, and  
21 they have other additional matching funds for this. There is a prospect that  
22 is being recruited to the County, and the Staff supports the full request. It's  
23 anticipated that 20 jobs will be created and \$8 million in private capital  
24 investment.

25           The Boydton Ruritan Incorporated Horse Park Project is

1 requesting \$743,000, number 1788. This is a non-profit applicant that is in  
2 discussion with Mecklenburg County about receiving a site that is currently  
3 owned by the County to establish a horse park operation. The long-term  
4 buildout plans are in excess of \$6 million, including indoor and outdoor  
5 arenas and a horse park and so forth. Staff is recommending partial support,  
6 specifically in terms of completing engineering and economic impact  
7 assessments, partial funding for Phase IB and site preparation, parking,  
8 outdoor arena with bleachers and lights, utilities, and campground. The  
9 Staff is further suggesting that a regional governing body should be  
10 established to have a broader based regional support for the facility and  
11 suggesting a private facility manager for operation of the campground.

12           Clarksville Senior Care, L.L.C. d.b.a. Meadow View Terrace, is  
13 requesting a Mecklenburg allocation of \$250,000 for the Meadow View  
14 Terrace 30-Bed Expansion Project. This would expand the current 120-bed  
15 nursing facility by 30 additional beds to its current 120-bed nursing facility  
16 in Clarksville. This is a \$3.9 million expansion project and will create 25  
17 new permanent jobs.

18           Staff notes that healthcare has been identified as a low priority  
19 in the Commission's guidelines and strategic plan. To date the Commission  
20 has provided construction assistance to a limited number of healthcare  
21 facilities. There is an issue of precedent in this case, and in this area there  
22 are seven other nursing homes and two hospitals. However, we would cite  
23 that in cases such as this where quantifiable direct job creation and private  
24 capital investment outcomes are identified, projects of this nature have  
25 competed for funding through the TROF program, as well as in some cases

1 supplemented with Economic Development grants. We're recommending an  
2 award of \$250,000 contingent upon the completion of a performance  
3 agreement between the applicant and the Commission regarding the  
4 projected job creation and private capital investment outlined in the  
5 application, and that any further requests for project funds be submitted by  
6 the local government IDA on behalf of the applicant for a prospective TROF  
7 incentive grant.

8           The Mecklenburg County Industrial Development Authority is  
9 requesting \$3.5 million for the Kinderton Technology Campus, number  
10 1799. They want to acquire and develop 117 acres of land near Clarksville  
11 for the purpose of developing the Kinderton Technology Campus. A 35-  
12 acre area will be developed into a 20-acre graded pad with stormwater  
13 management and utilities, and the remaining 82 acres will be cleared and  
14 grubbed. The site has the advantage of three power sources and substantial  
15 Broadband fiber assets. It will be marketed for a mega data center campus.  
16 Immediately adjacent to the property is a capital investment of a half billion,  
17 which is the Data Center which has begun operation, and the same utilities  
18 serving that data center will provide a competitive advantage for this site.  
19 The applicant has subsequently provided an independent real estate appraisal  
20 of the property that comes in at \$1.17 million, which equates to about over  
21 \$8,500 per acre, and there are comparables in several surrounding counties.  
22 The project is strongly supported by VEDP as a targeted employment sector  
23 and will be marketed as an MBC "Gigapark". If you're not aware of that,  
24 MidAtlantic Broadband has rolled out a marketing campaign with industrial  
25 sites that have been funded by the Commission and are served by

1 MidAtlantic fiber and are now being called national and international  
2 Gigaparks. This would be one of those Gigapark sites. The Staff is  
3 recommending the full request of 3.5 million plus.

4           Roanoke River Rails-to-Trails, a non-profit organization, is  
5 requesting from the Mecklenburg County allocation as well. They're  
6 requesting \$724,000. This would be used for final design of six miles of  
7 trails and construction of approximately 2.3 miles of the trail just west of the  
8 Town of Boynton in Mecklenburg. The applicant has been previously  
9 funded by the Commission, and you'll see some numbers there on the board.  
10 The Staff is recommending an award of \$159,471 for trail improvements on  
11 the proposed trail section.

12           The Town of Gretna is requesting from Pittsylvania County's  
13 allocation \$820,000 to complete off-site water system improvements to serve  
14 the Town of Gretna's industrial park and surrounding areas, which is the  
15 Route 40 and Route 29 growth corridors. Funds will be used to complete the  
16 Raw Water Project, including design and construction of the Whitehorn  
17 Creek, which received previous Commission funding for the raw water  
18 intake structure to connect with the recently installed 4.75 mile raw water  
19 line from the town's reservoir, and also the Gretna Industrial Park will be  
20 served by this. The Staff is recommending an award of \$820,000.

21           Pittsylvania County is back again with a project that was tabled  
22 in the previous round for FY09, and it's a request for \$900,000 for water and  
23 sewer extension from the Town of Chatham north on Route 29 to the site of  
24 the proposed Olde Dominion Agricultural Foundation complex, and that's  
25 Route 29, north of Chatham. When it was tabled in the prior round, there

1 were still some questions whether the Agribusiness Committee was going to  
2 fund this for construction of the Agricultural Center. The full Commission  
3 came through with just shy of 1.88 million, 1.9 million. Further fund raising  
4 is going on, and construction has not yet begun on the ag center. We've  
5 received information from Pittsylvania County, including preliminary  
6 engineering report, that shows the utilities would extend and serve not only  
7 the county designated economic development corridor that includes multiple  
8 properties that already industrially zoned and adjacent to the rail line that  
9 bisects the service area. There are currently no prospective private sector  
10 jobs or capital investments that will directly result from the completion of  
11 this project, although the mega site offers the greatest potential for future  
12 economic growth. These facilities run right to the front door of the mega  
13 site, and that offers great potential for future development and private  
14 investment and job creation. The Staff is recommending the full award of  
15 \$900,000.

16 We have some additional Southside Committee business. Do  
17 you want to hear about that now?

18 MR. OWENS: We'll take care of that after. Thank  
19 you, Tim. Before I hear a motion to approve these in a block, are there any  
20 that you would like to pull out?

21 MR. DAY: I don't have one to pull out, but I want  
22 to put one in.

23 MR. OWENS: We'll give you a minute to do that  
24 right after we, will that be all right?

25 MR. DAY: Yes.

1 MR. BRYANT: 1785, the Dan River Business  
2 Development Center.

3 MR. OWENS: Pull out 1785.

4 DELEGATE BYRON: 1786 and 1784.

5 MR. OWENS: Anyone have an objection to 1786,  
6 what about 1782? How about 1787, any objection? Pull out 1784. 1792.  
7 How about 1791, anyone? 1789? 1777, that's been deferred. 1790? 1781?  
8 1788? 1778? 1779? 1780? 1778, pull out. 1783, the only reason to pull  
9 out 83 is to make sure that -- there's a letter from the town manager. Right  
10 now they don't have a permit to withdraw water. Do you want to pull it out?  
11 1783 is out. What about 1737? So, we're pulling out 1786, 1784, 1785,  
12 1788, 1778 and 1783.

13 DELEGATE MARSHALL: Mr. Chairman, before  
14 we vote on these, our friends in Washington are giving us a lot of stimulus  
15 money, and we're not quite sure what that money goes to and where it goes.  
16 I'd like to ask the Staff if there are stimulus funds that could be identified  
17 and maybe would pay for part or all or some of these projects, I'd like to put  
18 that on the table before we vote.

19 MR. NOYES: Delegate Marshall. The stimulus  
20 program that Washington is doing is being, or those funds are being dropped  
21 into existing buckets; for example, the U. S. Department of Agriculture  
22 Rural Development, where the guidelines and all those other things are as  
23 they were prior to the ARA. There have not been announcements on this.  
24 There is a public notification process that goes on, and they have not  
25 published final regs that govern most of these programs, so far.

1 Deputy Secretary Hammond, do you want to give the  
2 Commission that? Part of it is going to the state, and part of it is going to be  
3 competitive. We don't have it fixed today, because they haven't published  
4 the announcements yet.

5 DEPUTY SECRETARY HAMMOND: I think  
6 there's an announcement for \$150 million that's been published. There is a  
7 Governor's page, but Neal is right, that hasn't been published yet as far as  
8 regulations and guidelines as to who can apply, but there is a term, state flex  
9 funds, and that's under the Governor's discretion. All of that would be  
10 appropriated during the General Assembly, which is really discretionary.  
11 But I think there is \$109 million of discretionary funding, so there really are  
12 no flex funds for the Governor to distribute.

13 DELEGATE MARSHALL: My question is that  
14 some of these projects, Brookneal, for example, and the Staff recommends  
15 we allow the applicant time to pursue federal stimulus funds. Do we need to  
16 look at that for some of the other projects? We only have so much money  
17 we can spend, and then we're not, we don't have a printing machine like they  
18 do in Washington. My question is, should we be postponing some of these  
19 projects so they can have time to pursue the federal stimulus funds.

20 DELEGATE BYRON: I'd like to comment on  
21 that, and I don't want to get into any kind of political discussion here, but it  
22 is politics. It would be nice if we had a better understanding of stimulus  
23 funds and what all that means. It seems like the government is throwing  
24 some money out there and if it sticks that's fine, we get it, and if it doesn't,  
25 then we don't. While I understand what Delegate Marshall is saying, so the

1 important question to some of these is, and I would ask the same thing for  
2 Brookneal. But some of these people can't afford to wait for federal funds  
3 for the government to figure out how they're going to spend their money and  
4 what things are going to be attached to it. In some regards we may have  
5 some people who can wait and some who cannot. If they can, then the  
6 money will sit there, and they need to come forward and tell us that. I don't  
7 know if we have the luxury of waiting, but they need to know what our next  
8 opportunity is to come back and give them another opportunity to say or the  
9 government hasn't come forward and we've been waiting now and we can't  
10 wait any longer. I believe that's the only course we can take as far as that  
11 goes, and I know people are here and we can ask them.

12 MR. HITE: I move that we approve the projects  
13 that are not withdrawn.

14 MR. OWENS: Let's hear Bernie's first.

15 MR. DAY: Mr. Chairman, this is application  
16 1795, Patrick County, for hospital improvement. Over the last two or three  
17 years we've had a hell of a difficult time stabilizing the economics of our  
18 community hospital, and now private interest has stepped forward with a  
19 significant investment, and we need \$250,000 to complete a \$1.7 million  
20 upgrade. If Mr. Pfohl could speak to this about the details I'd be grateful,  
21 and I'd be grateful for your support on this one.

22 MR. PFOHL: Mr. Chairman and members of the  
23 Commission. This is a project that you've been aware of certainly for  
24 months, although the application just came to us last week. The Patrick  
25 County Hospital has been a project issue in Patrick County dating back to

1 the proposal that was in front of the Commission in the earlier years. They  
2 had a sprinkler system in the hospital, and the funds were granted but never  
3 used by the previous owners of the hospital. The County administration  
4 reports to us now that they certainly received a lot of media coverage on this  
5 issue, and the previous owners of the hospital had gradually been closing  
6 down aspects of the operation and selling off any assets that had value and  
7 reducing staffing and services provided by the hospital.

8           A Mississippi-based hospital operator spoke to us several  
9 months ago when looking at taking over the operations of this hospital.  
10 They have subsequently signed a long-term lease to operate it, and they have  
11 committed private funds and committed to restoring jobs. The County has  
12 submitted a TROF proposal, and that has been approved at \$190,000 of  
13 grant funds, and that's been committed to in a signed TROF agreement. The  
14 County has, out of the Southside allocation available \$275,000, and they're  
15 asking for \$250,000, and that's available in the current location to increase  
16 the amount of grant funds to Pioneer Health System so they can begin the  
17 repairs and renovations to that facility and start fulfilling their commitment  
18 to invest their own funds and create jobs. The Staff supports that proposal.

19           MR. NOYES: Should the Committee decide to  
20 recommend this project for approval, I would suggest that the same terms  
21 that apply to the project in Mecklenburg County, which is the nursing home  
22 project, be applied here. Both have TROF eligibility, and Patrick County  
23 has received TROF assistance. We need the \$250,000 to be subject to the  
24 TROF agreement the same way as Mecklenburg County. I believe we have  
25 approved that TROF funding.

1 MR. STEPHENSON: Yes.

2 DELEGATE WRIGHT: The motion as stated,  
3 make it part of the agreement.

4 MR. DAY: That's entirely acceptable, Mr.  
5 Chairman.

6 MR. HITE: I move that we approve that and that  
7 we adopt it.

8 MR. OWENS: Is this a substitute motion? It's  
9 been moved and seconded that we approve all the Staff recommendations in  
10 a block, other than those that were pulled out.

11 DELEGATE BYRON: We need to answer  
12 Delegate Marshall's question. The Staff needs to answer that, are there other  
13 applications in there that can be identified as stimulus available and have to  
14 wait, or do we not want to go in that direction? That's Delegate Marshall's  
15 question.

16 MR. NOYES: Delegate Byron and Delegate  
17 Marshall, almost everything on this list is likely to be available at some point  
18 for stimulus funding, and there is no way to know or for the Staff to advise  
19 you that one rather than the other looks more certain, because we haven't had  
20 everything published. We can't answer your question which ones we should  
21 hold back on.

22 DELEGATE MARSHALL: We don't have a time  
23 frame when this, 30 days or next year, that type question?

24 MR. NOYES: There is a desire certainly at the  
25 federal level to process the applications as quickly as possible, but I can't tell

1 you it's going to happen by Christmas for any of these projects.

2 DELEGATE MARSHALL: We'll have another  
3 round this fall for applications to this group, so we're talking about six  
4 months?

5 MR. NOYES: Yes, sir. That's correct.

6 MS. NYHOLM: If money does become available,  
7 can money for stimulus be substituted?

8 MR. NOYES: I can try to satisfy that curiosity. If  
9 funds were available from another source, the federal government will not  
10 fund it. Some folks will get caught and some won't.

11 MR. OWENS: Any other questions or discussion?  
12 Are you ready for the vote? This is on Mr. Hite's motion that has been  
13 properly seconded. All those in favor say aye? (Ayes.) Opposed? (No  
14 response.)

15 Now we'll consider those that have been pulled out. Let's start  
16 out with request number 1786.

17 DELEGATE BYRON: I'd like to address this, and  
18 if you have any questions for Bedford County, we can ask them to speak.  
19 Some of the questions I had in regard to what they're trying to do, and I  
20 understand the Staff's recommendation. My question is, would this project  
21 compete with private sector providers? The answer given to me was no. I  
22 asked Tad if this would compete or have any effect on what MBC is doing,  
23 and he said no. I said because these funds are a small amount, some of our  
24 localities get smaller amounts, and as much as they may have an opportunity  
25 at some point to look at something for economic opportunities, right now

1 these funds are not there. This is something they've worked on, or we have  
2 55,000, let's find a way to spend it. They've put a lot of effort into this  
3 authority. From what I can see, some of the people on the team working on  
4 this have had a success in other areas, including this last mile solution  
5 together, using private providers and using the authority which gives them  
6 the opportunity to go out and get other funding or funding from the federal  
7 government or funding from other sources if they need it. It also gives them  
8 some legal right that they don't have in any other way. I don't see this as  
9 opening Pandora's Box where other localities can come back. In fact, it  
10 might be a successful way to get last mile, which was one of our goals when  
11 we started talking about economic development, technology. If they are able  
12 to put together a blueprint that works then I would say great, this is  
13 something that we all need to be proactively trying to do in order to solve the  
14 problem of reaching those last mile people. I think this is a different  
15 scenario. One thing I will say, this is a small amount of money, and as far as  
16 the localities as far as we know, are having to stand up to their constituency  
17 because of education and other things that have been cut. For them to come  
18 out with a new project, some people across the board said no to anything  
19 new.

20 DELEGATE HOGAN: This is the kind of project  
21 I think could be funded through MBC. I guess the question is, have they  
22 explored sort of meeting those needs through MBC and their allocation. I'm  
23 not sure if that's good or whether they can do it that way.

24 DELEGATE BYRON: I'll ask them to address  
25 that.

1 MR. ROGERS: I'm Frank Rogers, Assistant  
2 County Administrator. I'm having a little difficulty hearing the question, so  
3 if I could have it repeated I might be better able to provide an answer.

4 DELEGATE HOGAN: I'm trying to figure out  
5 why you wouldn't, we've had similar situations in other communities dealt  
6 with through MBC through a series of, since this isn't much money, I hope  
7 you can hear me. As far as these projects to reach the last mile needs, why  
8 don't you explore those options with MBC and save yourself 55,000?

9 MR. ROGERS: I appreciate the question. I guess  
10 we see this as just, or the allotment as a way to work with MBC on making  
11 funding available in other communities. The Broadband Authority was  
12 envisioned to help prepare and put out requests for proposals for private  
13 providers to provide Broadband service throughout the area. MBC would  
14 essentially be the backhaul provider. We feel that setting up the Broadband  
15 Authority we were putting ourselves in a position to work with the private  
16 providers to leverage the MBC investment.

17 SENATOR RUFF: For several years didn't we  
18 allocate funds to MBC for these tower sites? Hasn't that already been done?

19 MR. NOYES: Yes, it has.

20 MR. ROGERS: Assuming the award would be  
21 successfully granted, we envision soliciting technical assistance to create a  
22 Broadband Authority. That Authority would work in terms of providing  
23 preliminary engineering analysis and propagation where under-served areas  
24 of the county exist. Then an RFP would be put out to providers who might  
25 come in and offer services in those areas. The incentive here would be we

1 would utilize MBC's existing towers and existing county assets and other  
2 things within the county.

3 Now, the question related to stimulus dollars, if any stimulus  
4 dollars came back to the Authority, essentially trying to buy down the capital  
5 investment to make it better, to make it a better business model for private  
6 providers to come in and offer the service that we believe is needed.

7 DELEGATE HOGAN: You were doing better a  
8 few minutes ago. What I don't understand now is you have some areas that  
9 are not served adequately and you want to make sure they're served  
10 adequately for the County, in general. Correct?

11 MR. ROGERS: Yes.

12 DELEGATE HOGAN: Have you sat down with  
13 MBC and said what do we have to do with their members? Have you talked  
14 about how to do that?

15 MR. ROGERS: We've met with the staff of MBC,  
16 and we've had some discussions with some of the members and currently  
17 directed to one of our industrial parks. The situation seems to be that the  
18 capital investment to get things across the county and considering the  
19 topography and the variety of areas in our county is an obstacle, or it's  
20 difficult.

21 DELEGATE HOGAN: Tell me how this  
22 Authority, it looks to me like it's an entity created to solicit proposals to deal  
23 with issues. How is that going to address the problem that you've been  
24 talking about? There are already a bunch of private providers in Bedford  
25 County. We have a chunk of money in MBC to facilitate those connections,

1 in addition to whatever the private sector might or might not do. What  
2 exactly is this Authority going to do? Right now you've got some choices  
3 and you've got some competition with people there. If this Authority is  
4 created and you go out and solicit an RFP from one person that I guess  
5 provides Broadband to everybody, then you'll be back here looking for more  
6 money to subsidize one particular person, or you're going to have to get the  
7 money somewhere else, or they're going to put in private capital. How is  
8 this Authority, versus the tools you already have, going to increase your  
9 access to Broadband?

10 MR. ROGERS: We think this Broadband  
11 Authority will make available resources that another entity can make  
12 available to the providers so their cost benefit analysis can provide services  
13 countywide and make it a more viable option for them.

14 DELEGATE BYRON: It's been explained to me,  
15 and I don't have all the details down that I can answer that question properly  
16 today, but there are things that the Authority does; otherwise, I don't know  
17 that I would be supportive of creating another entity. There is something  
18 that the umbrella does that you're not giving us.

19 MR. ROGERS: I'm sorry, thank you for the help,  
20 and I appreciate that. That Authority has access to resources that other  
21 entities such as the Board of Supervisors, that the PSA or EPA do not have.  
22 One of the critical things is they may have access to what we are calling  
23 assets that exists in the state right-of-way. If there is a tower in the state  
24 right-of-way that might offer a location for an antenna to provide service, the  
25 Broadband could gain access to that critical asset and therefore you wouldn't

1 have to construct a tower to serve that same area. By utilizing this  
2 mechanism we can do things like that to bring down the initial capital cost of  
3 offering the service.

4 I'd also offer, if I might, to finally talk about establishing  
5 Broadband, and it's clear this is an economic development issue and priority  
6 of the Board and EDA. While it is in fact a new entity we are suggesting to  
7 be created, there would be much cross pollination to ensure that the county's  
8 priorities continue to be met.

9 DELEGATE HOGAN: I've heard your  
10 explanation what the Authority would do, but I would suggest to you that  
11 MBC or IDA already do all those things. I'm not trying to give you a hard  
12 time, and \$55,000 is not a lot of money. It just seems to me you're getting  
13 ready to spend a fair amount of money and time duplicating what you can  
14 already do. I wonder if you wouldn't be better served to sit down, and I'd be  
15 happy to facilitate it to the extent that it's necessary, with MBC. Look at  
16 where your problems are, where you need to get additional service, and see  
17 if we can't work that out, and relatively quickly, within the next couple of  
18 months. Then see at that point if you don't have the access that you need  
19 before you create another authority. I just don't know that you're going to  
20 get what you think you're going to get with this authority, and I think we can  
21 do it anyway, and I think we do it already, and we can do it cheaper. I hate  
22 to see you waste your money.

23 MR. ROGERS: I appreciate that very much.  
24 We've had some conversation with private providers who have suggested  
25 they can't make the business model work with the current areas we have and

1 where they can be served. We believe the Broadband Authority would  
2 enable us to meet that need working with the resources we have.

3 DELEGATE BYRON: What I'd like to say is I'd  
4 be more than willing to temporarily table this for further discussion before  
5 the full Board meeting. We haven't addressed the last mile. With some of  
6 the projects we've addressed we've had to get a grant proposal, and what I  
7 was hearing from them and maybe we can have a discussion of this with the  
8 Technology Committee. Previous authorities, and they assured me they  
9 weren't coming back for any additional money, and I told them that that  
10 would be a contingency. That money would be a leverage for them to get  
11 started and see if they can do more. Then maybe the question is if we can  
12 assure that MBC can do the same thing in Bedford County that they plan on  
13 doing, then that's the answer we need to find out. If they can't, I think  
14 55,000 of their own money to be invested in economic development would  
15 pay off in the long run.

16 DELEGATE HOGAN: Let's say we get together  
17 with Tad and these folks between now and next week's meeting and see if  
18 we can't work this out.

19 DELEGATE BYRON: I think that would be great  
20 if we have to have a meeting, or before our meeting next week.

21 MR. NOYES: We have a three-day notice for  
22 meetings.

23 DELEGATE HOGAN: We could schedule one for  
24 30 minutes before the full Commission.

25 MR. OWENS: Is that a motion?

1 DELEGATE HOGAN: We could have a meeting,  
2 say, at 8:30 on Thursday morning.

3 MR. NOYES: I'll look at the schedule and get  
4 with Chairman Owens on that.

5 DELEGATE WRIGHT: I think this brings up a  
6 very good point, because I've got localities that are really asking me when  
7 are we going to get this service and how soon will that be done, the Internet.  
8 I've been getting letters and e-mails about it, so I think we really need to  
9 take a look at this situation and see what we can do to provide this, the  
10 sooner the better.

11 MR. OWENS: Well, that needs to be addressed to  
12 the Technology Committee.

13 DELEGATE WRIGHT: That's where you're  
14 talking about discussing this?

15 MR. OWENS: We're talking about having another  
16 meeting of Southside Economic Development before the full Commission  
17 meeting next week.

18 DELEGATE BYRON: We need to get this  
19 information from MBC and have a discussion about it, and we need to  
20 follow up with the other discussion that we're talking about in Technology.

21 MR. OWENS: All right, that's tabled. Number  
22 1784.

23 DELEGATE BYRON: That's me again. The  
24 Mayor of Brookneal is here, and I think she can probably address this need  
25 better than me. This is part of the discussion that Delegate Marshall was

1 talking about. Delegate Marshall talked about stimulus funds and identified  
2 one and sent it to the Tobacco Commission to deal with the water issues.  
3 But once again, we don't know how this is going to, or how they're going to  
4 fund those or when or if and what all the criteria is. We have a town, and I'll  
5 have the Mayor speak to that. We have some areas in the tobacco region  
6 that are small pockets but were larger tobacco producing areas in the small  
7 density that are just devastated. They couldn't come up with a match unless  
8 they went out and sold throw-away dollars at this point. This is one of those  
9 situations where one or two have any money available or anything's  
10 available such as water, which you must have for economic development.  
11 We'd love to have a mega park come to Brookneal and some of the things  
12 that we need, but right now we're hoping to get some water so we can  
13 encourage businesses to come. If you would indulge the Mayor for a  
14 moment, she can explain the problem.

15 MS. CAMPBELL: Thank you, Delegate Byron,  
16 and I want to thank you for all the effort and time you've put forth, and  
17 you've been so cooperative with us, whether we get it or not ,and we just  
18 appreciate your help.

19 Good morning, and thank you to the Committee for allowing  
20 me to kind of explain to you why we applied for this tobacco grant. If you  
21 don't mind, I'd like to kind of read this so I can save a little time for you and  
22 me, because sometimes my mind gets ahead of my words. Brookneal was  
23 once a thriving tobacco town with four warehouses. When the tobacco  
24 market started to decline, so did Brookneal; followed by that was our textile  
25 plant. We lost approximately 1200 jobs, which happens to be the population

1 of Brookneal. Granted not all of these people lived inside the town limits of  
2 Brookneal, but they did come into Brookneal and they shopped there, and  
3 they gassed at Brookneal and bought their groceries there. When that  
4 declined, all the businesses declined, and along with the revenue of the town.  
5 Whether it was the machinery and tools tax or the business permits,  
6 everything in Brookneal declined.

7           We're in the process now of a \$4 million water grant which has  
8 required us to raise our water rate three times. In the process of raising those  
9 water rates we've also had to decrease the amount of gallons of water that  
10 they get. We were trying to figure out a way to serve our senior population  
11 who are on a limited income and not raise their fees so much and try not to  
12 make it so hard on the working class people, too. In doing so, we have  
13 really increased our water rates. With the sewer project coming up, if we  
14 apply for a grant from USDA, we will be required to make a match. Number  
15 two, we will also be required to raise our sewer rates, which could increase  
16 as much as three times. We've been very proactive in the town, which is not  
17 a good statement that I'm about to make. We've had to decrease our town  
18 hours, and we have decreased staff, which is not what we wanted to do by  
19 any means, and we've had to do it. We've also had to decrease our police  
20 staff in order to be able to keep our budget. For us to have to make a match  
21 on another grant would be almost impossible for us. Due to the lack of  
22 employment in our town, and I do a lot of volunteer work in the town, so I'm  
23 there when the citizens come in to pay their water bills, and I see the  
24 struggles they're making with the increased rates already. I think it would be  
25 almost impossible for us to triple the sewer rate to the citizens. We've been

1 visited by DEQ on right many occasions, and we're in the process of not  
2 knowing what the violation might be with our lagoon and sewer. I realize  
3 you all have lots of requests here today and lots of tough decisions to make,  
4 but I would appreciate the time and consideration that you give to us for this  
5 grant. We'll be forever grateful if we receive that. Thank you.

6 I'll entertain any questions, and we also have our public works  
7 department manager here and intern town manager, who could answer more  
8 complicated questions. Thank you.

9 DELEGATE HOGAN: If we grant this, you're  
10 going to take that money and use it as your matching to apply to USDA?

11 MS. CAMPBELL : No, if we get this money it  
12 will update our sewer plant, and we will not have to apply to the USDA.

13 MR. OWENS: When you went over this and  
14 reviewed this, there was other information missing, is that right, Mr. Pfohl?

15 MR. PFOHL: We did receive a full preliminary  
16 engineering report that showed some DEQ violations on the permit. We did  
17 speak to the capacity and the usage data. It varies in some months from two-  
18 thirds of capacity to other months up to 85 or 95 percent of capacity. We did  
19 not receive a cash flow analysis from them, and I think those are the  
20 principle issues that we asked for.

21 MR. NOYES: We ask for that cash flow analysis  
22 on all utility projects and not just this one.

23 DELEGATE HOGAN: You're saying they have  
24 no excess water capacity right now?

25 MR. PFOHL: That amounts to anything. This is

1 purely focused on wastewater and the sewer plant. They do have some  
2 excess sewer capacity, but it varies, and there are some infiltration issues.

3 DELEGATE HOGAN: How many gallons of  
4 excess capacity do you have, or what is your capacity?

5 MS. CAMPBELL: I'll apologize and ask Mr.  
6 Crews to speak to that.

7 DELEGATE HOGAN: Is it 100,000 or 400,000  
8 gallons?

9 MR. CREWS: Our sewerage, average daily use  
10 80,000, and maximum daily treatment capacity 160,000.

11 MR. OWENS: Do you have an I and I problem?

12 MR. CREWS: Yes.

13 MR. OWENS: More than 80,000 gallons of water,  
14 wastewater, I mean?

15 MR. CREWS: Yes. We need to address the I and  
16 I problem. We've had some of those issues in the past. They come from the  
17 homes. We had an I and I study, and the main thing we have right now is  
18 with wastewater. The Town is becoming pretty much a retirement town. I  
19 know my daughter and a lot of youngsters, due to the job situation, we lose  
20 the majority of them, and we've lost two major industries in the last two  
21 years. In 2006 we lost two of the biggest industries. So, I know in Danville  
22 they're down, and so we're limited as far as new industries coming in. We  
23 need to put something in place to take up the slack. The two existing  
24 lagoons, if you look at it as far as increasing, or a new plant, that's going to  
25 impact the citizens as far as cost.

1 MS. CAMPBELL: If I might add to that, it's not  
2 only the citizens, but we're constantly trying to recruit for jobs for the Town  
3 of Brookneal, but without proper infrastructure that's going to be hard to do.

4 DELEGATE HOGAN: Would this million dollars  
5 pay for all the upgrades you need, or are you going to have to borrow some  
6 money?

7 MR. CREWS: With this money we'd be able to  
8 replace or increase the existing facilities at the present time.

9 SENATOR RUFF: You did not apply for Rural  
10 Development money because you were going to apply to the Tobacco  
11 Commission?

12 MS. CAMPBELL: Not necessarily, that sounds  
13 like we'd take advantage of something. We did not apply for Rural  
14 Development simply because we knew we were going to have to have a  
15 match, and we don't have a match. We're just desperate, and I'm sure it's a  
16 repeated story that you hear over and over again. We also didn't apply with  
17 them because when they come in and we apply for that, it's going to be  
18 automatic that we raise those sewer rates, and I'm expecting them to triple.  
19 Our citizens, on top of the water rates which we've already increased and the  
20 amount of gallons of water they can have for that minimum requirement, I  
21 just don't think, they just can't do it, and the money is not there.

22 DELEGATE HOGAN: You mentioned your rates  
23 would go up three times if you used USDA, and that's because you have to  
24 have rates that allow you to service the debt or service the amortization?

25 MS. CAMPBELL: Absolutely, yes.

1 DELEGATE HOGAN: One thing we've got to be  
2 careful about is that the water and sewer system needs to pay for itself.

3 MS. CAMPBELL: Right.

4 DELEGATE HOGAN: So if we give you this  
5 money and 15 years from now you keep rates where they are and you don't  
6 have rates high enough to service this facility, we're going to have to go  
7 through this again. It seems to me you need to come up with a plan and get  
8 your water and sewer rates so that they are self-sufficient. I'm a supporter of  
9 this grant, but I think as an attachment to it you've got to do that.

10 MR. CREWS: We realize we need to upgrade the  
11 rates for the sewer. We're just going to have to increase our rates more, and  
12 this is really going to hurt the senior citizens, but we just have a lot of  
13 elderly people in our town. With the small amount of business, we don't  
14 want to burden what we've got. We've got senior citizens, and the little  
15 small businesses, or the few that we have, we need to try to accommodate  
16 them. We realize that, but once we get through with this part of the process,  
17 those rates need to start going up.

18 MS. CAMPBELL: We've tried to be proactive,  
19 and we realize we need to get to work on those sewer rates. We're doing the  
20 best we can, but we're a little handicapped.

21 DELEGATE BYRON: Mrs. Mayor, we've had  
22 this discussion before, and in order to get this going, and we talked about the  
23 stimulus and other things too and some of the things Delegate Hogan would  
24 like to see happen. Our next Committee meeting is in October; is that too  
25 late for the time frame you're looking at?

1 MS. CAMPBELL: No, it is not.

2 DELEGATE BYRON: What if we continue this  
3 discussion and work on some of the other things we talked about?

4 DELEGATE MARSHALL: Did I hear you that  
5 basically 50 percent of your capacity is for your sewer plant?

6 MR. CREWS: No.

7 DELEGATE MARSHALL: I thought you said  
8 you were using 80?

9 MR. CREWS: We have two plants, and one is  
10 actually at capacity, and that's about 23,000 a day and has two lagoons and  
11 23,000, and about 20 or 30 thousand for the other one.

12 DELEGATE MARSHALL: Does the Town of  
13 Brookneal have a bond that you're servicing the debt on now?

14 MR. CREWS: Yes.

15 DELEGATE MARSHALL: How much and how  
16 long?

17 MR. CREWS: One of them matures in 2011.

18 DELEGATE HOGAN: If we go ahead and  
19 approve this and say that before this money is disbursed our Staff will work  
20 with the Town of Brookneal and our Staff will approve and say this is how  
21 you're going to build a sustainable system moving forward. In other words,  
22 I'm very sympathetic to your situation there, and most of us are, but I think  
23 at the same time they need to deal with this problem long-term so they're not  
24 back here within a few years. If we make that a contingency and let them  
25 work with that plan, then maybe they can use this money to help ease their

1 pain, if you will, and sort of move along.

2 Is that clear enough for a motion, Mr. Chairman?

3 MR. NOYES: Rather than approve a plan, I think  
4 that the Staff should report back to this Committee at its October meeting on  
5 what that plan contains and you make the decision whether that's acceptable.  
6 We don't have engineers on our Staff and this sort of thing. We'll be  
7 pleased to work with the Town and report back to this Committee on the  
8 outcome of what needs to be done, and you all agree or disagree to go  
9 forward with disbursing funds.

10 DELEGATE HOGAN: I don't know if these  
11 people can just hang there for six more months. What I would move is that  
12 we approve this grant with the contingency that they develop a plan to make  
13 this system sustainable.

14 DELEGATE BYRON: Second.

15 DELEGATE HOGAN: The Staff has just  
16 indicated that they don't want the responsibility of approving this plan, so I  
17 suspect you'll be back before us with this plan in October.

18 MS. CAMPBELL: Yes.

19 DELEGATE HOGAN: If this motion is approved,  
20 you know that if you go ahead and develop a sustainable plan you'll get this  
21 money, and that will be the posture for the Town of Brookneal and that  
22 posture, we're saying that we're helping them, and if we don't, then we'll just  
23 continue this process along.

24 SENATOR RUFF: Would it be possible for this to  
25 be reviewed at the July meeting if we don't want to wait until October? I

1 have certain heartburn with this, because this is an economic development  
2 subcommittee, and this is economic development, as such. Information has  
3 been requested and it has not been provided, and I don't see the urgency in  
4 making this decision before we have that information in front of us.

5 DELEGATE MARSHALL: I'd also like to get the  
6 information, and maybe the Staff already has got this, and we've heard their  
7 debt service is going to go away in two years, and that's going to reduce your  
8 operating costs at that time. So in two years, if we approve this, we'll be  
9 able to fund them with money that their debt is going to go down.

10 DELEGATE HOGAN: No matter what happens,  
11 rates in Brookneal are going up, and that's happening to all kinds of small  
12 towns all over the place. I suggest that by giving them this money now  
13 they'll develop this plan and that, in combination with their debt service  
14 decreasing, would give them some chance of not tripling their rates. I  
15 understand your point about it not being economic development, but without  
16 water and sewer you'll have a hard time doing anything. Eighty thousand  
17 gallons of excess capacity is very minimum, and I think they've got a lot of  
18 work to do. I'm just saying get together with the Staff and look at this and  
19 work out a plan and review it, even if the Staff doesn't want to, but I would  
20 hope we could move forward and let this process get started.

21 MR. OWENS: It's been moved and seconded that  
22 we approve this with some contingencies. Any other discussion?

23 DELEGATE WRIGHT: I just want to say I'm  
24 very sympathetic to the needs of the Town of Brookneal, and I think Senator  
25 Ruff made a very good point. I don't think a couple of months will make

1 that much difference, and I think they should have a plan in place before we  
2 approve the project. I think that's the proper way to go. I'm not trying to do  
3 any harm to the project, because I think it's needed, but I do think we need a  
4 cash flow analysis first.

5 MR. OWENS: Are you offering a substitute  
6 motion?

7 SENATOR RUFF: I'll make a substitute motion  
8 that they be given until a couple of weeks before our July meeting so the  
9 Staff can review the proposal and we can vote on it at the July meeting. The  
10 full Commission meets in July, and I'm sure we could get some members of  
11 this Committee together for a meeting, like for 15 minutes or so.

12 MR. OWENS: So there's a motion and you  
13 seconded it, Mr. Wright?

14 DELEGATE WRIGHT: Yes.

15 DELEGATE HOGAN: I think the real issue in  
16 telling these folks is, and this is sort of a different water and sewer project  
17 than we've discussed in the past. If we adopt the substitute we haven't given  
18 them any indication at all whether we have any interest in reviewing this at  
19 all. Without the underlying motion we're saying we'll do this for you if you  
20 meet these standards. I think in fairness to them and asking them to do a  
21 bunch of work and we haven't decided as a matter of policy whether or not  
22 we will consider it, is probably unfair. I don't think they're going to get the  
23 money any quicker with the underlying motion or the substitute. We have to  
24 let them know whether we're serious about doing this or not.

25 SENATOR RUFF: In response to that, there's

1 plenty of people back here that may feel comfortable at the next meeting  
2 bringing to us a proposal that is not fully worked out. I think when we vote  
3 on a proposal we should have all the cards before us and not have them say  
4 we'll try to get you that information later.

5 DELEGATE BYRON: I understand what Senator  
6 Ruff is saying, but I guess that I recall a lot of applications where we've had  
7 contingencies put on them and we made sure those contingencies were met  
8 before we approved the funding for them. If the contingency is in order and  
9 properly stated in the motion, as Delegate Hogan said, I think it does  
10 complete the missing link that the Staff was looking for. That's all part of  
11 Delegate Hogan's suggestion, and I agree with that. I hope we approve this  
12 today and give them an opportunity to at least work on the economic  
13 development in the Town of Brookneal the best they can.

14 MR. NOYES: As I understand it, there's a  
15 substitute motion that's been properly seconded. What I'm unclear about is,  
16 if we go back to the original motion, which also had a second, is the  
17 instruction to the Staff not to disburse any funds pending the development of  
18 a plan to be presented to this Committee for your action, because if we  
19 approve the project under the original to this Committee for your action. If  
20 we approve the project under the original motion we're not going to --

21 DELEGATE HOGAN: -- If we adopt the  
22 underlying motion, Staff will work with the Town of Brookneal to develop a  
23 plan. The Director has indicated he would not be comfortable approving this  
24 plan on his own, and the effect of that will be that they will come back  
25 before us in July or October and we'll have to approve the plan. The Staff

1 could get comfortable and approve it, but he has indicated the Staff probably  
2 won't, which is fine. That at least tells these folks come up with something  
3 that makes some sense and we'll give you the money. If I'm sitting in their  
4 shoes and I want to develop this plan, and if we say this is not economic  
5 development, we're not going to give you a million dollars, we've wasted  
6 their time. They need to spend that time exploring other options.

7 DELEGATE MARSHALL: On the table right  
8 now is the motion to table, so that's what's before us?

9 MR. OWENS: It's been moved and properly  
10 seconded. We'll have a roll call vote on this.

11 MR. NOYES: To table 1784 and get together in  
12 July and see the plan.

13 Mr. Bryant?

14 MR. BRYANT: No.

15 MR. NOYES: Delegate Byron?

16 DELEGATE BYRON: No.

17 MR. NOYES: Mr. Day?

18 MR. DAY: No.

19 MR. NOYES: Deputy Secretary Hammond?

20 DEPUTY SECRETARY HAMMOND: No.

21 MR. NOYES: Mr. Harwood?

22 MR. HARWOOD: No.

23 MR. NOYES: Mr. Hite?

24 MR. HITE: Yes.

25 MR. NOYES: Delegate Hogan?

1 DELEGATE HOGAN: No.

2 MR. NOYES: Delegate Marshall?

3 DELEGATE MARSHALL: Aye.

4 MR. NOYES: Mr. Moody?

5 MR. MOODY: Aye.

6 MR. NOYES: Ms. Nyholm?

7 MS. NYHOLM: No.

8 MR. NOYES: Mr. Owens?

9 MR. OWENS: No.

10 MR. NOYES: Senator Reynolds?

11 SENATOR REYNOLDS: No.

12 MR. NOYES: Senator Ruff?

13 SENATOR RUFF: Yes.

14 MR. NOYES: Delegate Wright?

15 DELEGATE WRIGHT: Yes.

16 MR. NOYES: The motion fails, Mr. Chairman,

17 which leaves us with the original or the underlying motion, which was to

18 approve \$998,750 for the Town of Brookneal Wastewater Improvement

19 Project, with the disbursement contingent upon the review and approval of a

20 financing plan. Is that correct?

21 DELEGATE MARSHALL: I'm going to do a

22 substitute motion --

23 MR. OWENS: -- We voted on that already. We

24 have to do the underlying motion.

25 MR. NOYES: Mr. Bryant?

1 MR. BRYANT: Yes.  
2 MR. NOYES: Delegate Byron?  
3 DELEGATE BYRON: Yes.  
4 MR. NOYES: Mr. Day?  
5 MR. DAY: Yes.  
6 MR. NOYES: Deputy Secretary Hammond?  
7 DEPUTY SECRETARY HAMMOND: Yes.  
8 MR. NOYES: Mr. Harwood?  
9 MR. HARWOOD: Yes.  
10 MR. NOYES: Mr. Hite?  
11 MR. HITE: Yes.  
12 MR. NOYES: Delegate Hogan?  
13 DELEGATE HOGAN: Yes.  
14 MR. NOYES: Delegate Marshall?  
15 DELEGATE MARSHALL: No.  
16 MR. NOYES: Mr. Moody?  
17 MR. MOODY: Yes.  
18 MR. NOYES: Ms. Nyholm?  
19 MS. NYHOLM: Yes.  
20 MR. NOYES: Mr. Owens?  
21 MR. OWENS: Yes.  
22 MR. NOYES: Senator Reynolds?  
23 SENATOR REYNOLDS: Yes.  
24 MR. NOYES: Senator Ruff?  
25 SENATOR RUFF: No.

1 MR. NOYES: Delegate Wright?

2 DELEGATE WRIGHT: Yes.

3 MR. NOYES: The motion carries, Mr. Chairman.

4 DELEGATE MARSHALL: What we're asking  
5 them to do is to present a plan to us at our summer meeting.

6 MR. OWENS: That's correct.

7 DELEGATE MARSHALL: If I could make a  
8 request as part of that plan for the Town of Brookneal to go to the bond  
9 market and look at restructuring their debt, because they only have two years  
10 left on their present debt. Could they restructure part of that debt, which is  
11 almost a million dollars, and then we would look at the Tobacco  
12 Commission maybe helping them out with their debt for the next two years?

13 SENATOR RUFF: We've already granted them  
14 the money.

15 MR. NOYES: This is contingent upon a plan  
16 acceptable to this Committee, and the funds have been recommended for  
17 approval to the full Commission.

18 DELEGATE WRIGHT: The reason I voted for  
19 this, originally I understood it as being contingent on the fact that they could  
20 go forward with the plan. Now it's clear that we support the project, but we  
21 do have to have a plan, and we don't have one at this point. We need the  
22 cash flow analysis and then recommendation of the Commission, and any  
23 other things they need to do should be put in the plan.

24 SENATOR REYNOLDS: It's my understanding,  
25 and please correct me if I'm wrong, at the next meeting there'll be a motion

1 to reconsider the manner by which we approve this motion.

2 DELEGATE MARSHALL: The full Commission  
3 has to approve this.

4 MR. OWENS: Yes.

5 MR. FERGUSON: Mr. Chairman, my  
6 understanding of Delegate Hogan's motion, the original motion, was that the  
7 report will come back at the October meeting. If they have one in July that's  
8 fine, but my understanding, in order to maintain the Minutes properly, is that  
9 the motion was to have a report back by the October meeting, prior to the  
10 October meeting; but if it's earlier, that's fine.

11 DELEGATE HOGAN: The motion I made doesn't  
12 mean approval by this Committee or any other committee. Approval by the  
13 Staff of the Tobacco Commission and the Director indicated that he's  
14 probably not going to approve this and he wants the Committee to vote on it,  
15 which is certainly his prerogative, and I'm very comfortable with that. When  
16 that gets done with the Town of Brookneal and the Staff, we'll have a  
17 meeting in July and a meeting in October, and if it requires further action by  
18 this Committee it can be taken at that point. That's where we are.

19 MR. OWENS: Thank you, very much.

20 MS. CAMPBELL: Thank you very much.

21 MR. PFOHL: We have Ms. Linda Green here  
22 from the Business Development Center in Danville.

23 MS. GREEN: Thank you very much. I'm at the  
24 Dan River Business Development Center, and for the last 20 years I've been  
25 working with small businesses, and this is not traditional economic

1 development the way you usually know it, but it is significant economic  
2 development. We're really grateful for the \$155,000 recommendation from  
3 the Tobacco Commission Staff, and that's very important to us. The other  
4 half of that is equally as important, because that's the direct benefit to the  
5 businesses to make sure that this happens. This is not traditional economic  
6 development, and it is traditional bricks and mortar, but it's equally  
7 important. What we're doing is actually working in a mode to implement  
8 web 2.0. That enables us to take the Broadband infrastructure that you all  
9 have helped us build with MidAtlantic support and others and move that out  
10 to small businesses at a different level. This actually would provide 66  
11 percent of the funds directly to the businesses. When they meet their goals  
12 for growth and they prove to us that they're creating jobs or adding capital  
13 investment or making a significant impact in the region, then it would match  
14 the professional development that we coach and counsel and help deliver.

15           Let me give you a couple of examples, because I know there is  
16 some tradition and it's hard to define. We have a company we're working  
17 with outside the incubator that doesn't need the walls of the facility but they  
18 need help and support that helps identify their intellectual property needs  
19 and helps them grow that intellectual property. It's a Tobacco Commission  
20 funded project. We've identified a resource, and these are not things that  
21 businesses customarily work with, but it sort of holds the hands of these  
22 companies and it matches their funds, but only when we identify it creates  
23 jobs and creates capital investment.

24           Another example is federal and contract opportunities and  
25 helping them with the memorandum of understanding so they can get

1 contracts. We have a company that visited the area and wants to locate their  
2 manufacturing center starting with the incubator that already has support  
3 from Raytheon, and this allows us to take it to the next level working with  
4 these companies. It's building block money, and it's very important as to  
5 whether or not they survive.

6           There were also some conferences, but there are scenarios  
7 where we can bring together the entrepreneurs and grow through that group  
8 session, and then we take them one on one. So, what we're trying to do is  
9 not extend resources for brief sessions, but we can better do it. Just to give  
10 you a brief overview, we are applying for stimulus money, and Delegate  
11 Marshall, your question was perfect, because in the case of the EDA money  
12 that's earmarked or actually set aside for incubators there is \$150 million for  
13 private incubation funding, but it does require a match. We cannot consider  
14 applying for any of the money without the identifying match. We've had  
15 support from the City of Danville and Pittsylvania County, and it was not an  
16 easy year for them to stretch and support this. This would take us another  
17 step in being able to provide. This is not traditional operating money, and  
18 it's not something that we currently do. What it does for the companies that  
19 we're working with, and they're probably already doing this, but this is  
20 something that a benchmark company is doing across the nation. We have  
21 already identified companies in our area that could do it, as opposed to using  
22 what we've benchmarked. It would drive things like web-based tools and  
23 using our Broadband across the region. We don't have the web 2.0 resources  
24 to drive this out for companies beyond the wall. This actually has the  
25 contract position for one year to help us with this development, but it does

1 not add for the staff of the DRBC. We don't have the capacity to do the  
2 development of this infrastructure on our own without support.

3 MR. OWENS: This is a contract?

4 MS. GREEN: It is, it would be contracted out.

5 DELEGATE MARSHALL: I've only been on the  
6 Commission about a year, and this is a little bit outside the box. One of the  
7 things we always try to do as far as economic development, like hunting big  
8 buffaloes. To me, if you look at the state of Virginia and look at the  
9 majority of businesses that employ people, they are companies with less than  
10 15 people. And one of the things we need to do is foster those people so that  
11 we can get these companies to be up and running. I think this is a program  
12 that as we look down the road we were able to take a one or two person  
13 company and help them so that they will grow.

14 MR. BRYANT: Mr. Chairman, I would make a  
15 motion that we pull the funds on 1785.

16 DELEGATE BYRON: Second.

17 MR. OWENS: It's been moved and properly  
18 seconded that we pull the funds on 1785 for \$350,000 out of the Danville  
19 allocation.

20 MS. GREEN: We worked it to 304,150, and that  
21 was taking out the things that Staff had a concern about.

22 DEPUTY SECRETARY HAMMOND: I've got a  
23 question. In talking to the Department of Business Assistance, as far as  
24 facilitating that.

25 MS. GREEN: We've actually worked with the

1 Department of Business Assistance on entrepreneurial express in group  
2 sessions, and we'll continue to do that. It's really a sharing of confidential  
3 information, and usually it's a ten consecutive weeks type format, so it was  
4 quite intensive.

5 DEPUTY SECRETARY HAMMOND: My other  
6 question had to do with the money you set aside for stimulus matching. Did  
7 I understand you to say that the reason you need this is because you're afraid  
8 the matching won't go far enough? Can you assure the Tobacco  
9 Commission that these will match? If you receive the award, this will make  
10 that match?

11 MS. GREEN: It will alleviate the match, but we  
12 have no guarantee we'll receive the stimulus money. We can move forward  
13 on this part of the project regardless of whether we receive the stimulus  
14 money, but it actually would allow us to expand the businesses if we receive  
15 that funding.

16 MR. DAY: I move to call the question.

17 MR. OWENS: All those in favor signify by saying  
18 aye? (Ayes.) Opposed? (No response.)

19 MS. GREEN: Thank you.

20 MR. OWENS: All right, 1788. Do you want to  
21 pull that out?

22 DELEGATE MARSHALL: My question is  
23 should that be before us or go to Agribusiness?

24 MR. PFOHL: As has been pointed out, there  
25 would be some benefits to the ag sector and agribusiness community. It's

1 primarily presented to us based on the tourism impact. This involves  
2 campgrounds and purchasing food and materials and so forth when folks are  
3 visiting.

4 SENATOR RUFF: Mr. Chairman, there is money  
5 in the Rails-to-Trails that would take that section of the rail area that  
6 neighbors, touches on this property, and open it up for horseback riding.  
7 That's why it focuses on that.

8 MR. OWENS: Does it create jobs?

9 MR. PFOHL: Generally speaking, it's creating  
10 jobs that are spread throughout the community, like retail and lodging  
11 establishments. Jobs won't be concentrated necessarily at that facility, but  
12 there have been a handful of jobs identified in the application.

13 MR. WALTERS: Members of the Committee, my  
14 name is Jim Walters. This is a small business involving horses. We found  
15 out that the equine industry is really growing in Virginia, and that's  
16 especially true in Southside Virginia, and that would require people without  
17 this to go outside of Southside Virginia to show their horses. We've found  
18 out a lot money is leaving our area and not being spent here, so that's why  
19 we think this is a good idea. People go to North Carolina and Maryland.  
20 We used to have, for 47 years, a one-day horse show. We have horses  
21 coming from the Southside region into our town for this one-day show.  
22 We've pulled together a preliminary estimate, and it shows that we'll bring in  
23 about 83 jobs and benefit the region, and over \$5 million a year will grow in  
24 the manner that we've outlined. A full economic assessment would look at  
25 what it does for pastures and being able to sell hay. I think it would also

1 look at businesses that are equine-related. We're looking at one three-day  
2 show a month for 12 months. We find that will involve about 200 horses.  
3 Each horse has about two and a half people with it, and each person will  
4 spend in the neighborhood of \$400 while they're there. We ran that out and  
5 saw the direct economic impact, just from the horse shows.

6 MR. DAY: I did the numbers as you were reading  
7 them off, and that's about 250,000 per show four times a year.

8 MR. WALTERS: Twelve times a year if we have  
9 one three-day show a month.

10 DELEGATE HOGAN: There is the Lexington  
11 Horse Center where the same argument was made for it 20 years ago, and  
12 we've been talking about that, and they always need a little bit more money.  
13 I had the pleasure of going through that experience. I'm not sure you need  
14 some place like that so close to home. What is the total cost of this  
15 investment?

16 MR. WALTERS: The total cost projected right  
17 now is 6.7 million.

18 DELEGATE HOGAN: Where is the rest of the  
19 money coming from?

20 MR. WALTERS: As we grow, we're going to look  
21 at going to foundations, as well as the Ruritan Club donations, and taking  
22 operational funds and putting it back into the activity.

23 MS. FRENCH: I'm Joyce French, Southside  
24 Planning District. Sometimes I think that we as citizens of Southside  
25 Virginia overlook tourism and its impact. I remember a few years ago when

1 we started working on marketing tourism, the figure provided to us by the  
2 state of Virginia was 50 to 52 million in Mecklenburg County annually. I'd  
3 like to share with you today the 2007 figure from the Virginia Tourism  
4 Corporation, and that shows that in 2007 104.68 69 million dollars revenue  
5 resulted in Mecklenburg County and an estimated 1300 jobs from tourism in  
6 Mecklenburg County. In a few short years, while all of our other numbers  
7 have gone down and unemployment is 12 percent and Clarksville has just  
8 lost about all of its manufacturing jobs, the one thing we do see an increase  
9 in, in Mecklenburg County in particular, is tourism. In the last ten years  
10 that's doubled from 50 million to 104 million dollars. I just don't want this  
11 Committee of the Tobacco Commission to overlook the value of tourism in  
12 Southside Virginia.

13 DELEGATE HOGAN: I won't be on the Tobacco  
14 Commission next year when this round comes around, and you will all have  
15 to deal with this, but I can tell you that this horse center, that in 20 years if  
16 you fund it, you'll be funding it every year from now. These centers do not  
17 pay their own way. If that's what you want to do, do it, but I'm thinking of  
18 the best interest of this Commission, and I hope you'll adopt this  
19 recommendation.

20 MR. HITE: I move we approve the  
21 recommendation of the Staff.

22 MR. OWENS: It's been moved and seconded.  
23 Any further discussion? All those in favor say aye? (Ayes.) Opposed? (No  
24 response.) The Staff recommendation is approved.

25 1778.

1 DELEGATE HOGAN: No objection.

2 MR. HITE: I move we approve the Staff's  
3 recommendation.

4 MR. OWENS: It's been moved and seconded. All  
5 those in favor say aye? (Ayes.) Opposed? (No response.) That's approved.

6 Next is 1783.

7 DELEGATE MARSHALL: The reason I pulled  
8 this is that, I'd like to make a motion we approve this, contingent upon the  
9 Town of Gretna getting all the permits that need to be gotten.

10 MR. DAY: Second.

11 MR. OWENS: It's been moved and properly  
12 seconded. All those in favor say aye? (Ayes.) Opposed? (No response.)  
13 That's approved.

14 We have two more housekeeping matters. Pittsylvania  
15 County's request.

16 MR. PFOHL: Pittsylvania is requesting that two  
17 older grants, 480 and 1385, that were awarded to the county for the Gretna  
18 Industrial Park be transferred to the Town of Gretna. Number 480 was  
19 awarded in 2003 for the Gretna Industrial Park alternative water supply.  
20 Number 1385 was awarded in 2007 for the Gretna Industrial Park Phase III.  
21 They were both \$1.5 million grants. There is a balance of about 770,000 on  
22 the older grant and 1.5 million on the newer grant. The county has come to  
23 an agreement on a boundary adjustment that will transfer ownership of the  
24 Gretna Industrial Park to the Town of Gretna. The county has further agreed  
25 to transfer matching funds for the Phase III, the newer grant. They're

1 requesting that both of the grants be in the name of the Town of Gretna as  
2 the new grantee.

3 MR. DAY: Is there any quid pro quo on here?  
4 Are they going to give them anything for the money?

5 MR. PFOHL: You'd have to speak to the local  
6 administrators on that one.

7 MR. OWENS: What's the question?

8 MR. DAY: The question is what are they giving  
9 you for the money?

10 UNIDENTIFIED: Nothing. You guys for how  
11 many years kept saying, you're not going anywhere with Gretna, so we  
12 decided to let Gretna do it. They're doing a very good job. The county has  
13 enough projects of its own, and we're working with Gretna to get this thing  
14 moving. Currently we're under bid, and the current contract, we'll be  
15 finished in time.

16 MR. OWENS: Any other questions? All those in  
17 favor signify by saying aye? (Ayes.) Opposed? (No response.) All right.  
18 City of Danville.

19 MR. PFOHL: The City is requesting an additional  
20 time extension, and this grant totals 2.173 million. Three of the grants came  
21 from Southside Economic Development's allocation, the Special Projects  
22 Committee. This was the renovation of 48,000 square feet of a former  
23 tobacco warehouse for multi-commercial occupancy. The City has advised  
24 that the prospective anchor tenant is no longer a prospect. There is a request  
25 the grant funds are extended to April of 2010 and contingencies regarding

1 matching funds be removed and the previous contingencies required that  
2 they settle complete project financing before we release our funds. That  
3 they be allowed the ability to do some partial renovations.

4 DELEGATE HOGAN: We approved this with  
5 certain contingencies, and the money hasn't been spent, and now they want  
6 to get rid of the contingencies and give the money to somebody else. I  
7 would move those funds be returned and the applicant can reapply for those  
8 funds later.

9 MR. BRYANT: I'll second.

10 MR. NOYES: Some of the funds are --

11 DELEGATE MARSHALL: -- We can't make a  
12 recommendation; they are Special Project funds.

13 MR. OWENS: All those in favor signify by saying  
14 aye? (Ayes.)

15 DELEGATE MARSHALL: We've got somebody  
16 from the City here.

17 MR. JERRY: Thank you for your time. As far as  
18 the City of Danville is concerned, this is a very important project for us. I  
19 just want to clarify. What we're looking at is, rather than condo-ing the  
20 project, we want to have some space for several companies to locate in it.  
21 Before this the project was about a \$4 million project. We've been able to  
22 get a price quote that is down from where it was, and we want to use these  
23 grant funds, and we've gotten this so that we can finish this up within a year.  
24 As I say, this is a very good project. As Delegate Marshall said, we need  
25 more economic development, and we've got about a 13 or 15 percent

1 unemployment rate, and we're trying to bring in some technology  
2 companies. Right now the building is really in need of work. If we can  
3 bring in people and show them this is what we have. If it's available we can  
4 get these people.

5 MR. OWENS: I think at this point you'll have to  
6 reapply.

7 DELEGATE MARSHALL: I move we accept the  
8 proposal from the City of Danville as submitted.

9 MR. OWENS: Is there a second? The motion dies  
10 for lack of a second. All those in favor of the original motion please signify  
11 by saying aye? (Ayes.) All those opposed?

12 DELEGATE MARSHALL: No.

13 DELEGATE WRIGHT: I misunderstood the  
14 motion Delegate Hogan made on 1784. I stated when I supported the motion  
15 for Brookneal that it would come back before this Committee. In other  
16 words, if it doesn't come before this Committee, then we don't get a vote on  
17 the Staff recommendation? I'm not sure how this is going to work out, so I  
18 request my vote be changed to no.

19 MR. NOYES: It will be presented to the  
20 Committee. The Committee has recommended approval of the project, and  
21 that will be heard on the 23rd by the full Commission.

22 DELEGATE HOGAN: The funds won't be  
23 released until it's approved, according to the motion by the Staff. But  
24 according to the Director, the Staff is not going to approve it without our  
25 approval. It will be back in front of us at some point.

1 DELEGATE WRIGHT: Then I'll leave my vote  
2 like it is. I just want to make sure it will come back before the Committee.

3 MR. OWENS: Anyone else?

4 MR. HITE: I'd like the Minutes to show that the  
5 members of this Commission and this Committee are here at work and not at  
6 the Shad Planking.

7 MR. OWENS: The record will so show. Anything  
8 else? Does anyone from the public wish to speak? All right. Thank you all  
9 for coming.

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11 PROCEEDINGS CONCLUDED.

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23 CERTIFICATE OF THE COURT REPORTER

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1 I, Medford W. Howard, Registered Professional  
2 Reporter and Notary Public for the State of Virginia at large, do hereby  
3 certify that I was the court reporter who took down and transcribed the  
4 proceedings of the **Virginia Tobacco Indemnification and Community**  
5 **Revitalization Commission Southside Economic Development**  
6 **Committee Meeting when held on Wednesday, April 15, 2009 at 11:00**  
7 **a.m. in the Nance Room, Dorrill Dining Hall, Longwood College,**  
8 **Farmville, Virginia.**

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

11 Given under my hand this 20<sup>th</sup> day of May, 2009.

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22 My Commission Expires: October 31, 2010.