

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, May 21, 2014

11 2:30 P.M.

12
13 Golden Leaf Commons Community Facility
14 Emporia, Virginia

1 **APPEARANCES:**

2 The Honorable Thomas C. Wright, Jr., Chairman

3 The Honorable Gary D. Walker, Vice Chairman

4 The Honorable Kathy J. Byron

5 Mr. John R. Cannon

6 Mr. David R. Cundiff

7 The Honorable James Edmunds

8 Mr. Hayes Framme

9 The Honorable Maurice Jones (by phone), Secretary

10 Department of Commerce & Trade

11 The Honorable Daniel W. Marshall, III

12 Mr. Donald W. Merricks

13 Ms. Connie G. Nyholm

14 The Honorable Frank M. Ruff

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

2 COMMISSION STAFF:

3 Mr. Timothy S. Pfohl – Interim Executive Director & Grants
4 Program Administration Director

5 Mr. Ned Stephenson – Deputy Executive Director

6 Ms. Sarah K. Capps – Grants Program Administrator,
7 Southside Virginia

8 Mr. Benjamin Dawson – Grants Assistant, Southside Virginia

9 Ms. Stephanie S. Kim –Director of Finance

10 Ms. Stacey Richardson – Executive Assistant

11 Ms. Suzette Patterson – Grants Office Manager

12 Ms. Carolyn Bringman – Performance Data Analyst

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14 COUNSEL FOR THE COMMISSION

15 Eric E. Ballou, Esq.

16 CHRISTIAN & BARTON, LLP

17 909 East Main Street, Suite 1200

18 Richmond, Virginia 23219

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1 DELEGATE WRIGHT: Good afternoon
2 everyone, thank you all being here today. I'd like to ask our
3 new member to introduce himself.

4 DELEGATE EDMUNDS: I'm James
5 Edmunds, Halifax and part of Prince Edward.

6 DELEGATE WRIGHT: I'd ask Mr. Pfohl to
7 call the roll.

8 MR. PFOHL: Delegate Byron?

9 DELEGATE BYRON: Here.

10 MR. PFOHL: Mr. Cannon?

11 MR. CANNON: Here.

12 MR. PFOHL: Mr. Cundiff?

13 MR. CUNDIFF: Here.

14 MR. PFOHL: Secretary Jones will be
15 calling in in a moment. Delegate Edmunds?

16 DELEGATE EDMUNDS: Here.

17 MR. PFOHL: Delegate Marshall?

18 DELEGATE MARSHALL: Here.

19 MR. PFOHL: Mr. Merricks?

20 MR. MERRICKS: Here.

21 MR. PFOHL: Ms. Nyholm?

22 MS. NYHOLM: Here.

23 MR. PFOHL: Senator Ruff?

24 SENATOR RUFF: Here.

25 MR. PFOHL: Senator Stanley can't be

1 with us today. Mr. Walker?

2 MR. WALKER: Here.

3 MR. PFOHL: Delegate Wright?

4 DELEGATE WRIGHT: Here.

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

6 Mr. Chairman, before we commence with the business before
7 the Secretary phones in, we've been advised by our counsel
8 that in order to stay compliant with the Freedom of
9 Information Act we would ask for a motion to allow the
10 Secretary to participate from his office via telephone due to the
11 inability to participate in person because of other state
12 business. So I'd ask for a motion to that effect.

13 DELEGATE WRIGHT: We have a motion
14 and a second, all in favor say aye. (Ayes.) Opposed same
15 sign? (No response.) Motion carries.

16 MR. PFOHL: Mr. Chairman, there's
17 another introduction. Sitting in for the Secretary's office today
18 is Mr. Hayes Framme. And he is an advisor for infrastructure
19 and is involved with the Secretary's office.

20 DELEGATE WRIGHT: Thank you, Mr.
21 Framme for being here.

22 MR. PFOHL: Secretary Jones are you on
23 the phone?

24 SECRETARY JONES: Yes, thank you.

25 MR. PFOHL: We just adopted a motion to

1 allow you to vote.

2 SECRETARY JONES: Thank you very
3 much.

4 DELEGATE WRIGHT: I'll now accept a
5 motion to approve the minutes of our February 27th, 2014
6 meeting. A motion has been made and seconded. All in favor
7 say aye. (Ayes.) Opposed, no? (No response.) The motion
8 carries and the minutes are accepted. The first piece of
9 business is a request we're going to hear from Charlotte
10 County. At this time, Sarah if you will update us.

11 MS. CAPPS: Yes.

12 MR. PFOHL: For the benefit of the
13 members, the agenda for the Southside meeting is on page 31
14 in your Commission meeting packet and the staff report
15 follows the agenda. Before Sarah gets started, I just want to
16 make a point that this meeting is being convened to address
17 two grant proposals that are dealing with an urgent Economic
18 Development project. One of which was recently announced
19 in Charlotte County and another one is scheduled to be
20 announced shortly in Mecklenburg County. I want to let folks
21 know we don't do this routinely. We do this when companies
22 are announced to prepare job creation and private investment
23 so that's our reason for being here today.

24 MS. CAPPS: The first project is Charlotte
25 County, the Charlotte County Industrial Development

1 Authority, Phase I: Shell Building Acquisition #2810. This is
2 the project that you all met and voted upon in February. At
3 that time you were recommending \$930,000 grant award and
4 that amount has been increased. There was a de-obligation to
5 one of the other Charlotte County grants to make additional
6 funds available in the allocation and the County is now
7 requesting \$2,029,728. The funds will be used to acquire an
8 existing 50,000 square foot building and 36 acres. The
9 County has to enter into a lease purchase agreement with the
10 company. The company has committed to Virginia and they
11 are committed to create over a hundred jobs and almost six
12 million in private capital investment. Staff is recommending
13 \$2,029,728 grant award for Phases I and II such as building
14 acquisition and expansion and contingent on the IDA
15 committing to return to the Commission any net proceeds
16 from the sale of the building to a private owner.

17 DELEGATE WRIGHT: Thank you, Sarah.
18 As Sarah said, this grant request was going back to February.
19 The good news is between then and now, the company has
20 made the agreements with the county and this commitment to
21 go ahead with the process and the government there. So, at
22 this time, they're asking for an extension or an expansion on
23 the amount from the original request so that they can expand
24 the building. At this time, I'd ask if there's any comments
25 anyone would like to make or any member of the Committee

1 would like to make a comment or?

2 MR. WALKER: Mr. Chairman, I move
3 that we approve the staff recommendation.

4 DELEGATE MARSHALL: Second.

5 DELEGATE WRIGHT: A motion has been
6 made and properly seconded that we approve the staff
7 recommendation. All those in favor say aye. (Ayes.)
8 Opposed? (No response.) Motion carries. The staff
9 recommendation is accepted.

10 MS. CAPP: The second project on your
11 list is for Mecklenburg County and that is the Boydton Plank
12 Road Industrial Park Expansion Project. The county is
13 requesting \$1,286,500. The funds are requested to cover the
14 wetland stream mitigation cost for development of an
15 expanded area of that industrial park. I think you are familiar
16 with there's a Fortune 500 company that is committed to the
17 Boydton park and construction is going on. This new
18 expansion to additional acreage would provide for an
19 additional 150 jobs and \$600 million more in private
20 investment. Staff is recommending an award of \$1,286,500.

21 DELEGATE MARSHALL: Is someone
22 from Mecklenburg here to talk about it?

23 DELEGATE WRIGHT: Would you please
24 come forward Angie and state your name?

25 MS. KELLETT: I'm Angie Kellett, the

1 county economic development director from Mecklenburg
2 County.

3 DELEGATE MARSHALL: Hold tight. I
4 want to ask him a question and then I'll get back to you. Tim,
5 I know we talked about this but have we actually funded the
6 wetlands stream and mitigation? I know in my part of the
7 world we talked about it, have we actually done anything?

8 MR. PFOHL: Yes, we paid most recently
9 a quarter million dollars in mitigation for Pittsylvania Park.
10 We anticipate very substantial mitigation costs for these
11 megasites in particular around seven digits.

12 DELEGATE MARSHALL: I wanted to
13 make sure that members of this Committee understand what
14 we're trying to do here. I guess the federal law requires us to
15 do this.

16 MS. KELLETT: Yes, and the project
17 expansion hinges on this further commitment.

18 DELEGATE WRIGHT: Any further
19 questions?

20 DELEGATE BYRON: Following up on
21 Delegate Marshall's question, starting to provide funds for
22 wetlands mitigation, is that going to interfere with how the
23 Corps and DEQ handles wetlands in any way?

24 DELEGATE WRIGHT: I assume that
25 question is for you.

1 MR. PFOHL: I'm not an expert on the
2 subject by any stretch of the imagination but I think it's an
3 expectation the Corps would have of developers of sites but
4 not only an expectation but a federal requirement. The
5 situation as we explored it with DEQ is that there are very few
6 banks that are able or available in these watershed basins and
7 in the free market economy in terms of purchasing credits and
8 right now with a few banks that are available for sites like
9 Pittsylvania and Mecklenburg, it's a seller's market on those
10 credits. I can tell you I had some conversations with at least
11 one county regarding their megasite and intend to speak more
12 about looking into the possibility of creating publicly
13 controlled wetland base. It's a fairly lengthy process to get one
14 of those established but it would allow our developments to
15 continue and the costs without having to go to private sellers.

16 DELEGATE BYRON: What about the
17 rates?

18 MR. PFOHL: Rates are determined by the
19 bank owner. That's why it's a seller's market. Privately owned
20 wetland banks that's the investment vehicle. So right now we
21 don't have a lot of choice other than to a couple of sellers that
22 are in this watershed if this project is going to continue to stay
23 in Mecklenburg.

24 DELEGATE MARSHALL: Tim, when you
25 say watershed, does it have to stay with the actual purchase

1 in the state watershed?

2 MR. PFOHL: That's my understanding.

3 DELEGATE MARSHALL: So the river
4 basin which stretches quite a bit west.

5 MR. PFOHL: Anywhere, I'm sure there's
6 some limitations.

7 DELEGATE WRIGHT: I might add that
8 on page 42 the consultants have been working with the
9 county and it says the quantity of impacts joint permit
10 application March 11th is the date. I'd just like to remind the
11 Committee that it will be 150 jobs, new jobs and I think the
12 average salary is around 44,000.

13 MS. KELLETT: Yes.

14 DELEGATE WRIGHT: That's very
15 important. All new jobs and a \$600 million investment. And
16 also the county board of supervisors 600,000 in sales tax. So
17 they're bringing something to the table themselves. Anything
18 anybody would like to add?

19 MS. KELLETT: I think you've got it.

20 SENATOR RUFF: I move the staff
21 recommendation be approved.

22 DELEGATE EDMUNDS: Second.

23 DELEGATE WRIGHT: We have a motion
24 and a second to accept the staff recommendation. All in favor
25 say aye. (Ayes.) Opposed? (No response.) The motion is

1 carried and the staff recommendation is accepted.

2 MS. CAPP: There's one other business
3 item we have and that involves the Mid-Atlantic Broadband
4 Cooperative, grant #2467 and that was an award from fiscal
5 year '11 and that was at a time when you all allocated funding
6 for the technology project. That grant award was \$2.5 million.
7 Following that award there was a request that the Committee
8 approve the transfer of \$1 million to a different project, which
9 is #2594 to establish the Genomic Sequencing Center in
10 Danville and I guess you all remember that. We've been
11 informed that the Genomic Sequencing Center is not going to
12 come to fruition. Mid-Atlantic Broadband is requesting that
13 \$1 million that was transferred for that project be transferred
14 back to the Southside award so they can use those funds for
15 the originally proposed purpose and staff is supportive of this.
16 Staff recommendation is the approval of the \$1 million
17 transfer from the closed Special Project grant #2594 to be
18 returned to #2467.

19 DELEGATE WRIGHT: Any questions on
20 that? Everybody understand? This was for high speed
21 internet service in Southside and we were committed for a
22 long time in that. Do I have a motion? All right, I have a
23 motion and a second to approve the staff recommendation.
24 Any further discussion? All those in favor say aye. (Ayes.)
25 Opposed? (No response.) The staff recommendation is

1 approved. Now, at this time is there any public comment?

2 Any comment from any Committee member?

3 DELEGATE MARSHALL: I move we
4 adjourn.

5 DELEGATE WRIGHT: We have a motion,
6 if there is no further business, we are adjourned.

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10 PROCEEDINGS CONCLUDED.

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1 CERTIFICATE OF THE COURT REPORTER

2
3 I, Medford W. Howard, Registered Professional
4 Reporter and Notary Public for the State of Virginia at large,
5 do hereby certify that I was the court reporter who took down
6 and transcribed the proceedings of the **Virginia Tobacco**
7 **Indemnification and Community Revitalization**
8 **Commission Southside Economic Development**
9 **Committee meeting when held on Wednesday, May 21,**
10 **2014 at 2:30 p.m. at the Golden Leaf Commons**
11 **Community Facility in Emporia, Virginia.**

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

15 Given under my hand this 28th day of May,
16 2014

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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 My Commission Expires: October 31, 2014.

24 Notary Registration Number: 224566

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