

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 Wednesday, December 4, 2013

11 10:00 A.M.

12
13 Riverstone Technology Building
14 South Boston, Virginia

1 **APPEARANCES:**

2 The Honorable Edward Owens, Chairman

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

4 The Honorable Kathy J. Byron

5 Mr. John R. Cannon

6 Ms. Mary Rae Carter, Deputy Secretary of Commerce & Trade

7 Rural Economic Development

8 The Honorable Daniel W. Marshall, III

9 The Honorable Donald W. Merricks

10 Ms. Connie Greene Nyholm

11 The Honorable Frank M. Ruff

12 The Honorable Gary D. Walker

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14 COMMISSION STAFF:

15 Mr. Timothy S. Pfohl – Interim Executive Director & Grants

16 Program Administration Director

17 Mr. Ned Stephenson – Deputy Executive Director

18 Ms. Sarah K. Capps – Grants Program Administrator,

19 Southside Virginia

20 Mr. Benjamin Dawson – Grants Assistant, Southside Virginia

21 Ms. Stacey Richardson – Executive Assistant

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1 MR. OWENS: Good morning everyone,
2 thank you all for being here today. I understand Mr. Harwood
3 and Mr. Cundiff aren't able to be here today.

4 MR. PFOHL: That's correct, Mr.
5 Chairman.

6 MR. OWENS: I ask Mr. Pfohl to call roll.

7 MR. PFOHL: Mr. Cundiff and Mr.
8 Harwood can't be here today.

9 MR. PFOHL: Delegate Byron?

10 DELEGATE BYRON: Here.

11 MR. PFOHL: Mr. Cannon?

12 MR. CANNON: Here.

13 MR. PFOHL: Ms. Carter?

14 DEPUTY SECRETARY CARTER: Here.

15 MR. PFOHL: Mr. Cundiff and Mr.
16 Harwood can't be here as I said. Delegate Marshall?

17 DELEGATE MARSHALL: Here.

18 MR. PFOHL: Delegate Merricks?

19 DELEGATE MERRICKS: Here.

20 MR. PFOHL: Ms. Nyholm?

21 MS. NYHOLM: Here.

22 MR. PFOHL: Mr. Owens?

23 MR. OWENS: Here.

24 MR. PFOHL: Senator Ruff?

25 SENATOR RUFF: Here.

1 MR. PFOHL: Senator Stanley?

2 SENATOR STANLEY: (No response.)

3 MR. PFOHL: Mr. Walker?

4 MR. WALKER: Here.

5 MR. PFOHL: You have a quorum, Mr.

6 Chairman.

7 MR. OWENS: Next is the approval of the
8 minutes from September 26, 2013. Do I have a motion for
9 approval? I've got a motion and a second to approve the
10 minutes of September 26, 2013. All in favor say aye. (Ayes.)
11 Opposed? (No response.) The minutes are approved. All
12 right, Sarah Capps will go through the presentation of the
13 grant requests.

14 MS. CAPPS: The first project is Charlotte
15 County Industrial Development Authority Regional Processing
16 Facility for Agricultural Value Added Products requesting
17 \$500,000 and the staff has recommended an award of
18 \$500,000.

19 MR. OWENS: Any questions on that? All
20 right.

21 MS. CAPPS: The next project is from
22 Franklin County, the Town of Rocky Mount that's for the
23 Harvester Performance Center Construction. The staff is
24 recommending an award of \$200,000 to support fifty percent
25 of up to \$400,000 in last dollar costs incurred after the

1 Commission's approval date of January 7, 2014 for signs,
2 lighting, stage and furnishings.

3 The next project is under Greenville
4 County Skipper Well Integration. This is a request for
5 \$68,584. This is to expand the community's water system
6 and it was previously supported by two grants for a total of
7 \$136,325. Funds are requested to support an additional well
8 for this corridor. The staff is recommending an award of
9 \$68,584.

10 The next projects fall under the Halifax
11 allocation. The first one is the Halifax County IDA and it's
12 \$1,140,500 request for Phase III for improvements in the
13 Green View Advanced Manufacturing Center, which is a
14 400,000 plus square foot complex. Staff recommends an
15 award of \$1,140,500.

16 The next request is the Halifax Regional
17 Long Term Care Incorporated, the Woodview Expansion
18 requesting \$435,000. The staff is recommending the full
19 award of \$435,000.

20 The next is Lunenburg County. This is
21 the STEPS Project Plumbing Requirements requesting
22 \$45,000. STEPS is one of the largest employers in Lunenburg
23 employing approximately 140 hourly employees. The
24 Commission awarded a grant this year of \$90,000 and costs
25 for the construction of bathroom facilities. Staff recommends

1 the full award of \$45,000.

2 Next is a number of requests in the
3 Mecklenburg County allocation. The first one is for Literacy
4 Interactives, Incorporated Rehabilitation of the Parker Sydnor
5 Civil War era log cabin, \$129,051 is requested and the staff is
6 recommending no award.

7 The next request is Clarksville Senior
8 Care, LLC MeadowView Terrace Expansion requesting
9 \$358,000. The staff is recommending an award of \$358,000.

10 Next for Mecklenburg County is the
11 Mecklenburg County Shell Building Project requesting
12 \$1,200,000. This would support a portion of less than fifty
13 percent of the cost for a 50,000 square foot shell building and
14 be expanded up to 99,000 square feet. Staff is recommending
15 an award of \$1.2 million contingent on disbursement of
16 Tobacco Commission grant funds not to exceed fifty percent of
17 total project costs. Mecklenburg County was matching in
18 excess of \$50,000 on this grant.

19 The next project is XYZ Expansion
20 Project requesting \$596,388. The staff is recommending the
21 grant award of \$596,388 for land acquisition, water system
22 upgrades and wetlands mitigation.

23 The next request from Mecklenburg
24 County is the Mecklenburg Industrial Site Readiness Initiative
25 requesting \$74,844. This request is very similar to the one

1 from the town of South Hill. This is for engineering reports
2 and studies on two parks. The Lakeside Park in order to take
3 their ranking to a Tier 4. This is the 255 acres for Lakeside
4 and 185 acres and that's at the Roanoke River Regional Park
5 having a Tier 4 ranking as compared to the only 75 ready
6 acres assumed to currently be at the Tier 4 ranking. This
7 project will result in the parks increasing from their current
8 Tier 3 status to Tier 4 and enhance the readiness and
9 marketing of the sites. Staff recommends an award of
10 \$74,844.

11 The next project is the Town of South
12 Hill, South Hill Industrial Site Readiness Initiative requesting
13 \$59,251. This involves the Hillcrest Business Park and
14 Interstate Industrial Park. Taking Hillcrest to 116 developable
15 acres and a Tier 4 ranking and the Interstate Industrial Park
16 contains 157 developable acres and Tier 4. Staff recommends
17 an award of \$59,251.

18 Next is Patrick County allocation, the
19 Town of Stuart requesting \$640,300, this includes
20 improvement to the town's wastewater treatment plant. It
21 appears they have the capability to cover these costs and due
22 to the town's financial statement, the staff is recommending
23 no award.

24 The next request comes from Pittsylvania
25 County Town of Gretna, Town of Gretna Industrial Park

1 Gravity Sewer Completion Project requesting \$335,000. This
2 is to provide construction of the 3100 linear feet of gravity
3 sewer line from its current termination at the Gretna
4 Industrial Park to the existing Industrial Drive pump station.
5 This should be completed by 2015 or the end of December of
6 2014. Staff recommends a grant award of \$335,000.

7 The next on the list is Prince Edward
8 County the Robert Russa Moton Museum, Civil Rights in
9 Education Heritage Trail Tourist Center requesting \$77,785.
10 We provided previously a \$76,000 under the program to
11 support the same project and the staff is recommending no
12 award.

13 That covers the applications that are
14 pending and before you.

15 MR. OWENS: Thank you. You've heard
16 the staff recommendations.

17 SENATOR RUFF: Mr. Chairman, I would
18 move that Prince Edward request be pulled out of the block.

19 DELEGATE WRIGHT: I'll second that.

20 MR. OWENS: That's number 2807. Any
21 others pulled out?

22 DELEGATE MARSHALL: I've got a
23 question. Sarah, the Franklin project, where is the location of
24 that project?

25 MS. CAPP: It's in downtown Rocky

1 Mount.

2 MR. HANKINS: Good morning, Mr.
3 Chairman, my name is Matthew Hankins. I'm the assistant
4 town manager for the Town of Rocky Mount. This is by and
5 large my project. It's a project that our town council, it's our
6 primary industrial development project. After the Commission
7 had awarded to the town funds for the Cox Property Industrial
8 Park, when the hardware store building became available, we
9 purchased it at auction and helped develop an arts center that
10 would serve as an eastern gateway to the Crooked Road.
11 That's something that had been requested for us for some
12 time by the Crooked Road communities. We also see that as a
13 priority bringing more visitors into the Crooked Road. We also
14 wanted to bring other visitors into our community and get
15 people spending dollars from outside our community. This
16 has been a huge commitment and we do have some historical
17 property tax credits, about a million dollars of renovation
18 work. We're looking to the Tobacco Commission and private
19 donors to help secure additional funding.

20 I mentioned the Cox Property Industrial
21 Park and we turned back \$580,000 of the allocation in an
22 effort to try to get Tobacco Commission funding for this
23 Harvester Center Project. The \$588,000 that you see in the
24 Franklin County allocation came from that project. Our town
25 council spoke. There has been a resolution asking that the

1 Tobacco Commission for the full recommendation instead of
2 the \$200,000. I certainly would ask for your indulgence to
3 increase the size of that award.

4 DELEGATE MARSHALL: The
5 Commission tax credits, there was a project in Danville that
6 was trying to get tax credits and from what I understand
7 they're having trouble selling the tax credits. Have you got
8 that far along?

9 MR. HANKINS: We have Gentry, Locke,
10 Rakes and Moore as our law firm representing the town on
11 these projects and they have already secured both federal and
12 state tax investments. We're pretty sure on that million dollar
13 number or pretty close.

14 MR. OWENS: Thank you.

15 DELEGATE MERRICKS: The money
16 that's returned has been done just recently?

17 MR. HANKINS: Yes.

18 DELEGATE MERRICKS: The initial form
19 came out and had zero allocation, now it's \$587?

20 MR. HANKINS: Yes, we turned that back
21 and we weren't going to be able to complete that project. In
22 the original application, the town had requested \$1.2 million
23 from the Tobacco Commission for about a \$3.7 or \$3.8 million
24 project. The recommendation was to scale the size of the
25 project back and it wasn't suitable for us at that site.

1 Realizing we weren't going to be able to complete that project
2 in the size and the scope, we turned that money back rather
3 than hold onto it for another year. We realized we could put
4 the money to better use with the Harvester project.

5 DELEGATE BYRON: Is there a reason
6 that the staff agreed on \$200,000?

7 MS. CAPPS: The \$200,000 was based
8 on, the town has already contracted for renovations to the
9 building, currently under contract for about 2.2 cost of
10 renovations. The remaining \$400,000 that's needed to cover
11 the furnishings and other things and so forth, we use that as
12 last dollar cost, a good place for the Commission to invest and
13 make certain the work occurred during the time of our grant.
14 \$200,000 is based on fifty percent of last dollar cost.

15 DELEGATE BYRON: How much have we
16 invested in this already?

17 MS. CAPPS: 2.7.

18 DELEGATE BYRON: They've got 2.7
19 they've invested and they need over \$400,000. Since they've
20 already made a substantial investment, I just don't know why
21 we're negotiating fifty percent of the costs.

22 MR. OWENS: I would think a reasonable
23 compromise would be \$400,000 of last dollar costs and that's
24 my opinion.

25 DELEGATE BYRON: That's what I was

1 thinking; that's why I was trying to get to the root of why it's
2 part of their allocation and we're after economic progress. I
3 just wondered if there is a reason.

4 MS. CAPPAS: The town would have the
5 full amount of matching during the time of the grant to match
6 the \$400,000 based on the schedule that's been provided, so
7 the town match would actually be plumbing, furnishing work
8 as well as some HVAC.

9 MR. PFOHL: Delegate Byron, the town is
10 committed and there are reserved funds to fund the entire
11 \$2.6 million project. They're working back to recoup some of
12 that as much as they can out of their historic tax credit grant
13 funds, there's a grant raising campaign underway for the
14 center. We're suggesting the \$400,000 cost that will come at
15 the end of the project, which is already very well along the
16 construction phase. Focusing on that and then using this in
17 effect as a challenge grant to help raise those private dollars
18 that they're already out there trying to raise. If it's the will of
19 the Committee to go beyond the \$200,000, then so be it.

20 DELEGATE MARSHALL: So the funds
21 they're asking for today, when will those dollars be spent?

22 MR. HANKINS: They'll be spent after
23 January 1st but before April 15th. We expect that construction
24 will be through by April 15th. We're hoping our construction
25 will be on time and sometime roughly in this three and half

1 months.

2 DELEGATE MARSHALL: Tim, when will
3 the next round of Southside's allocation be?

4 MR. PFOHL: If we schedule the spring
5 round, we wouldn't have approval until next May. They'd be
6 open and up and running.

7 MS. CAPP: They pretty well promoted
8 for this venue and then up and the performance for a facility
9 like this –

10 MR. HANKINS: It's not exclusively for the
11 Crooked Road music, there will be other varieties.

12 MR. OWENS: Delegate Byron, would you
13 like to take it out of the block?

14 DELEGATE BYRON: Yes.

15 MR. OWENS: How would you like to
16 handle the rest of the recommendations?

17 DELEGATE WRIGHT: I make a motion
18 that we adopt the staff recommendations for the remaining
19 items in the block.

20 MR. WALKER: Second.

21 MR. OWENS: We'll take out 2814 and
22 2807 and we'll approve the recommendations of the staff for
23 the rest. I have a motion and a second. Any further
24 discussion? All those in favor say aye. (Ayes.) Opposed? (No
25 response.)

1 DELEGATE BYRON: I'd like to
2 recommend that we allocate \$400,000 for 2814.

3 MR. OWENS: We've got a motion and a
4 second.

5 SENATOR RUFF: Mr. Chairman, are
6 these the available funds?

7 MS. CAPP: Yes, sir.

8 MR. OWENS: Any other discussion? All
9 those in favor say aye. (Ayes.) Opposed? (No response.) The
10 ayes have it. I understand someone is here from the Moton
11 Museum.

12 MR. WARD: Mr. Chairman, thank you.
13 I'd like to address 2807. I think there's three items worth
14 addressing based on the application and the recommendation.
15 One of those is you first put the \$1.4 million in perspective
16 and talking about the increase in cost related to
17 administrative issues and then renew them again. I'd like to
18 take those three in order.

19 The Moton Museum is a really successful
20 project. We started a relationship with the Commission in
21 2008 and we had 60,000 in the bank for building. In the
22 years since, we do see that the Tobacco Commission has
23 contributed some \$1.4 million and that's out of a total of \$6
24 million approaching 2013. The dollars have been very well
25 leveraged from federal and state and local government,

1 corporations and foundations and individuals and we've had a
2 broad base of support for the project. A project going from
3 60,000 in the bank to \$6 million investment in six years' time
4 is something that we should all be proud of. We have to keep
5 that number in perspective.

6 There was an increase in costs when we
7 first started reviewing this project to the final cost estimate
8 now is related to increase in administrative and office staff.
9 You know the work was to include world class exhibits and
10 compared to the type of exhibits you see in the Smithsonian.
11 A world class exhibit that was finished off with community
12 block grant funding, part of that CDDG funding was an
13 increase in staff. The additional admin and office space and
14 that really created jobs. That's why we ended up going up an
15 additional \$147,000, which you have seen in the prior
16 amount. This did come before the Special Projects Committee
17 earlier in the year, we had a request of \$147,000 this is made
18 for Southside Economic Development and we applied for that
19 amount that was available at that time, which was \$77,785
20 and still leaves us a fund raising requirement of \$69,215 that
21 we need to undertake. The reason we increased the cost was
22 to have additional office space and be able to hire additional
23 people to better serve the public. The reason we asked for a
24 little under 78,000 is because that's what was available at the
25 time within the Prince Edward County allocation but the true

1 need is \$147,000.

2 DELEGATE MARSHALL: What's your
3 timeframe as far as opening?

4 MR. WARD: This would open in July of
5 2014. We've got construction drawings going to VDOT and the
6 Town of Farmville for their review the end of this month and
7 we'll probably have it under contract in March.

8 SENATOR RUFF: Is this the visitor's
9 account?

10 MR. WARD: The visitor's account goes
11 into five thousand per year before any work. Right now we're
12 tracking, which would mean 10,000 per year. The visitors
13 we're seeing right now are visitors that are being brought in by
14 teachers. We're bringing in teachers right now so they come
15 in in groups and then later on they'll bring in their classes and
16 that will bring our visitation numbers up. As you know, we're
17 very close neighbors to the Museum of the Confederacy. We
18 work closely together and they've given us their teacher list or
19 their visitation and we're tracking right now about 30,000.
20 What will happen is that a class will go to MOC one year and
21 go to Moton the next year and we'll continue to exchange
22 visitors back and forth.

23 DELEGATE MARSHALL: So the radius
24 for the schools that come to visit both museums, what is the
25 radius?

1 MR. WARD: We serve Southside Virginia
2 and we have schools come from Hampton Roads and Northern
3 Virginia already.

4 DELEGATE MARSHALL: When you say
5 Southside Virginia, how far east/west?

6 MR. WARD: Roanoke, Richmond, up to
7 Charlottesville and down to the North Carolina line.

8 DELEGATE WRIGHT: Mr. Chairman, I'd
9 like to hear from staff why they made this recommendation.

10 MR. PFOHL: I think the first clarifying
11 comment is the balance available entries because Prince
12 Edward County de-obligated a grant and a project that was
13 not going to move forward. So Lacy is correct that at the time
14 of the application this amount of just under 78,000 was
15 available as a balance and now there's an available balance of
16 \$222,000. When we looked at this both in the Special Projects
17 round they submitted this summer and in this round the
18 Commission invested already in this phase and the parking lot
19 construction worked very well as far as a match. We struggle
20 to be able to identify any additional outcomes that you could
21 attribute to adding money to the project.

22 MS. CAPP: I guess additional outcomes
23 are whether there were new employees to be added to the
24 staff.

25 MR. WARD: It moves me out of the

1 building and makes my office space available for new
2 employees. The requirement that CDBG has and eight new
3 employees and they'll be used in the visitor center capacity so
4 it does free up internal space in the existing facility and allow
5 us to bring new people on board working directly with the
6 public.

7 MR. WALKER: Have the Prince Edward
8 Board of Supervisors, do you have any letters of support or
9 something here?

10 MR. WARD: Yes, in working with VDOT
11 on the transportation grant and we can work with the
12 municipality as a town or the municipality as a county. Our
13 partners in this has been the Town of Farmville. The Town of
14 Farmville is managing the grant; they would receive the funds
15 from the Tobacco Commission as our local government
16 interaction.

17 MR. WALKER: The County has endorsed
18 this?

19 DELEGATE MARSHALL: So you didn't go
20 to the Board of Supervisors to the Town of Farmville asking for
21 this?

22 MR. WARD: No, I should talk about the
23 way we're constructed. Moton Museum has what's called a
24 council, which is an organization of local units that makes up
25 our board. Prince Edward County and the Town of Farmville

1 and Hampden-Sydney are local organizations. When we act
2 as a museum, we're acting with our council. We see ourselves
3 as composed and organized and structured. The
4 administration in this project is the Town of Farmville.

5 MR. OWENS: You're saying the Town of
6 Farmville is your fiscal agent? Are they putting money into
7 this project, any kind of in-kind contribution?

8 MR. WARD: The Town of Farmville will
9 put in in-kind and when we get to the paving work, the
10 material will be first grant funds and the town workers will
11 work and won't charge us for labor.

12 MR. OWENS: You said something that's
13 a sticking point, when we say allocation money to be spent in
14 that, not money that the county actually contributes. That's
15 been a confusing point over the years and people think it's my
16 money I can spend it as I want to and it's not that way. I
17 understand your mindset, so council people –

18 MR. WALKER: That was my mindset, I
19 thought their support was important and would add to that.

20 MR. OWENS: I understand that.

21 MR. WALKER: I was thinking of it as an
22 economic development.

23 DELEGATE MARSHALL: Mr. Chairman,
24 you were very efficient in getting things through, I understand
25 both sides of the fence here.

1 SENATOR RUFF: Going back to the eight
2 new people, or eight new employees?

3 MR. WARD: Yes.

4 SENATOR RUFF: How many employees
5 now?

6 MR. WARD: Five.

7 SENATOR RUFF: Are the eight people
8 employed full time or part time?

9 MR. WARD: There will be eight FTEs, not
10 all full time but full time equivalents, probably more like 25 to
11 30. With the visitor's services, what we're trying to do is take
12 the students as part of an educational experience and give
13 them a job opportunity to talk about the history with visitors.
14 We don't think some will be full time employees but it does
15 add to the story to have someone that's part of this to be
16 available to the general public.

17 SENATOR RUFF: Is that part of a grant
18 requirement?

19 MR. WARD: Yes, community
20 development block grant, which finished off our exhibit design
21 and within three years' time employ eight additional
22 employees to offset their investment. We have a funding
23 source that begins in July of 2014 that will compensate us for
24 that increase.

25 DELEGATE MERRICKS: Right now you

1 have 4.5 FTEs?

2 MR. WARD: Yes.

3 DELEGATE MERRICKS: So with this
4 you'll have 12.5 FTEs?

5 MR. WARD: Correct.

6 MS. CAPPS: Which goes to the need for
7 additional office space.

8 DELEGATE WRIGHT: Mr. Chairman, I'd
9 just make a comment that based on what the staff said, it
10 seems to me the situation looks or in other words the fact that
11 additional office space would be needed. So I'd like to make a
12 motion that we accept this proposal for the \$77,000.

13 MR. OWENS: Is there a second?

14 MR. WARD: Would I be in order to
15 remind you the original request was 147?

16 SENATOR RUFF: I'll second the motion.

17 MR. OWENS: It's been moved and
18 properly seconded that we fund the project with \$77,785. Any
19 other discussion? All those in favor say aye. (Ayes.)
20 Opposed? (No response.)

21 MS. CAPPS: There are two other
22 business items and I'll move through them quickly. The first
23 one is from the Town of Lawrenceville. There was a grant from
24 April of 2010, grant #2043, which involved the Turntable
25 Outdoor Center and Trailhead Park and there's a budget

1 revision request and fifth year extension. The background is
2 that this is part of the Heritage Trail and is identified as a
3 location for a gathering point for the Trailhead Park. The
4 original grant of \$205,920 to was support for some
5 preliminary engineering building assessment. There are two
6 properties at the site. One is owned by Southern States and
7 the second property is owned by Norfolk Southern. The
8 reason for the delays in the project have to do with the
9 negotiation with Norfolk Southern is still not completed. So
10 the additional property has been acquired by the Town of
11 Lawrenceville combined with the DHCD grant and that grant
12 provides additional funding for engineering and design as well
13 as for construction. The town is requesting the repurposing of
14 these funds to be used towards renovation costs for the
15 building to be matched by DHCD funding and are supposed to
16 complete the work by mid to late fall of 2014. We're
17 recommending a full fifth year extension. So the staff
18 recommends approval of the reallocation and a fifth year
19 extension through April 28, 2015 to complete renovations.

20 MR. OWENS: A fifth year and not five
21 years.

22 SENATOR RUFF: I so move.

23 MR. OWENS: We have a motion and a
24 second. Any discussion? All those in favor say aye. (Aye.)
25 Opposed? (No response.)

1 MS. CAPP: The IDA of Cumberland
2 County, grant #2688 and this grant was approved in May of
3 2013 for \$60,733. The county is now requesting use of the
4 funds be revised to support for the construction of a water line
5 to have an access road into the industrial park. At the time of
6 the original application, they had a prospect and the VDOT
7 access road funds were going to be an option for the road
8 construction at that time. A different prospect is interested,
9 the original one is no longer interested. As I say, the VDOT
10 access road funds will be available. Staff recommends
11 approval of the revised use of the \$60,733 Southside
12 Economic Development grant to support waterline
13 construction costs to serve the county industrial park.

14 MR. OWENS: You heard the
15 recommendation. Do we have a motion?

16 DELEGATE MARSHALL: So moved.

17 MR. OWENS: It's been moved and
18 properly seconded. Any further discussion? All those in favor
19 say aye. (Aye.) Opposed? (No response.)

20 DELEGATE MARSHALL: I want to
21 expand a little bit on what Mr. Walker was talking about. I
22 understand both sides of the fence here. The charge that we
23 get on this Committee, when I was first on the Tobacco
24 Commission, I was lobbied pretty hard for us to do away with
25 the allocation in Southside and that's not where I'm going.

1 We're not going to go there this morning since I represent
2 Danville and Pittsylvania County we need to keep it like it is. I
3 know Henry doesn't get much, their allocation, maybe about
4 50,000. But my problem is that I want to talk this out a little
5 bit. Pittsylvania is the largest county in the state and gets
6 requests from this Committee that sometimes the
7 administration of Pittsylvania County doesn't even know that
8 they are being committed until it comes out. When you look
9 at a county as large as Pittsylvania County and what they're
10 trying to do as far as economic development, trying to develop
11 a plan as far as economic development. Some of the projects
12 that have come before this Committee don't fit in that plan
13 and if we approve everything that comes here that's a viable
14 project that the county or the economic developers in that
15 county think that's a good idea then we're going to take some
16 of that allocation away from maybe a project that doesn't move
17 economic development plans for that county forward.

18 So my thought was that we should go to
19 and ask the Board of Supervisors for an endorsement but
20 when you get to Danville it's a different situation because it's
21 all in all the allocations, schools come in this area to ask us
22 for an allocation. What I'd like to see is Pittsylvania County
23 would have almost a strategic plan as far as what they're going
24 to do for economic development and how each one of these
25 applications that come before this Committee fit into that and

1 some do and some don't. So anyway, that's my two cents.

2 SENATOR RUFF: Doesn't the staff
3 generally encourage that now? A project in a particular
4 county that they talk to the leadership of the county?

5 MR. PFOHL: Certainly we tell applicants
6 that if they approach us before a deadline, not all do, but it
7 would behoove them to have the support of the local
8 governments. I'll remind everyone that according to the state
9 code, the Commission determines the recipient of funds and
10 not the County Board of Supervisors. Obviously, there's
11 legitimate concern there but if a county has a vision for
12 economic development due to projects that are submitted in
13 line with that vision and that's a balancing act. Certainly, as
14 Mr. Owens mentions it's a struggle to convince some county
15 board of supervisors this is not their money to spend as they
16 see fit. I think we made some progress on that. I think if I
17 was offering you counsel here it would be that we stay on the
18 path of recommending applicants get the support of local
19 government and not necessarily making that a requirement.

20 MR. OWENS: Does that get some
21 consideration when –

22 MR. PFOHL: It does get some
23 consideration.

24 DELEGATE MARSHALL: We just had a
25 project in Gretna and the county manager of Pittsylvania

1 County didn't know anything about where the project was. I
2 asked him to go to the board of supervisors and the board of
3 supervisors checked it off. I'm not saying it's a bad project,
4 I'm just saying in the future we need some policemen out
5 there to make sure the projects fit. I don't know maybe we
6 want to require the county to do that or try to do that.

7 MR. WALKER: Just going over what
8 Delegate Marshall said, the counties have the planning
9 commission and they have the comprehensive plans and
10 that's to create jobs, while they may not have detail we
11 certainly know they endorse the project or do not endorse the
12 project. This information would be helpful to the Commission.

13 DELEGATE WRIGHT: I agree with a lot
14 that's been said. I don't think it would be the thing to do to
15 make it a requirement. I think the Commission has a
16 responsibility also to look at each application. I think there
17 should be some, we want to check on ourselves and see if the
18 local government has supported it. After all, these funds are
19 allocations that belong to the county and we should be
20 stewards of these funds. I think the governing body should be
21 approached by, as Tim said that if he was asked to give advice
22 that he would include the applicant to get an endorsement
23 from the local board of supervisors. I think it's important that
24 they sign off and support this.

25 MR. WALKER: I might add that works

1 well when everybody gets along and if everybody doesn't get
2 along, that's another thing.

3 MR. OWENS: We have a definition of
4 eligible applicants and when eligible applicants come, we give
5 the appropriate consideration, do we do that?

6 MR. PFOHL: Yes. I would also point out
7 Mr. Chairman that a couple that we're familiar with and
8 maybe Beverly Hawthorn can talk about the arrangement with
9 Lunenburg and a similar situation with Franklin County
10 where the town government and the county and any other
11 major players or Franklin County with Ferrum College, have a
12 gentlemen's agreement to rotate applying for the funds and
13 notify each other when either the town or the county
14 government and major entities and major institutions apply
15 for, Beverly is nodding that's a favorable solution in
16 Lunenburg.

17 DELEGATE WRIGHT: I'd just echo what
18 Tim said works so well and although it may be one town's turn
19 for the next grant if the other town or county and if they have
20 a better proposal, they will switch. Not necessarily in lockstep
21 but that's a good example of working together.

22 MR. OWENS: All right, any other
23 discussion? Any public comment?

24 SENATOR RUFF: Since there is no
25 public comment, I'd like to talk about something a little less

1 controversial. That is for the fact that for the last eight years
2 and several months Ed Owens has served on the Tobacco
3 Commission and served extremely well in the last six years as
4 Chairman and a number of years has served as Chairman of
5 this Committee and I think that was an excellent choice when
6 Senator Hawkins made that appointment. I think the whole
7 reason we've been well served under your gentle guiding hand
8 and we very much would like to take this opportunity to thank
9 you for your service. (Applause.)

10 MR. OWENS: Thank you.

11 SENATOR RUFF: Not that I'm trying to
12 get him fired but they're considering the term I believe at the
13 end of the year there will be some appointments made.

14 MR. OWENS: Thank you again and it's
15 been my pleasure. All right, if there is no further comments,
16 then I'll adjourn the meeting.

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18 PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

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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 Wednesday, December 4, 2013 at 10:00 a.m. at the Riverstone Technology Building in South Boston, 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 12th day of December, 2013.

Medford W. Howard
Registered Professional Reporter
Notary Public for the State of Virginia at Large

My Commission Expires: October 31, 2014.
Notary Registration Number: 224566