

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

3 701 East Franklin Street, Suite 501
4 Richmond, Virginia 23219
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9 Southside Economic Development Committee Meeting

10 Thursday, April 15, 2010

11 11:00 a.m.
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13 Hotel Roanoke
14 Roanoke, Virginia
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1 **APPEARANCES**

2 The Honorable Edward Owens, Chairman

3 The Honorable Bonnie K. Day, Vice Chairman

4 The Honorable Watkins M. Abbitt, Jr.

5 Mr. Clarence D. Bryant, III

6 The Honorable Kathy J. Byron

7 The Honorable James S. Cheng

8 Secretary of Commerce & Trade

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

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17 **COMMISSION STAFF**

18 Mr. Neal Noyes, Executive Director

19 Mr. Ned Stephenson, Deputy Executive Director

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

21 Ms. Stephanie S. Waas, Director of Finance

22 Ms. Sarah Capps, Grants Coordinator, Southside Virginia

23 Mr. Francis N. Ferguson, Counsel for the Commission

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1 April 15, 2010

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4 MR. OWENS: I'm going to call the meeting of
5 the Southside Economic Development Committee to order. I'd
6 like to start this meeting by acknowledging the Deputy
7 Secretary of Commerce and Trade, Mary Rae Carter and we
8 welcome you here.

9 DEPUTY SECRETARY CARTER: Thank you.

10 MR. OWENS: At this time I'd ask the
11 Executive Director to call the roll.

12 MR. NOYES: Delegate Abbitt?

13 DELEGATE ABBITT: Here.

14 MR. NOYES: Mr. Bryant?

15 MR. BRYANT: (No response).

16 MR. NOYES: Delegate Byron?

17 DELEGATE BYRON: Here.

18 MR. NOYES: Mr. Cannon?

19 MR. CANNON: Here.

20 MR. NOYES: Secretary Cheng?

21 SECRETARY CHENG: Here.

22 MR. NOYES: Mr. Hite?

23 MR. HITE: Here.

24 MR. NOYES: Delegate Marshall?

25 DELEGATE MARSHALL: Here.

1 MR. NOYES: Mr. Moody?

2 MR. MOODY: Here.

3 MR. NOYES: Ms. Nyholm?

4 MS. NYHOLM: Here.

5 MR. NOYES: Senator Reynolds?

6 SENATOR REYNOLDS: Here.

7 MR. NOYES: Senator Ruff.

8 SENATOR RUFF: Here.

9 MR. NOYES: Delegate Wright?

10 DELEGATE WRIGHT: Here.

11 MR. NOYES: Mr. Day?

12 MR. DAY: Here.

13 MR. NOYES: Mr. Owens?

14 MR. OWENS: Here.

15 MR. NOYES: Mr. Chairman, you have a
16 quorum.

17 MR. OWENS: Thank you Mr. Noyes. In your
18 packet you have the minutes from January 12th, all those in
19 favor say aye. (Ayes). Those opposed? (No response). The
20 minutes are approved. At this time I'm going to ask Sarah
21 Capps to review the applications.

22 MS. CAPPS: I think you all have a spreadsheet
23 with the summary of the staff's recommendations. We
24 received 13 applications by the March 1st deadline and we did
25 receive one late submittal from Brunswick County. The staff

1 is recommending funding of five of the projects on the list. We
2 did have two withdrawals that we received this week so I do
3 want to make a note of those two projects. Under Pittsylvania
4 County number 2044 Olde Dominion Agriculture Foundation,
5 that project was withdrawn.

6 The next one on the list is number 2067 from
7 the Town of Gretna, that project is withdrawn. I'll go quickly
8 through the staff recommendations on each project. You all
9 have received the applications and the staff recommendations
10 and I assume you've read that information so if you need any
11 questions answered, we'll be glad to do that.

12 The first project on the list is Bedford County.
13 It's the corporation for Jefferson's Poplar Forest. The funding
14 is requested for an upgrade to visitor services facilities. The
15 site has seen significant increases in visitation and it
16 increased 50 percent from 2008 to 2009 to 30,000 visitors.
17 They're expecting an additional 9,000 increase for visitation in
18 2010. The existing facilities are insufficient and 131,000 was
19 requested to expand the visitor services area as well as to
20 improve the parking situation. The staff is not recommending
21 funding at this time. We're suggesting that they raise
22 additional funds for the project.

23 SENATOR RUFF: If there's somebody who
24 would like to speak to one of these, are we going to hear them?

25 MR. OWENS: We'll hear all the

1 recommendations and then we'll ask if any be pulled out of the
2 block and then we'll vote on those in a block and then we can
3 take the others individually.

4 SENATOR RUFF: Thank you Mr. Chairman.

5 MR. OWENS: I'd also like to recognize our new
6 Secretary of Commerce and Trade, James S. Cheng, so
7 welcome. We look forward to working with you. Would you
8 like to say anything?

9 MR. CHENG: It's an honor and a pleasure to
10 be here and I had a long drive in from Richmond so I'm trying
11 to recover from the drive. I appreciate the warm welcome and
12 am happy to be here. I hope to contribute to the good work
13 you're doing.

14 MR. OWENS: Thank you very much.

15 MS. CAPP: The next project on the list under
16 the Brunswick County allocation is from the Town of
17 Lawrenceville. The Turntable Park and outdoor center. Funds
18 are requested for preliminary engineering for an environmental
19 assessment and two parcels at the proposed trailhead facility
20 that will serve the outdoor center. The preliminary
21 engineering also includes evaluation of three structures that
22 they plan to use. The town is pursuing funding from DHCD
23 for acquisition of the property. Until the property is under the
24 control of the town and recognizing that there's limited
25 investment by the town that at this point and without

1 visitation numbers of the folks using the trail, the staff is not
2 recommending funding for this project.

3 The next request for funding is from
4 Brunswick County IDA and this was a late submission that
5 was invited by the Commission at a meeting of state leaders on
6 March 31st. The purpose of the meeting was to evaluate a
7 strategy for the adaptive reuse of this facility. The proposal
8 before you is the request for \$200,000 to contract with experts
9 to determine the market opportunities for reuse of this
10 institutional facility.

11 MR. NOYES: I attended on behalf of the
12 Commission at the meeting, March 31st and asked the IDA to
13 prepare a proposal. The Department of Corrections and the
14 partnership in the Tobacco Commission and local elected and
15 appointed leaders were all present. The meeting happened
16 subsequent to the deadline for submission of an application.
17 It was the consensus of the group at that meeting on the 31st
18 that we needed to bring in expertise from outside that did not
19 exist within that group or really within the state apparatus
20 participating in the project. That's why you're seeing a late
21 submission.

22 MS. CAPPs: Because this was a late
23 submission, we deferred to the committee in terms of funding.

24 The next project on the list is from Greenville
25 County Skippers Water Supply expansion at Exit 4, Interstate

1 95, WilcoHess has committed \$5 million private capital
2 investment in the creation of 47 new jobs for a new facility at
3 this location, however, at this time, there is not sufficient
4 potable water. Funds are requested for the draw down test for
5 two draw sites and construction of piping next to the water
6 treatment plant by the county. This project does support
7 retail business. We see there's an opportunity for additional
8 water capacity to be created for additional job creation and
9 retail and commercial business creating jobs with private
10 capital investment. Staff is recommending award of \$100,959.

11 The next project is Halifax County IDA. This is
12 two projects. One is a modification to Riverstone Building
13 Number 1 to accommodate an existing tenant's plan to
14 establish a small data storage center. This tenant is planning
15 to create 15 new jobs and an investment of about \$300,000 in
16 equipment. The second aspect of this project is an upgrade to
17 the existing Dominion Power substation to provide 20
18 megawatt power to Riverstone. The intent of this upgrade is to
19 eliminate the lead time for expanding power infrastructure
20 necessary to attract a larger data center for Riverstone. Staff
21 is recommending an award of \$471,000 and this is contingent
22 on a ten percent cash match by the county and the funding of
23 \$271,000 for building up fit and that is contingent on an
24 executed lease agreement for Riverstone 1 and \$200,000 for
25 engineering design of the power upgrade.

1 The next project on the list is from the Halifax
2 education foundation. This is a request for funding for a
3 change order to an existing contract for the R&D Center. The
4 funds include seating for a conference center which will serve
5 as a tiered classroom and this was not part of the original
6 contract as well as funds for LLED certification. This project
7 will serve as a strong model for the R&D Center, strong model
8 leadership for the R&D Center. Staff is recommending full
9 funding of \$185,000.

10 The next project on the list is the Mecklenburg
11 County IDA, \$1,250,000 is requested for purchase of the
12 Harden Manufacturing building which is a 161,251 square
13 foot building on 20 acres at the Airport Industrial Park in
14 Lacrosse. This facility is frequently recommended by VEDP as
15 a potential manufacturing distribution facility. This project
16 will allow that to be in the county's control. It has a potential
17 based on the previous use to allow for creation of 125 jobs
18 with an estimated annual payroll of \$3.4 million and a
19 potential of \$7.6 private capital investment. The staff is
20 recommending an award of \$1,125,000 contingent on a ten
21 percent cash match by the county.

22 SENATOR REYNOLDS: Mr. Chairman, is it
23 proper to ask a couple of questions about not this project or a
24 couple of projects that was mentioned before we get any
25 further?

1 MR. OWEN: Go ahead.

2 SENATOR REYNOLDS: Maybe I misheard
3 what was said with regard to 2086. I thought I understood
4 you to say in spite of what was said in the committee there
5 was a feeling that some expertise presently wasn't available,
6 did I hear that right?

7 MR. NOYES: Yes to both points. Expertise did
8 not exist among the partners at the meeting that were being
9 asked to make recommendations and that would go to the
10 governor on what reuse potentials there are for this site.
11 Anytime an application comes in out of cycle staff refers to the
12 committee rather than going through and making a formal
13 recommendation unless the Chairman specifically asked for a
14 written recommendation to go through the committee. It's a
15 procedural thing and this is what we have done.

16 SENATOR REYNOLDS: Another question with
17 regard to Bedford County. I'm having difficulty following and
18 understanding the first sentence in the staff's comments and
19 recommendations. When it talks about an existing balance of
20 \$117,000. Help me understand what that means.

21 MS. CAPP: We have an open grant with the
22 corporation for Jefferson Poplar Forest that has a balance of
23 \$117,000 that has not been requested for reimbursement. It's
24 the staff's opinion there could be an opportunity for Poplar
25 Forest to make a request for reprogramming of some portion of

1 those funds to be used for this facility.

2 SENATOR REYNOLDS: I apologize, that
3 confuses me even more. Does that mean there is an existing
4 balance available to Poplar Forest in the amount of \$117,000?

5 MS. CAPPS: The balance in the existing grant
6 is identified for specific projects at the site. What we're
7 recommending is that the visitor center is a higher priority
8 than the projects that are planned to be afforded with the
9 balance we can approve those.

10 SENATOR REYNOLDS: What has been their
11 response to that discussion? By that I mean the folks at
12 Bedford Forest, are they agreeable to that or do they think –

13 MS. CAPPS: The discussion has been such
14 that there is potential for a portion of that to I believe or there
15 is someone here that represents Poplar Forest that can speak
16 to it. I believe there was potentially about 40,000 that could
17 be programmed for this purpose. It would be taking from
18 another project that's was identified in the earlier acquisition.

19 SENATOR REYNOLDS: That means to me that
20 while there's a balance of \$117,000 that at this point it
21 appears that only \$40,000 is free for use, did I misunderstand
22 that?

23 MS. CAPPS: I would prefer to let someone
24 from Poplar Forest speak to that. You did understand it
25 correctly.

1 SENATOR REYNOLDS: I guess at some point
2 we'll have an opportunity to hear from them.

3 MR. OWENS: Anymore questions on that?

4 MS. CAPP: Now we're moving to Nottoway
5 County and there's three applications under Nottoway County
6 allocation. The first one is from the Town of Blackstone which
7 is a hotel study. The town makes the argument that they have
8 very limited overnight accommodations and only one existing
9 motel and one B&B. They have 100,000 annual visitors that
10 often have to leave the area and travel to other locations for
11 lodging. Funds are requested from the Commission for a
12 study to evaluate three sites for the lodging demands and the
13 current supply. The study will include site analysis,
14 evaluation of lodging demand and current supply, a
15 development of price structure and estimated revenue and
16 expenses. This information will be used to try to attract a
17 hotel to this area. Generally speaking, studies are a low
18 priority for the Commission and for that reason, there's no
19 funding recommended for this project.

20 The next project or proposal is the Town of
21 Blackstone and it's for the Blackstone Wimax Project. The
22 Town proposes partnering with a private company Digital
23 Bridge to build a Wimax site to provide cheaper and more
24 reliable broadband services to underserved businesses and
25 residences. Tobacco Commission funds are requested to share

1 equally in the cost to construct fiber from an MBC POP to the
2 DBC tower site and for radio and networking equipment. As a
3 reminder, we have provided funding to MBC to manage a
4 matching grants program which Digital Bridge has used to
5 offer Wimax service in Appomattox and they were very
6 successful as a project in Appomattox. We'd like to note that
7 the state broadband map shows the area surrounding
8 Blackstone is already served by DSL and satellite services for
9 the internet. We inquired as to any data on a number of
10 unserved businesses in the Town of Blackstone and we didn't
11 see any information in that regard. It's our understanding
12 businesses are currently served. We'd also like to note that
13 Buggs Island Cooperative received notification of federal
14 funding and that project is being matched from one of our
15 reserve grants and that project will provide a new tower site to
16 Blackstone to provide access on the network utilizing wireless
17 Wimax technology. For those reasons, staff is not
18 recommending an award.

19 The next one on the list from Nottoway is the
20 Nottoway farm to fuel project. The County is partnering with
21 the Virginia Piedmont Geriatric Hospital Facility to
22 demonstrate large scale heat producing boilers using native
23 switchgraphs to provide heat and steam energy. Piedmont
24 Geriatric Hospital has been very successful and has gotten
25 DMME funding for upgrade to its boilers. They have done

1 some initial testing but the facility has not yet completed the
2 next set of test burns that are required to obtain final DEQ air
3 permitting. There is also little evidence at this time as to the
4 willingness. There is also little or no evidence at this time as
5 to the amount of acreage currently in production or will be in
6 the foreseeable future. There are a number of hurdles that
7 still need to be overcome. We do see this project as having
8 some potential once some of these issues are addressed. At
9 this time the staff recommends no award.

10 MR. NOYES: Mr. Chairman, there is a second
11 project which is before Agribusiness and they're meeting this
12 afternoon for the same project and the staff recommendation
13 there is the same.

14 MS. CAPP: The total request is \$1.4 million.
15 Under Pittsylvania County, the first two projects were
16 withdrawn and the third project under Pittsylvania submitted
17 by the county involves Ringgold Industrial Park and it's a
18 diversification program phase one. Funds are requested for
19 infrastructure upgrades to help create five smaller size lots
20 ranging from 5 to 6.5 acres in order to accommodate prospects
21 needing smaller lots suitable for facilities up to 20,000 square
22 feet. The County does not have existing small parcels to
23 accommodate small businesses. There's a prospect company
24 that they're working with that plans to invest \$750,000 private
25 capital to create 20 new jobs and the staff recommends full

1 funding for this project. That's \$579,719.

2 MR. NOYES: We'll deal with the final project
3 elsewhere.

4 MR. OWENS: All right, you've heard the staff
5 recommendations for these projects are any of the projects
6 ones you wish to pull out of the block and have more
7 discussion about?

8 DELEGATE WRIGHT: Item number 2042,
9 Town of Blackstone. There are people here that would like to
10 speak to that.

11 SENATOR REYNOLDS: Item 2062, I'd like to
12 pull that out of the block and hear more discussion about it. I
13 am assuming and correct me if I'm wrong; we're proposing to
14 adopt recommendations of the staff?

15 MR. OWENS: Yes, only the ones that we don't
16 discuss.

17 SENATOR REYNOLDS: Does that mean the
18 only thing we're discussing now is the staff recommendations
19 for spending?

20 MR. OWENS: Yes.

21 SENATOR REYNOLDS: The ones with zero
22 we're not taking any action right now?

23 MR. OWENS: Yes.

24 DELEGATE ABBITT: Mr. Reynolds asked if we
25 would reconsider that, you will after we adopt it or reject the

1 staff recommendations?

2 MR. OWENS: Yes.

3 DELEGATE ABBITT: The second question, the
4 Virginia Coal and Energy Commission analysis of the social
5 economics.

6 MR. OWENS: That will be handled with the
7 Executive Committee.

8 DELEGATE ABBITT: Why is it on here?

9 MR. NOYES: It was decided to move it to the
10 Executive Committee after this list was prepared.

11 DELEGATE ABBITT: Who decided to move it
12 to the Executive Committee?

13 MR. NOYES: The Chairman decided.

14 DELEGATE KILGORE: There was a question
15 about the formulary, it involved the formulary so I thought it
16 was better to discuss it in the Executive Committee.

17 DELEGATE ABBITT: I'm not on the Executive
18 Committee.

19 DELEGATE KILGORE: Soon to be.

20 DELEGATE ABBITT: I expect this will be
21 approved before I have an opportunity to vote on it? I would
22 like to say and remind you that the company is going to pay
23 for these studies and I'm not sure this is proper use of that
24 money. Thank you.

25 SENATOR RUFF: Mr. Chairman, I'd like for

1 2048, Mecklenburg County to be pulled out so we can have
2 more discussion.

3 DELEGATE WRIGHT: One other, 2043, the
4 town of Lawrenceville, the Mayor is here.

5 MR. OWENS: We're pulling out of the block of
6 recommendations 2042, 2043, 2048 and 2042.

7 DELEGATE BYRON: Mr. Chairman, wouldn't
8 it be easier to say we're pulling out 2048, pulling out those
9 that have money with them. The others that were mentioned
10 did not have money. It may be confusing.

11 DELEGATE WRIGHT: Mr. Chairman, I wanted
12 to make sure that the ones with no funding are not addressed
13 in the block.

14 MR. OWENS: No, they will be pulled.

15 DELEGATE MARSHALL: I'd like to make a
16 motion that we accept the staff's recommendations except for
17 pulling out number 2048.

18 MR. OWENS: 2048 is for funding. We have a
19 motion, do we have a second?

20 DELEGATE BYRON: Second.

21 MR. OWENS: All those in favor say aye (ayes).
22 Opposed (No response). Let's go back and speak to application
23 2062.

24 DELEGATE ABBITT: I'll just say that Poplar
25 Forest has had a huge increase in visitors and they need to

1 expand the bathrooms and bring in a good school program
2 and bring in school children there and frankly this facility is
3 not adequate. It's got an old equipment shed. I expect we've
4 got somebody here from Poplar Forest to speak to it.

5 MS. BEEBE: My name is Lynn Beebe and I'm
6 representing Poplar Forest. I certainly appreciate you all
7 considering this grant proposal. There is a very significant
8 need. Poplar Forest has tremendous potential and it's very
9 important for Bedford County just like Monticello for
10 Albemarle County. There is great potential her for tourism
11 revenue in our community, a multi-county area. This project
12 is important to us. As Senator Abbitt mentioned, we have an
13 increase in the number of visitors and our facility is woefully
14 inadequate. We need to have good promotion efforts to keep
15 pace with our infrastructure efforts. That's why it's important
16 that we move quickly because we need to start construction
17 this summer if you all are willing to invest in the
18 infrastructure for us. Thank you.

19 DELEGATE BYRON: Hello Lynn, you do a
20 great job out there and I apologize for not getting back with
21 you and it's been difficult for me recently to catch up with you
22 in regards to this. My question to you, in talking to staff and
23 we're very supportive of the major issue you have out there
24 dealing with the road access we funded several years ago. I
25 don't know if there were other ones but I'm a real stickler

1 about job creation and trying to use our money for things that
2 do that. From what I've heard from staff, there's some money
3 that could be allocated. Can you tell me why that doesn't
4 meet your needs?

5 MS. BEEBE: It's not quite enough. Contrary
6 to, as far as the figure of 117 appeared in your documents,
7 some of the reasons for that in terms of the paperwork process
8 but in fact some of that money has already been obligated.
9 There is money and part of that \$117,000 that's been
10 obligated legally and also needed in practical terms to finish
11 projects that we together have already vested and have money
12 in that were priorities also. We're trying to accommodate
13 these improvements like for instance, the buses, that's a real
14 problem, trying to accommodate them in our front driveway.
15 That's why we need to retain some of the currently opened
16 grants to complete projects that are already in progress. There
17 probably could be about \$40,000 as Ms. Capps said, that
18 could be reallocated from that to this additional and urgent
19 facility priority. That's not enough alone to get the project
20 completed.

21 DELEGATE MARSHALL: Of the \$40,000 that
22 would be unused, would that be in addition to the 131 or use
23 the 40,000 also?

24 MS. BEEBE: No, we need a total of 131 for the
25 visitor center. If we could allocate say 40,000 in the open

1 grant, then the 131 could be reduced.

2 SENATOR REYNOLDS: If you have the money,
3 when would work start?

4 MS. BEEBE: We had hoped to begin late
5 spring or first of the summer. The most important first step is
6 the addition of the new bathrooms, complete that construction
7 and that wouldn't interfere with our ability to function and
8 with our visitors and continue using the old restroom facilities
9 until the new one is completed. We had hoped to begin during
10 our visitation season.

11 SENATOR REYNOLDS: People will be working
12 there doing this work that presently are not on the payroll, is
13 that correct?

14 MS. BEEBE: Yes, this will be done through
15 contractors. We don't have staff to do that kind of work.

16 SENATOR REYNOLDS: Do you have any idea
17 roughly how long it will take for the project to be completed?

18 MS. BEEBE: I don't have a solid number I can
19 give you but I wouldn't think it would be very long, certainly a
20 few months to complete this. We might have to construct the
21 new portions while we're functioning. I can see where we
22 might need to break down the wall between the old and new to
23 complete the final steps.

24 SENATOR REYNOLDS: People would be
25 employed to do this work that presently are not employed?

1 MS. BEEBE: Businesses in the community
2 would be employed to do this work, yes.

3 DELEGATE BYRON: If you had this 40,000, if
4 we were to reallocate that 40,000 it would still leave 40,000 in
5 Bedford if you don't need it, you could come back at a later
6 time. If you took the 40,000 and deducted it from the grant
7 and approved that much, would that accomplish what you're
8 trying to do?

9 MS. BEEBE: I believe it would. That would
10 still leave us needing to raise the additional 26,000 that would
11 be needed.

12 DELEGATE BYRON: As far as the reserve
13 fund, have you considered doing any matching to get further
14 than what you're doing now with matching funds?

15 MS. BEEBE: We've already raised the 20,000
16 which is shown in your document and we're committed to
17 raising an additional 26 to complete the project.

18 DELEGATE BYRON: I'll ask staff, you know all
19 the details, would that work with what she's trying to
20 accomplish?

21 MS. CAPPS: Yes.

22 DELEGATE BYRON: If we made it \$91,021 the
23 grant amount. So I'd make a motion that we approve the
24 \$91,000 and if they need more they can come back.

25 MR. OWENS: It's been moved and properly

1 seconded, any further discussion?

2 SENATOR REYNOLDS: I want to make sure
3 and ask you, if we appropriate \$91,000, does that meet your
4 needs presently?

5 MS. BEEBE: I believe it will and we got an
6 additional project underway in that open grant category that
7 has to do with the VDOT regulations and I'm not absolutely
8 certain how much it would take out of the currently open
9 grant but I believe it will.

10 SENATOR REYNOLDS: Does that mean then
11 that what you prefer is the 131,000?

12 MS. BEEBE: I definitely would prefer the
13 131,000 if you all could manage it. If not, I'm also happy to
14 work with the staff to try to see if we can pull off the project for
15 a little less than 131,000.

16 DELEGATE MARSHALL: The proposed 40,000
17 that's going to be unused.

18 MS. CAPP: It will not go unused. Lynn has a
19 purpose for those funds. She has not contracted that work
20 because of delays that she has faced in managing that project.
21 She has volunteered that she could; it's been proposed that
22 could be reallocated for this purpose.

23 DELEGATE MARSHALL: Does that money
24 have to come through here, a motion through this committee
25 to reallocate the money or could she do that on her own?

1 MS. CAPP: We can do that.

2 MR. NOYES: We can do that administratively.

3 MR. OWENS: How old is the old grant?

4 MR. PHOFL: 2008, two years old.

5 MR. OWENS: We got a motion and a second,
6 all in favor signify by saying aye. (Ayes). Opposed. (No
7 response). All right, do we have somebody here from the Town
8 of Lawrenceville?

9 MS. CAPP: Mayor Pond is here.

10 MAYOR POND: I'm Douglas Pond, Mayor of
11 Lawrenceville. Mr. Chairman and committee members, it's
12 nice to be here and this is my first experience with something
13 like this. As you all are probably aware, Brunswick County
14 and the Town of Lawrenceville over the last year has taken a
15 pretty solid hit as far as unemployment with the closing of the
16 prison. We are trying to re-invent our economy and tourism is
17 a part of that economy including projects at the Industrial
18 Development Authority. In the Town of Lawrenceville you have
19 the Turntable Park and the Tobacco Heritage Trail that starts
20 in Lawrenceville. The Town of Lawrenceville took it upon itself
21 to build one mile of the trail. The trail that we built runs right
22 beside the proposed park. I noticed in the comments we did
23 not have control of the property and maybe that's why there's
24 some reluctance but that depends on your definition of
25 control.

1 As far as the railroad yard goes, we have the
2 property leased at this time for another year and a half.
3 There's 35,000 allocated to use in the purchase of that land
4 through the TICR money. We've made a preliminary offer on
5 the old Southern States property which would be the
6 innovative grant through DHCD. That is property that's in
7 foreclosure. We feel this is a very important part of our
8 locality and community's future to promote this trail and
9 trailhead. There's \$7 million invested in the trail to promote
10 this trail and trailhead. We'd like to take advantage of this
11 facility to welcome people. Our local economy has to change
12 its focus because of the realities. This is an integral part in
13 changing our local economy in one aspect and that being
14 tourism.

15 DELEGATE WRIGHT: Mayor Pond, would you
16 explain the recent developments that lead you to understand
17 the economy has to change and what things have taken place
18 in the town recently?

19 MAYOR POND: In the Town of Lawrenceville
20 when the Brunswick Correctional Center closed, it essentially
21 lost 15.7 percent of the town's budget or its revenue from
22 water and sewer revenues. I was out there on the 31st and if
23 that property is redeveloped, it's going to be years probably.
24 Agriculture over the years with the railroad being gone, the
25 railroad tracks have literally been pulled up. In order to

1 provide a boost for the locality, I feel that tourism is one factor
2 that we need to increase or one focus that we need to take.
3 The primary focus of that tourism angle would be the park if
4 we could get it developed.

5 SENATOR RUFF: You said the anticipated
6 DHCD grant, when do you expect to hear from that?

7 MAYOR POND: We got a preliminary letter
8 from the Southside Planning District Commission to go to the
9 next step of that grant application and I'm not sure if the
10 timeframe would be six months or so into the fall. We're trying
11 to tie all this together and as you well know, it's not an easy
12 thing to do. The properties are contiguous.

13 SENATOR RUFF: Either you or the Planning
14 District, can you give us some idea when there would be
15 certainty of the grant; anyone?

16 MS. FRENCH: The innovate grants, the
17 competitive round in March, March 31st and we know the cycle
18 on those but there is a new person at the DHCD that is
19 working with these projects and they're moving much more
20 quickly. We've gotten a letter saying we can take it to the next
21 step and we expect this to move quite rapidly. He mentioned
22 they had built a mile of trail out of their money but actually
23 this trail is what connects from South Hill to Lawrenceville.
24 Any of you familiar with that Southside area know it's a very
25 long track that's underway and under construction and being

1 taken care of. It was anticipated to be able to complete that
2 with that money, \$6 million, that would be a \$6 million grant
3 from VDOT to do that section from Brodnax to Lawrenceville.
4 We need something at the end when the people get there or at
5 the beginning depending on which way you travel.

6 MAYOR POND: We've had people come from
7 out of town already and we connected with a section that's
8 already been completed by the contractors just as we'd be
9 getting into town.

10 MS. FRENCH: We're anticipating the CBDG
11 portion and we'll put a top priority on that to move that along.

12 SENATOR RUFF: Can you define the term
13 rapidly?

14 MS. FRENCH: We can call when we get home,
15 how's that. Since we've been asked to go to the next step, it'll
16 be given the number one priority to get that done but no, you
17 can't define it when you're working with the staff and you're
18 working with a state agency, I'm sorry.

19 DELEGATE ABBITT: Did you say that you did
20 not own the land?

21 MAYOR POND: We have the old railroad yard
22 leased at this point with an option to buy. We're hoping to
23 work out the rest of the deal before one gentleman retires from
24 the railroad and we hope we can get it done before he retires in
25 another couple of years. We've done some clearing and what

1 have you on the land.

2 DELEGATE ABBITT: Have you got a signed
3 contract to buy it?

4 MAYOR POND: I'm not sure. We have it
5 under a lease.

6 DELEGATE ABBITT: But there's nothing
7 binding then?

8 MAYOR POND: The lease is binding for
9 another year and a half and we're negotiating to buy the
10 property with some monies we do have available.

11 DELEGATE ABBITT: I think it's a great
12 project. I work with the rail to trails but I'm very hesitant to
13 appropriate money when you don't have the land tied up at
14 least in a contract saying we'll purchase this. Having dealt
15 with the railroad for a number of years, it's a little scary to me
16 to allocate money before the land is tied up.

17 MR. OWENS: Is that in the form of a motion?

18 DELEGATE ABBITT: A motion, no motion.

19 MS. FRENCH: Could I ask a question? Would
20 it be possible to approve it with a contingency that the money
21 could not be dispersed until they had an option or control of
22 the land?

23 DELEGATE WRIGHT: Mr. Chairman, I've got a
24 motion I'd like to make. I'd like to move that this proposal be
25 accepted contingent upon payment and ownership of the land.

1 MR. OWENS: Would you restate it?

2 DELEGATE WRIGHT: I move that this
3 proposal be accepted contingent upon them following through
4 and obtaining ownership of the land.

5 DELEGATE BYRON: Within a certain
6 timeframe?

7 MR. NOYES: Are you talking about the fee
8 simple title here or are you simply talking about an
9 enforceable contract?

10 DELEGATE ABBITT: I would think you ought
11 to own the land, I'm not making the motion.

12 DELEGATE WRIGHT: I'd say own the land.

13 SENATOR RUFF: I'll second that motion.

14 MR. OWENS: The motion has been made and
15 properly seconded.

16 SENATOR RUFF: I only heard one stipulation
17 but I believe you probably need a second stipulation. DHCD
18 grant is approved.

19 MR. OWENS: Any other discussion? All those
20 in favor signify by saying aye. (Ayes). Opposed no. (No
21 response).

22 MR. DAY: Mr. Chairman, put me down as
23 opposed to this one, no offense.

24 MAYOR POND: I appreciate your
25 consideration and I'm getting back to Lawrenceville to work on

1 this.

2 MR. OWENS: All right, the next one,
3 Mecklenburg.

4 MR. CARTER: I'm Wayne Carter, Mecklenburg
5 County Administrator. We appreciate the recommendation
6 from the staff regarding approval of this project. This is the
7 first time we've had to meet the contingency requirement cash
8 match. Currently or right now Mecklenburg's at \$6 million
9 total, the total amount of funding that we're going to a deficit
10 from this year's existing budget and next year we're looking at
11 about 30 layoffs at schools and that's undetermined in the
12 Sheriff's and other constitutional offices. Machinery, tools and
13 inventory taxes are down, personal property is down. I
14 understand you all want to see a cash match with regard to
15 this project. It's very difficult for the Board at this time to find
16 the money with all these layoffs.

17 DELEGATE WRIGHT: Mr. Carter, do you
18 believe that the circumstances with a 10 percent cash match,
19 is that something that your Board will not be able to approve
20 considering the economic conditions?

21 MR. CARTER: It's going to be very difficult sir.
22 I can't speak for the Board and tell you how they're going to
23 vote. After many years of serving on the Board of Supervisors,
24 I don't know, I think that's outside of my realm, it's very
25 difficult for them at this time, extremely difficult and that's my

1 concern.

2 MR. HITE: I move that we approve this
3 request in full.

4 MR. OWENS: With no match?

5 DELEGATE WRIGHT: Second.

6 MR. OWENS: It's been moved and properly
7 seconded that we waive the match.

8 MR. CARTER: We're doing it in kind.

9 SENATOR RUFF: Mr. Chairman, I think you
10 need to say what the in kind is.

11 MR. CARTER: Currently we're doing
12 approximately 24 acres of adjoining land.

13 MS. FRENCH: The County is adding 11.47
14 acres to the existing track and the assessed value of that land
15 is 57,400. In addition to the 57,400, the Town is putting in
16 10,000 cash. It would be 67,400 in local match in the
17 proposal as written.

18 SENATOR RUFF: If we were talking about
19 funding for a shell building, what would be the investment in a
20 piece of property like that?

21 MS. FRENCH: A building of this size?

22 SENATOR RUFF: Yes.

23 MS. FRENCH: Well, just the building, this was
24 built in the late 90s and it was vacated in 2006. At that point
25 in time this was valued right at \$4 million. We know it's an

1 extraordinary value and it's owned by people in Alabama and
2 they just want to unload the property in Virginia. It is an
3 exceptional deal. If we were building this building or building
4 a shell building and putting, this isn't really a shell building,
5 it's got everything in it and if you were to build it now, you'd be
6 looking at \$4 million.

7 MR. OWENS: This land is contiguous with the
8 property?

9 MS. FRENCH: Yes, sir. It's on the back side of
10 the property.

11 MS. CAPP: It's our understanding that the
12 land is already owned by the county on the other side of the
13 railroad.

14 MS. FRENCH: There is not a railroad there
15 anymore.

16 MR. CARTER: It was a tract that the county
17 IDA bought in '91 so actually it's adjoining, the county owns
18 that fee simple, not an easement so all this is contiguous.

19 MR. OWENS: We already have a motion,
20 anymore discussion?

21 SENATOR REYNOLDS: I'd like to ask, will this
22 set a precedent where we're backing away from a local match?

23 MR. OWENS: It would, yes.

24 SENATOR RUFF: Mr. Chairman, following up
25 on that question, have we considered any in kind

1 contributions on the part of the matches in the past?

2 MR. OWENS: Yes, sir. Most of the time the in
3 kind match is at least 10 percent, this time I think is the only
4 time it's different and this time it's in kind five percent.

5 DELEGATE WRIGHT: Mr. Chairman, I'd like
6 to make a comment backing up what was said before. With an
7 exceptional deal like this on this property, this property has
8 been bought and developed and a shell building put on it and
9 this could just be tremendous. The next thing I'd like to say
10 considering the economic times that we're living in and the
11 situation, it's really a financial burden on these counties and
12 other counties as well and I think we should support a good in
13 kind contribution.

14 DELEGATE MARSHALL: Delegate Wright said
15 exactly what I was going to say, they're getting a building
16 basically 25 cents on the dollar, if they had somebody come in,
17 they would be in front of this body for a whole lot more than a
18 million two.

19 MR. HITE: Mr. Chairman, I'd like to ask a
20 question. Wayne, at the peak of this operation, how many
21 employees did they have?

22 MR. CARTER: Up to 140.

23 MR. HITE: We know it can handle 140 people.

24 MR. CARTER: Currently our unemployment
25 rate is at 12 percent right now, maybe 13.6.

1 MR. OWENS: All those in favor signify by
2 saying aye. (Ayes). Opposed no. The ayes have it. The next
3 one is the Town of Blackstone.

4 MS. BECK: My name is Jennifer Beck and I'm
5 from the Town of Blackstone. Thank you for considering our
6 grant. With Fort Lee, they're coming to Blackstone, well
7 actually Fort Pickett and this is a great issue to have but
8 they're not staying in Blackstone when they get there because
9 there's not very much in the way of hotels or motels. When
10 the contractors visit Blackstone and having to travel back to
11 Richmond to spend the night, when they leave Blackstone,
12 they are no longer spending their dollars in Southside Virginia.
13 We believe a new hotel based on similar markets would create
14 at least 20 to 25 jobs and we'd like for the study to be done in
15 the Blackstone area.

16 MR. OWENS: Usually isn't that done by the
17 developer, the cost of it?

18 MS. BECK: We don't have a developer at the
19 moment, we're trying to look for a developer.

20 DELEGATE MARSHALL: 100,000 annual
21 visitors, do they come in bunches or are they spread out
22 during the year?

23 MS. BECK: It's spread out over the year. At
24 Fort Pickett the largest bunch is in July and August when they
25 do more training out there. So it's getting to be pretty much

1 spread out throughout the entire year.

2 DELEGATE MARSHALL: You said you don't
3 have a hotel developer or one hasn't been contacted to solicit, I
4 know in Pittsylvania County they're looking for hotels from
5 private companies who would pay for the study themselves
6 and then decided they didn't want to build a hotel.

7 MS. BECK: We tried to solicit about five or six
8 years ago. The gentleman was going through a divorce and he
9 was not interested in building a hotel.

10 DELEGATE WRIGHT: Mr. Chairman, I'd like
11 to ask him a question. Has there been any further
12 communications with the town manager when he presented
13 this proposal, has there been any other information given
14 pertaining to jobs?

15 MR. PHOFL: We spoke yesterday afternoon
16 and Jennifer was on that call and was part of that
17 conversation. They have contacted Virginia Tech's office of
18 economic development and gotten a second quote from
19 Virginia Tech.

20 SENATOR REYNOLDS: I may be dead wrong
21 in what I'm about to ask but it would occur to me that
22 following the hotel business that if someone came to me and
23 said we've got a study that indicates that this is a great place
24 for a hotel, I don't think I would accept that, I would think I'd
25 want my own study but I may be wrong about that and maybe

1 there's some people here that would be in a better position to
2 comment on that than I am.

3 MR. OWENS: Any other comments? Do I hear
4 a motion?

5 DELEGATE BYRON: I move that we accept the
6 staff's recommendation.

7 DELEGATE MARSHALL: Second.

8 MR. OWENS: It's been moved and properly
9 seconded to accept the staff's recommendation. All in favor
10 say aye (ayes). Opposed no.

11 DELEGATE WRIGHT: No.

12 MR. OWENS: Let the record reflect one "no"
13 vote. Any public comments? Anyone from the public care to
14 comment? Then the meeting is adjourned.

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16 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 Large, do hereby certify that I was the court reporter who took down and transcribed the proceedings of the VIRGINIA TOBACCO INDEMNIFICATION AND COMMUNITY REVITALIZATION COMMISSION, Southside Economic Development Committee Meeting when held on Thursday, April 15, 2010, at 11:00 o'clock a.m. at the Hotel Roanoke, in Roanoke, Virginia.

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

Given under my hand this 22nd day of April, 2010.



Medford W. Howard
Registered Professional Reporter
Notary Public for the State of Virginia at Large
MY COMMISSION EXPIRES: October 31, 2010
CERTIFICATE NUMBER: 224566