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9 **Southwest Economic Development Committee**

10 Tuesday, May 17, 2004

11 1:00 p.m.

12 Southwest Virginia Higher Education Center

13 Executive Auditorium

14 Abingdon, Virginia

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17 **APPEARANCES:**

18 The Honorable Terry G. Kilgore, Chairman

19 The Honorable Phillip P. Puckett, Vice Chairman

20 The Honorable Joseph P. Johnson, Jr.

21 The Honorable William C. Wampler

22 Mr. Stephen S. Banner

23 Mr. Fred M. Fields

24 Mr. H. Ronnie Montgomery

25 Mr. James C. Thompson

26 The Honorable Matt Erskine, Deputy Secretary of Commerce and Trade

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29 **COMMISSION STAFF:**

30 Mr. Ned Stephenson - Manager of Strategic Investments

31 Mr. Timothy J. Pfohl - Grants Program Administration Manager

32 Ms. Sara Griffith- Grants Coordinator - Southwest Virginia

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34 **OFFICE OF THE ATTORNEY GENERAL:**

35 Anne Marie Cushmac, Sr. Assistant Attorney General

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38 **DELEGATE KILGORE:** I'll call this meeting to order and welcome  
39 everybody. We don't have a phone system up here, but we'll try to talk as loud as  
40 possible. This is the Southwest Economic Development Committee, and before we  
41 actually proceed, I'll start here on my right and ask everybody to introduce themselves  
42 and tell them anything about yourself, home phone numbers and all that.

43 **MR. THOMPSON:** I'm Jim Thompson from Tazewell.

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1 DELEGATE JOHNSON: Joe Johnson, Hatter's Gap, Washington  
2 County.  
3 MR. FIELDS: Fred Fields, Lee County.  
4 MR. MONTGOMERY: I'm Ronnie Montgomery from Jonesville,  
5 and Fred is the expert, and you should call him, he's listed in the book.  
6 DELEGATE KILGORE: I'm Terry Kilgore from Scott County.  
7 MR. BANNER: Steve Banner from Russell County.  
8 SENATOR WAMPLER: I'm William Wampler, member of the  
9 Senate, Bristol.  
10 DEPUTY SECRETARY ERSKINE: I'm Matt Erskine, Deputy  
11 Secretary of Commerce and Trade.  
12 MR. STEPHENSON: I'm Ned Stephensen with the Tobacco  
13 Commission.  
14 MR. PFOHL: I'm Tim Pfohl, Grants Program Manager for the  
15 Tobacco Commission.  
16 MS. CUSHMAC: I'm Anne Marie Cushmac, Senior Assistant  
17 Attorney General, I'm here to keep these people out of trouble.  
18 MS. GRIFFITH: I'm Sara Griffith, I'm the Grants Program  
19 Administrator for the Southwest region.  
20 MR. PUCKETT: I'm Paul Puckett, an intern here in Southwest  
21 Virginia.  
22 DELEGATE KILGORE: We welcome Sara. I believe this is your  
23 first meeting with the Southwest Economic Development Committee and the Tobacco  
24 Commission as a whole. We welcome you, and I'm sure you're going to do a good job for  
25 us.  
26 Ned, would you call the roll, please?  
27 MR. STEPHENSON: Mr. Banner?  
28 MR. BANNER: Here.  
29 MR. STEPHENSON: Mr. Fields?  
30 MR. FIELDS: Here.  
31 MR. STEPHENSON: Delegate Johnson?  
32 DELEGATE JOHNSON: Here.  
33 MR. STEPHENSON: Mr. Montgomery?  
34 MR. MONTGOMERY: Here.  
35 MR. STEPHENSON: Senator Puckett?  
36 SENATOR PUCKETT: (No response.)  
37 MR. STEPHENSON: Deputy Secretary Erskine?  
38 DEPUTY SECRETARY ERSKINE: Here.  
39 MR. STEPHENSON: Mr. Thompson?  
40 MR. THOMPSON: Here.  
41 MR. STEPHENSON: Senator Wampler?  
42 SENATOR WAMPLER: Here.  
43 MR. STEPHENSON: Chairman Kilgore?

1 DELEGATE KILGORE: Here.

2 MR. STEPHENSON: We have a quorum, Mr. Chairman.

3 DELEGATE KILGORE: Now, I guess everyone has seen the April,  
4 2003 Minutes. Has everyone had an opportunity to look those over?

5 DELEGATE JOHNSON: I move we approve the Minutes as  
6 mailed.

7 DELEGATE KILGORE: All those in favor say aye? (Ayes.) Now,  
8 we need to get into the reviewing and the discussion of the Southwest Economic  
9 Development applications. For those of you that are new to this process, the Virginia  
10 Tobacco Commission was established first to reimburse, it was to reimburse tobacco  
11 farmers for the loss of their quota. Our second mission was to help the areas of Southside  
12 and Southwest as it relates to Economic Development so that we could cushion the  
13 economy for these areas and their dependency on tobacco. Tobacco has historically  
14 brought in millions of dollars to Southside and Southwest in monies and Economic  
15 Development opportunity. The role of the Commission is to reimburse tobacco farmers.  
16 We're the only state that is using our money to make sure that the tobacco farmers are  
17 being reimbursed under the Phase I dollars of the Master Settlement Agreement. I think  
18 that says a lot for this Commission, make sure that we encourage that. We also want to  
19 thank the Administration, the Governor's Office for standing with us on that. It's been  
20 very helpful that the Governor and his staff support that and make sure that these monies  
21 are left for Southside and Southwest.

22 Secondly, we have been able to, with the state's help, really look at these  
23 applications and make this investment in this region as it relates to jobs. We've been able  
24 to use our dollars to make sure that these projects work where they would not work under  
25 traditional funding mechanisms. We've been able to work with the Secretary of  
26 Commerce and Trade and their office to put some of our money up to make deals happen  
27 and close deals. That's been very helpful in Southwest Virginia and also Southside. We  
28 believe it's a tool that we've needed to be able to put us back in competition for some of  
29 these projects that we hadn't really been able to close a deal. Others may have any  
30 comments they wish to make before we go forward with the meeting. Does anyone else  
31 have any comments they would like to make?

32 I think what we will do is hear from those of you that would like to speak  
33 concerning your particular application. I'd ask you to keep it between three and five  
34 minutes so that we can proceed with our vote on the recommendations. We'll hear from  
35 you and then take all of this in consideration and then vote on recommendations to the  
36 Full Commission when we meet on May 20th in Danville. I do believe we have someone  
37 under a time constraint here from Tazewell on the Wellness interview, and we can start  
38 there.

39 MR. WEARMOUTH: I'm Mr. Wearmouth, I want to speak about  
40 the Tazewell Community Hospital Foundation - Four Seasons Wellness Center. It's on  
41 page 13 of 16.

42 This is a Wellness Center, and we're interested in the impact it will have,  
43 economically speaking, on the area. I know there are a lot of counties here asking for

1 support. Up until the mid '80's we've been trying to put our eggs in different baskets.  
2 We're looking at this as economic impact for our town and county as well. Directly it  
3 will provide sixty-five new jobs, twenty-one FTE's with a payroll over \$500,000.00.  
4 Indirectly it's kind of our character to draw new businesses and other economic builder  
5 sources bringing in retirees in the area. We have many businesses that come through the  
6 area, and they get the same tax break and everything else. When they come to town, the  
7 first question they ask is what kind of quality of life amenities do you have to offer?  
8 Healthcare, wellness centers, recreation, all those things enter into the picture. We  
9 haven't had anything like that to offer before. Bringing in the industries is a big part of  
10 this project. Studies done by the Brooking Institute about retirees is that approximately  
11 3.7 factory jobs are needed to equal the economic impact of one retiree household. In  
12 addition to that bringing in retirees and creating anywhere from one to one and a half  
13 FTE's the local economy. So when you think of this, and putting all these things together,  
14 not only do you have a great project to increase the health and welfare of our community,  
15 but also it can be that spark that Tazewell County needs to start on the road to recovery  
16 and bring in new jobs and retirees and so forth.

17 DELEGATE KILGORE: Your total project cost is \$5,000,000.00.  
18 You do have other funds from hospitals and private donors, some other sources of  
19 funding, is that correct?

20 MR. WEARMOUTH: We're up to \$3,151,986.85. We're looking at  
21 5,000,000 is the minimum project. If we can go beyond that we can create a little bit  
22 nicer project. That's not including a town that has a cigarette tax of three cents per pack,  
23 which we think will equal about thirty to forty thousand dollars a year, which will go to  
24 operating costs in subsequent years. That's a lot of support from a local town, and it  
25 shows you what they feel about this project.

26 DELEGATE KILGORE: Any questions from the Committee  
27 members? All right. We appreciate that.

28 Now, to the Committee members, do you want to start in the beginning and go  
29 through them? If you will turn back to page one of the summaries, we will start with the  
30 Barter Theatre Foundation.

31 MR. GILMER: I'm Robert Gilmer, Chairman of the Stonewall  
32 Barter Theatre Foundation. Our director couldn't be here today. I think he sent you a  
33 letter to that effect explaining his absence. We're here to request funds to proceed with  
34 the site preparation of Stonewall Square. As you know, our request is for a total of  
35 \$271,450.00. We're developing a location to attract private business employment. We  
36 expect approximately seventy-five to a hundred new jobs to be created. We're developing  
37 a venue for small business for regional artists and craftsmen to display their products, but  
38 most importantly a tourist destination to attract more visitors from outside the region. We  
39 seek to develop an attractive amenity to increase tourist activity in Southwest Virginia.  
40 The Barter Foundation expects that increased tourism activity will translate into  
41 increased ticket sales at the Barter Theatre. Our market research studies have indicated  
42 cultural tourists will support the development of Stonewall Square into a viable and self-  
43 sustaining development. The organization that would benefit most immediately from

1 such a development will be the Virginia Highlands Festival. Our development plans will  
2 enhance the large festival phase by approximately one-third. Successful leadership  
3 understands the advantage of this space, and we would expect other community events to  
4 develop. Those of you that know me know that I'm a little bit of a historian, and I can't  
5 stand up without saying something about history. In 1740 Jacob Castle, spelled Castle by  
6 the English, he was in the Abingdon at his last stop before taking trade goods into the  
7 wilderness. The name of Abingdon was Castle's Creek. In 1760 Daniel Boone used Wolf  
8 Hills as his gateway to Castle Woods woods. Since the era of Daniel Boone to the era of  
9 Joe Johnson, Abingdon has been the gateway to the Clinch Valley. Since the era of  
10 William Russell to the era of Steve Banner, Abingdon and Clinch Valley have been very  
11 closely economically interlaced. All you have to do is go down Route 19 at eight o'clock  
12 or five and you know that there's a lot of economic activity moving up and down those  
13 roads.

14 At Stonewall Square we would promote tourism, we would promote other  
15 tourist destinations in Southwest Virginia, the Museum of Middle Appalachia, the  
16 Creeper Trail, the Ralph Stanley Museum, Natural Tunnel, and so forth. The  
17 development of this will bring the centrally valuable and under-utilized location in line  
18 with its true potential. We expect Stonewall Square to be a gateway for tourism for all of  
19 Southwest Virginia. Over the last decade the Barter Theatre has enjoyed tremendous  
20 patronage as the ticket office sales have increased by 150 percent. Our economic impact  
21 on the region has increased from about 30,000,000 to 60,000,000 in the decade from '92  
22 to '02. The increase in the patronage that we have seen is primarily among those that live  
23 a hundred miles away or two hours or so drive to Abingdon. Patrons can come to  
24 Abingdon on a weekend and enjoy four plays, but they need something to do when the  
25 plays are not showing. Cultural tourists enjoy shopping, and they seek shopping  
26 opportunities. Our non-profit Foundation will give our region an advantage for the whole  
27 region. Appreciation of our region has been greatly enhanced by prolonged visits. We  
28 urgently request full funding for our project. With that funding we can proceed with site  
29 preparation that we need.

30 DELEGATE KILGORE: Any questions? I know this Commission  
31 realizes how important the Barter Theatre is in this area.

32 MR. MONTGOMERY: Is that located near Playhouse 2?

33 MR. GILMER: Across the street from the Barter Theatre and beside  
34 the Martha Washington, right now it's a parking lot, undeveloped building sites.

35 DELEGATE KILGORE: Thank you.

36 Big Stone Gap, Town of Big Stone Gap, Regional Dam Replacement. Their  
37 spokesman couldn't be here today, so we'll go on.

38 City of Bristol, Island Road Business Park.

39 MR. BROWN: This is pretty traditional in terms of a business park  
40 we're trying to develop in Bristol.

41 DELEGATE KILGORE: Would you state your name?

42 MR. BROWN: I am Jerry Brown, Director of Economic  
43 Development for the City. We've purchased a 22-acre parcel at the end of Interstate 381

1 and have applied to the Federal Highway Administration for considerable road  
2 improvements through that area. We have one company that's already agreed to locate in  
3 this park as it begins to develop. We haven't had an industrial park in Bristol, Virginia  
4 since 1988, and that park is totally full. We have an opportunity to produce some new  
5 jobs for the City. We estimate anywhere from a hundred to three hundred jobs could be  
6 created, and we're asking you for 250,000 for installation of the infrastructure.

7 DELEGATE KILGORE: Thank you. Here's Mr. Polley, we were  
8 talking about the dam. Would you like to address us?

9 MR. POLLEY: We're building a dam, and we're trying to enhance  
10 the capacity that we have, based on four million gallons storage, and we want to make  
11 that six million. Doing this helps tie in the regional water system. This involves Big  
12 Stone Gap, Appalachia, Lee County and Scott County. This is about a six million-dollar  
13 project. We do have some funding from several other sources, and the Town of Big Stone  
14 Gap is going to help offset the cost, but we really need additional money.

15 DELEGATE KILGORE: You've gone through the rate increase?

16 MR. POLLEY: Yes. Eventually we'll be able to, all of Southwest  
17 Virginia to get water from Wise County PSA to the Lee County PSA and Scott County.

18 DELEGATE KILGORE: Any questions for the town manager of  
19 Big Stone Gap?

20 SENATOR WAMPLER: George, are you convinced that you have  
21 completed all the applications for any other sources of funding? Are there any other  
22 applications pending right now?

23 MR. POLLEY: No, we got funding through the State Health  
24 Department and the Virginia Resource Authority. We've also got --

25 SENATOR WAMPLER: The last thing you need is another  
26 government agency coming in to offer assistance. Has the federal government deemed  
27 those waters to be wetlands in certain places?

28 MR. POLLEY: Yes.

29 SENATOR WAMPLER: Is that part of the cost overrun?

30 MR. POLLEY: That's five hundred eighty thousand.

31 SENATOR WAMPLER: You're not able to mitigate that particular  
32 issue.

33 MR. POLLEY: We got it down some, but that's still the amount we  
34 had to pay.

35 SENATOR WAMPLER: Outside Big Stone Gap, what other  
36 counties can be served from creating this additional water capacity?

37 MR. POLLEY: The City of Norton directly, and also the Wise  
38 County PSA, which could serve water back through their system. Duffield and Lee  
39 County, the line has been laid to Seminary, and that will tie into the Pennington Gap  
40 water supply.

41 SENATOR WAMPLER: It would be a regional project in scope?

42 MR. POLLEY: Yes.

43 DELEGATE KILGORE: Any more questions? Does any one have

1 any questions for the Economic Development Director for the City of Bristol? I  
2 apologize, I didn't ask anyone if they had any questions.

3 DELEGATE KILGORE: The next is Carroll County, request for  
4 nine thousand dollars.

5 MS. MARRAH: Good afternoon, gentlemen, Carroll County is  
6 asking for a very modest amount of money. We're trying to work up the development of  
7 our master plan in which our County and key government officials and leaders and  
8 business leaders come together to assess our technology needs, to identify economic  
9 development trends and to see what kind of telecommunications we can use for our area  
10 and come up with a plan for them to be placed there. I didn't come here prepared to  
11 speak to you, but I'll be happy to answer any questions or supply any more information  
12 that you would need.

13 DELEGATE KILGORE: That's fine, are there any questions?

14 SENATOR WAMPLER: Tim, have they applied to the Appalachia  
15 Regional Commission for the funding that you recommended they'd be eligible for?

16 MR. PFOHL: We have not seen that they applied to ARC for a  
17 telecommunications plan.

18 MS. MARRAH: We do plan to apply.

19 SENATOR WAMPLER: You plan to, but you have not submitted it  
20 as of today?

21 MS. MARRAH: No.

22 SENATOR WAMPLER: So this would be your backup plan if ARC  
23 does not fund it?

24 MS. MARRAH: Yes

25 DELEGATE KILGORE: Cove Ridge Center Foundation, Heritage  
26 Tour for RV Clubs, requesting thirty-five thousand five hundred. Apparently there is  
27 nobody here, so we'll move on.

28 Then we have Crossroads Regional Industrial Facility Authority, Progress Park  
29 Phase II.

30 MR. HAWTHORNE: Mr. Chairman, I'm Al Hawthorne, Executive  
31 Director of the Joint Industrial Development Authority, which is a regional industrial  
32 development authority made up of the Town of Wytheville and Wythe and Bland  
33 Counties. We're working to develop a large twelve hundred acre-plus regional industrial  
34 park at the intersection with Interstate 77 and I-81. Over the last several years, we along  
35 with the federal and state and local partners have invested close to fifteen million dollars  
36 in the park. To date the Tobacco Commission has not been one of our partners in the  
37 infrastructure development. Recently we opened the southern half of the park, which has  
38 relatively new rail sites in Southwest Virginia. One of the remaining items with that  
39 development is the addition of the water and sewer infrastructure. This project proposes  
40 to bring that to the southern part of the park. One company announced that they would  
41 be coming to that area of the park and also would open up several other sites for  
42 development. Of the 1.62 million dollar project we requested an investment from the  
43 Tobacco Commission of five hundred forty-one thousand. I'll be happy to answer any

1 questions. We anticipate this will produce somewhere between five hundred and two  
2 thousand jobs, based on the average size of the investment. We're talking about the  
3 northern access, the southern access would be adjacent to the Interstate.

4 MR. MONTGOMERY: Coming off the Interstate whereabouts?

5 MR. HAWTHORNE: The southern end, you can get off at Exit 77  
6 or Exit 73. The northern entrance, you can get off at Exit 41 off of 77. It's twelve  
7 hundred and ten acres, a very large area and a very large price tag.

8 DELEGATE KILGORE: Any other questions?

9 All right, Department of Conservation and Recreation New River Trail State  
10 Park. All right, there's nobody here.

11 Dickenson County Wireless Integrated Network. Why don't you come down  
12 here closer?

13 UNIDENTIFIED: We started a wireless integrated network, and we  
14 funded a little over half a million dollars ourselves. We are requesting money from ARC  
15 and DFCE. The only money we have received so far is from CIT, and that was in the  
16 amount of fifteen thousand dollars for help with one of the towers. CIT also has asked us  
17 to help the Northern Neck Planning District, which is on the East Coast. They paid us  
18 some money for the work we are doing for several studies, like marketing studies. So far  
19 we have basically got about seventeen thousand from outside sources. All of this has  
20 been funded from the Dickenson County General Fund. We've got about a hundred and  
21 seventy-five square miles or three hundred and twenty-five covered, we've got that  
22 covered. We've actually gone outside the county to a local town, which is Pound in the  
23 County of Wise, and they will be starting services probably in June or July. The money  
24 that we are requesting, what we'd like to do is use that to help build the infrastructure out  
25 to cover the entire county and reach into Buchanan County and Russell County for any  
26 help they may need for Russell.

27 DELEGATE KILGORE: Any questions on the Dickenson County  
28 Network?

29 SENATOR WAMPLER: Has the Coalfield Authority participated to  
30 any degree in your venture?

31 UNIDENTIFIED: We're in the process of asking for a loan, but we  
32 haven't gotten any from them yet. Probably not until the next meeting will we know  
33 anything.

34 SENATOR WAMPLER: We're all members of the Committee, and  
35 just for observation purposes, we've tried for a long time to partner with the Coalfield  
36 Authority on economic development entities, and burley tobacco production is not that  
37 great in Dickenson. We still want to help. We do think the Coalfield Authority ought to  
38 have the majority position in the venture. It would make sense for us to do that, and I  
39 would hope that -- I think your project has a lot of merit and I hope the Coalfield  
40 Authority would make that investment. That would make it a lot easier for us to  
41 participate in the minority.

42 UNIDENTIFIED: Everything we've heard is that they are very  
43 favorable. Until you get the final word it doesn't mean much.

1 DELEGATE KILGORE: Thank you.  
2 Family Bluegrass Paving.  
3 Moving on, Floyd County Economic Diversification and Incentive Program.  
4 Next, Chestnut Creek School of Arts, Galax.  
5 Next, Marketing the Crooked Road, Virginia's Heritage Music Trail.

6 MR. GALYEAN: I'm Steve Galyean, I serve as Marketing  
7 Chairperson for Virginia's Heritage Music Trail. We have submitted an application for  
8 marketing funds. Let me give you a little history of the Music Trail, which you have  
9 referred to as the Crooked Road. It's a regional project that stretches from Franklin  
10 County in the Ferrum area down through Floyd County, Carroll County, Grayson County,  
11 Washington County, City of Bristol through Scott County up into Wise and Dickenson  
12 Counties. It anchors six major venues: the country stores, the theater in Galax, the Blue  
13 Ridge Music Center near Galax, the Birthplace of Country Music Alliance, Bristol, the  
14 Carter Family Home, and the Ralph Stanley Museum, Traditional Music Center and  
15 more. The project has come about through a cooperative effort among local leaders,  
16 elected officials, tourism professionals and other interested parties throughout this region.  
17 Our application is in the amount of two hundred fifty thousand for sustained marketing  
18 of the Trail. The Trail has been designated by the General Assembly, and this is up and  
19 running and to completion of the Ralph Stanley Museum in October of 2004. Then all  
20 the sites will be up. This is a comprehensive economic development project that focuses  
21 on the cultural heritage of the region. As was said before, cultural tourism is very  
22 important. Cultural tourists spend more money and stay longer amounts of time in the  
23 communities, certainly the musical heritage of the region. This is ideally suited for our  
24 region. Our plans in the future call for sustained funding of this marketing effort through  
25 tourism cooperation and through regional tourism organizations, along with travel  
26 associations. This will be an incentive for tourism offices in the region and the partners  
27 will directly benefit, and this is just a winning situation.

28 DELEGATE KILGORE: I appreciate that. I think the Governor is  
29 coming down this week to sign the actual legislation.

30 MR. GALYEAN: Yes. He'll be in Clinchwood Wednesday morning  
31 at 10:00 a.m.

32 DELEGATE KILGORE: He's played an important role to bring  
33 tourism to the area. Are there any questions? All right.

34 Historic Crab Orchard Museum and Pioneer Park.

35 MS. BROWNING: Good afternoon, I'm Brandy Browning. We're  
36 located in Tazewell County, Virginia, Route 19. We are a cultural and historic museum.  
37 We're requesting a hundred thousand dollars from the Tobacco Commission. The total  
38 project cost is four hundred seventy-five thousand, and we've requested a hundred  
39 thousand from the Coalfield Economic Development Authority and thirty thousand from  
40 USDA, and we have a hundred thousand approved from Appalachian Regional  
41 Commission and a hundred thirty-five approved from private sources. We want to  
42 increase the visitation numbers and be able to create some office space for employees.  
43 Currently we're in temporary offices. We want to increase some additional space for

1 exhibits and office space and a gift shop, and that expansion will also include  
2 improvements to the infrastructure. With the expansion the museum anticipates hiring  
3 four additional employees and hosting an additional five to seven thousand visitors  
4 annually.

5 DELEGATE KILGORE: Any questions? We appreciate you  
6 coming over. Well, thank you for coming.

7 Next is the Town of Independence, Independence Fiber Network.

8 MR. REED: My name is Brian Reed. I work at the Mt. Rogers  
9 Planning District Commission. Since June of 2002 I've been working as the Project  
10 Manager for the Town of Independence for their Fiber Network. The project discussion  
11 is on page six of eighteen. I'd like to ask a question, if it's okay. I'd like an explanation  
12 on the Staff comments and recommendations and on what exactly that means. I'll need to  
13 explain this to the Town Council.

14 DELEGATE KILGORE: Well, I think they were concerned. They  
15 wanted to make sure that it was not a business plan or some kind of - or whoever was  
16 going to come in and make repairs, maintain it and make sure that you had it linked to the  
17 outside world, I believe. Tim, do you have any comments?

18 MR. PFOHL: Mr. Chairman, we wanted to make sure that the  
19 investment in this network was so that if we understood that if a tree comes down on a  
20 fiber line that there is a maintenance plan for dealing with issues like that, that we  
21 understand what the cost of operating the system is and that there is a contract with the  
22 network operator, some operating issues that we wanted some assurance that those had  
23 been thought through.

24 MR. REED: I'm still unclear on Bristol Utilities, what do they have  
25 to do with the Town of Independence?

26 DELEGATE KILGORE: When we made an award in 2003 to  
27 Bristol Utilities they were going to go that way with it, and that was part of that award  
28 then. I guess the Staff wanted to make sure we were getting a double award for the same  
29 area.

30 MR. BANNER: The plan at one point in time was to bring the wire  
31 and come up the 81 corridor and pick up Independence.

32 SENATOR WAMPLER: Both for the applicant and for the  
33 Commission. It seems to me, I could be off by a few hundred thousand dollars, but about  
34 4.9 million dollars was awarded for preliminary engineering, design and deployment of  
35 the long-haul piece of broadband. That generally follows Bristol to Abingdon, and  
36 Abingdon to Marion, and Marion to Rural Retreat and then Independence. There was  
37 another avenue north to Russell and Richlands. Pieces and parts of that have been built,  
38 and we have performed the preliminary engineering on about most of the routing. The  
39 design is not complete, and I think Independence falls in the category of the town  
40 wanting to do something different than the rest of the communities. The town contacted  
41 Delegate Carrico and myself and asked for a modification to the award. Bristol Virginia  
42 Utilities would need to recover the cost of the preliminary engineering only. Bristol  
43 Utilities was able to lease fiber rather than deploy it, which was a cost saving, and I think

1 a good measure. They have to recover part of the preliminary engineering, and I don't  
2 think there's anything wrong with the Town of Independence having this if they want it,  
3 as long as it meets the overall goal of the Commission. My concern is that it meets that  
4 demand and that we don't generate an island that can't communicate with the outside  
5 world. That's a simple question of quality control, and I think the Commission was  
6 worried about that, and I think that's why the sub-contractor, Bristol Utilities, to perform  
7 that work. I'm trying to say that with the Appalachian Regional Commission grant going  
8 from Big Stone to the Town of Independence and the Town of Independence also  
9 providing funding, I think we're at the point where we need to receive a full plan from the  
10 Town as to what it is they propose to do, and at the July meeting we could very easily  
11 change the award, with the concurrence of all parties, to the Town of Independence. I  
12 think that's the reason why the Staff made the comments they did, to ensure that we did  
13 not duplicate and that it was technically feasible to accomplish what they wanted to do  
14 with the system which was deployed in other areas. That's probably a longer explanation  
15 than you wanted, but I thought for the balance of the Committee it was important to hear  
16 that. So, at the appropriate time for motions, I'll make something similar to that, but in  
17 thirty seconds or less.

18 MR. REED: This is the same one hundred thousand dollars that was  
19 originally ordered to BVU for Independence?

20 SENATOR WAMPLER: Mr. Chairman, I'll take a pass at it, if you  
21 want me to. I don't know that, and it could be that we decided to do more. It could be  
22 that we reallocate the dollars that have been previously determined, but until we get the  
23 report from the Town of Independence to know exactly what it you want to do, deploy it,  
24 and how you're going to deploy it, we can't tell you if it's new money or just a  
25 modification of the existing grant.

26 MR. REED: Will we receive something from the Tobacco  
27 Commission as to what they need?

28 DELEGATE KILGORE: Yes, you'll receive something from Tim as  
29 far as what we would like to see.

30 MR. REED: The Town has a business plan for the network and  
31 operation and maintenance that makes perfect sense. I don't understand how this is  
32 different from the other projects that the Commission funded. The original hundred  
33 thousand dollars back in 2003, award to Bristol Utilities, was for the connection, fiber  
34 connection to the businesses in the Town of Independence. That's not changed, and it's  
35 still, except for the financial aspect of it, we're going to deploy some wireless in with this  
36 network, because there's many businesses in the Town of Independence that do not need a  
37 direct fiber link. The Town of Independence has been trying to work with Bristol  
38 Utilities since August, 2003 for this hundred thousand dollars. This year the town was  
39 told they needed to apply for these funds themselves rather than try to get it through  
40 Bristol Utilities.

41 DELEGATE KILGORE: This Commission would have to make and  
42 then approve any modification of any award that we've already given out to Bristol  
43 Virginia Utilities. Some of the dollars, as Senator Wampler said, may come from that

1 award, and that is something we need to know, and we need to know how the business is  
2 going to operate and the maintenance plan and just that sort of thing. Once that's  
3 provided, then we would know more of what any possible funding needs would be from  
4 the Tobacco Commission. I think that is what Senator Wampler was trying to say there.

5 SENATOR WAMPLER: Mr. Chairman, we have another committee  
6 called the Technology Committee, and that's where this funding came from. It didn't  
7 come from the Economic Development Committee. That may sound bureaucratic. You  
8 certainly have my support, and I think there are others that would say that the Town of  
9 Independence ought to have the opportunity to participate. We want to see it in one piece  
10 of paper and what it is that you are going to propose, and then we'd make the call whether  
11 we'd fund it out of Economic Development or out of the Technology Committee, which  
12 covers both Southside and Southwest. I think if you'd be a little patient with the  
13 concurrence of all the parties we will be there, and you will participate as the other  
14 communities have.

15 MR. REED: I appreciate that, and I'm getting this from the other  
16 side, too. They have been asking me what is going on.

17 DELEGATE KILGORE: Our goal is to put in state-of-the-art fiber  
18 optic network. We don't want to put in something that is going to be archaic next week.  
19 That's why we want to look at the plan and make sure. This came from the Technology  
20 Committee, and they've really been studying this, and we want to get these regions of the  
21 Commonwealth the advantage when it comes to these fiber networks. That's why these  
22 questions are being asked. We want to make sure that we are investing in a good project  
23 and something that is going to be far and above what other communities have.

24 MR. MONTGOMERY: Mr. Chairman, also, I think that Senator  
25 Wampler said something about not creating an island. We want to make sure everything  
26 we do is articulated from the Cumberland Gap to Virginia Beach along 58.

27 DELEGATE KILGORE: Somebody will get with you soon.  
28 Let's move on to Lee County Industrial Development Authority, Constitutional  
29 Oaks Industrial Park. Funds requested for the acquisition of a hundred and seventy-acre  
30 property.

31 MR. LONG: We already own it, and we went through IDA funding  
32 for water and sewer. We're just seeking some funds to continue on with what's really  
33 needed. We have ninety-seven acres that we currently own. This additional property that  
34 we're requesting fronts the highway. We already have water and sewer on this site. We  
35 have a gas line, a ten-inch gas line. The prospect we have seen here lately has been  
36 bigger than our property can hold. Every time we show this property, we've had it on  
37 option now. We had one prospect that wanted a three hundred thousand square foot  
38 building and could create seven hundred jobs in three years. Every time we show this  
39 property, they're saying we need additional property to make this happen in Lee County.  
40 As you're well aware, Lee County is struggling with jobs and job opportunities, and we're  
41 trying to enhance it by showing the public and prospects that we have property there  
42 ready to go. This is Constitutional Oaks. Right now we've got the partnership and we've  
43 got three pads already on the site, which is three hundred thousand square foot pad and a

1 two hundred fifty thousand. There's a hundred and seventy acres additional for this park,  
2 and that would make it a mega site, which would be almost two hundred seventy acres  
3 for an industrial site in western Lee County. We're trying to, that's level and not  
4 mountainous. It's usable land that we can attract something. It's something that we need  
5 to help create jobs for Lee County. I want you all to know Lee County appreciates  
6 everything you're doing for our area.

7 DELEGATE KILGORE: While you're there, tell us about the  
8 innovations you want to do.

9 MR. LONG: There's some property located in Pennington Gap,  
10 Virginia, and there's a new by-pass. It fronts the property and right in front of the  
11 property. The Lee County IDA invested their own money to buy the property, which is  
12 three hundred eighty-seven thousand. You helped give us some grant money, and we've  
13 had somebody want to buy this office or this administration building. We have a prospect  
14 now that's willing to come with a hundred and twenty jobs for building number one. The  
15 land has been vacant since about 1998. We just need some money to renovate it. Instead  
16 of being an eyesore we want it to be commemorative for the area. It'll be a hot spot in  
17 that community. There's fast foods and there's day cares.

18 DELEGATE KILGORE: Route 58 bypass?

19 MR. LONG: It's not too far past it.

20 MR. FIELDS: You say you have a prospect?

21 MR. LONG: Yes. They're interested in building. What they want is  
22 basically two thousand square feet. They say they can bring in a hundred and twenty  
23 jobs. If we have some extra money, we're going to try to re-fix it.

24 MR. FIELDS: The two hundred ninety-four thousand would bring  
25 in about one hundred twenty jobs?

26 MR. LONG: We're just trying to create some jobs. Like I said,  
27 we're just trying to create some jobs. I want you to know we appreciate anything that you  
28 do for us, and if there's any questions feel free to contact us at any time.

29 DELEGATE KILGORE: LENOWISCO PDC - Virginia Coalfields  
30 Regional Sewer Study. As I said earlier, Ron could not be here. The same with the  
31 Crooked Road.

32 MR. CORNWELL: My name is Bill Cornwell, and Ron wasn't able  
33 to be here, and I won't repeat what Steve has said, but the Crooked Road is an Economic  
34 Development program. It's based on the heritage of our area. This particular grant  
35 request deals with signage to be placed on the route, which is approximately two hundred  
36 twenty miles from Clintwood, dealing with Clintwood on one end and Ferrum on the  
37 other, and also to set up listening posts so if you're traveling you might come upon this  
38 and pull off on the side of the road. A traveler can pull off to the side of the road and tune  
39 in to an AM frequency of 1610 and learn about the specific musical areas and the heritage  
40 and about tourism in that area. One will be located in each of the counties, nine towns  
41 and three cities that contributed to the financial support for this grant. We feel that with  
42 the addition of the listening posts that people that travel through this area will respond,  
43 not only from throughout Virginia, but throughout the states and overseas. People are

1 working on getting tour buses into the region, and all this will help provide the traveler  
2 with site-specific information and encourage them to extend their stay into the  
3 community. I might point out that in conjunction with this, although you don't see it in  
4 this request, we're also producing a guidebook which will be distributed nationally, and  
5 CD's and signs along the road. Thank you.

6 DELEGATE KILGORE: Next is the Lincoln Theatre Start-Up and  
7 Cinema Equipment.

8 MS. JUSTIS: I'm Mary Margaret Justis, and I'm Executive Director  
9 of the Lincoln Theatre. The Lincoln Theatre is a historic site, and we're located in  
10 Marion, Virginia, and it's never undergone a restoration. We've been doing this for the  
11 past sixteen months, and the Theatre closed in 1977 after a notable history. The Board of  
12 Directors bought the property in 1988 with the intention of preserving the site and  
13 restoring it as a stimulating economic development in Marion and Smyth County. The  
14 Board has spent the past sixteen years promoting the restoration of the Theatre and  
15 raising funds for its first phase. In 2001 the Industry Council of Smyth County decided  
16 that this project had considerable economic potential and they committed over six  
17 hundred thousand dollars to this effort. This, along with private donations, enabled the  
18 Board to begin long-awaited renovations in January, 2003. On May 1st the Theatre  
19 opened its doors to the public, and close to a thousand persons toured the facility that day.  
20 We're now seeking first year start-up support. For the past five years Lincoln Theatre  
21 has consisted of one full-time staff person and has not incurred the expenses associated  
22 with operating a theatre, because the theatre was closed. Now that it is open our expected  
23 economic impact has occurred in the form of six current commercial restorations and  
24 renovations that are going on in downtown Main Street, Marion. In addition, the theatre  
25 has an affiliation with Cinnamon Square in Roanoke in order to bring a variety of  
26 educational opportunities to students of this region. We appreciate your consideration of  
27 our request, and I'll be glad to answer any questions.

28 DELEGATE KILGORE: Delegate Carrico did call and express his  
29 support.

30 MR. MONTGOMERY: How many people can take advantage of  
31 the facility at one time?

32 MS. JUSTIS: We have seating for five hundred, and we have  
33 overflow chairs that we can have set up, which would be about twenty-five. We hope to  
34 attract people from Smyth County and the seven surrounding counties.

35 MR. MONTGOMERY: I know where the Lincoln Theatre is, but  
36 how are you set up for parking?

37 MS. JUSTIS: Main Street businesses are conducting a parking  
38 study, and it's an ongoing undertaking.

39 MR. MONTGOMERY: Looks like you'll have problems there.

40 MS. JUSTIS: There's a town parking lot a block away, and it's easy  
41 access to walk over to the theatre, and they're studying additional parking spaces at this  
42 very moment.

43 MR. FIELDS: What kind of new staff positions are you talking

1 about?

2 MS. JUSTIS: There's one full-time Executive Director for the last  
3 several years. Now we need someone who can help us with marketing, a part-time  
4 position, someone that can help the technical director to operate the sound, lights and so  
5 forth. Then with some assistance for the additional box office work that would be  
6 associated with full operation of the theatre.

7 DELEGATE KILGORE: Thank you.  
8 The Twin County Airport Enhancement Project.

9 MR. BROWN: I'm the Manager of the Twin County Airport. We're  
10 seeking funding of a hundred and thirty-five thousand dollars for preparation of a  
11 building site. On that site a one hundred by one hundred foot corporate hangar is to be  
12 constructed. The hangar will be constructed with private funds from the business entity,  
13 and the ownership of that hangar, upon completion, will be conveyed to the Twin County  
14 Airport Commission. That's being done in exchange for a long-term ground lease for that  
15 facility. That business entity seeks to base an aircraft in that hangar and will operate as  
16 part of a charter operation out of that facility. This project is enormously significant to  
17 the development and revitalization of the Twin County Airport for a number of reasons,  
18 not the least of which is to provide a charter service for the Counties of Carroll and  
19 Grayson and the City of Galax that is not currently available. The presence of the  
20 business entity and extensive multi-engine turbo prop aircraft at the site will significantly  
21 increase the property tax revenue. We're talking about a little increase in the property tax.  
22 Translated to this coming year's projected budget, it could be as much as forty percent of  
23 our budget just in property tax revenue. The airport is in the process of installing a jet  
24 fuel system to service this type of business aircraft. This will help to jump-start our jet  
25 fuel cell capability to have aircraft based there at this time on site. Having more aircraft,  
26 and particularly aircraft of this size, improves our stature with regard to the FAA and the  
27 Virginia Department of Aviation, allows us to compete for available funds. We're trying  
28 hard to improve the infrastructure of the Twin County Airport, because it's basically been  
29 neglected, and we're trying to turn that around and make this an asset for the counties of  
30 Carroll and Grayson. We know that this will be a tremendous asset for our area. It's  
31 certainly significant to the economic growth and development, and we ask you to favor  
32 this consideration on this project. I'll be glad to answer any questions.

33 DELEGATE JOHNSON: Sir, the private LLC's, can they not get  
34 industrial bonds through the county, finance this structure, this hangar, and let the rent  
35 repay it?

36 MR. BROWN: I don't know if they have explored that or not. I'm  
37 at a loss to say whether they qualify for that or not.

38 DELEGATE JOHNSON: These improvements will modernize the  
39 airport; however, these improvements will not necessarily increase airport usage. But  
40 none of the money would be used for safety features?

41 MR. BROWN: None of this money would be used for anything  
42 outside of site preparation. We have an impressive capital improvement program to  
43 address shortcomings of the airport, like resurfacing and designing a new terminal

1 building and other features significant to the safety of the operation of the airport. That's  
2 totally outside of this funding.

3 MR. MONTGOMERY: How long is the runway?

4 MR. BROWN: Forty-two hundred and four feet by sixty.

5 MR. MONTGOMERY: Do you have a taxiway?

6 MR. BROWN: We have a partial taxiway serving the southern half  
7 of the airport, approximately twenty-two hundred feet in length.

8 MR. MONTGOMERY: Do you have instrument approach or GPS?

9 MR. BROWN: We have GPS closest to both ends of the runway,  
10 and then --

11 MR. MONTGOMERY: That gets you down to what, two hundred  
12 or four hundred feet?

13 MR. BROWN: It differs from one end of the airport because of the  
14 elevation differences, but the GPS approach, I think, will get you down to about four  
15 hundred feet.

16 DELEGATE KILGORE: Thank you.

17 The Nature Conservatory.

18 MS. WALLACE: Hi, I'm Lou Wallace, and I'm the Contact  
19 Manager for Rikemo Lodge. The lodge is owned by the Nature Conservatory of Virginia.  
20 We're located in Dungannon, which is in Scott County. We'd first of all like to say to the  
21 Commission that we are very appreciative today to be considered on the list of awards,  
22 that means a great deal to us. I'd like to point out a few things that you may or may not  
23 know. The Nature Conservatory pays for the architectural plan for the lodge and for the  
24 enlargement of the lodge and for the extra room. We already have that. Virginia Tech  
25 has done a marketing and business plan for us. This water line means a great deal to us,  
26 because we're dealing with this water situation that will totally destroy the galvanized  
27 piping and that's coming out of the drain as we speak. We're hoping to completely redo  
28 the lodge and get the proper water in there that we need for that. We have plans in the  
29 future for expansion. This will be a great economic impact to that area. We've had some  
30 very wonderful visitors. We do have the Governor of Virginia on our agenda for later on  
31 this year. I'm sure he would appreciate clean water also. Thank you again.

32 DELEGATE KILGORE: All right.

33 Old Chilhowie High School Renovations.

34 MR. BONHAM: My name is Jim Bonham. I'm Chairman of the  
35 Board of the Old High School Renovation. We've had a problem here, and we renovated  
36 an old school that consists of fifteen thousand square feet, and it compares to a large  
37 gymnasium. Just recently we renovated approximately sixty percent of the building.  
38 This is a major project for us. We've also got a space for the Chilhowie Public Library,  
39 it's actually a branch of the Smyth County Library. We have other plans for the site, part  
40 of it will be used for a museum and kitchen area, some will be used for community space,  
41 community groups will be using the space periodically, the Smyth County 4-H group and  
42 Boy Scouts and Girl Scouts and local civic groups. We're going to set up the remaining  
43 two classrooms, we're going to use that for training or adult education. We'll have two

1 out of the six rooms complete. We'll probably do this as small projects and different  
2 contracts. Are there any questions that I can answer? Are there any questions?

3 SENATOR WAMPLER: What did you do with the last grant?

4 MR. BONHAM: The last grant was for our first phase, and the  
5 electrical system in the building needed a lot of work. We used our thirty-two thousand  
6 dollars in conjunction with our original project to put in a new electrical system. We  
7 really appreciated that first grant, that was actually the kickoff to help us really get the  
8 building under way. We've spent about a hundred and thirty thousand on the building at  
9 this point.

10 DELEGATE JOHNSON: How many jobs has Chilhowie lost in the  
11 last year or so?

12 MR. BONHAM: Well, replacing American furniture, I've heard the  
13 number, but it escapes me right now. With American Furniture Company, we've lost a  
14 significant amount of jobs. This space could be used, as I said before, as far as job  
15 retraining functions, and especially with the addition of the computer classroom and a  
16 distance learning space. Thank you.

17 DELEGATE KILGORE: Next we have the Saltville Foundation.

18 MS. BARGROVE: Gentlemen, my name is Helen Bargrove, and  
19 I'm with the Saltville Foundation. You're looking at a very successful story, it's a five-  
20 year success story and a grass roots success story. With your help, and other grants that  
21 we have received, we have a very viable museum that has a scope that no other museum  
22 in the area can touch. We have an opportunity now to double our space by purchasing a  
23 building next door, and we appreciate any help that you can give us. We're prepared to  
24 undertake renovation and expansion. We do need your help in purchasing this building.  
25 We decided to keep our presence downtown in Saltville. We thought it was very  
26 important to do that.

27 DELEGATE KILGORE: You're getting a lot of PR, and there's a lot  
28 of stuff going on there.

29 MS. BARGROVE: We just need to help our downtown area.

30 DELEGATE JOHNSON: How many of these buildings do we have  
31 in the Town of Saltville?

32 MS. BARGROVE: Industrial buildings, I guess three, three large  
33 industrial buildings that we're trying to get into.

34 DELEGATE JOHNSON: You need water and sewer?

35 MS. BARGROVE: He's going to address the water and sewer.

36 DELEGATE JOHNSON: Mr. Chairman, I might add, I believe I  
37 read in the *Saltville Progress* about six busloads of children, there were pictures, and the  
38 streets were full of young people. Can you briefly tell us what the museum is doing for  
39 that area?

40 MS. BARGROVE: It's not just Saltville, but Kingsport and east  
41 Tennessee, as far as Roanoke; and as far as school groups go, if you looked at our register  
42 log, they've traveled all over, and we've got many, many people that come from the entire  
43 area. We're attracting a lot of people. We've had a lot of people come in and say, this is a

1 really nice museum. We've done the best we can with what we have, but we do have an  
2 opportunity to move on and not only help the Town of Saltville but our entire region.

3 DELEGATE JOHNSON: I think you're doing a great job.

4 MR. MONTGOMERY: Over in east Tennessee there's a large area  
5 of artifacts, and I haven't been up to Saltville, but I've read about it. Is that museum  
6 similar to --

7 MS. BARGROVE: It's similar, but it's a different era. The facility  
8 in Tennessee is of a period of small animals prior to the Ice Age. We are currently  
9 involved in hiring some museum experts. Their paleontologist comes to Saltville and  
10 teaches classes, because we have Ice Age animals which they do not have. We have quite  
11 a good display.

12 MR. MONTGOMERY: In Tennessee you say it's the pre-Ice Age?

13 MS. BARGROVE: Yes, a different era, it's completely different.

14 We're sort of partners with them, but right now their problem is they have too much and  
15 they're trying to spend it. We're grass roots compared to them.

16 DELEGATE JOHNSON: I think it's a great investment.

17 MS. BARGROVE: We can document, historically at least, back at  
18 least fourteen thousand years. We've also got some articles that date back prior to  
19 Jamestown.

20 DELEGATE KILGORE: All right, thank you.

21 Next we have the Scott County Chamber of Commerce, the Copper Creek  
22 Interpretive Center. This is a request for funds for construction of a landscaped roadside  
23 park. This also offers a clear view of the Copper Creek Railroad Viaduct and will  
24 increase tourism at the Natural Tunnel State Park and create a stopping point on the  
25 Daniel Boone/Wilderness Road Driving Tour. The last funding application you all  
26 recommended we go back to VDOT for seed money; they didn't grant any money last  
27 year, so they're back again. Their representative couldn't be there. Okay.

28 The next one is Scott County Economic Development Authority -  
29 Reimbursement Grant for Private Business Expansion.

30 UNIDENTIFIED: Funds are requested to retire some financing  
31 from Scott County EDA, and that was to attract industrial expansion, and this was not a  
32 TROF-eligible. The funds would reimburse EDA for a loan it obtained from People,  
33 Incorporated. EDA funds were provided to the company for expansion of its present  
34 facility in the regional industrial park at Duffield and addition of new equipment. The  
35 expansion resulted in forty production jobs being relocated the Duffield facility, where  
36 the company presently employs sixty-eight people, and a total of seventy-two new jobs  
37 are projected in thirty months, and the company's investment in Scott County would be  
38 an investment of \$1,675,000.00.

39 DELEGATE KILGORE: What did they build?

40 UNIDENTIFIED: They built these communication towers across  
41 the country, or actually across the world.

42 DELEGATE KILGORE: All right, tell us about the Leadership  
43 Academy Southwest.

1 UNIDENTIFIED: These are funds requested for leadership kickoff  
2 at the Mountain Empire Community College to purchase  
3 curriculum, facilitate the classes, including guest speakers, and partnering with  
4 LENOWISCO and Mountain Empire Community College to provide business leadership  
5 training. This is in addition to the leadership training for the future.

6 DELEGATE KILGORE: All right, then we have the Holston  
7 Regional Wastewater Treatment Plant Upgrade.

8 MR. BURKE: Jack Burke, Director of Scott County Public  
9 Utilities. First, I want to say we appreciate, Delegate Kilgore, all the help that we have  
10 gotten from the Tobacco Commission. We really need some help with our water system.  
11 Unfortunately, for every gallon of water we produce we generate that much sewage. I  
12 wish there was some way to reexamine this, because it's essential. We're under a consent  
13 order, and that will be revised this summer. In the meantime, what has caused this  
14 expansion, and you can't keep going up and up without some funding.

15 DEQ was concerned about the consent order. Our plant is fifty-some years  
16 old, and when it was built it was an ammonia recision. Our ammonia level is double  
17 what is really accepted. In 2001 the town sewer authority decided to sign on with the  
18 regional concept PSA instead of a stand-alone project, which would have cost us more  
19 anyway. We've already secured a million-dollar loan from the Department of  
20 Environmental Quality; five hundred thousand pending from the ARC and a three million  
21 loan pending from USDA Rural Development. What the plant will essentially do is  
22 provide sewerage for the Town of Gate City, Scott County. We can't expand our sewer in  
23 town unless we have the regional concept, a regional plan, or build one ourselves.

24 DELEGATE KILGORE: Does that go to the state line?

25 MR. BURKE: Yes, everything to the state line. The plant itself is  
26 actually going to be where the Scott County PSA on the Holston River, across the river  
27 on that side. The big thing for us is that if you all give us funding, we've got the rest of  
28 the funding, we hope, and we're still looking at an increase in sewage rates for the town  
29 and the PSA. If we don't get the funding, then it's probably going to double the increase  
30 for what we've got now.

31 DELEGATE KILGORE: Thank you. Now we're with Saltville.

32 MR. JONES: My name is Mike Jones, and I represent the Town of  
33 Saltville in Smyth County. This is a funding request to make upgrades to our sewer  
34 system infrastructure. The project and the history of it is that it's been on everyone's  
35 mind, and it's been a big part of the last eight years on our minds. We very recently have  
36 put our funding package together to make the project go. The town is committed to  
37 attract new industry, and Delegate Johnson mentioned about the job losses in Smyth  
38 County and surrounding communities. In about a five-year period, from 1998 to 2003,  
39 the town and the surrounding communities probably lost a whole lot of jobs. We're doing  
40 everything we can to bring jobs back to this area. We've got to create more capacity to  
41 attract industries to our communities. We're also going to be connecting about three  
42 hundred and fifty additional homes to our upgraded sewer system, and this would not be  
43 possible without this. We're very excited about this, and we all are very supportive, and

1 we appreciate what you've done for us in the past, so we're hoping you'll look favorably  
2 upon our request today.

3 DELEGATE JOHNSON: Mr. Chairman, I'd like to ask a question.  
4 What about the Allison's Gap community?

5 MR. JONES: Yes, the Allison Gap community are all outside of the  
6 town or corporate limits. It's just pretty bad for some of these folks as far as sewer  
7 service, so we have to upgrade.

8 DELEGATE JOHNSON: It would be the same project that was  
9 turned down because the bids were too high?

10 MR. JONES: Yes, that's correct. We put this thing out for bid.  
11 We've finally gotten all our funding packages together, and we're hoping to, I can tell you  
12 exactly what we're going to do if we're awarded some money. We're going to put this in a  
13 project and we're going to take these monies and we're going to do everything we can do  
14 to help attract additional jobs in the Town of Saltville.

15 DELEGATE JOHNSON: If you get the two twenty-seven three  
16 zero six, the project is a done deal?

17 MR. JONES: That's correct.

18 DELEGATE JOHNSON: We can count on that?

19 MR. JONES: Yes, sir.

20 DELEGATE KILGORE: All right, Southwest Virginia  
21 4-H Educational Center. We'll pass that by right now.

22 Next, Southwest Virginia Higher Educational Center - Southwest Export Trade  
23 Initiative.

24 DR. FOWLKES: Mr. Chairman, Mr. Banner assured me that if we  
25 turned on the air-conditioning you would look favorably upon this. Southwest Virginia  
26 Economic Development Committee last year funded the Export Initiative. As I listened  
27 to everyone this morning present their projects, I was touched by many of you that the  
28 Export Initiative had assisted in accomplishing your goals. The Export Initiative has  
29 helped many in accomplishing their goals, everybody from Barter Theatre to the Blue  
30 Ridge Travel Association. We've worked with over fifty companies in Southwest  
31 Virginia to help you accomplish one thing, and that's globalization.

32 One of the things Senator Wampler wanted us to do from the very beginning  
33 was sell Christmas trees. You'll be glad to know that in September the delegation from  
34 Mexico is here in this building, coming here to buy Christmas trees from all of you that  
35 have Christmas trees for sale. We wanted to get it started last year, but you do it a year in  
36 advance. That's why we're just now getting to it. We have a group going to Mexico in  
37 October for forest product sales meetings.

38 There are a lot of things going on with the small businesses across the  
39 Southwest. We partnered with our E-commerce project here at the Higher Education  
40 Center. I know the Chairman is interested in how many jobs have been created.  
41 Probably one of our smallest companies is J. D. Blake here in Washington County, and he  
42 is on the Internet. We've already added a couple of people to his payroll just to make sure  
43 that we can market all the products that he is selling. His largest buyers are in Japan. He

1 is sending more shoes outside the United States, thanks to the Export Initiative. Those of  
2 you in the tourism business know that you can take your Web sites and develop them into  
3 foreign language. Be sure to click English. We've done some E-commerce Web sites for  
4 others. There's a lot of purchasing power there. These Web sites have got to be in  
5 foreign languages, they're going to have to be put into foreign languages. Most of you  
6 know globalization is our feature. Tourists from all over the country are coming into this  
7 region, and if they take advantage of all the wonderful things that are available those jobs  
8 will help our economy.

9 As I look around I see UVA Wise here, and I know we took a group of  
10 students, the Admissions Department with UVA Wise and from Emory & Henry and  
11 Virginia Intermont College, and that was last year in November. We have been recruiting  
12 students to come to our colleges. Most of you know our colleges are very homogenous.  
13 We're trying to get more out-of-country students here, because those dollars help our  
14 economy. We're excited about this project, and we just received a hundred and sixty-  
15 three thousand-dollar federal grant using tobacco money as a match. If we don't have the  
16 tobacco money we lose this grant. It's a very competitive grant, and our former Secretary  
17 of Education helped us receive this grant. He's a Deputy Secretary in Washington now.  
18 We also received from the Southern Growth Policy Board an innovative award for this  
19 project for the Commonwealth of Virginia. All this shows you the importance of  
20 globalization and what it means to the future of Southwest Virginia. I'm really proud of  
21 all the accomplishments we made this year. I just know that with the award we will  
22 receive in October from the Southern Growth Policy Board we will be able to have many  
23 more successes this year.

24 DELEGATE KILGORE: All right, Virginia City Industrial Park Site  
25 Sewer Development.

26 All right, then we'll move to the next one. Town of Clintwood - Ralph Stanley  
27 Museum - Phase 2.

28 MR. BAKER: I'm Donald Baker, Mayor of Clintwood. I know you  
29 all have heard about tourism and country music and the Ralph Stanley Museum, and I  
30 won't go over all that again. The Ralph Stanley Museum will be the anchor of everything  
31 that you heard about tourism and music this afternoon, and I certainly appreciate your  
32 consideration. We're currently on construction, and we need a little bit of extra help to  
33 close the deal. I know Dr. Stanley is well known all around the world. We have had  
34 some e-mails wanting to know when the museum is going to be opening. I heard Dr.  
35 Stanley say a number of times, and he has said that the Country Music Hall of Fame in  
36 Nashville won't have anything on the Ralph Stanley Museum, except it will be a little  
37 larger. I know the museum is something that the Tobacco Commission is going to be  
38 happy about and proud of and proud to have your name on it and be part of it. Thank  
39 you, very much.

40 DELEGATE KILGORE: Thank you, Mr. Mayor.

41 The Town of Marion - Campbell Avenue Sewer Interceptor.

42 UNIDENTIFIED: Good afternoon. If you all haven't been to the  
43 museum in Middle Appalachia or Lincoln Theatre, your mouth is just going to drop. You

1 can go to Greensboro or Knoxville, but I'd urge you all to take a look at that. We feel this  
2 is going to be one of the top projects in Marion, and I urge you all to take a look at it. I'd  
3 also like to speak about the Mt. Rogers Planning District Commission, and they helped us  
4 do this application, and I thought they did an excellent job. I hope you all think we did  
5 an excellent job. This is our main interceptor line serving Marion and the Holston Valley.  
6 We've had a lot of problems with this line, and it's backed up, and sometimes it's in our  
7 parking lots, and some of the industries expanding has caused a lot of problems. The  
8 application is for a hundred and thirty-four thousand dollars. The whole project is around  
9 two hundred seventy. It's something that we didn't put into the application but has  
10 occurred recently. The County feels that this is something that is really needed, and they  
11 feel very confident that the Town of Marion needs this that they bid half the match. As  
12 you all well know, or read in the application, Staff recommended against funding. This  
13 fall we applied for ARC money. That was in September, applied for a hundred and  
14 eighty-two thousand, I think. When your deadline came, which was March 1st or April  
15 1st, we put an application in, and then we found out we were fully funded by ARC. I  
16 understand there are a lot of folks here that need projects, and I know you only have so  
17 much money. I guess the deal was that the money that you all would give to supplement  
18 the local amount that Smyth County was putting up, the Town of Marion, which it's true,  
19 but we just didn't want to be penalized. We understand it's been recommended we  
20 wouldn't have funding. I understand that, and if we don't get funding from the Tobacco  
21 Commission we'll have to go ahead with the project anyway. We'll have to keep our  
22 infrastructure in line and up-to-date and take care of the jobs that we have. If you follow  
23 through with the Staff recommendation, we understand, but we'll be back next year for  
24 another project. We want to tell you we applied for this money because we didn't know  
25 what was coming from ARC.

26 DELEGATE KILGORE: We appreciate that.

27 SENATOR WAMPLER: Job preservation is what I would  
28 categorize this application to be, which is critical to Smyth County. Do you have  
29 sufficient funding to move forward with the project?

30 UNIDENTIFIED: We have a commitment of a hundred and eighty-  
31 six thousand dollars from the Appalachian Regional Commission. It'll probably be about  
32 sixty-five or seventy percent of the entire project. The other commitment will come from  
33 the Town of Marion retained earnings, Smyth County retained earnings, if we do not get  
34 a portion of the money from the Tobacco Commission.

35 DELEGATE KILGORE: Thank you.

36 The University of Virginia's College at Wise.

37 MR. UHAND: Mr. Chairman, I'm Gary Uhand. I'm Vice  
38 Chancellor for Administration at UVA Wise. I believe any investment you can make to  
39 help the college will also help the economy of the region. The economic impact of the  
40 college is over 11.5 million dollars annually. The college has been very blessed, and we  
41 have grown, especially in the last ten or twelve years. We've made a concentrated effort  
42 in improving facilities, and these have been through state dollars and some private  
43 donations and grants. There are some limitations on how, as far as money that is coming

1 from the state. The component that you're considering today, they aren't funded by state  
2 appropriations. We're requesting five hundred ninety thousand dollars, and that includes  
3 the construction of the intercollegiate softball field and parking areas. The parking area  
4 would add two hundred ninety spaces, and that would help us bring different groups and  
5 organizations in. It includes transportation for buses and resurfacing the track around  
6 the baseball field. When you look at the impact the college has on our region and how  
7 many people will come to the area, whether it's parents and families or recruitment,  
8 building houses or whatever, or anything that will bring people to the campus. We do  
9 have a major impact on the economic vitality of the area. We appreciate any  
10 consideration for funding. Thank you.

11 DELEGATE KILGORE: Any questions?  
12 Virginia Southwest Blue Ridge Highlands.

13 MS. BARKER: Good afternoon, gentlemen. My name is Kitty  
14 Barker, I'm with the Virginia Southwest Blue Ridge Travel Association. I am their  
15 Executive Director. Our mission is an umbrella organization to market the region to  
16 increase tourism and all of these wonderful attractions that we have heard about today. If  
17 you asked them what their marketing budgets were they would probably tell you they are  
18 small. It's our regional approach to market the region so people will visit and spend lots  
19 of money, stay overnight and spend more money and then go home. So our goal is to  
20 provide information. Last year with your assistance we were able to set up Phase 1 of  
21 our Internet. It's a database searching through the Internet through Merchant's Point with  
22 the help of the Higher Ed Center here. We have a hundred and seventy businesses  
23 currently online with us, two hundred and twelve attractions are listed, we have a  
24 calendar of events, visitors can get maps, photos, and right now we are currently in  
25 Spanish translation. Our interline went online January 1st and about fourteen days went  
26 on search engine. We're on twelve major search engines. We've had two hundred fifty  
27 thousand visits, searches dealing with over thirty-one thousand pages. We're just  
28 beginning, and we're seeing a tremendous increase, both locally and nationally, for  
29 visitors.

30 Our second phase is to create a reservation system for hotels and motels and  
31 bed and breakfasts. We're also interested in expanding that to campgrounds so people  
32 can book on-line from their living room. We expect to do an E-Commerce site for  
33 musicians, artisans, anybody that has items that they would like to sell. Our grant is for  
34 the Virginia Blue Ridge Highlands organization to have a part-time training person to  
35 work with regional small businesses and entrepreneurs. We want to have a conversion  
36 study completed by Virginia Tech to determine our return on investments and develop  
37 some measurements for us. We're also working with Virginia Tech to do a business plan  
38 this summer, and maybe we'll have that by July. We're also working on marketing  
39 domestically through the United States in search engines and also internationally. Right  
40 now we're on Yahoo Canada, United Kingdom, Ireland, France and that's just kicked in in  
41 the last five days. We did apply with the Rural Business Entrepreneurial Grant. We did  
42 some cost sharing with them, so we're able to reduce our request from the Tobacco  
43 Commission. They weren't able to cover everything, so your portion is less than what we

1 first considered. Thank you.

2 DELEGATE JOHNSON: You have a convention tomorrow starting  
3 in Damascus?

4 MS. BARKER: Yes, tomorrow.

5 DELEGATE JOHNSON: How many do you have signed up?

6 MS. BARKER: Forty-two at this point. It's all the way from  
7 Franklin County, Roanoke, Craig County, Giles, all the way to Bristol. That's where they  
8 are coming from.

9 DELEGATE KILGORE: Thank you.

10 The Whites Mill Foundation.

11 MR. WHITE: Whites Mill Foundation is requesting funding from  
12 the Tobacco Commission for the restoration of the Mill property, dam, development of  
13 seven acres, and there are a lot of new avenues and all these things that we're dealing  
14 with. Basically what we're dealing with is a hundred-and-seventy-year-old-plus  
15 structure, regional equipment, old mill equipment. In Southwest Virginia I can't think of  
16 another structure like this, and it hasn't been altered. What we want to do is use this  
17 funding to get this thing back up and operating, an operating museum. Last year we had  
18 about ten thousand visitors out there. We're hoping to at least double that. We wanted to  
19 hire an architectural firm to create a master plan. We need the infrastructure very badly.  
20 I would appreciate any funding you could help us with.

21 DELEGATE KILGORE: Thank you.

22 William King Regional Arts Center.

23 MS. WHITE: Mr. Chairman, I'm Betsy White, the Director of the  
24 William King Regional Arts Center. We'd like to see some institutional advancement.  
25 This arts center has built on the successes we have had for the last ten years and the  
26 service. I don't know if you're all aware of what our mission has been for the region, but  
27 it is one of the resources for public school use, as well as overall development. Over the  
28 last ten years we have built our services to over eight thousand children in the school  
29 system, fourteen school districts, as well outsourcing programs in art and other  
30 endeavors. This program is the centerpiece of what we do. What we hope to do now is  
31 to take our cultural heritage, and we have over two thousand objects that have been  
32 handmade by artists during the 19th century throughout Southwest Virginia, to take that  
33 project and use it further development of our twenty-five acre campus. That campus has  
34 four buildings on it, and it is located right here. In that development will be both heritage  
35 and workshops on the grounds. It will be accessible to the public to visit, as well as a  
36 new retail store that will sell the heritage products. As Rachel said, we're working  
37 together in the E-commerce grant of our store. Our three-part request to you is sort of an  
38 initiation of a multi-year plan investing in this component. What we want to do is a  
39 master plan, and we'll spend a year, and I know in the past we have had some  
40 accessibility problems, but the main thing is we want to create opportunities for growth  
41 and plan to make the arts center campus a central focus here in Abingdon and to help  
42 provide a network for other art workshops around the region as well. We want to finish  
43 the facility and upgrade it with the Tobacco Commission's help, and with the help we had

1 last year we're about to finish it up.

2 DELEGATE KILGORE: Is that something that has to be finished in  
3 order to meet the standards?

4 MS. WHITE: Yes. The other part of it is to help us with past  
5 construction costs, which could stand in our way for accreditation. We're very excited  
6 about everything involved with the Arts Center. After ten years we're in line for being  
7 accredited by the American Association of Museums. There are about thirty museums in  
8 Virginia that are accredited, none west of Roanoke. This is the one accredited Arts  
9 Center in Southwest Virginia, and that determination would mean that we have increased  
10 capacity for borrowing art on loan from around the world, and this will be a great  
11 advantage to the children. It would also help us to stabilize ourselves and make us more  
12 attractive to new donors and donors from outside. So all this development can make it a  
13 more stable and more attractive asset in the future. It's quite a good resource.

14 DELEGATE KILGORE: Thank you.  
15 Wise County on the Regional Business/Technology Park. I talked to Ron  
16 about that, and there is a possibility of some jobs for the one with the Regional  
17 Business/Technology Park for Southwest. That's a fairly good prospect.

18 Okay, the Town of Wytheville - Wytheville Meeting Center.

19 MS. JONES: I'm with the Town of Wytheville, and this is  
20 concerning the Meeting Center. The Meeting Center is one component of a multi-  
21 functional facility. In the Town of Wytheville the multi-complex will include a recreation  
22 center, an aquatic center, child care center, and a meeting center. This facility will be  
23 located on a sixteen-acre tract, which is adjacent to the Wytheville Town Community  
24 College. This facility will have a grand ballroom, we'll be able to hold meetings with up  
25 to one thousand persons or five hundred investor settings. There will be three additional  
26 rooms located adjacent that will have the capacity of between seventy-five to a hundred.  
27 We feel this facility will provide not only much-needed meeting space but will also be an  
28 attractive component for development authority meetings and will help include bringing  
29 industry to our area. This application specifically addresses funding for technology and  
30 furnishings. Being technologically advanced is very important in this day and age, and  
31 we hope to provide the best environment at our location that we can. Also, travel  
32 conferences and that sort of thing will be available. This project overall has utilized  
33 multiple levels of funding, both local, state and federal level as well as public and private  
34 donations. Thank you.

35 DELEGATE KILGORE: Thank you.

36 Town of Wytheville - Regional Visitors Center.

37 MR. SMITH: The project we are talking about is a regional visitors  
38 center. This is a very unique project, and it has been built with private and public  
39 funding. This would be a regional meeting center. As you heard, it will help tourism,  
40 help create or encourage companies to come here. This will help housing and we are  
41 really committed to this center. We have thirteen acres. It also is a museum site with the  
42 development of Heirloom Garden, conversion of barn structure to garden shop, and  
43 development of educational programs featuring agriculture. What we are developing

1 there is a combination of visitors center; agricultural, which involves meetings and  
2 educational programs, as well as forest service assistance; Transportation Museum, which  
3 is very unique. We have other things that involve small businesses that will be in the  
4 center. We also have received funding from other sources like the U. S. Forest Service  
5 for equipment and furnishings; that was fifty thousand, seventy-five pending from Rural  
6 Development Administration for construction, a hundred fifty-seven thousand from the  
7 Federal Highway Administration for marketing and planning, a hundred forty-seven  
8 thousand from Federal Highway Administration for construction and design; and we have  
9 requested a hundred twenty thousand from the Tobacco Commission. Once we can get  
10 the site prepared and get the infrastructure ready we will be ready to go. The Museum is  
11 small, but we can grow. This will serve more than people just in the Town of Wytheville,  
12 it will serve the entire region and I think will be quite attractive. We certainly appreciate  
13 your consideration.

14 DELEGATE KILGORE: All right, thank you.  
15 Pennington Gap, that's a change of use.  
16 Clinch Mountain Farmers, that's a change of use.  
17 All right, now comes the hard part, why don't we take a break?

18  
19 NOTE: A recess is had whereupon the Commission  
20 reconvenes, viz:

21  
22 DELEGATE KILGORE: All right, the easy part is over with, and  
23 now starts the hard part, trying to decide what funds we recommend to the Full  
24 Commission at the meeting on the 20th. All these projects are worthy projects, and all of  
25 them have a lot of great thought behind them. You all filled out these applications to the  
26 Tobacco Commission. With that, and now that it is time to discuss this, how do you all  
27 want to go about doing this?

28 SENATOR WAMPLER: Mr. Chairman, before we do that I'd like to  
29 make an observation. There's not a project in here that doesn't have some merit. I was  
30 speaking to Mr. Deputy Secretary a moment ago, I don't know how we achieve critical  
31 mass to get the economy to scale in marketing. If you listen to everybody's presentation  
32 today, at least for the cultural side of it, marketing is a good part of it. I'm not sure that  
33 allocating ten thousand or fifteen thousand out of a hundred thousand dollar application  
34 towards marketing on site-specific things really gets us to where we want to be. If you  
35 alluded to the point, I'm not sure of the critical mass. I also recognize, and I say very  
36 respectfully, natural barriers to regional organizations joining and partnering in these  
37 activities. I say all that to suggest that maybe Staff try to come up with a better way to  
38 examine, elaborate, present a methodology that we can present. We don't want to waste  
39 the applicants' time coming to the Commission only to be rejected or get a small amount  
40 of money; that doesn't work. I see that happening today with the dilution of the dollars  
41 that we just don't have; we don't have that many dollars to spread around. I don't have  
42 the answer to it, but I think there's a better way to go through this process. I hope that  
43 makes sense to the Committee and also the folks that have gathered in the audience. I

1 know our Southside communities are experiencing some of the same difficulties. Maybe  
2 there's a better way to do that, and maybe we can try to address that in the future. That's  
3 just a thought.

4 DELEGATE KILGORE: I agree with you, Senator Wampler. We  
5 do need to come up with a plan to, a marketing plan that will try to help all concerned. I  
6 think something has to be done in that area if we're going to invest in that area. I liken it  
7 to sort of an area that we have undertaken, if we're going to, if we want to have a plan,  
8 we want it to be a great plan and we want it to be able to work in other areas, too. That's  
9 just my two cents worth.

10 UNIDENTIFIED: We took our first step with the Tobacco  
11 Commission and Virginia tourism in December and January.

12 DELEGATE KILGORE: We'll go forward, how do you all want to  
13 proceed? Do you want to go through line by line?

14 MR. FIELDS: What about going through the Staff  
15 recommendations for funding individually and discuss them?

16 DELEGATE JOHNSON: May I ask a question? Staff  
17 recommendation, does that add up to the sum total that we have to spend?

18 DELEGATE KILGORE: No, we have more than that, one-third of  
19 the total available. Can you tell me as far as Staff, I know you all were pretty brutal on  
20 some of this. What did you do to go through this process?

21 MR. PFOHL: Sure, I'd be happy to. The mechanics of the process  
22 were that the guidelines were revised and made available in application workshops. We  
23 were in this room in late January, and these applications all came on March 1st. The Staff  
24 reviews these with assistance from other partners, like state and federal funding agencies.  
25 We have a staff person from the Virginia Economic Development Partnership that helps  
26 us actually reach a score and helps us develop Staff recommendations. We have a lot of  
27 dialogue with other funding agencies that are mentioned in here, including Housing and  
28 Community Development, USDA, Rural Development, Appalachian Regional  
29 Commission staff. We're generally operating with the Commission's long-range plan and  
30 economic development program guidelines as guiding tools. We also factor in previous  
31 funding to some of the applicants and look for factors that are mentioned in the  
32 guidelines. As far as having the other appropriate sources of funding in here to leverage  
33 a project, looking at outcomes, looking at partnerships, opportunities for regional  
34 partnerships with the request, and so forth.

35 DELEGATE KILGORE: Thank you, Tim. That at least tells us  
36 where you all were coming from.

37 DEPUTY SECRETARY ERSKINE: Mr. Chairman, if I can make a  
38 suggestion. What might be most efficient is that we move through these one by one for a  
39 motion to accept the Staff's recommendations or a substitute motion in terms of whether  
40 it would be an increase or decrease.

41 MR. MONTGOMERY: Are you saying that the ones that are  
42 recommended as well as ones that weren't recommended?

43 DELEGATE KILGORE: You all have heard the presentations, and

1 if we need further clarification we can do that.

2 SENATOR WAMPLER: Deputy Secretary Erskine's  
3 recommendation is fine; however, I've learned that in the aggregate we have to go back  
4 and we have to agree on and you may have to adjust one. We may have to agree on this  
5 once we get a grand total from the Staff.

6 DELEGATE KILGORE: Someone needs to keep a running total.  
7 Sara, can you keep a running total of what we recommend?

8 MS. GRIFFITH: I'll do that.

9 DELEGATE KILGORE: The Barter Theatre, Staff recommends  
10 funding of a hundred thousand dollars for the off-site public storm drainage.

11 MR. PFOHL: Mr. Chairman, if I could make a note there, I  
12 probably didn't write this up as well as we should have. The application says off-site  
13 public drainage, twenty-one thousand five hundred. If we're going to amend the Staff  
14 recommendation, one hundred thousand dollars for off-site public drainage, plus any on-  
15 site drainage issues.

16 MR. FIELDS: For a total of what?

17 MR. PFOHL: With the one hundred thousand-dollar figure, I didn't  
18 want that to be interpreted as it's limiting off-site.

19 DELEGATE KILGORE: Is there a motion, and is there a second?  
20 Or is there discussion?

21 SENATOR PUCKETT: Mr. Chairman, I'd like to make a comment.  
22 Some of you know my position on that case and the funding of some of the things at the  
23 Barter. I think the Barter Theatre is one of the outstanding attractions that we have. I  
24 have voiced my disapproval of some of the things that have gone on at the Barter, and I  
25 asked that it not go on, and it has gone on, and the type of things that it has there. I'm  
26 opposed to the type of plays that have gone on the past season, and I've said that very  
27 publicly and talked to Rachel and Frank about it. I don't think it does anything to  
28 enhance or add to Barter's mission here in this community and throughout Southwest  
29 Virginia. I do have problems spending tobacco money to promote that. I'm asking for a  
30 commitment from the Barter that that will not be an agenda item. If I don't get some  
31 response, then I personally would vote against this. I'll do nothing to stop the project, but  
32 there's been a lot of controversy about the project itself. I understand the Town of  
33 Abingdon, it probably will be resolved, but as of this date I have not received any  
34 indication from the Barter that there would be any change in their plays. I'm not trying to  
35 dictate that, but I'm just saying personally for me I can't support that, and I will not do it.

36 MR. GILMER: Are you asking for one today at this moment?

37 SENATOR PUCKETT: I'm not sure you're prepared to do that.

38 MR. GILMER: I'm not sure I can, as Chairman of the Barter, the  
39 Stonewall Square Foundation, I really can't give you that commitment at this time.  
40 Obviously, we could seek that sort of information, but that puts us in a difficult position  
41 at this time.

42 SENATOR PUCKETT: I'm not asking you to do it today, and I'm  
43 sure that my vote is not going to make any difference. I'm not trying to stop the project.

1 Back in February when I first learned of the issue with the nudity of a Barter play, I made  
2 my feelings known about that, and it's been pretty much ignored since then, except for a  
3 letter that I received. I've been to the Barter several times, and I think it's a wonderful  
4 place, and I think it does nothing in the world to enhance that around the world, in my  
5 opinion. I'm just speaking for myself.

6 DELEGATE JOHNSON: Mr. Chairman, shall we put this off rather  
7 than, we have a meeting on Thursday, and maybe we can --

8 DELEGATE KILGORE: We can defer until Thursday, if that's okay  
9 with the Deputy Secretary, until we get an answer on that.

10 MR. GILMER: Senator Puckett brought up the fact that there has  
11 been some controversy. This project has been accepted in concept and design by the  
12 Architectural Review Board of Abingdon.

13 SENATOR PUCKETT: Mr. Chairman, my concern and my vote is  
14 not against that project, but my vote is against the morality of what I have registered my  
15 complaint against. I can't keep the Barter from doing that, and if that's what the Barter  
16 wants to do, then that's fine. I'm saying I don't think it enhances anything in our area. It  
17 certainly does not enhance the Barter. As an elected official I think it is my responsibility  
18 to try to represent the people. I'll tell you that I have not heard as much on any project or  
19 any subject in the 38th District, and the Barter is not in the 38th, as I have heard on this.  
20 That's personally the way I feel, and I said that to Richard. I have talked to him on more  
21 than one occasion. My intent is not to keep the Committee from voting on it, if you want  
22 to do that.

23 MR. STEPHENSON: Mr. Chairman, if I'm not mistaken the motion  
24 before the Committee at this time is to amend the Staff recommendation, which I feel we  
25 should dispose of. I would suggest to the Chair and to the Committee, the Full  
26 Commission will look to this Committee to make that decision. I would urge the  
27 Committee to try to do that today rather than --

28 DELEGATE KILGORE: All we're saying then, instead of making a  
29 deferment until Thursday, the Committee would make a recommendation to the Full  
30 Commission until Senator Puckett receives his answer or correspondence or something.

31 SENATOR PUCKETT: The Barter doesn't need to satisfy me, I  
32 want you to understand where my vote is.

33 DELEGATE JOHNSON: Mr. Chairman, my motion was that this  
34 Committee delay it until Thursday and then make the decision.

35 DELEGATE KILGORE: Do I have a second?

36 MR. BANNER: I'll second it.

37 SENATOR WAMPLER: I was going to say I appreciate the Staff's  
38 comments and understand the direction they're trying to guide us into and their sensitivity  
39 to it, but I think we should vote.

40 DELEGATE KILGORE: All those in favor of deferring until  
41 Thursday morning before the Full Commission meeting, that means at 9:30 we'll get  
42 together quickly to discuss this. So we'll need another meeting about 9:30 on Thursday  
43 morning.

1 MR. STEPHENSON: Yes.  
2 DELEGATE KILGORE: All in favor say aye? (Ayes.) All right.  
3 Big Stone Gap. Staff recommends no award, and it's a regional project.  
4 MR. FIELDS: Mr. Chairman, I'd like to address this. No more  
5 regional project has ever come before this Commission, we're talking about the very  
6 thing that that part of the great Southwest needs more than anything else, and that's  
7 infrastructure, like water, sewer, gas and et cetera. Here we are in a position, I think, to  
8 tie the water system together, who knows where, to Cumberland Gap, and I'm for putting  
9 some money into that project.  
10 DEPUTY SECRETARY ERSKINE: Mr. Chairman, can we have the  
11 Staff explain their recommendation, and that might provide some clarity.  
12 DELEGATE KILGORE: Tim?  
13 MR. PFOHL: Mr. Chairman and Committee members, we saw  
14 evidence that the town was looking into a combination of measures to address the cost  
15 overrun, and we felt that needed to be given a chance to run its course.  
16 DELEGATE KILGORE: I think the Town Manager said they did  
17 raise the rates, is that correct?  
18 MR. POLLY: Yes, the Town did go back to Rural Development for  
19 additional dollars, and that is a loan. Any additional costs can be forwarded on to the  
20 consumer, but --  
21 MR. MONTGOMERY: I agree with Mr. Fields, and this is certainly  
22 a regional project, and as far as my judgment is concerned any of those projects coming  
23 out of Wise County, this is my view, they're more regional than any of them.  
24 DELEGATE KILGORE: Do you have a figure in mind?  
25 SENATOR WAMPLER: I think something in the magnitude of two  
26 hundred fifty thousand, which is probably what we'll wind up doing for those  
27 applications that survive today.  
28 MR. FIELDS: Is that a motion? I so move.  
29 SENATOR WAMPLER: I move two hundred fifty thousand dollars  
30 be allocated.  
31 MR. MONTGOMERY: I'll second it.  
32 DELEGATE KILGORE: All those in favor? (Ayes.) Opposed?  
33 (No response.)  
34 Bristol City - Island Road Business Park.  
35 DEPUTY SECRETARY ERSKINE: I move the Commission accept  
36 the Staff's recommendation, the project appears to be eligible for VDOT revenue sharing.  
37 DELEGATE KILGORE: Is there a second?  
38 SENATOR WAMPLER: I'd like to make a substitute motion. The  
39 project is more than two hundred fifty thousand dollars. The Department of  
40 Transportation, in my mind, and I would say this to Secretary Clement or His Excellency,  
41 the Governor, if he were here. It's a little difficult to work with from time to time, even  
42 though you have an application that's eligible that doesn't meet funding all the time. I  
43 realize that Staff, it is appropriate for Staff to tell us it is eligible. This is an important

1 project for Bristol, Bristol does not have an abundance of land. This is the only piece of  
2 developable real estate or industrial property that we have. We've been successful in  
3 retail, but what's lacking is, what's lacking in Bristol is manufacturing jobs and  
4 technology jobs. The manufacturing at this site would be light in nature and not heavy  
5 manufacturing. I recommend a hundred and twenty-five thousand dollars, Mr. Chairman.

6 DELEGATE KILGORE: It's been moved and seconded, all those in  
7 favor? (Ayes.) Opposed? (No response.) All right.

8 Carroll County. The Staff recommends no award.

9 SENATOR WAMPLER: Mr. Chairman, it seems to me this is the  
10 one they were going to apply, or have the application pending. I'd say that, without  
11 objection, refer this project to a later time and see how the ARC application goes.

12 DELEGATE KILGORE: We may be having another application  
13 process in June or July.

14 MR. PFOHL: September 1st is the date that we set tentatively for  
15 the second round.

16 DELEGATE KILGORE: All right, the second round.

17 Cove Ridge Center.

18 DEPUTY SECRETARY ERSKINE: Mr. Chairman, a number of  
19 these we've talked about how they are eligible for funding. I think it would be helpful  
20 either now or certainly in the future, Senator Wampler makes a good point, being eligible  
21 doesn't mean you're going to get it. Just like Bristol or Carroll County says it's eligible,  
22 and we know they have a plan to submit an application by Wednesday. To the extent we  
23 could have more clarity, I think it would be helpful to know. Yes, eligible and it's looking  
24 good, or it's in the process, or that kind of thing. To the extent there is clarity provided on  
25 the ones that can be reviewed, that would be helpful.

26 DELEGATE KILGORE: Sure. Cove Ridge Center Foundation, and  
27 the Staff recommends no award. Is there a motion? No motion.

28 Crossroads Regional Industrial Facility Authority - Progress Park Phase II.

29 UNIDENTIFIED: May I make a comment, Mr. Chairman? If we  
30 don't receive funding we will probably have to move forward with that first project  
31 without putting in an on-site septic system for that company. Then we would not go with  
32 the public water and sewer system for the project. That's a big impact, and I think there  
33 was a comment made about Rural Development. As part of Phase II development, we  
34 have a 2.2 million dollar loan from Rural Development already invested in Phase II. So  
35 we have gone to the well and EDA and Rural Development, I'm just not sure that was  
36 clear before.

37 DELEGATE KILGORE: Thank you.

38 UNIDENTIFIED: The 2.2 was a Rural Development, and EDA was  
39 1.2 million. I think it's in the application.

40 SENATOR PUCKETT: What is the minimum amount that you  
41 could get by with?

42 UNIDENTIFIED: I think we would need at least half that amount,  
43 that seems to be consistent with what you had. I certainly would try to move it forward if

1 we got that.

2 DELEGATE KILGORE: Is there a motion?

3 SENATOR PUCKETT: Mr. Chairman, that's a pretty solid regional  
4 piece there, and it's a job-creation issue, and they have got prospects that are waiting.

5 SENATOR WAMPLER: This one would help existing employers.  
6 We need to look at Special Projects or Deal Closing funds rather than out of this pot of  
7 money. I don't mean that as an adversarial comment.

8 SENATOR PUCKETT: Have you got a preference?

9 SENATOR WAMPLER: Either one, this is going to create jobs.

10 SENATOR PUCKETT: I'm going to ask to defer this until our  
11 September meeting when we will have the second round. I'd like to have some more  
12 definite information on what we're proposing. Does it belong in Deal Closing? If we had  
13 that issue right now I'd think I'd be prepared to make a motion for it.

14 UNIDENTIFIED: My understanding is that for a Deal Closing you  
15 have to have a specific project as opposed to undetermined future. I don't think it  
16 qualifies for Deal Closing.

17 MR. FIELDS: I think the Staff recommended that you look into  
18 Rural Development for that, too. Have you done that?

19 UNIDENTIFIED: Yes, we got a 2.2 million Rural Development  
20 grant.

21 SENATOR PUCKETT: It seems to me that there are several pieces  
22 of this, and maybe we should look at it in Special Projects. I make a motion we transfer  
23 that to the present Special Projects Committee. In the meantime, I'm going to ask that  
24 you all make a pretty strong effort to try to put it in a package together that would support  
25 Special Projects taking a hard look at this.

26 DELEGATE KILGORE: That's a motion, do I have a second?

27 DEPUTY SECRETARY ERSKINE: Second.

28 DELEGATE KILGORE: All in favor say aye? (Ayes.)

29 Department of Conservation and Recreation New River Trail. Do I have a  
30 motion? It's been moved and seconded, all in favor say aye? (Ayes.) All right.

31 Next, Dickenson County Wireless Integrated Network. All right, there's a  
32 motion for Staff's recommendation and a second. All those --

33 SENATOR WAMPLER: Mr. Chairman, this is the one I brought up  
34 that I thought perhaps the Coalfield Authority ought to participate in. It seems to me that  
35 even though this would be some skin off the Coalfield Authority's back on a funding  
36 initiative, and that's not adversarial, but that is kind of consistent with what we have done  
37 with the balance of it. If you want to make it contingent on a fifty/fifty match.

38 SENATOR PUCKETT: I'll accept that.

39 SENATOR WAMPLER: That's a good policy to have.

40 DELEGATE KILGORE: Contingent on a match up to fifty/fifty.

41 MR. PFOHL: Mr. Chairman, their application indicates they are  
42 requesting fifty thousand currently from VCEDA.

43 DELEGATE KILGORE: You're making a motion, then, that an

1 amount up to fifty thousand dollars depending upon a match from VCEDA.

2 SENATOR WAMPLER: That's the intent of the motion.

3 MR. MONTGOMERY: Yes.

4 DELEGATE KILGORE: That's the motion that says an amount up  
5 to fifty thousand dollars depending on funding from VCEDA, a match. All in favor say  
6 aye? (Ayes.) All right.

7 SENATOR WAMPLER: In the absence of the Chair, we will move  
8 along, and that will be to the Family Bluegrass, Family Bluegrass Paving. The Staff  
9 considers the request ineligible and recommends no award. It's been moved and  
10 seconded that no award be granted by the Committee. Any discussion? All in favor of  
11 adopting the motion signify by saying aye? (Ayes.) Opposed, no? The ayes have it.

12 Next is the Floyd County Board of Supervisors - Floyd County Economic  
13 Diversification and Incentive Program, a request for one million five hundred thousand.

14 MR. FIELDS: I make a motion we accept the Staff's  
15 recommendation.

16 SENATOR WAMPLER: It's been moved and seconded that the  
17 Staff's recommendation be adopted. Is there any discussion? Accordingly, all in favor or  
18 adoption of that motion signify by saying aye? (Ayes.) Opposed, no? The ayes have it.

19 Next, is Galax, Chestnut Creek School of Arts. A request for a hundred and  
20 forty-one thousand dollars. The Staff recommends no award.

21 DEPUTY SECRETARY ERSKINE: I move that we accept the  
22 Staff's recommendation and perhaps work with the applicant on coming back with a  
23 better operational plan.

24 SENATOR WAMPLER: It's been moved and seconded, any  
25 discussion on that motion? All in favor signify by saying aye? (Ayes.) Opposed, no?  
26 The ayes have it.

27 DELEGATE KILGORE: Heart of Appalachia Tourism Authority.  
28 The Staff recommends that the regional partnership meets guidelines for Special Projects  
29 funding. And, I assume that would be the other marketing arm of LENOWISCO. Is that  
30 recommended going to the Special Projects Commission?

31 MR. PFOHL: Yes, both requests.

32 DELEGATE KILGORE: Because it covers so many areas it would  
33 be eligible for Special Projects?

34 MR. PFOHL: Eight counties and three cities and nine towns, all  
35 with dollar requests for this project.

36 DELEGATE KILGORE: That would be something that Special  
37 Projects could cover, then. Do I have a motion on that?

38 MR. BANNER: I so move.

39 DELEGATE KILGORE: That would entail another one from  
40 LENOWISCO being deferred to Special Projects. All right, all those in favor say aye?  
41 (Ayes.) The ayes have it.

42 Now we have Historic Crab Orchard Museum and Pioneer Park. Staff  
43 recommends no additional award, and project appears to be eligible for VDOT grant, but

1 not sure.

2 SENATOR PUCKETT: I was going to raise the issue, I don't know  
3 if they are eligible or not, but we've already committed, which is not being spent, a  
4 hundred thousand from the Tobacco Commission. This would complete the entire project  
5 they have been working on. I'd like to see us, at least in view of the fact that this  
6 enhancement grant from VDOT probably is not available, I'm going to recommend that  
7 we consider seventy-five thousand.

8 DEPUTY SECRETARY ERSKINE: How do we know it is not  
9 eligible for the funding?

10 SENATOR PUCKETT: I'm not completely aware that it is not, but I  
11 have some information from them that would indicate that they are not aware of being  
12 eligible. If somebody would tell me that they are, I'd be glad to send them that way.

13 MR. FIELDS: Mr. Chairman, you said they have spent the first one  
14 hundred thousand and another fifty would complete it?

15 SENATOR PUCKETT: Our portion. There are several pieces of the  
16 project that are coming from other places. That's a verbal commitment that will be  
17 approved, I think. If you want to do it on a contingency of the Tobacco Commission  
18 money not the only money being put in here, the total project is almost six hundred  
19 thousand. If you approve that we'd have a hundred seventy-five thousand. The reason  
20 they haven't spent what we gave is because they don't have enough money to complete  
21 the project. So I would just say, let's make the seventy-five thousand contingent upon the  
22 other pieces of funding coming together and the tobacco money would not be available  
23 until that is complete.

24 DELEGATE KILGORE: That's a motion, do I have a second?

25 MR. BANNER: Second.

26 DEPUTY SECRETARY ERSKINE: Mr. Chairman, that would  
27 depend on the money they have requested from VCEDA and USDA and ARC?

28 DELEGATE KILGORE: ARC has already paid.

29 DEPUTY SECRETARY ERSKINE: So once they hear back from  
30 VCEDA and USDA?

31 DELEGATE KILGORE: Correct. We have a second, all those in  
32 favor say aye? (Ayes.)

33 MR. THOMPSON: Mr. Chairman, I abstain.

34 DELEGATE KILGORE: The Town of Independence Fiber  
35 Network. All right, we'll defer that and then come back.

36 Lee County IDA, Constitutional Oaks Industrial Park. Staff recommends fifty  
37 thousand to extend purchase option and to complete a site master plan cost, and financing  
38 options.

39 MR. MONTGOMERY: I'll make the motion.

40 DELEGATE KILGORE: The motion is made.

41 SENATOR WAMPLER: I'll second it.

42 DELEGATE KILGORE: Any discussion? All those in favor say  
43 aye? (Ayes.)

1 Lee County IDA, Structural Renovations. Staff recommends award of up to  
2 one hundred fifty thousand for improvements to building shell, with requirement for local  
3 government match of at least twenty-five thousand.

4 MR. FIELDS: I'll make that motion as it is.

5 SENATOR PUCKETT: Second.

6 DELEGATE KILGORE: Any discussion? All those in favor of that  
7 motion?

8 DEPUTY SECRETARY ERSKINE: What was the motion?

9 DELEGATE KILGORE: That we award up to one hundred fifty  
10 thousand with the requirement for a local government match of at least twenty-five  
11 thousand. All in favor of that say aye? (Ayes.)

12 Next is Virginia Coalfields Regional Sewer Authority. This is one that has  
13 been recommended to go to Special Projects. That would seem to be the likely place,  
14 with Special Projects. Do I have a motion that we send it to Special Projects?

15 MR. FIELDS: I'll make the motion.

16 SENATOR PUCKETT: Second.

17 DELEGATE KILGORE: All those in favor say aye? (Ayes.)

18 Next, the Lincoln Theatre.

19 MR. THOMPSON: I move we approve seventy-five thousand.

20 DELEGATE JOHNSON: It's been recommended for sixty-five two.

21 MR. FIELDS: I think the Lincoln is doing great things here. I think  
22 we talked about this one other time about paying for start-up labor and staff positions.

23 DELEGATE KILGORE: The Staff recommended one-time funding,  
24 and that's one-time funding for start-up, and I think the key language is one-time.

25 MR. PFOHL: Mr. Chairman, the Staff had this dialogue with the  
26 applicant about their, the Staff is more comfortable recommending equipment and bricks  
27 and mortar type funding rather than creating a dependency situation on operating  
28 expenses for the applicant. The equipment in this case would be for showing movies and  
29 film, which is probably not something the Tobacco Commission should be associated  
30 with. The applicant understands this is one-time operating support.

31 DELEGATE JOHNSON: They recommended sixty-five two, I'd say  
32 seventy-five.

33 DELEGATE KILGORE: I have a motion, is there a second? All  
34 right. Motion and second for seventy-five thousand, all in favor, this is the one-time  
35 funding for Lincoln Theatre, that's for seventy-five thousand. All in favor say aye?  
36 (Ayes.) All right.

37 Mount Rogers, Twin County Airport Enhancement. Staff recommends no  
38 award at this time. There was a discussion about some bonds and some things like that.

39 MR. MONTGOMERY: I make a motion we approve the Staff's  
40 recommendation.

41 DEPUTY SECRETARY ERSKINE: Second.

42 DELEGATE KILGORE: Discussion? All those in favor say aye?  
43 (Ayes.)

1           The Nature Conservatory, Rikemo Property Infrastructure Improvements.  
2 Staff recommends an award of twenty thousand to assist with water lines. I can say they  
3 grow a lot of tobacco in that area and a lot of vegetables.

4           MR. BANNER: I recommend the Staff's recommendation for  
5 twenty thousand.

6           SENATOR WAMPLER: I'll second it.

7           DELEGATE KILGORE: All in favor say aye? (Ayes.) Old High  
8 School Renovation - Old Chilhowie High School Construction Renovation. Staff  
9 recommends no additional award.

10          DELEGATE JOHNSON: Mr. Chairman, I move that we approve  
11 the fifty-nine thousand. One of the reasons that Saltville and Chilhowie both have been  
12 hit harder than any other county in Southwest Virginia, in the last year they lost industries  
13 and they are trying to pull themselves up by the bootstraps. I feel like the purpose of this  
14 money is to rehabilitate those people. Smyth County is certainly one of the largest, about  
15 the third or fourth largest burley-producing county. We haven't done much for Smyth  
16 County. I think we should help them out. So I move we grant the fifty-nine thousand.

17          DEPUTY SECRETARY ERSKINE: Mr. Chairman, is there a way  
18 perhaps to make the funding contingent on the Staff receiving an operating plan?

19          DELEGATE KILGORE: That would be fine.

20          DELEGATE KILGORE: Senator Wampler, would your second still  
21 stand with that motion if we made that modification?

22          SENATOR WAMPLER: I'll still second it with the modification.

23          DELEGATE KILGORE: All those in favor say aye? (Ayes.)

24          Next is the Saltville Foundation, the Staff recommends an award of seventy-  
25 five thousand to be combined with the Museum Foundation's cash on hand and other  
26 grants.

27          DELEGATE JOHNSON: Mr. Chairman, you can't buy half of a  
28 building or a third of a building. It takes one hundred twenty-five thousand. Mr.  
29 Chairman, last week all the people that came in, they want to make it comfortable to get  
30 people in, and the people will get their money out of their pocket and spend it. We need  
31 this expansion. As I say, you can't buy half of a building, so I'd move we approve the one  
32 hundred twenty-five thousand.

33          MR. MONTGOMERY: Second.

34          DELEGATE KILGORE: Any discussion? All in favor say aye?  
35 (Ayes.)

36          Scott County, Copper Creek Interpretive Center. Previous Commission  
37 funding twenty thousand in FY03, and Staff recommends no additional award.

38          DEPUTY SECRETARY ERSKINE: Did we hear from them?

39          MR. PFOHL: My understanding is that when the application was  
40 submitted last year VDOT was not accepting new projects and only providing funding for  
41 projects that they previously awarded some funding to. This year I understand there is a  
42 new federal bill that will allow them to accept a new application.

43          DEPUTY SECRETARY ERSKINE: Have they spent the twenty

1 thousand?

2 DELEGATE KILGORE: I don't think so, I don't think they have  
3 had enough to finish, even start the project.

4 MR. FIELDS: I'll make a motion we accept the Staff's  
5 recommendation.

6 DELEGATE KILGORE: Maybe with the provision that we try to  
7 help them with VDOT and get through and work with the Scott County Chamber of  
8 Commerce people, try to help them.

9 MR. FIELDS: I don't want to see it die, something that will include  
10 the glorification of this project.

11 DELEGATE KILGORE: The Staff's recommendation, all those in  
12 favor say aye? (Ayes.) The Chairman votes no.

13 Scott County Economic Development Authority. This is a reimbursement  
14 grant for private business expansion.

15 SENATOR WAMPLER: I move we accept Staff's recommendation  
16 for one hundred fifty-six thousand seven hundred fifty.

17 MR. FIELDS: Second.

18 DELEGATE KILGORE: All those in favor say aye? (Ayes.)

19 Scott County EDA, Leadership Academy Southwest. Staff recommends award  
20 of up to five thousand for plan to assess needs and demand, develop a curriculum and  
21 address sustainability.

22 SENATOR WAMPLER: Mr. Chairman, as much as I'd like to do  
23 that, then we're going to be over-obligated. I'd also say that there are a lot of other  
24 projects that we have to shave, so I don't know that we can do this at this time. I'm sure  
25 I'll answer to somebody for that, but I don't know how we're going to be able to do that  
26 right now.

27 MR. MONTGOMERY: It's a small project, and they really don't  
28 have an impact.

29 MR. FIELDS: I'd make the motion that we defer it until the next  
30 meeting.

31 DEPUTY SECRETARY ERSKINE: The issue of leadership comes  
32 out of the Long-Range Plan process, but to the extent that the Secretary of Commerce  
33 and Trade has worked with the Commission to see how best we can push forward  
34 initiatives in terms of leadership.

35 SENATOR WAMPLER: Mr. Chairman, the programs that I have  
36 seen that work, some work and some struggle, but maybe that is something for the  
37 University of Virginia College at Wise to do, take up a regional project like that, maybe  
38 use that investment to the Higher Education Center. I think we should have a regional  
39 approach to it and get that quality instruction.

40 DELEGATE KILGORE: Direct Economic Development to work  
41 with Secretary of Commerce and Trade's office and try to come up with something and  
42 get in touch with Matt and try to work to that end. Is that acceptable?

43 DEPUTY SECRETARY ERSKINE: Yes.

1 DELEGATE KILGORE: Scott County Public Service Authority -  
2 Holston Region Wastewater Treatment Plant Upgrade. This is a project as requested that  
3 involved five million dollars plus, and the Staff recommends no award.

4 SENATOR WAMPLER: Mr. Chairman, I think what is difficult  
5 here is that you have two projects, and I'm probably out of order to mention Saltville and  
6 the wastewater treatment plant. I guess it goes back to the comment I made earlier, job  
7 preservation and job creation. I think on both of these they hit the mark. Obviously,  
8 there will be an upside to potential growth, and that's a good investment in and of itself. I  
9 think I understand why the Staff did what they did, but we need to help them along as  
10 best we can. I'm not sure where we are on a running total, and I'm a little scared to ask  
11 right now. I think it's appropriate we fund something to help out to Scott County and  
12 Smyth County projects.

13 DELEGATE KILGORE: Are you making a motion on both of  
14 them?

15 SENATOR WAMPLER: I don't know if that's a motion.

16 DELEGATE KILGORE: Make a motion for Scott County first.

17 SENATOR WAMPLER: I don't know how you break that one down  
18 into a particular amount. I'd just say that we apply the same rule of thumb, reducing it by  
19 half. Would that be one sixty-two five?

20 DELEGATE KILGORE: One sixty-two five to Holston Wastewater  
21 Treatment Plant.

22 SENATOR PUCKETT: I'll second it.

23 DELEGATE KILGORE: Any discussion? All in favor say aye?

24 (Ayes.)

25 MR. THOMPSON: Mr. Chairman, I'd abstain.

26 DELEGATE KILGORE: All right.

27 Saltville Wastewater Treatment Plant.

28 SENATOR WAMPLER: I'd make the same motion, but not in the  
29 same dollar amount. I think that would be one hundred fourteen thousand dollars, Mr.  
30 Chairman. That would be my motion.

31 MR. MONTGOMERY: I'll second it.

32 DELEGATE KILGORE: Everyone heard the motion, all in favor  
33 say aye? (Ayes.)

34 Southwest 4-H Camp, and the Staff recommends no award at this time. May I  
35 have a motion to accept the Staff's recommendation?

36 MR. MONTGOMERY: I so move.

37 DELEGATE KILGORE: It's been moved and seconded, all in favor  
38 say aye? (Ayes.)

39 Southwest Virginia Higher Education Center. Staff recommends this be  
40 referred to Special Projects Committee. I think one reason the Staff recommended it is  
41 that you may expand it to Southside, since this seems to be working pretty well and  
42 there's a bigger pot of money. Southside had the idea to refer it to Special Projects. If the  
43 people in Southside get something going there, this could really be big.

1                   SENATOR WAMPLER: Here's the problem, Mr. Chairman. First  
2 off, Special Projects probably won't meet until sometime the end of June, with the Full  
3 Commission meeting July 22nd. They continue funding 1, July. You can duplicate the  
4 project, but I don't know if you can reach the economy of scale. You always have to take  
5 another footprint of this and put it in Southside regional, and probably one and half times  
6 the size of what we are doing here, to meet the geographical population base in  
7 Southside. I think it clearly meets the Special Projects criteria in terms of being regional  
8 in scope. Maybe one motion would be that we obligate an amount up to one hundred  
9 fifty-four thousand seventy-five dollars out of the Southwest Economic Development  
10 Committee and apply coincide funding requests with Special Projects. We can put our  
11 stamp of approval on it, but for purposes of continuing the program, but also make a  
12 request to Special Projects.

13                   MR. FIELDS: I think we should make the thing with Southside  
14 seventy/thirty. I've heard that formula now for five years, and I think it's wonderful to  
15 say seventy/thirty.

16                   MR. MONTGOMERY: Didn't Southside send a letter that they  
17 were interested when we started this one?

18                   SENATOR WAMPLER: To be fair, I'm not sure Southside saw what  
19 we saw in it. I think they might be interested, and I don't want to jeopardize the scope of  
20 what we're doing.

21                   DELEGATE KILGORE: Your motion is to make an award up to  
22 one hundred fifty-four thousand seventy-five dollars, but also with concurrent submission  
23 to Special Projects.

24                   MR. MONTGOMERY: I'll second that.

25                   DELEGATE KILGORE: Wouldn't you send it on to Special  
26 Projects for consideration?

27                   MR. STEPHENSON: Clarification, would that mean Special  
28 Projects funded it, and then this Committee is relieved of its obligation?

29                   DELEGATE KILGORE: I think that's what we're getting to.

30                   MR. STEPHENSON: The reverse is also true if they don't fund it.

31                   DELEGATE KILGORE: If they don't fund it, we do.

32                   MR. STEPHENSON: Understood.

33                   SENATOR WAMPLER: Make no mistake, it requires one hundred  
34 fifty-four thousand seventy-five dollars to operate with the next fiscal year, or for this  
35 grant cycle. If Southside wishes to do it you'd have to find additional dollars out of  
36 Special Projects to, even then it would be different. We might have similarities, but it  
37 still would be different.

38                   MR. FIELDS: If Southside bought into it, it would be more than  
39 one hundred fifty-four thousand?

40                   SENATOR WAMPLER: Yes.

41                   MR. FIELDS: Are we talking about one hundred fifty-four  
42 thousand to fund the Southwest's interest in it?

43                   SENATOR WAMPLER: Economies might be achieved, we don't

1 want to trespass into Southside's territory, they might want to do this.

2 DELEGATE KILGORE: I believe there's a second to the motion?

3 MR. MONTGOMERY: I seconded it.

4 DELEGATE KILGORE: All in favor say aye? (Ayes.)

5 St. Paul, Town of - Virginia City Industrial Park Site Sewer Development.

6 SENATOR PUCKETT: I move we accept the Staff's  
7 recommendation, and I'll work with the Town of St. Paul on the recommendation of the  
8 Staff.

9 DELEGATE KILGORE: All those in favor say aye? (Ayes.)

10 The next one is withdrawn, the next one is Tazewell Community Hospital  
11 Foundation. The Staff recommended no award. There's sixty-five part-time jobs,  
12 apparently.

13 DEPUTY SECRETARY ERSKINE: Quite clear, healthcare is a  
14 major issue, especially with an aging population, and especially if we look to recruit  
15 retirees. I think the economic impact of that was discussed. The question is, by voting to  
16 approve funding for this, and the Staff can probably talk a little bit better about this than I  
17 can, but does it not set a precedent that the Commission does not want to set in terms of  
18 funding facilities associated with hospitals?

19 MR. THOMPSON: If I could address that, Mr. Chairman. The Four  
20 Seasons Wellness Center is a stand-alone organization, a 501C3 organization. It's been  
21 organized through the cooperative efforts of both Tazewell and folks from the Tazewell  
22 Community Hospital and other local organizations, but as far as the operation goes it is  
23 totally separate. It has received funding in the amount of a million dollars from the  
24 Tazewell Community Hospital Foundation, as well as three hundred fifty thousand  
25 dollars in capital from the Town of Tazewell. There has also been 1.3 million dollars  
26 raised in individual contributions. I will disclose that I am the Chairman of the Tazewell  
27 Community Hospital Board of Directors. I'm also a member of the Tazewell Community  
28 Hospital Foundation and also a member of the Four Seasons Wellness Center. The  
29 capital campaign is a privilege, and we were very successful in raising that amount of  
30 money. This is clearly a grass roots project that I have not seen the enthusiasm for in an  
31 economically deprived region in ten years. It's going to generate twenty-one full-time  
32 equivalent jobs from day one with a five hundred twenty-six thousand-dollar payroll. If  
33 you look at it from an economic development standpoint, a five hundred twenty-six  
34 thousand-dollar payroll from day one. There are not many projects that we are  
35 considering today that can do that. I will be abstaining from voting on this matter;  
36 however, I wanted to clarify that position.

37 SENATOR PUCKETT: Mr. Chairman, I can't add to what Mr.  
38 Thompson said, but just the funding mechanism itself, which we are a small part of that  
39 in the community, and they've gone out and raised that kind of funding for something  
40 that, and we certainly ought to be able to do something for it. I would hope the  
41 Committee, since it is a 501C3. The hospital has made a significant commitment. I'd  
42 hate to not see this project move forward, but I also would agree that not too many  
43 projects wind up with jobs and other sources of income. It's a pretty good project for our

1 area.

2 MR. FIELDS: Mr. Chairman, I would agree with Jim. I don't know  
3 where we could go to put that kind of money into Southwest Virginia. I'll make a motion  
4 that we fund it for two hundred thousand.

5 SENATOR WAMPLER: I don't know how to say this, other than it's  
6 an important project, but we still have a balance of projects that provide regional  
7 opportunities, and I'm going to support something, but I can't support two hundred  
8 thousand dollars.

9 MR. FIELDS: We can come back to these --

10 SENATOR WAMPLER: Bluefield, Marion, Princeton, Bristol,  
11 Lonesome Pine will be back. I don't know where to stop.

12 SENATOR PUCKETT: I think that's a concern, if there's a locality  
13 in any of those that have put up this kind of money, and I think we owe some support to  
14 them. I haven't seen a community step forward and put this kind of money on the table  
15 and ask us for a piece of ours. What figure did you have in mind?

16 SENATOR WAMPLER: Whatever is reasonable, and if fifty  
17 thousand is not sufficient, then --

18 DELEGATE JOHNSON: Fifty thousand, I'll second that.

19 DELEGATE KILGORE: I have a motion on the table for two  
20 hundred, is there a substitute motion for fifty thousand?

21 SENATOR WAMPLER: Does fifty thousand come close to meeting  
22 the need? If it doesn't, we need to know that.

23 SENATOR PUCKETT: I think Mr. Thompson probably has to  
24 answer that.

25 MR. THOMPSON: Actually, it does not.

26 SENATOR WAMPLER: I withdraw the motion, Mr. Chairman.

27 DELEGATE KILGORE: You withdraw your motion? We still have  
28 the main motion on the table, two hundred thousand. Any discussion? Do I have a  
29 second?

30 SENATOR PUCKETT: I'll second it.

31 DELEGATE KILGORE: All in favor of two hundred thousand say  
32 aye? (Ayes.) Opposed? (no.)

33 MR. THOMPSON: Abstained.

34

35 NOTE: Four aye's, two no's, one abstention.

36

37 DELEGATE KILGORE: Clintwood, Ralph Stanley Museum. The  
38 request is four hundred thousand, and the Staff recommends an award of one hundred  
39 thirty-nine thousand to complete interior and exterior renovation.

40 DEPUTY SECRETARY ERSKINE: Mr. Chairman, can the Staff  
41 elaborate why they want one thirty-nine as opposed to the four hundred thousand?

42 MR. PFOHL: Mr. Chairman, the application indicated that the  
43 organization developing the museum is in the process of putting together, in their words,

1 an operation plan. I think that was part of the reluctance to go ahead and support  
2 operating costs at this point until an operating plan has been finalized. What we looked  
3 at to come up with the one hundred thirty-nine thousand-dollar figure, the expenses for  
4 exterior improvement, complete interior renovation, per dollar figures provided in the  
5 application.

6 MR. BAKER: Could I comment on that? Where we are at right  
7 now, we're short about four hundred twenty-five thousand. The application doesn't  
8 indicate that, but that is the closest number I have. I'd like to see that one hundred thirty-  
9 nine be a little closer to the four hundred.

10 MR. MONTGOMERY: Have you gotten anything from VCEDA?

11 MR. BAKER: You can always ask.

12 MR. MONTGOMERY: They've got a lot more money than we do.

13 MR. BAKER: I'd just like to see the Commission try to get us a  
14 little closer.

15 DEPUTY SECRETARY ERSKINE: Would the town be prepared to  
16 submit an operations plan for the future?

17 MR. BAKER: Yes.

18 SENATOR WAMPLER: Mr. Chairman, I'd move the Staff's  
19 recommendation.

20 DELEGATE KILGORE: The motion has been made to accept the  
21 Staff's recommendation, and there's a second. That is at one thirty-nine. All those in  
22 favor say aye? (Ayes.) Opposed? (No response.)

23 The Town of Marion, a request for one hundred thirty-four thousand five  
24 fourteen. The Staff's recommendation is no award.

25 SENATOR PUCKETT: I move we accept the Staff's  
26 recommendation.

27 DEPUTY SECRETARY ERSKINE: Second.

28 DELEGATE KILGORE: All in favor say aye? (Ayes.)  
29 UVA Wise.

30 MR. BANNER: Mr. Chairman, I'd like to speak to this. They have  
31 gone through quite a bit of renovations on the Wise campus, and it's tied to economic  
32 development, and this is tied into the UVA Wise campus. Any of you that have been on  
33 the campus know that additional parking spaces are needed, and the facility is a  
34 tremendous asset to that whole area, along with transportation for the students and some  
35 of the summer programs on campus. I would move that we fund this at two hundred fifty  
36 thousand.

37 SENATOR PUCKETT: I'll second that.

38 SENATOR WAMPLER: Mr. Chairman, can the Staff tell us what  
39 that will buy?

40 MR. PFOHL: The breakout, it's broken down into a number of  
41 activities, and the folks from UVA Wise can help me understand this, the respective cost  
42 elements that they have presented to us. We have basically a softball field with parking,  
43 two forty-one passenger buses, resurfacing of the track; I think those are the three

1 principal components they are asking us for here. A breakout under what the college  
2 would put in towards each of those things, I don't think we have numbers as far as total  
3 costs at this time.

4 DEPUTY SECRETARY ERSKINE: Mr. Chairman, how much is  
5 the college committing? One zero five from EDA?

6 MS. CUSHMAC: Mr. Chairman, as your counsel, I'd just remind  
7 you and point out to you all that as a recommendation from the Staff the request is not  
8 consistent with the guidelines.

9 SENATOR WAMPLER: Mr. Chairman, I'd like to speak to the  
10 motion. I guess I'd probably be in the minority on this one, too, but I can't vote for  
11 something that would construct a softball field or resurfacing of the walking track. A  
12 walking track could probably be funded out of any number of other sources of funds. I  
13 think the focus of this Commission and this Sub-Committee should be in creating jobs.  
14 We've reduced expenditures for water and sewer systems, things that are at the heart, and  
15 then we've reduced expenditures for industrial parks, which create jobs. I didn't want to  
16 do that, but I did try to make it fit within our budget. I don't mean to get all worked up  
17 about it. I think there's many roles the University of Virginia College at Wise can play.  
18 Previously, I thought maybe leadership development could be a mission of that college,  
19 could make an application for that to us. I can't support building a softball field when we  
20 have all these other requests to preserve jobs and create jobs.

21 SENATOR PUCKETT: Mr. Chairman, Anne Marie, would you  
22 elaborate a little bit on your comment? Are we about to do something here that we  
23 shouldn't?

24 MS. CUSHMAC: It's merely that you have established guidelines  
25 by which the applicants who submit projects to you all are guided. You've outlined what  
26 type of projects are to be funded by the Committee and what are not. This particular  
27 application is deemed by the Staff to be outside of those guidelines. I'm just cautioning  
28 you that having duly propounded some guidelines you would be wise to stay within them  
29 so you don't then have the situation where all sorts of projects that are outside your  
30 guidelines start coming forward and saying, but you did it for this one.

31 SENATOR PUCKETT: Tim, are you comfortable with what the  
32 Staff recommended here, that it is not consistent?

33 MR. PFOHL: Yes, I'm the principle author of that recommendation.  
34 I think that is primarily recreational activities, and this is not consistent with the intent of  
35 the Economic Development program.

36 DEPUTY SECRETARY ERSKINE: Mr. Chairman, is there a  
37 motion on the floor?

38 SENATOR PUCKETT: Mr. Chairman, I don't think anybody on this  
39 Committee either would like to be in the position of approving something that is not  
40 consistent with our guidelines. As much as I'd like to support the college, I'm going to  
41 say, even though I seconded that motion, after what I have heard I probably wouldn't vote  
42 for it.

43 DELEGATE KILGORE: I'd like to help them somehow, but maybe

1 this is not the way. They do provide a great economic engine for the community.

2 SENATOR PUCKETT: In view of the fact that I'm not going to  
3 vote for this, I probably ought to withdraw my second. We've already heard from our  
4 Counsel, and we've heard from the Staff, and I don't think I'm prepared to override what I  
5 heard.

6 DELEGATE JOHNSON: Is that a legal opinion that we have, that it  
7 would not be consistent?

8 MS. CUSHMAC: I'm merely saying to you that you do have  
9 guidelines, and you have them for a reason. If you choose to operate outside your  
10 guidelines, that is something that you choose to do. As your counsel, I would caution  
11 you against that; however, I wouldn't forbid you from doing that, or the Committee.

12 DELEGATE JOHNSON: It's just not legal to adopt something  
13 against the guidelines.

14 SENATOR PUCKETT: The other thing, Mr. Chairman, that we've  
15 been told it's inconsistent with guidelines that maybe we've already said. I'd like to try to  
16 do something to help the situation, but I'd like to do it within the guidelines.

17 DELEGATE KILGORE: Maybe we can direct the Staff to work  
18 with the College and see if there is, as Senator Wampler said, some way that we can help  
19 the college, and we would like to do that.

20 MR. BANNER: Based on that, I'll withdraw my motion and ask the  
21 Staff to work with the college and all concerned and do that in a positive manner.

22 DELEGATE KILGORE: All right.

23 Virginia Southwest Blue Ridge Highlands E-Commerce and Packaging Online  
24 Mall. Request, one hundred forty-one thousand, revised to one hundred thirteen  
25 thousand eight eighty-nine. This is one of those that involves the marketing, I don't know  
26 if it meets the Special Projects. I think this is one we might defer, can we?

27 SENATOR WAMPLER: Mr. Chairman, I'd say we ought to defer it,  
28 so that the entity does not have to re-submit an application.

29 DEPUTY SECRETARY ERSKINE: I so move.

30 MR. MONTGOMERY: Second.

31 DELEGATE KILGORE: All those in favor say aye? (Ayes.)

32 Whites Mill Foundation. Staff recommends award up to fifty thousand for  
33 physical improvements to mill structure, not to include construction management or  
34 A&E.

35 SENATOR WAMPLER: I move fifty thousand dollars for Whites  
36 Mill.

37 SENATOR PUCKETT: Second.

38 DELEGATE KILGORE: Any discussion? All those in favor say  
39 aye? (Ayes.)

40 William King Regional Arts Center. Staff recommends an award of forty  
41 thousand to conduct site analysis, design, master plan and publications.

42 DELEGATE JOHNSON: Mr. Chairman, I move that we appropriate  
43 one hundred thousand dollars.

1 DELEGATE KILGORE: Would that hundred thousand dollars,  
2 Delegate Johnson, be for that forty thousand for the site analysis and sixty thousand for  
3 the physical improvements or the HVAC system?  
4 SENATOR WAMPLER: Mr. Chairman, I'd say capital  
5 improvements at their discretion.  
6 MR. BANNER: I'll second it.  
7 DELEGATE KILGORE: A hundred thousand, all those in favor say  
8 aye? (Ayes.)  
9 MR. PFOHL: Mr. Chairman, would you clarify the three  
10 components of what they asked for there?  
11 DELEGATE KILGORE: It was sixty thousand for capital  
12 improvements and the forty thousand for the site analysis.  
13 Wise County IDA, Appalachia Transloader Site Reuse Plan. I think we will  
14 defer that.  
15 MR. BANNER: So moved.  
16 DELEGATE KILGORE: Next is the Wise County IDA Regional  
17 Business Technology Park Site Work. Staff recommends you award a hundred thousand  
18 to assist with the site grading.  
19 MR. PFOHL: An active prospect.  
20 DELEGATE KILGORE: The job pay is pretty high.  
21 SENATOR WAMPLER: Mr. Chairman, not to muddy the waters,  
22 but this is a hard prospect, and if we wanted to obligate an amount up to one hundred  
23 thousand could be considered current with TROF or Special Projects, or either one. I  
24 think we make a statement, yes, we want to do this but also say it is eligible for, I make a  
25 recommendation we adopt the Staff's recommendation for an amount up to one hundred  
26 thousand dollars consistent with the current, current review by others in the Tobacco  
27 Commission, including TROF and Special Projects.  
28 SENATOR PUCKETT: I'll second it.  
29 DELEGATE KILGORE: Ned --  
30 MR. STEPHENSON: I understand.  
31 DELEGATE KILGORE: If there's no discussion, all in favor say  
32 aye? (Ayes.)  
33 MR. FIELDS: What did we do with the business center?  
34 SENATOR PUCKETT: We agree with the Staff's recommendation,  
35 we need to see more pieces of information.  
36 DELEGATE KILGORE: That's a motion and a second, any  
37 discussion? All in favor say aye? (Ayes.)  
38 Staff, do you think you could get with the Town of Wytheville and get this  
39 information so we could have it for our next funding go-round?  
40 Regional Visitors Center and Homestead.  
41 SENATOR PUCKETT: I move we accept the Staff's  
42 recommendation.  
43 DELEGATE KILGORE: This is a, Staff recommends award of fifty

1 thousand for walkway, interpretive signs and restrooms. Is there a second? All right. It's  
2 been moved and seconded, any discussion? All in favor say aye? (Ayes.)

3 I need a motion on this change of use. Clinch Mountain Farmers, can we get  
4 some information on that? Is there any way I could defer this one until the meeting on  
5 Thursday morning? Can we put this back on the agenda?

6 MR. PFOHL: Did we approve Pennington Gap?

7 DELEGATE KILGORE: Yes, we approved that, Pennington Gap. I  
8 thought we did. Do I have a motion on that, we approve the change of use, I've got to  
9 have a motion on that.

10 MR. MONTGOMERY: I make the motion.

11 DELEGATE KILGORE: The change of use, it's already money that  
12 is allocated to them. All those in favor say aye? (Ayes.)

13 That takes care of Clinch Mountain and Pennington Gap.

14 SENATOR WAMPLER: Mr. Chairman, we've got to revisit the  
15 Town of Independence. The Town of Independence is requesting technology funding.  
16 Let me bring everyone's attention back to this issue for a moment. The Town of  
17 Independence, page six of eighteen, the top of the page. About a year and a half ago the  
18 Technology Committee awarded the Southwest a million dollars for preliminary  
19 engineering and design, employment of broadband in certain areas of Southwest. Bristol  
20 Virginia Utilities was the contractor to serve the Town of Independence. The motion I  
21 am going to suggest to you all is, and we've got to get to the point that we need to be, but  
22 remember we didn't fund this money. This Committee did not initiate this funding, but I  
23 think the Town of Independence and BVU need some type of direction from us. It's the  
24 Full Commission that ultimately allocates the dollars. I'll suggest the following: That we  
25 report to the Full Commission that the Southwest Economic Development Committee  
26 recommends that Bristol Virginia Utilities be released from its remaining obligation and  
27 that the balance of the remaining grant be awarded to the Town of Independence subject  
28 to a technical review by the Tobacco Commission Staff with subsequent approval at the  
29 July, 2004 Full Commission meeting.

30 DELEGATE JOHNSON: I'll second that motion.

31 SENATOR WAMPLER: I'd like to speak to the motion, Mr.  
32 Chairman. I think what that says is that we will determine how much is left in that grant,  
33 and BVU will be released from it, the Town of Independence will know how much is  
34 coming, and any remaining part that is unfunded then would be a matter of the  
35 Technology Committee of this Commission. I think we will accommodate what they  
36 want. We as a Sub-Committee don't have any authority to do that, only the Full  
37 Commission does. That's my motion.

38 MR. MONTGOMERY: Second.

39 DELEGATE KILGORE: All in favor of Senator Wampler's motion  
40 say aye? (Ayes.) All right.

41 The total amount that we have allocated here today is --

42 MS. GRIFFITH: Two million, two hundred five thousand, three  
43 hundred twenty-five dollars. One two nine five point zero eight nine.

1 DELEGATE KILGORE: Are there any we want to revisit, anything  
2 we want to revisit? Staff, anything you want to revisit?  
3 DELEGATE JOHNSON: Then we'll take up on Thursday morning  
4 the others that we --  
5 DELEGATE KILGORE: All those in favor of the package to report  
6 to the Full Commission, do I have a motion to report this to the Full Commission?  
7 DEPUTY SECRETARY ERSKINE: So moved.  
8 DELEGATE KILGORE: All those in favor say aye? (Ayes.) Is  
9 there anything else to come before this Commission? I'd like to thank the Staff for your  
10 help and your patience with us today. If there's nothing further, we'll adjourn.

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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 **Southwest Economic  
Development Committee Meeting when held on Monday, May 17, 2004 at 1:00 p.m.  
at the Southwest Higher Education Center, Abingdon, 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 1st day of July, 2004.

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

My Commission Expires: October 31, 2006.