

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

3 701 East Franklin Street, Suite 501
4 Richmond, Virginia 23219

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9 **Southside Economic Development Committee Meeting**

10 Thursday, December 13, 2012

11 10:30 a.m.

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13 Hotel Roanoke & Conference Center
14 Roanoke, Virginia

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Henrico, Virginia 23230
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1 **APPEARANCES:**

2 The Honorable Edward Owens, Chairman

3 The Honorable Thomas C. Wright, Jr., Vice Chairman

4 The Honorable Kathy J. Byron

5 Ms. Mary Rae Carter, Deputy Secretary Department of
6 Commerce and Trade for Rural Development

7 Mr. David R. Cundiff

8 The Honorable Daniel W. Marshall, III

9 The Honorable Donald W. Merricks

10 The Honorable Frank M. Ruff

11 Mr. Gary D. Walker

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13 COMMISOUTHSIDEION STAFF:

14 Mr. Neal Noyes, Executive Director

15 Mr. Ned Stephenson, Deputy Executive Director

16 Mr. Timothy S. Pfohl, Grants Program Administration Director

17 Ms. Sarah K. Capps, Grants Program Administrator,
18 Southside Virginia

19 Ms. Carolyn Bringman, Performance Data Analyst

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1 MR. OWENS: Good morning, I'm going to call to
2 order the meeting of the Southside Economic Development
3 Committee. I want to welcome everybody here this morning.
4 I'll ask Neal, our Executive Director, to call the roll, please?

5 MR. NOYES: Yes, Mr. Chairman.
6 Delegate Byron?

7 DELEGATE BYRON: Here.

8 MR. NOYES: Mr. Cannon will not be here today.
9 Deputy Secretary Carter?

10 DEPUTY SECRETARY CARTER: Here.

11 MR. NOYES: Mr. Cundiff?

12 MR. CUNDIFF: Here.

13 MR. NOYES: Mr. Harwood will not be with us today.
14 Delegate Marshall?

15 DELEGATE MARSHALL: Here.

16 MR. NOYES: Delegate Merricks?

17 DELEGATE MERRICKS: Here.

18 MR. NOYES: Ms. Nyholm will be absent today.

19 Mr. Owens?

20 MR. OWENS: Here.

21 MR. NOYES: Senator Ruff?

22 SENATOR RUFF: Here.

23 MR. NOYES: Senator Stanley?

24 SENATOR STANLEY: (No response.)

25 MR. NOYES: Mr. Walker?

1 MR. WALKER: Here.

2 MR. NOYES: Delegate Wright?

3 DELEGATE WRIGHT: Here.

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

5 MR. OWENS: I hope everyone has seen the Minutes
6 from the September 26, 2012 meeting. Do I have a motion to
7 accept the Minutes?

8 DELEGATE MARSHALL: I so move.

9 DELEGATE WRIGHT: Second.

10 MR. OWENS: I've got a motion and a second to
11 approve the Minutes. Any discussion? All those in favor
12 signify by saying aye? (Ayes.) Opposed? (No response.)
13 The Minutes are approved.

14 Ms. Capps.

15 MS. CAPPs: I'll run through the Staff
16 recommendations. We received 10 applications for Southside
17 Economic Development Committee October 15th. We also
18 received a late application from Amelia County, and that's on
19 the table for consideration today. We have one tabled
20 application from Mecklenburg County. Then there is also a
21 Patrick County application that relates to a TROF deal. For the
22 Patrick County, that will be under Other Business, and we'll
23 cover that when we get to that section

24 The summary of the Staff's recommendations, I see the
25 need to make a correction involving the City of Danville,

1 Number 2625. The Staff recommendation on that one should
2 be \$488,100 instead of 600,000 as noted on the cover page.

3 I'll start into the projects, and stop me if you have any
4 questions. The first one is for Amelia County, and it's the
5 Amelia County Industrial Park Expansion, Phase I. The
6 county is requesting \$608,449. I indicated this one was the
7 late application. It came in a couple of weeks after the
8 deadline. The county is working with an active prospect, and
9 it's for a floor finishing manufacturer. The Staff is
10 recommending the full request of \$608,449.

11 The next application is from Brunswick County IDA for the
12 Route 58 East Water and Wastewater System Phase I
13 Construction Project. One point six million is requested. This
14 is to extend the water and sewer to the Dominion Virginia Power
15 site. Due to the Committee's policy the Staff has asked the IDA
16 to ask the county for an independent specimen of the county's
17 ability to fully fund the debt for construction, and in order to
18 allow adequate time for that to be obtained Staff is
19 recommending this request be tabled.

20 The next request is from the City of Danville, and this is
21 the Commonwealth Machine Company. Originally \$600,000
22 was requested, and the city has since reduced that request to
23 \$488,100. The original request was to acquire and improve
24 three properties. One of those properties is the Confederate
25 Prison, and the city hopes to use it for purposes that are not a

1 priority for the Commission, and that's the reason for the
2 reduction in the requested amount for this one. The project is
3 to acquire a machine business and to provide for a new
4 company to take over the operation. That business is hybrid
5 vehicles.

6 Staff recommends an award of \$488,100 for the two
7 buildings and the equipment used for finishing and
8 manufacturing process.

9 The next request is from Franklin County for the
10 Commerce Center Site D Development. \$359,883 is requested
11 for grading an eight and a half acre pad, on-site water and
12 sewer.

13 Staff is recommending an award of \$359,883.

14 The next request is Greenville County, and this is the
15 MAMaC Site Readiness Services. Seventy-three thousand five
16 hundred eighty-four dollars is requested for clearing eight acres
17 at the Megasite so they can show the property, and they do have
18 two active prospects that are looking at this property right now.

19 The Staff recommends an award of \$73,584.00.

20 The next request is from Halifax County IDA, Phase II
21 Rehab for Reuse of Green View Advanced Manufacturing
22 Center; \$1.3 million is requested. Those funds would be used
23 for renovation to a several hundred thousand square foot
24 building to replace large sections of the roof and dry in some of
25 the space for usage.

1 The Staff is recommending an award of \$1.3 million.

2 The next request is from Lunenburg County, Victoria IDA
3 Roofing Project. Two hundred twenty-five thousand is
4 requested. These funds will be used to replace the roof on the
5 building that is owned by the Victoria IDA, and they have a
6 prospect that wants to move into the building.

7 The Staff is recommending \$225,000 award contingent on
8 Company A signing a multi-year lease for Building 1.

9 The next project is Mecklenburg County, Mecklenburg
10 County Correctional Center Feasibility Study. This request
11 was tabled in the previous cycle. A hundred eighty thousand is
12 requested, and the funds will be used for environmental testing
13 and engineering of the prison site once the property title has
14 been returned to the county.

15 The Staff is recommending an award of 180,000, nine
16 percent of the funds.

17 The next request is also from Mecklenburg County, and
18 it's for Company XYZ Expansion Project. This project is still
19 confidential and hasn't been announced publicly. Nine
20 hundred thousand is requested to support the project, and the
21 funds will be used for acquisition of 125 acres as well as
22 250,000 for the water system. The original request was for
23 250,000 toward a water upgrade. For timing reasons and
24 availability of matching funds it is suggested that the 250,000
25 be put toward design of the water system, and the county

1 agreed that was the best approach.

2 Staff is recommending an award of 900,000 for land
3 acquisition and water system engineering.

4 The next project on the list is from Pittsylvania County
5 from the Town of Gretna requesting \$1,333,179. This is for the
6 Industrial Site Development - Piedmont BioProducts. These
7 funds are requested for grading five acres and construction of
8 an 80-by-125-foot building with paved entrance, concrete
9 loading area, and paved parking lot at the site. Piedmont
10 BioProducts is a Gretna based biofuels --

11 MR. NOYES: -- Let's go back to 2647.

12 MS. CAPPs: We saved the Patrick County request
13 with other business.

14 MR. NOYES: All right.

15 MS. CAPPs: For the Gretna project the Staff
16 recommends an award of \$1,333,179 for capital construction
17 expenses contingent on grant approval from the R&D program
18 for equipment. You have a pending application under the R&D
19 Committee that will be considered this afternoon for the
20 equipment for that scaled-up refinery.

21 The next two projects on the list are from Prince Edward
22 County. The first one is submitted by the county, and it's
23 Prospect Depot, a request for \$99,018. This is the final piece of
24 funding that is needed for Prospect to refurbish a trailhead for
25 the High Bridge Trail State Park, western side of the county.

1 The Staff recommends the award of \$99,018.

2 The next project is from Prince Edward County. It is the
3 Robert Russa Moton Museum. The available balance in the
4 Prince Edward County allocation is \$99,019, and we had two
5 requests. The second one is from the Robert Russa Moton
6 Museum, and this is to construct a parking lot which would be a
7 bus-pulloff. The Commission has supported this in the past,
8 and there have been several active grants. We did consider a
9 competing request, and that prospect would be a slightly higher
10 potential return.

11 The Staff recommends no award.

12 MR. OWENS: Thank you, Ms. Capps. Are there
13 any questions from any of the members of the Committee? Any
14 comments anybody wants to make? Also, any comments by
15 the applicants about the Staff's recommendations? Hearing
16 none, would you like to vote on these in a block?

17 DELEGATE WRIGHT: I so move.

18 DELEGATE MARSHALL: Second.

19 MR. OWENS: Then we'll take the Staff
20 recommendations in a block. Any other discussion? Hearing
21 none, all those in favor say aye? (Ayes.) Opposed? (No
22 response.) The ayes have it.

23 MS. CAPPS: The items under Other Business is
24 Patrick County Economic Development Authority, TROF
25 enhancement for Hanesbrands Inc., #2647. Two hundred fifty

1 thousand is requested for the allocation.

2 The Staff is recommending that \$250,000 of the current
3 allocation be transferred to the TROF fund to meet the
4 contingency placed upon the original award under Grant 2647
5 to Patrick County Economic Development Authority for
6 Hanesbrands Inc., subject to a standard performance
7 agreement for the full \$550,000 award. Those funds will be
8 added to the TROF fund and the agreement.

9 MR. OWENS: You heard the Staff recommendation.
10 Any questions?

11 SENATOR RUFF: I move we accept this.

12 DELEGATE MARSHALL: Second.

13 MR. OWENS: It's been moved and seconded. Any
14 other discussion about the Staff's recommendation? Hearing
15 none, all those in favor say aye? (Ayes.) Opposed? (No
16 response.)

17 MS. CAPPS: The next project under Other Business
18 is Patrick County, Fifth Year Extension for Route 58 Patrick
19 Springs Water/Sewer Expansion Project, #1727. The county is
20 requesting through September 31, 2013 to complete
21 construction of the water on Route 58, west side of the Town of
22 Stuart. This is serving several commercial businesses and
23 employers in that corridor. The reason for the delay is that this
24 was added on to the original scope of work. The county was
25 waiting on approval of some matching funds from USDA Rural

1 Development, and that has caused a delay to the project. It is
2 expected to be completed by September.

3 So the Staff recommends extension through September
4 31, 2013.

5 MR. OWENS: Any questions of the Staff
6 recommendation? Do I hear a motion?

7 SENATOR RUFF: I so move.

8 DELEGATE MARSHALL: Second.

9 MR. OWENS: It's been moved and seconded for the
10 standard extension. Any discussion? Hearing none, all those
11 in favor say aye? (Ayes.) Opposed? (No response.) The
12 ayes have it.

13 MR. NOYES: I have nothing else other than the next
14 application date for when we have a round in the spring at our
15 May meeting. We'll post it on the website, the application due
16 dates and meeting dates.

17 MR. OWENS: Any public comment? We don't
18 have any public comment. This might be one of the shortest
19 meetings we've had.

20 SENATOR RUFF: Neal, we'll get a recap of the EB5
21 Program?

22 MR. NOYES: There has to be a full Commission
23 meeting, the Executive Director's report.

24 MR. OWENS: Any other discussion? Does anyone
25 have anything to say?

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DELEGATE WRIGHT: I move we adjourn.

MR. OWENS: All right, we're adjourned.

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, December 13, 2012 at 10:30 a.m. at Hotel Roanoke and Conference Center, 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 20th day of December, 2012.

Medford W. Howard

Registered Professional Reporter

Notary Public for the State of Virginia at Large

My Commission Expires: October 31, 2013.

Notary Registration No. 224566