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**VIRGINIA TOBACCO INDEMNIFICATION
AND COMMUNITY REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501
Richmond, Virginia 23219

Southside Economic Development Committee Meeting

Thursday, July 30, 2009
8:30 a.m.

Virginia International Raceway - VIR
Alton, Virginia

1 **APPEARANCES:**

2 The Honorable Edward Owens, Chairman

3 The Honorable Barnie K. Day, Vice Chairman

4 The Honorable Lynn Hammond, Deputy Secretary of Commerce and Trade

5 Mr. Scott M. Harwood, Sr.

6 Mr. L. Jackson Hite

7 The Honorable Clarke N. Hogan

8 The Honorable Daniel W. Marshall, III

9 The Honorable Harrison A. Moody

10 Ms. Connie Lee Greene Nyholm

11 The Honorable W. Roscoe Reynolds

12 The Honorable Frank M. Ruff

13 The Honorable Thomas C. Wright, Jr.

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15 COMMISSION STAFF:

16 Mr. Neal Noyes, Executive Director

17 Mr. Ned Stephenson, Deputy Director

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

19 Ms. Britt Nelson, Manager of Program Assessments

20 Ms. Sarah Capps, Grants Coordinator - Southside Virginia

21

22 OFFICE OF THE ATTORNEY GENERAL

23 Mr. Francis N. Ferguson, Deputy Attorney General, Counsel for the

24 Commission

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

3 MR. NOYES: Thank you, Mr. Chairman.
4 Mr. Bryant?

5 MR. BRYANT: (No response.)

6 MR. NOYES: Delegate Byron?

7 DELEGATE BYRON: (No response.)

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. MOODY: Here.

21 MR. NOYES: Ms. Nyholm?

22 MS. NYHOLM: Here.

23 MR. NOYES: Mr. Owens?

24 MR. OWENS: Here.

25 MR. NOYES: Senator Reynolds?

1 SENATOR REYNOLDS: Here.

2 MR. NOYES: Senator Ruff?

3 SENATOR RUFF: Here.

4 MR. NOYES: Delegate Wright?

5 DELEGATE WRIGHT: Here.

6 MR. NOYES: We have a quorum, Mr. Chairman.

7 MR. OWENS: Thank you. Do we have a motion
8 from the April 15th and April 23rd meetings to approve the Minutes? Do I
9 have a motion? It's been moved and seconded for approval. All those in
10 favor signify by saying aye? (Ayes.) No? (No response.) The motion is
11 carried.

12 We have a couple of housekeeping issues to take care of this
13 morning, so I'll turn it over to Neal.

14 MR. NOYES: Thank you, Mr. Chairman. There
15 are two housekeeping matters. One is a contingency that was attached to a
16 grant request from the Town of Brookneal for a \$1,000,000 award. The
17 contingency was that Staff would make a finding as to the sustainability of
18 that project, given the rate structure. Staff has undertaken, with the help of
19 outside expertise, to inform this Committee. While the report recommends a
20 rate increase, it is the position of the Staff that there is no compelling reason
21 that that project or the award to Brookneal should not go forward at this
22 time, with the expectation on the part of the Committee and the full
23 Commission that the Town of Brookneal will revisit its rate structure as
24 appropriate to insure that the improvements financed with Commission
25 dollars can be operated and maintained appropriately.

1 The Staff would welcome a motion to that effect, Mr.
2 Chairman.

3 MR. OWENS: It's been properly moved and
4 seconded that we approve and accept the recommendation of the Staff.

5 SENATOR RUFF: Mr. Chairman, this does not
6 require them to adjust the rate?

7 MR. OWENS: No.

8 SENATOR RUFF: Just encourages them?

9 MR. OWENS: Correct.

10 DLEGATE MARSHALL: I want to make sure I
11 understand. We also talked about, at the meeting when we discussed this
12 project, that Brookneal's loan on their existing wastewater is two years; one
13 of the things we talked about they could go back to the bond and finance
14 this, as opposed to coming to the Tobacco Commission and asking for a
15 grant.

16 MR. OWENS: Any other discussion? We've got a
17 motion and a second. All those in favor signify by saying aye? (Ayes.) All
18 those opposed?

19 DLEGATE MARSHALL: No.

20 MR. OWENS: The ayes have it.

21 MR. NOYES: Mr. Chairman, the second matter is
22 an award to Mecklenburg County, Chase City. That award had two
23 contingencies. Number one is that the company that was identified in the
24 application, Osage, would acquire the property. The second was that a
25 feedlot not be built in close proximity to the property that Osage was

1 expected to acquire. Osage has options to that property that has not
2 completed acquisition, and their business plan apparently does not call for
3 the actual purchase of the property right away. It's still an open matter
4 whether or not that facility gets built. The project is ready to go and ready to
5 go to bid very shortly. The Staff would be unable to disburse because of the
6 first condition. That is the actual acquisition of the property.

7 As to the feedlot piece, it's the Staff's recommendation that
8 piece needs to stay until there is definitive information on the future of the
9 property that Osage has expressed an interest in. Staff would welcome a
10 motion to end the contingency that pertains to the acquisition of the property
11 so that that project may proceed as this Committee recommended and the
12 Board approved, but retaining the contingency that no feedlot be built. The
13 Staff would welcome a motion.

14 MR. HITE: I so move.

15 DELEGATE WRIGHT: Second.

16 MR. OWENS: The motion has been properly
17 made and seconded. Any discussion?

18 MR. DAY: I've got a question. What happens if
19 they ultimately do not buy?

20 MR. NOYES: Then we have, we have provided
21 grant funds to significantly and meaningfully improve the water system for
22 the town of Chase City. However, that property will remain zoned for future
23 development. There is no reason to assume that we will not realize
24 economic development outcome. It may not be with Osage for some period
25 of time.

1 MR. DAY: How long is the option?

2 MR. NOYES: I do not know the answer to that
3 question.

4 SENATOR RUFF: Mr. Chairman, to respond to
5 that, I don't know the dollar amount, I don't know the length of time, but it is
6 a significant commitment from Osage to keep that option alive, so they're
7 serious about it, in my opinion.

8 MR. DAY: My last and final question. Could
9 they decide to exercise that option and do something else with it besides the
10 property that they described to us? Could they resell it, or could they put
11 housing on it? Could they put up a Ferris wheel?

12 MR. NOYES: I believe I can speak to the Ferris
13 wheel issue. I believe the zoning would have to be modified by the county
14 to enable that, in other words, the land use from that contemplated that was
15 discussed in this Commission. Could it happen? Certainly, the county has a
16 right to rezone it.

17 MR. OWENS: Any other questions?

18 DELEGATE WRIGHT: Just a comment. This
19 property would also serve as an industrial site. The water supply right now
20 there is by well; so this is a good idea, regardless.

21 MR. OWENS: Any other questions or discussion?
22 You've heard the motion. All those in favor signify by saying aye? (Ayes.)
23 Opposed, like sign? (No response.) The ayes have it, very good.

24 Do you have anything else to come before the Committee?

25 MR. NOYES: I do not, Mr. Chairman.

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MR. OWENS: Any member of the Committee

have anything?

Does anyone from the public have any comments they'd like to make? Hearing none, this meeting is adjourned.

PROCEEDINGS CONCLUDED.

1 CERTIFICATE OF THE COURT REPORTER

2
3
4 I, Medford W. Howard, Registered Professional
5 Reporter and Notary Public for the State of Virginia at large, do hereby
6 certify that I was the court reporter who took down and transcribed the
7 proceedings of the **Virginia Tobacco Indemnification and Community**
8 **Revitalization Commission Southside Economic Development**
9 **Committee Meeting when held on Thursday, July 30, 2009 at 8:30 a.m.**
10 **at the Virginia International Raceway - VIR, Alton, Virginia.**

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

13 Given under my hand this 3rd day of August,
14 2009.

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18 _____
19 Medford W. Howard

20 Registered Professional Reporter

21 Notary Public for the State of Virginia at Large

22
23
24 My Commission Expires: October 31, 2010.

25 Notary Registration No. 224566