

**VIRGINIA TOBACCO INDEMNIFICATION
AND COMMUNITY REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501

Richmond, Virginia 23219

Southwest Economic Development Committee

Thursday, November 9, 2006

9:30 a.m.

Cascades Meeting Room

The Inn at Virginia Tech & Skelton Conference Center

Blacksburg, Virginia

APPEARANCES:

The Honorable Terry G. Kilgore, Chairman

The Honorable Phillip P. Puckett, Vice Chairman

Mr. Stephen S. Banner

Mr. Fred M. Fields

Mr. H. Ronnie Montgomery

Mr. John M. Stallard

Mr. James C. Thompson

COMMISSION STAFF:

Mr. Neal Noyes, Executive Director

Mr. Ned Stephenson, Director of Strategic Investments

Mr. Timothy Pfohl, Grants Program Administration Manager

Ms. Stephanie Wass, Director of Finance

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Ms. Sarah Griffith, Grants Coordinator, Southwest Virginia

OFFICE OF THE ATTORNEY GENERAL

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

DELEGATE KILGORE: I'll call the meeting to
order.

Would you call the roll?

MR. STEPHENSON: Mr. Banner?

MR. BANNER: Here.

MR. STEPHENSON: Mr. Fields?

MR. FIELDS: Here.

MR. STEPHENSON: Mr. Montgomery?

MR. MONTGOMERY: Here.

MR. STEPHENSON: Senator Puckett?

SENATOR PUCKETT: Here.

MR. STEPHENSON: Mr. Stallard?

MR. STALLARD: Here.

MR. STEPHENSON: Mr. Thompson?

MR. THOMPSON: Here.

MR. STEPHENSON: Delegate Kilgore?

DELEGATE KILGORE: Here.

MR. STEPHENSON: You have a quorum, Mr.

Chairman.

DELEGATE KILGORE: First of all, we need to get approval of the Minutes from the July meeting.

MR. BANNER: So move.

MR. STALLARD: Second.

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

All right, we have really one matter to take up this morning. Tim, could you tell us what the allocation is left?

MR. PFOHL: Yes, currently the Committee has an available balance of unrestricted funds in the amount of 564,207. We have a grant cycle scheduled for the March and April time frame that would use your fiscal year '07 budgeted amount of 2.7 million, and that would be entirely restricted funds. You have a little over a half a million unrestricted and 2.7 restricted.

DELEGATE KILGORE: The 2.7 is coming up during the next request period. This request would be within the 564.207?

MR. PFOHL: Certainly as a construction project it seems to be one that would qualify for restricted funds. To go ahead and award those restricted funds before everyone else has an equal shot at it would probably be a pressing issue. Given the fact that you've got the unrestricted funds, that probably would be the preferred route.

DELEGATE KILGORE: All right. Just to give you some background here, the Lee County Public Service Authority is trying to get water to the school there. Fred probably knows more about this than any one else, and this can create a health problem with the Virginia

Department of Health. I guess that's why this has been brought up so quickly. I guess what you do is bring this over from Scott County across the mountain to Lee County, because the school is right at the bottom of the mountain, and they'll bring it over that way to do that. Lenowisco is in for 80,000 from their dollars that have been appropriated in the General Assembly for water projects. I believe those dollars go to PD 1 and PD 2, or maybe Planing District 3. And that's really where we are. So I guess this is really an emergency situation. I guess I'll let Fred explain it a little more, and Ron Flannery couldn't be here.

MR. FIELDS: There's nothing really much to address with this. This is a small elementary school. They have wells right now. The wells do not meet the health and safety standards. As I understand it, they can't use them at all. As far as I know, bottled water is all they're using. It's just a mess, and it's going to be for a long way, unless we fix it.

DELEGATE KILGORE: I understand they're going to get a new water system for the whole community, and they'll be going through the VDCD. I think that's probably scheduled around January of '07 and start construction next summer, and it will take about two years to do the project. Two years is a long time to wait.

MR. BANNER: It's a lot of water bottles.

DELEGATE KILGORE: It's a low priority when you're talking about a water system. My only comment would be it's an elementary school. If we're talking about helping the community, this is an important project.

MR. MONTGOMERY: The school is between two mountains, and this is a practical way to solve it. It will create a good water system for retirees, they've just got to have water, and starting to come in here, all over the country now.

MR. BANNER: Is it coming in from Scott County?

MR. MONTGOMERY: It's coming in from Duffield. The water system is at the top of the mountain, and drop it over and it'll come that way. If it came the other way it would be much more costly.

MR. BANNER: If you go through Scott County and Duffield, it would just drop off,

MR. FIELDS: The water is at the top of Powell Mountain.

MR. MONTGOMERY: Route 58, that's really where we are.

SENATOR PUCKETT: I'm going to make a motion that we approve this for consideration under an emergency situation, a one-time \$80,000 to put the water system in.

DELEGATE KILGORE: Any other comments? That would be from unrestricted funds.

SENATOR PUCKETT: Unrestricted funds.

MR. MONTGOMERY: I'll second the motion.

DELEGATE KILGORE: Any other discussion?

All in favor say aye? (Ayes.) Opposed? (No response.)

MR. THOMPSON: I'd like to say something. I was made aware yesterday that one of our grantees that has been approved, the project is under construction, and during the course of construction there was an environmental issue that came up, and the Tobacco Commission is involved. It's about a million and a half dollar project. It involves some demolition, and hopefully it will be an economic development opportunity for the county. I don't know what all the issues with it are, but I'd like to ask the Staff to get with the Town of Fries and see if they can work with them and possibly come up with some type of working solution with VHCD to solve the problem, because there's a strong possibility that it's going to shut down construction.

MR. BANNER: Is it demolition or construction?

MR. THOMPSON: Demolition. They're tearing down two old mill buildings on the site, and they're removing a bunch of asbestos.

MR. BANNER: As I recall, our money was for demolition.

MR. THOMPSON: That's correct. The problem is coming in the form of the tipping fees to Plainfield for hauling the asbestos to the landfill.

DELEGATE KILGORE: So, we'd ask the Staff to take a look at that.

All right, anything else to come before the Committee?

Do I have a motion we adjourn?

MR. BANNER: So move.

PROCEEDINGS CONCLUDED.

CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at large, do hereby certify that I was the court reporter who took down and transcribed the proceedings of the **Virginia Tobacco Indemnification and Community Revitalization Commission Southwest Economic Development Committee Meeting when held on Thursday, November 9, 2006 at 9:30 a.m. in the Cascades Meeting Room at the Inn at Virginia Tech & Skelton Conference Center, Blacksburg, 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 15th day of November, 2006.

Medford W. Howard

Registered Professional Reporter
Notary Public for the State of Virginia at Large

My Commission Expires: October 31, 2010.