

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

3 701 East Franklin Street, Suite 501
4 Richmond, Virginia 23219
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9 Southwest Economic Development Committee Meeting
10 Thursday, July 15, 2010
11 11:00 a.m.
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13 Wytheville Meeting Center
14 Wytheville, Virginia
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1 **APPEARANCES**

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3 The Honorable Phillip P. Puckett, Chairman

4 James C. Thompson, Chairman

5 Stephen S. Banner

6 The Honorable Joseph P. Johnson, Jr.

7 Mary Rae Carter

8 Deputy Secretary of Rural Economic Development

9 Office of the Secretary of Commerce and Trade

10 The Honorable William C. Wampler, Jr.

11 David S. Redwine, DVM (by phone)

12 The Honorable Terry G. Kilgore (by phone)

13

14 **COMMISSION STAFF**

15 Mr. Neal Noyes, Executive Director

16 Mr. Ned Stephenson, Deputy Executive Director

17 Mr. Timothy J. Pfohl, Grants Program Administration Manager

18 Ms. Sara Williams, Grants Coordinator, Southwest Virginia

19 Ms. Sarah Capps, Grants Coordinator, Southside Virginia

20

21 **COUNSEL FOR THE COMMISSION**

22 Mr. Francis N. Ferguson, Esquire

23 Counsel for the Commission (by phone)

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4 SENATOR PUCKETT: I'm going to call the
5 meeting of the Southside Economic Development Committee to
6 order. Delegate Kilgore, where are you?

7 DELEGATE KILGORE: I'm here by phone.

8 SENATOR PUCKETT: David Redwine, are you
9 there?

10 MR. REDWINE: I'm here by phone.

11 SENATOR PUCKETT: Frank Ferguson, how
12 are you?

13 MR. FERGUSON: Pretty good.

14 SENATOR PUCKETT: I'm glad to hear that. If
15 you all have any problems hearing what's going on, just let us
16 know but I want to thank you for joining us. Neal, will you
17 call the role?

18 MR. NOYES: Mr. Banner?

19 MR. BANNER: Here.

20 MR. NOYES: Deputy Secretary Carter?

21 DEPUTY SECRETARY CARTER: Here.

22 MR. NOYES: Mr. Fields?

23 MR. FIELDS: (No response).

24 MR. NOYES: Delegate Johnson?

25 DELEGATE JOHNSON: Here.

1 MR. NOYES: Senator Puckett?

2 SENATOR PUCKETT: Here.

3 MR. NOYES: Mr. Redwine by phone? Mr.
4 Thompson?

5 MR. THOMPSON: Here.

6 MR. NOYES: Senator Wampler?

7 SENATOR WAMPLER: Here.

8 MR. NOYES: Mr. Chairman, we have a
9 quorum.

10 SENATOR PUCKETT: Thank you Neal. I'd ask
11 for approval of the minutes of 4/29/10 that have been
12 published on the Commission's website?

13 MR. BANNER: So moved.

14 DELEGATE JOHNSON: Second.

15 SENATOR PUCKETT: It's been moved and
16 seconded that the minutes of the 4/29/10 meeting be
17 approved. All those in favor. (Ayes). Opposed like sign. (No
18 response). The minutes are approved. Now, let me give you a
19 little outline of what we're going to try to do, you've already
20 seen the proposal from staff and their recommendations.
21 We're going to ask Sara to go through those briefly and when
22 that's done, we'll give you an opportunity to talk about your
23 project or any other things you want to talk about. So at the
24 present time, I'd ask Sara to go ahead with your presentation.

25 MS. WILLIAMS: I'm going to give a brief

1 description and the staff recommendation. If you'd like to
2 hear more information about a particular project after the
3 recommendations, just stop me and I'll do my best to provide
4 that.

5 The first project is the Edward Via Virginia
6 College of Osteopathic Medicine for the Southwestern Center
7 for Medical Education Simulation and Research. They're
8 requesting \$4,990,000 for the renovation and equipment
9 costs, medical simulation and research in the current Johnson
10 Memorial Hospital. The staff is recommending no award for
11 that project.

12 The Flanary Historical Site is requesting
13 \$150,000 for the rebuilding of the 1830 post office courthouse
14 and log home. Staff is also recommending no award for this
15 project.

16 The Town of Honaker is requesting \$331,983
17 for the Honaker Heritage Center renovation project which is
18 the renovation of the former First National Bank of Honaker
19 building, the Cultural Arts Center, also a classroom. Staff
20 recommends that this proposal be resubmitted to the reserve
21 fund at the appropriate time to match a potential ARC
22 application.

23 The Town of Jonesville is requesting \$388,080
24 for the Town of Jonesville RV Park and Campground phase II
25 and that is for the construction of an RV Park and

1 campground adjacent to a Town owned park in Lee County
2 that's in the Town of Jonesville. Staff is recommending no
3 award for this project.

4 The next project is Konnarock Retreat House
5 requesting \$207,169 requested for the stage III development
6 and renovation to the Retreat House. Staff is recommending
7 that this proposal be resubmitted to the reserve fund to match
8 a potential ARC application at the appropriate time.

9 Next is the Lays Hardware Center for the Arts
10 requesting \$213,400 for the upgrade and expansion of Lays
11 Hardware Center for the Arts in downtown Coeburn. Staff
12 recommends an award of \$50,000 for balcony and handicap
13 accessibility and improvements, with further project costs to
14 be resubmitted to the reserve fund at the appropriate time.

15 Next we have the Stone Mountain Multi-use
16 Trail, Phase II from the Lee County Board of Supervisors
17 requesting \$299,830 for Phase II trail design and construction
18 for the Stone Mountain Multi-use Trail. This trail is part of a
19 larger Spearhead Trail System being developed in Southwest
20 Virginia. This project will add an additional 24.14 miles to a
21 system that's already in place. There is a proposal that will be
22 heard this afternoon by the Special Projects Committee for a
23 strategic plan for the Spearhead Trail System and for that
24 reason staff is recommending that this proposal be tabled in
25 order to complete the implementation.

1 Next is the Lee County IDA requesting
2 \$2,775,703 for the Constitutional Oaks Shell Building
3 Build-Out. This is to build-out the 60,000 square feet shell
4 Building that was located in the Constitutional Oaks Business
5 Park to accommodate a light manufacturing prospect. Staff is
6 recommending an award of \$1,075,703 which represents 90
7 percent of the physical improvement costs contingent on an
8 industry prospect signing a TROF Agreement to occupy the
9 Shell Building. There is a TROF award for this project.

10 Next the Town of Nickelsville is requesting
11 \$680,000 for the Nickelsville Community Multi-use Medical
12 Facility and the staff is recommending no award.

13 Next is Scott County EDA Daniel Boone
14 Wilderness Trail Interpretive Center. This project has already
15 been approved by the Reserve Committee.

16 Scott County EDA is requesting \$435,258 for
17 the Crooked Road Tech Center Build-Out and Generator and
18 to build out that building. The staff is recommending an
19 award of \$350,658 for 90 percent of the generator costs.

20 Next, another project for the Scott County EDA
21 and that's for grant number 1810, this project was approved
22 by the Reserve Committee to match an EDA Grant. We
23 originally approved \$2,185,000, however the EDA award was
24 less than that match so the reserve amount has been reduced.
25 We're recommending an award of \$324,372 from this

1 Committee to be added to that grant to cover the shortfall.

2 Next, Scott County Telephone Cooperative is
3 requesting \$3,235,500 for the SCTC Weber City 100 Gigabit
4 Network Upgrade. This project will provide internet service for
5 all of Scott County and also the upgrade will allow the
6 telephone cooperative to Mid-Atlantic Broadband through
7 BVUV and Lenowisco creating a redundant connection. In
8 this case staff is recommending a total award of \$610,190
9 which represents the original \$340,190 recommendation as
10 well as an additional \$270,000 award that would cover 90
11 percent of equipment and other costs associated with the
12 connection to BVU and Mid-Atlantic Broadband.

13 The County of Scott is requesting \$190,000 for
14 Keith Memorial Park Lighting Project which is the Town of
15 Nickelsville in Scott County. The staff is recommending no
16 award.

17 Next is the Southwest Virginia Higher
18 Education Center Foundation requesting \$1,215,000 for the
19 Waste to Energy Gasification System from Innovative Energy.
20 It can convert multiple feedstocks into syngas and syngas is
21 then combusted to generate electricity. Staff recommends no
22 award.

23 The Southwest Virginia Higher Education
24 Center Foundation, \$37,314 for the Algal Fuel Production
25 Model using CO2 and nutrients from energy production and

1 waste water treatment sources Phase I for the preliminary
2 engineering and design work that will address the production
3 of algal biofuel using combustion gases from power generation
4 and anaerobic wastewater digestion to grow algae. Staff is
5 recommending an award of \$37,314.

6 The Southwest Virginia Alliance for
7 Manufacturing is requesting \$337,500 for the advanced
8 manufacturing skills and career outreach project. This
9 program is a continuation that provides an incentive to
10 encourage training activities among manufacturers located in
11 Smyth and Washington Counties. The staff is recommending
12 an award of \$100,000 contingent on a 50/50 cost share with
13 private employers.

14 Tazewell County IDA is requesting \$300,000
15 for the Pocahontas Trail System Phase I. Funds are requested
16 to design, develop and construction of a trail head for a
17 motorized trail system located in northeast Tazewell County.
18 This project is part of the Spearhead Trail System being
19 developed in Southwest Virginia. Once again, staff is
20 recommending this proposal be tabled in order to complete the
21 SRRRA implementation plan.

22 The University of Virginia College at Wise is
23 requesting \$691,398 for the Southwest Virginia Dental
24 School's Strategic Blueprint. This is requested for a pre-
25 engineering and blocking study for a potential dental school.

1 Staff is recommending that the proposal be resubmitted for
2 reserve funds at the appropriate time to match a potential ARC
3 proposal.

4 The Virginia Coalfield Coalition, this proposal
5 is tabled. They are requesting \$7,676,000 for the installation
6 of fiber optic infrastructure, electronics, towers and data
7 backhaul capacity for a project with wireless providers in
8 Southwest Virginia. As I said, staff is recommending this
9 proposal be tabled.

10 The Wise County IDA is requesting \$2,500,000
11 for a Wise County Utility Scale Solar Energy Project. Staff is
12 recommending that this project also be tabled.

13 The Joint Industrial Development Authority of
14 Wythe County Wytheville and Rural Retreat is requesting \$1
15 million for Progress Park Lot 24 Rail Site Development Project
16 which will further assist in the development of the site located
17 in Progress Park. The amount requested is in addition to the
18 \$2.5 million grant provided by the Commission in October of
19 2009 for the project. Staff recommends no additional award.
20 That completes the list of projects for today's meeting.

21 SENATOR PUCKETT: Let me do a little bit of
22 housekeeping here. I'm going to make an assumption or two
23 and everyone can speak if you want to. I'll say that if your
24 project has been tabled, that's not bad and that's probably not
25 what you want but we are going to be having another meeting

1 to address just those issues that have been tabled. You don't
2 have to make a new application and we'll use what we've got.
3 If you notice in each project that's been tabled, we're looking
4 for some first dollar investment from somewhere else and we're
5 going to see if that works out and we'll have that before the
6 October meeting although it's not scheduled at this time but it
7 will be forthcoming as soon as we get indication of our time
8 schedule and dates that we can make that happen. If you still
9 want to talk about your project, I'll give you a minute or two to
10 do that because it's not necessary to do it now because you'll
11 have a chance to do that later when we have the meeting in
12 October. We'll deal only with the tabled items that are out
13 there.

14 MR. THOMPSON: Mr. Chairman, I have a
15 question on 2110. That's the Honaker Heritage Center. Is
16 that matching money?

17 SENATOR PUCKETT: Actually I'm going to say
18 that it is, they have a grant that, Jim, do you want to speak to
19 that? Is that ARC?

20 MR. BALDWIN: Actually we had applied last
21 year for reserve funding for some additional funds from ARC or
22 from another source. When the ARC was not going to fund it,
23 we looked to cut back on the cost of that project. Rather than
24 having two stories and have an elevator for public access, we
25 revised the application and our economic development plan to

1 a single floor only and we can still do everything that we
2 planned on doing. Right now with the block grant funding and
3 with the request of Tobacco Commission money we could do
4 this project without going back to ARC. We did go to ARC last
5 fall and it was not funded so we cut the project back in cost in
6 trying to reduce the cost so we could do this project without
7 having to go back to ARC.

8 SENATOR PUCKETT: You don't plan to go
9 back there?

10 MR. BALDWIN: We have not but depending on
11 what happens with this request, then we may have to do that.

12 DELEGATE JOHNSON: Could you get the
13 money from ARC?

14 MR. BALDWIN: We requested it once Delegate
15 Johnson and did not receive funding and we can certainly
16 reapply but if we do that in October, it would be this time next
17 year before we would know if we were successful.

18 DELEGATE JOHNSON: If you were to get that
19 source that would be extra money.

20 MR. BALDWIN: We would love to think that's
21 realistic or a realistic outcome but having failed one time, you
22 know how it is and they don't have very much money either.
23 Last year a lot of the funds went to projects with a bigger
24 picture like Hartwood and some other big ticket items. In any
25 round it always depends on the competition. We're a little

1 nervous about having to go back but we certainly would.

2 SENATOR PUCKETT: Jim, is there a
3 particular reason ARC gave you for not funding?

4 MR. BALDWIN: It's a small town project. It
5 does have big picture implications with it. We tried to budget
6 what's affordable, what is fundable and where an application
7 you'd look favorable on it. Honaker has done a lot to get itself
8 ready to take an active part in the cultural heritage and
9 tourism phenomenon that is happening in Southwest Virginia.
10 One of the big keys to that is an anchor building in the
11 downtown area that can serve as an anchor for small business
12 development. Two weeks from now we've got representatives
13 from CHDA, the Excuse Program and Programs like People,
14 Inc., people coming in to talk to us and coming in to talk to
15 Honaker's small business operators, owners and
16 entrepreneurs. There are many opportunities that they have
17 that can help. This center is the key anchor structure for all
18 of the downtown area and revitalization efforts. That in and of
19 itself if you look strictly at the center would only have a couple
20 of employees and people would be there to greet the public and
21 tourists and show what Honaker has to offer. In the big
22 picture it's really important because they're looking to take
23 advantage of the Trans America Bike Trail and developing
24 across, the Big A Mountain event. There's a lot of good plans
25 in the works. This is sort of the stumbling block and we

1 haven't been able to get funding for this one little piece. The
2 block grant program awarded the Town \$700,000 in January
3 and will not allow their funds to be spent on interior
4 renovations. There's only two or three opportunities for the
5 Town to obtain those funds. They're putting their own funds
6 into the project. They don't have a lot of funds but this could
7 get them over the hump in terms of bringing more business in
8 the town and increasing the tax base.

9 MR. BANNER: Mr. Chairman, I've seen first
10 hand what the Town of Honaker and those folks and what
11 they're doing over there or what they're trying to do ably
12 chaired by the Mayor, a lot of the folks working over there and
13 they really supported this project to the inth degree. If a
14 motion is in order Mr. Chairman for us at this time or do you
15 want to wait?

16 SENATOR PUCKETT: A motion is in order at
17 anytime; we take a motion at anytime.

18 MR. BANNER: I would move that we fund this
19 amount \$331,983 toward the Town of Honaker.

20 SENATOR PUCKETT: You've heard the
21 motion, is there a second.

22 DELEGATE JOHNSON: I'll second it but I
23 want to ask a question before I vote.

24 SENATOR PUCKETT: It's seconded by
25 Delegate Johnson and you have the floor.

1 DELEGATE JOHNSON: Can you get by on less
2 than the amount requested?

3 MR. BALDWIN: The answer to that would
4 probably be yes. I'm not sure where the Town would go to for
5 any shortfall of funding. One of the issues is trying to provide
6 everything that we think is needed. One of the main pieces of
7 this which is the classroom, the Southwest Community
8 College. We have turned over just about every rock we can
9 think of and cut the project back pretty much down to a
10 barebones so it wouldn't be without a challenge.

11 DELEGATE JOHNSON: I'd like to say to the
12 Committee that I don't recall any money being spent in the
13 Town of Honaker with the Tobacco Commission although I
14 may be wrong on that. Russell County has been a big tobacco
15 producer. I think Honaker, possibly could take another look
16 at this; maybe we can discuss it at the next meeting.

17 SENATOR PUCKETT: All right. Senator
18 Wampler.

19 SENATOR WAMPLER: I'd like to make an
20 observation and then a comment. I like the application and
21 the way it was presented, I thought it was pretty good leverage.
22 I understand the dilemma of federal funding agencies, not
23 necessarily delivering within your timeframe. I think what
24 Delegate Johnson would advise you, maybe we postpone the
25 action without prejudice to see what other funding sources

1 might come by. I can't read the gentleman from Hatters Gap's
2 mind but I also hear Mr. Baldwin say what he has to say. I
3 think the project has merit but I'd like to see, not just on this
4 one but every application to exhaust all of the sources so we're
5 not the payor of the first response.

6 MR. NOYES: Mr. Chairman, in evaluating
7 applications the staff looks to see what the possibilities are for
8 other funding agencies to come in instead of the Commission
9 being that 90 percent provider for all funds or applications
10 that come to us. On this particular project, like so many that
11 are on the list today, have few if any direct jobs and no
12 identified private sector investment which are the two outcome
13 measures for which this Committee is responsible, indirect
14 and induced outcomes is extremely difficult to measure what
15 is suggested. It's not that it's a bad thing but it's just that
16 after this project happens, whoever funds it, understanding
17 the impact is almost impossible to discern. If we're going to
18 get involved in these sorts of things and I'm not suggesting we
19 should not, we need to do it as a partner with other financing
20 agencies rather than being the principal financing agency.
21 That is the position that guides the staff's review for all these
22 projects whether it's direct jobs or committed private sector
23 capital investment, it's an economic development program.
24 Thank you Mr. Chairman.

25 SENATOR WAMPLER: Mr. Chairman, I don't

1 know if a substitute motion would be in order but I would
2 recommend that we table this application for a subsequent
3 committee meeting.

4 DELEGATE JOHNSON: I'll second that
5 motion.

6 SENATOR PUCKETT: It's been moved and
7 seconded by a substitute motion that it be tabled which means
8 it will be heard before the October meeting. In that timeframe
9 I think what we're suggesting is to look where you can to see if
10 you can find additional funding. I have one question though
11 before we vote on that motion. Jim, is there any issue with the
12 community block grant? It's a little over a \$100,000, if we
13 hold this up, is there any issue with that funding concerning
14 the availability of it?

15 MR. BALDWIN: We're meeting next week with
16 the staff to do the final contract negotiations on the block
17 grant portion which as you saw is committed to exterior
18 renovation to the building for the use intended. They will not
19 allow that to go forever so I would think that in the next
20 couple of months we have that opportunity to try to pull all
21 this together and we'll certainly be working toward that end.

22 MR. BANNER: Mr. Chairman.

23 SENATOR PUCKETT: Mr. Banner.

24 MR. BANNER: Am I hearing Jim that if we
25 table this until October, it would not adversely affect the

1 project going forward?

2 MR. BALDWIN: October would be the first
3 opportunity we would have to even apply for ARC which is the
4 only other source we can identify that might share in the cost
5 of this that we'd be able to tap into. The Town is going to be
6 proceeding as quickly as possible with the rest of the
7 downtown projects, the streets and sidewalks and working
8 with local business to increase their business capabilities. It's
9 always a problem trying to time the various funders because
10 they all have different deadlines and requirements. For a
11 small town like Honaker, it's even more difficult. We will
12 proceed whatever way the Commission requires us to do.

13 SENATOR PUCKETT: I hear in your comments
14 then that there's no chance of getting an answer from ARC
15 before October.

16 MR. BALDWIN: No, it would be January at the
17 earliest. You got a new administration on both the state and
18 federal level and those things vary accordingly but then it will
19 probably be June of next year before you would be assured.

20 SENATOR PUCKETT: Any other questions
21 from the Committee? There's a motion and a second that we
22 table this item until the meeting we have which will be October
23 with the understanding that they will pursue other avenues
24 that might be out there, does everyone understand the
25 motion? All those in favor say aye (Ayes). Those opposed.

1 MR. BANNER: No.

2 SENATOR PUCKETT: The motion passes.
3 Now, let's get back on track and open up the floor for other
4 folks that want to speak. If you're here and your project has
5 been funded, I hope you won't want to speak for more funding
6 or less funding. If you want to speak, the floor will be
7 available to you. I'm going to go back to the original list. Is
8 there anyone here that wants to speak on Application 2158,
9 Southwest Center for Medical Education? Please identify
10 yourself and please be as brief as possible.

11 DIXIE TOOKE-RAWLINS: I'm Dixie Tooke-
12 Rawlins with the Edward Via Virginia College of Osteopathic
13 Medicine. I'd like to say that number one the commitment of
14 the community outside funding is like the chicken and the
15 egg. The hospital doesn't want to commit until it knows that
16 the renovations are going to be done. If you look at our project
17 as if the funds are or if the hospital awards that for the facility
18 and that they would be eligible and that's our request. The
19 second is that if you look at the capability of jobs that are
20 created out of this, it's the residents and the physicians that
21 are graduating from the residency programs. What the facts
22 are is that a large number of medical students, in fact if 60
23 percent of them were to stay in this state and in the immediate
24 area, then we would not have a physician shortage in the
25 state, however we don't have enough residency physicians.

1 Fifty percent of graduating residents have been located within
2 an hour of where they're trained. We have no residencies to
3 speak of west of Roanoke. I know one in Norton. The one in
4 Norton has been successful; the physicians have stayed in
5 that community. The jobs created are the need for more
6 physicians in Southwest Virginia and that's the purpose of the
7 school. We have to create an academic environment where
8 we're moving outside of Blacksburg and training, trying to
9 create a center that would allow for those residencies;
10 Abingdon and Marion and Wytheville Hospitals. We need to
11 create an environment that will support that. Thank you.

12 SENATOR PUCKETT: Anyone have any
13 questions. All right, thank you. 2168.

14 BETTY SALYER: Mr. Chairman and members
15 of the this Commission, I'm Betty Salyer. I'm president of the
16 Flanary Historical Site. Last year you funded me with
17 \$20,000. With that \$20,000 we have removed tobacco sheds
18 from the old 1830 log house, the old log house, the logs are
19 now timbers on the ground covered up so that only leaves
20 around \$8,000. There's no possibility if it's left in the house
21 and \$500 to get it down. I can't get it back up with that. Our
22 site is very historical. Even in the note here, the site is also
23 listed in the state and national archaeological site. Some of
24 you may know it was excavated in 1977. Our artifacts are in
25 Richmond. As well as getting that up for tourism, meeting

1 places and the things that are listed there, we would like to get
2 our artifacts back. They need to be back in Scott County. I'm
3 in the center of Bushnell which was funded a year or two ago
4 and the horse park. My site is about in the middle of both of
5 those. I think it would really help Scott County to get that
6 funded. I noticed I was next to the least funding on here and I
7 think \$150,000 would certainly help me get that centerpiece
8 back up for that site.

9 SENATOR PUCKETT: Any questions. Thank
10 you, does anyone have a question? Anyone by phone have a
11 question? Thank you ma'am. We've already taken care of the
12 Town of Honaker; 2104, Town of Jonesville.

13 JENNIFER DAWSON: My name is Jennifer
14 Dawson and I'm here to talk about the RV Park. In 2007 we
15 received \$300,000 from the Tobacco Commission and
16 designed and bid stage one for the RV Park. The bid came in
17 above the money that we had available as a result parts of the
18 project were cut. In 2009 an application for Phase II was
19 completed and sent in and that application has not been
20 approved. Since the August of 2009 application, we have
21 completed Phase I of the project and Phase I project funds are
22 now at drawdown to spend. Additionally, the Town has
23 re-examined the application and based on the re-examination,
24 they have eliminated all enhancements and focused on what
25 needed to be completed with the RV Park at this time. The

1 new application is based on just what needs to be completed
2 for the Park and the cost has been reduced 58 percent from
3 that 2009 application. Phase II that just includes the paving
4 and the additional access road, restrooms and showers that
5 will be needed to complete the park.

6 SENATOR PUCKETT: Anyone have any
7 questions. Thank you. 2107.

8 JEAN HAMM: Good morning, I'm Jean Hamm
9 and I'm Chair of the Board of Directors of the Konnarock
10 Retreat House and I thank you for this opportunity to speak to
11 you about our project. I'd like to ask the Committee to
12 consider at least partial funding for our application. Last year
13 we applied for ARC funds and were turned down. This year we
14 are planning to again apply for ARC and have already been in
15 touch with them and the local planning district and we intend
16 to apply for funds if they're available through them. If those
17 funds are not available until next year, we're working very
18 hard to secure funding from a variety of sources like private
19 foundations and individuals, local fundraising projects, direct
20 mailings and do all those things and we have had some
21 success. We've made significant progress in the work since
22 last year and we're ready to move forward. Without funding
23 that will hold us over until next year until ARC funds might
24 come through, is going to be significantly delayed. We need to
25 keep moving and we have a lot of community support. We've

1 had so many volunteer hours I'm afraid we will lose that
2 impetus if we have a long break. I would like to say that I
3 made a mistake on the application. The staff noted we had
4 not mentioned historic tax credit in this application. We have
5 since last year been approved for a state historic credit and
6 federal funding for historic credit. It hasn't been approved yet
7 but we put in an application so we're working very hard to do
8 everything we can. If we could have some funding that would
9 help us get through this gap. We will create at least 9 fulltime
10 jobs when completed.

11 SENATOR PUCKETT: Thank you. Any
12 questions? Senator Wampler.

13 SENATOR WAMPLER: Somewhere in the last
14 week and I promise I read every application but it seems to me
15 your application of requesting a portion of the grant be used
16 for staffing. Do I recall that correctly?

17 MS. HAMM: Yes.

18 SENATOR WAMPLER: Mr. Chairman, I
19 thought of that and in the applicant's request for reduced
20 funding that would be problematic for us I think and I'd ask
21 the chair to give me an opportunity to explain my comment.

22 SENATOR PUCKETT: You have the floor.

23 SENATOR WAMPLER: Bond proceeds fall in
24 line with one time non-reoccurring capital expenses rather
25 than for ongoing operating portions. Unless you can get your,

1 for most all of your applications this bridge you speak of and
2 need, I'm not sure that our bond covenants will allow us to
3 award money that would help you and I may or may not be
4 accurate with that Mr. Chairman, but I think that's at least
5 consistent with what we've done in the past.

6 MS. HAMM: Thirty-seven thousand dollars
7 just for office staff and part-time help.

8 SENATOR PUCKETT: Any other comments?

9 MR. THOMPSON: Ms. Hamm, what is your
10 estimate of funds as a result of the historic tax credit?

11 MS. HAMM: We have been told about 30
12 percent finally total project cost, federal and state together.
13 The total project cost is estimated at \$2,400,000.

14 SENATOR PUCKETT: Delegate Johnson.

15 DELEGATE JOHNSON: What time period
16 could they meet at the appropriate time to resubmit? Could
17 they submit to the reserve?

18 MR. NOYES: The reserve is open at any time
19 and that's ongoing and there are no deadlines. The reserve
20 program requires a contingent third party that the contingency
21 of a certain percentage in order to qualify for that third party
22 grant, depending on your third party.

23 DELEGATE JOHNSON: Do you understand
24 that?

25 MS. HAMM: We could apply for the reserve

1 funds immediately?

2 MR. NOYES: Yes. In anticipation of going
3 through someone, the staff then makes a finding as to whether
4 or not that third party has a required match and then it acts
5 on that.

6 MS. HAMM: We could not refuse a third party
7 until the other funds came through?

8 MR. NOYES: Yes.

9 SENATOR PUCKETT: Any other questions?
10 All right, thank you. That brings us to 2105 which has been
11 awarded \$50,000. Unless somebody urgently wants to speak,
12 I'm going to move on.

13 CHARLES MCCONNELL: Could I just say
14 thank you. We're working real hard to be an asset to
15 Hardware and we're taking a real active part in that. Thank
16 you again.

17 SENATOR PUCKETT: Thank you. Lee County
18 Board of Supervisors, 2108, that is tabled.

19 DANE POE: Good morning, my name is Dane
20 Poe and I'm the County Administrator and we won't take that
21 long. This is Michael Wampler, Interim Executive Director of
22 the Southwest Region Recreational Authority. We certainly
23 understand and respect the rationale of the staff in making
24 the recommendation to table and the desire to see the
25 implementation plan of the Regional Recreational Authority

1 but there is a few things we would like to highlight that may
2 distinguish this project just a little bit. First of all, the Stone
3 Mountain Multi-Use Trail was initiated prior to the Regional
4 Recreational Authority. This project has been in the works for
5 some time in conjunction with the Town of Pennington Gap
6 and it's a project between the town and the county and now an
7 additional partner with the Regional Recreational Authority.
8 We realize the potential for job creation and multiple revenues.
9 We cannot quantify those at this point in time but we see a
10 great potential there. We also have leverage funding in
11 reference to this project through Phase I of the project which is
12 \$400,000 the Department of Conservation and Recreation plus
13 local funding from the town and the county to kick start this
14 project. So what we're trying to ask is for the Tobacco
15 Commission to continue this project and not to end the
16 project. The \$400,000 unfortunately will not create enough
17 trail links to make it through the destination points but
18 additional funding we can receive through the Tobacco
19 Commission through Phase II will make it more than a half
20 days trail ride which will bring people in for more than just a
21 half a day and the top of the point and going into Kentucky.
22 We see a lot of traffic moving through our county at that
23 destination point. Once the 24 miles of trail that's proposed
24 under Phase II, when that's developed, it will open the door
25 when we get into coal country. It opens the door for

1 potentially 30 or 50 miles more additional trails that can be
2 developed at a minimum cost in this overall project. As the tip
3 of the Spearhead Trail leading into the western most county,
4 it's just a great jumping in point, not jumping off but a
5 jumping in point for visitors, for folks in the Midwest and Ohio
6 and Indiana and Pennsylvania and Illinois and a lot of other
7 locations that travel to areas like this to ride the trail. It's not
8 a trail just for ATVs and horseback riding which is very
9 popular. We're proposing the trail move in an easterly
10 direction, moving back toward the rest of the Authority and
11 would bring it very close to the Town of Appalachia which is
12 also interested in trail development. One of the primary things
13 it does in not waiting for the implementation plan to be
14 completed by the Authority. This brings immediate revenue to
15 the Authority, which they very much need. I'll let Mr.
16 Wampler speak to that.

17 MICHAEL WAMPLER: Mr. Chairman and
18 Commission members, I'm Michael Wampler and I'm the
19 Interim Executive Director of the Authority. I have four short
20 paragraphs here. The implementation plan that is proposed
21 by the SRA will not necessarily dictate which will be used for
22 trail locations; we'll actually work with the town and the
23 county and consider their needs and desires for the trail
24 system. In some case, we may have someone who's not set up
25 for the motorized trail but has other trail offerors. There's

1 many ways this can really be looked at. The SRA needs this
2 for survival in the western end meaning that the western end
3 captures to entice travelers traveling through Lee County to
4 Kentucky right now. People are actually going to Everett and
5 there's people that are there today that have actually come
6 through this area. The SRA has no operational funds at this
7 time and we want to try to develop trail revenue. Phase II is a
8 multi-trail system and we need that to allow the Authority to
9 generate this revenue and increase the tourism in seven
10 counties and one city service area. If these revenues are not
11 generated, it will slow the progress of the Authority and
12 require us to search for more funding. I'd ask you to please
13 reconsider the staff's recommendation and fund this project.
14 Lee County needs it, the SRA needs it, Southwest Virginia
15 needs it. Thank you for your time.

16 SENATOR PUCKETT: Any questions?

17 MR. THOMPSON: Would it be appropriate to
18 hear request number 2106 in conjunction with this request
19 because that's another trail system?

20 SENATOR PUCKETT: Is 2106 here?

21 MARGIE DOUGLAS: I'll be very brief, my
22 name is Margie Douglas and I have one thing to say. This trail
23 is giving Southwest Virginia hope and I use this acronym by
24 saying that the H stands for the trail in Tazewell County.
25 We're on the other spectrum of the region, the service region.

1 We're both working from each end inward to make this trail
2 workable and make it happen. We work very close with our
3 consultants so we would not have to re-invent the wheel and
4 we're moving at a much quicker pace to build this trail.
5 They've given us guidance and they have a success story to
6 tell. The success is that they have turned a stressed area with
7 a stressed community into a sustainable community. That's
8 why it's so important that we continue with this project. The
9 O stands for it's providing an opportunity to the Southwest
10 Virginia communities to work as one region. I worked with
11 Economic Development for over 10 years in the Tazewell
12 County area and this is the first project that I've seen that has
13 been truly a regional project. Everyone is excited about this
14 project.

15 I also went to a tourism workshop in Norton,
16 Virginia in April. Delegate Phillips coined a phrase,
17 "playground of the east". We want to make our region the
18 playground of the east for its hiking, biking or ATVs. The need
19 for the ATV is a little more pressing because that's where a lot
20 of revenue will be coming from and that will help us to build
21 the rest of the trail within the region. The E for hope is
22 entrepreneurial opportunities. The Spearhead Trail will allow
23 us to have a passion for recreation to be able to do that work.
24 We're asking that the funding be simultaneous because we'd
25 like to have those trails available once the implementation

1 plan is available for a recommendation to the community.

2 SENATOR PUCKETT: Any other questions?

3 MR. WAMPLER: I'd like to say one more thing.
4 When you look at any implementation plan that has not been
5 done and use the cornerstone of our service area, that being
6 from Lee County all the way to Tazewell. Any implementation
7 plan that would be prepared and at this point, it's obviously
8 done with those two pieces in mind because they are potential
9 revenue generators at the farthest end of our service area.
10 Most projects seem to work from a nucleus in trying to figure
11 how to get from one end to the other and you have people that
12 are a little disappointed and it takes you a long time to get
13 there. West Virginia is in that situation. Right now after 10
14 years they're finally working in the furthest area. We have a
15 unique opportunity and we can start on the end.

16 As far as the SRA, we have discussed private
17 landowners in the Virginia City market about a system there,
18 an active system there. They have an interest in allowing SRA
19 to operate and manage that property. At that point it would
20 probably be around July of 2012 of about 325 miles of
21 operational trails. Certainly a marketable product, a 600 mile
22 radius and that's what people are going to now, about 500
23 miles in the West Virginia territories as a whole and anything
24 within a days time about 300. That gives you something to
25 work from, get us up and moving fast. I know Lee County and

1 other counties have kicked in their own money and they put
2 money in this. We just ask you to reconsider this position,
3 what can we do to be able to get us to move faster and help
4 with job creation and the tax base. Thank you.

5 SENATOR PUCKETT: Thank you. I just want
6 to remind you that this has been tabled and the staff has given
7 you a request before we hear you again and I hope you'll be
8 attentive to those requests that might help us make a positive
9 decision for you. We hope you'll give us a little bit more
10 information and try to figure out a way to make this work.

11 MR. WAMPLER: Thank you for your
12 consideration.

13 SENATOR PUCKETT: 2122.

14 TIM LONG: I just want to say I appreciate, I'm
15 going to keep on pressing, thank you very much.

16 SENATOR PUCKETT: 2112, Town of
17 Nickelsville.

18 SKIP SKINNER: I'm Skip Skinner with the
19 Lenowisco Planning District Commission. I've done a lot of
20 planning work in Nickelsville and on this particular project our
21 staff has worked hard on this. Nickelsville is uniquely on the
22 move. This particular project is part and parcel to all this.
23 The purpose of me standing up here is to make you aware of
24 the fact that there is an outstanding community development
25 block grant program now under review and actually the staff

1 review has already happened. This particular project is one
2 point below and we're very close. I'm just saying that anything
3 that might be available to assist this project would be
4 appreciated. There is some critical facilities that are lacking in
5 Nickelsville. This particular project along with the CBG funds
6 would allow them to proceed with the infrastructure. I'll be
7 glad to answer any question.

8 SENATOR PUCKETT: Thank you, any
9 questions? Next is 2117 which has already been resubmitted
10 to reserve.

11 MR. REDWINE: Yes.

12 SENATOR PUCKETT: Go ahead. All right,
13 hearing nothing, 2117 has already been committed to the
14 reserve fund and funds are approved and they are looking for
15 that third party; 2118, Scott County EDA, approved for
16 \$350,658. Number 1810, Scott County EDA Crooked Road
17 Tech Center, Phase II is approved from what they asked,
18 \$324,372; 2116 Scott County Telephone Cooperative. There's
19 an approval figure there of \$340,190. There's two pieces to
20 that. That's a change.

21 MR. NOYES: \$610,190, that's \$610,190.

22 SENATOR PUCKETT: \$610,190 Delegate
23 Kilgore. All right, that brings us to 2113, Scott County Keith
24 Memorial Park Lighting Project. Anyone here for that?

25 LARRY VICARS: I'm Larry Vicars and I am

1 from Nickelsville.

2 SENATOR PUCKETT: That's a good place to be
3 from.

4 MR. VICARS: It occurred to me about 50 years
5 ago when I was about 15 years old and thinking about tobacco
6 and the effects that it had. I never in my wildest dreams
7 thought I'd be talking to the Tobacco Commission and here I
8 am. Anyway, Nickelsville is the epicenter of tobacco in Scott
9 County. More tobacco was raised in that 10 mile radius than
10 any other place in Scott County. I think Scott County is
11 second only to Washington County in burley tobacco
12 production. The history of tobacco producing people and
13 baseball goes back generations, the semi-pro ball that was
14 played in the 40s and 50s and the 60s. Dave Hellman who
15 played for the Chicago Cubs came out of that area and there's
16 a rich tradition of tobacco and baseball. The Keith Park was
17 thought about and came into realization in 2000 and totally is
18 owned and operated by Scott County and operated by senior
19 citizens of the county.

20 When I first started looking at the lighting
21 project, everyone thinks about recreation and they don't look
22 at the economic impact. I'm probably at the low end of this
23 food chain when I start talking about this. Nickelsville is 480
24 people per the last census. It's not a place where somebody's
25 going to come in and build an airport or Microsoft is going to

1 come in and put a data center there but it is a place where we
2 have internet connectivity and we might get some people to
3 move in and use the internet and I've done that. If you look at
4 the economic impact we could have by putting lights in the
5 county rather than it's a poverty area and a former tobacco
6 producing area, I think it makes some sense and here's why.
7 If you look at things we can have, we can add sporting events
8 to the Nickelsville area and by bringing in 250 to 300 people to
9 each one of those events. If we set a goal, we can bring in
10 11,000 people in the Nickelsville area. That's a significant
11 number when the total cash receipts for Nickelsville is \$1.6
12 million. Bringing that number in will increase the revenue
13 and you can use a \$15 figure per person and a multiple of
14 2.14 will increase the overall receipts for Nickelsville by 15
15 percent. Move that number up to 20 percent, it is a 30
16 percent increase; \$507,000 increase of taxable revenue for
17 Nickelsville. What that means to Nickelsville respectably is
18 that 15 percent brings in 7 more and 30 percent brings in 14K
19 and if you can stretch it out to 25 per person stretches it out
20 to 18; total receipts right now is only \$46,000. Scott County
21 gets about half of that. I'm using rough numbers to calculate
22 these figures about two percent. Here's what Kingsport has
23 done and they got it right and they understand it. They have
24 this tournament and they figure \$75 per person, they have
25 overnights but we probably wouldn't have a lot of overnights.

1 The figures I pulled out are really, really conservative of what
2 you're going to spend. The other thing is that even if we did
3 nothing, absolutely nothing at all, if we put lights up, we can
4 get more people coming to the games without anything, if you
5 get nothing, it's low risk and the rewards come with how well
6 and how much marketing you did but what we do need is we
7 need something out front and that's going to cost us 6 to 8
8 thousand installation for that. The lights are going to cost
9 \$174,000 and that includes installation. I think that's about
10 \$73,000.

11 One of the things to be successful in any
12 operation, you need to have goals. We set those goals up and
13 we, the measurements that we're going to use is the town
14 receipts. Two of them I can kind of control and I been in
15 business long enough to know how to make my numbers. If
16 you could control the dollar amount albeit but if you can bring
17 people in and get them to spend, that's one thing. So what
18 we're going to do is going to measure the tax receipts and we're
19 going to measure how many times or what the revenue is for
20 renting the senior citizens building and how much we'd be
21 able to increase that. Finally and I'll take questions of course,
22 generations of farmers lived in the Nickelsville area and they've
23 grown tobacco and they've put their blood and sweat and tears
24 into tobacco. I don't know if you can put a dollar amount on
25 how much people have put in in terms of work and effort and

1 raising tobacco has now gone into the Tobacco Commission's
2 hands. Generations of people in Nickelsville have been
3 tobacco farmers so we're asking you to give us some light so
4 we can bring extra people into Nickelsville. There's one other
5 piece I've added to this, there's an old townhouse restaurant
6 there that closed years ago and I've talked to people about it
7 and the goal is to get enough people to come into Nickelsville.
8 If we can get enough traffic there and convince somebody to
9 come and buy this restaurant and reopen it. Thank you.

10 SENATOR PUCKETT: Any questions?

11 DELEGATE KILGORE: Is there any other
12 funding source available?

13 SENATOR PUCKETT: Delegate Kilgore, most of
14 that would be in kind. The staff's recommendation is that
15 matching funds in the form of volunteer maintenance of
16 existing ball fields is insufficient as the required portion of
17 project costs. There has to be a match.

18 SENATOR WAMPLER: Mr. Chairman.

19 SENATOR PUCKETT: Mr. Wampler.

20 SENATOR WAMPLER: I'd like to pass along on
21 what Delegate Kilgore said. You do not see the Department of
22 Conservation and Parks and CDBG or the county is not
23 present in the application.

24 DELEGATE KILGORE: But the Parks and
25 Recreation.

1 SENATOR WAMPLER: Mr. Chairman, I'll try to
2 interpret what Delegate Kilgore said by phone. I think what he
3 said was that perhaps the Department of Conservation and
4 Recreation would be a funder on this, isn't that right Terry?

5 DELEGATE KILGORE: Yes, some of the
6 private sector.

7 SENATOR PUCKETT: Any other comments.
8 Thank you. That brings us to 2114.

9 JOE MEADE: I'd like to speak to that.

10 SENATOR PUCKETT: Would you identify
11 yourself for the record?

12 JOE MEADE: I'm Joe Meade and I've been
13 with this project since day one. I talked to the Board of
14 Supervisors for approximately a year before they decided to
15 purchase the property. On October 1, 1997 they cut a check
16 for the property, \$100,000. Since that day I been on board
17 and done countless volunteer hours, probably more than any
18 person statewide or volunteer wise. Since that day we've done
19 right much construction work. We had the National Guard
20 there for over a year and we really appreciate that. This is just
21 in countless hours and everything we've done, except one
22 project has been done by volunteers, a lot of man hours
23 involved. We built a community center, we built stands,
24 bathrooms, concession area and then we bought a cabin that
25 was on the property and bought the extra property from the

1 adjoining property owner that was done primarily with private
2 funding. We had about 32 to 34 thousand from donations
3 around the area and then we had one person step up with
4 \$200,000 and done so much with that volunteering to do what
5 we've done. I could do it or not do it. I've chosen to spend my
6 time with this. Nobody's twisted my arm but I'd really like to
7 see this project done. I was interested in the baseball field
8 because Twin Springs did not have one. They had one that
9 was way too short and we proceeded to build a baseball field
10 there, little league field, they have no lights so we'd really like
11 to do this. So I'd appreciate if you gentlemen would consider
12 that. It might set a precedent and it may not but nevertheless
13 we've got a lot of interest in it, a lot of personal interest in it.
14 Mr. Vicars told you it has been operated by the senior citizens.
15 The County doesn't have to spend anything on it except
16 insurance. It belongs to the County and they get everything
17 from it and all that's taken in from the rent of the building
18 goes back on the improvements. That's where we stand. I'd
19 appreciate it if you can reconsider our request. I know it's
20 recommended we don't have any allocation for it but
21 nevertheless I'd appreciate it if you could consider it. Thank
22 you.

23 SENATOR PUCKETT: Thank you. Any
24 questions or comments?

25 DELEGATE KILGORE: I wish we would look

1 into that and see if there isn't some way we can work with
2 Parks and Recreation.

3 SENATOR PUCKETT: Terry, I'll talk to staff
4 about it and work with the parties to see if there's other
5 sources of funding that might help to fund this project.

6 DELEGATE KILGORE: Thank you, maybe the
7 Department of Conservation.

8 SENATOR PUCKETT: Anyone else wish to
9 speak. That brings us to 2114, Southwest Virginia Higher
10 Education Center Foundation Waste to Energy Gasification
11 System. Anyone want to speak to that?

12 Next 2121, Southwest Higher Ed that's been
13 funded at their request; 2111, Southwest Virginia Alliance for
14 Manufacturing that's been funded for about a third of their
15 request \$100,000. We've already dealt with 2106, 2120. Wait,
16 2120 we've not dealt with; 2120 University of Virginia College
17 at Wise.

18 SENATOR WAMPLER: Mr. Chairman, it's my
19 understanding that the revision that came to staff has not
20 really, it would be through the Southwest Virginia Health
21 Authority and the comments about reserve to match ARC.
22 While those words may fit in the block, I would hope we
23 wouldn't limit it to ARC if there were other sources of funds
24 that would help with this study that we would, it's not just an
25 interpretation from staff that this committee limit it to ARC.

1 MR. NOYES: Understood Senator.

2 SENATOR PUCKETT: Let me make a comment
3 about the dental school or dental clinic. There was a meeting
4 yesterday with Delegate Phillips as part or some of the
5 Commission group, two members were there. We talked with
6 VCU and MCV Dean who was in charge of the dental program
7 and dental clinic. We're trying to initiate this in Wise. In that
8 meeting there is some money already out there for the dental
9 clinic building. That involves a bond package. An issue that
10 we're dealing with is the operational costs. That's not
11 something that this Commission could even begin to talk
12 about funding but that project, there is a commitment to move
13 forward with the project, working with the dental school in
14 Richmond and the dental clinic there at Wise. The
15 commitment hinges on money coming from the budget next
16 year for operational costs. We made a commitment to try to
17 secure that figure. It has nothing to do with the Commission
18 but understand the Tobacco Commission doesn't allocate
19 money for that part. We will seek to find that money and if we
20 do, the clinic piece of the dental school will start sometime
21 after July 1. We'll have to wait and see what happens with the
22 second piece. There's two different pieces here, the dental
23 school the long range piece that we hope will be tied into the
24 clinic. The clinic is the piece that we hope will encourage
25 those students that go to Richmond right now to MCV to come

1 back to our area and practice. There's two distinct pieces here
2 and they are a little different. We'll try to pull those together
3 in the near future. I think we'll hear more about that down
4 the road. I concur with Senator Wampler not just from ARC
5 but trying other sources as well out there. Does anyone have
6 a question about that or about what I said?

7 SENATOR PUCKETT: 2115 is the Virginia
8 Coalfield Coalition and the Fiber Optics and that has been
9 withdrawn. Its ongoing negotiations with that project.

10 MR. NOYES: We plan to take that up ahead of
11 the October meeting.

12 SENATOR PUCKETT: 2119, Wythe County
13 Progress Park and they requested a million dollars. The staff
14 has not recommended any money for that. Any comments?

15 ALAN HAWTHORNE: Mr. Chairman and
16 Committee members I realize I'm on the last item before your
17 action and I'll speak very briefly on this project. The Progress
18 Park Project is a very large economic development expecting to
19 generate significant private investment and job creation. The
20 on site portion of this project is about \$18.3 million of costs
21 with the county's initial commitment to that was about \$8.8
22 million plus a land contribution of about \$5.8 million on the
23 shortfall about \$3.7 million. You initially made a grant to us
24 for \$2.5 million for which we are very appreciative but that still
25 leaves us about \$1.2 million short on the project since our

1 application for \$1 million. We very much appreciate your
2 support in this major economic development project and
3 hopefully that's brief. Happy to answer any questions.

4 SENATOR PUCKETT: Are there any questions.
5 Well, I'm going to turn the chair over to Mr. Thompson and I'd
6 like to make a comment on this. I received a request by phone
7 and email to reconsider the amount that's been recommended
8 here. There are two issues I think that we may consider. First
9 of all the park itself is a huge investment, particularly the
10 Wythe County Board. You've heard the figures that Allen has
11 given us. The issue that we're dealing with here is two fold.
12 Number one the size of this building is bigger than originally
13 anticipated. This is a significant facility for use on this site.
14 The second piece is that the economic downturn has created
15 significant problems for the supervisors to try to manage
16 completing all of that. Their funds have been cut like everyone
17 else's. The issue for me is I think that the county and the
18 Board of Supervisors has already stepped out and said we're
19 going to do this, we think that's important. I concur with that
20 personally. I think it is one of the three or four top projects we
21 have in Southwest Virginia right now. I say that to say that
22 I'm going to ask that the Committee consider the \$1 million
23 request. I'll make that in the form of a motion to be revised
24 and granted as a result of the situation that has developed
25 first of all because of the increased size of the site figuring

1 about \$200,000 or something like that and the other part is
2 that the Commission was there on the part of Wythe County
3 above and beyond what they've already done. So I would
4 make that as a motion to grant the request of Wythe County to
5 the Commission in the amount of \$1 million.

6 MR. THOMPSON: You've heard the request, is
7 there a second?

8 MR. BANNER: Second.

9 MR. THOMPSON: Any discussion?

10 SENATOR WAMPLER: Mr. Chairman, I don't
11 know how to start with my friend Senator Puckett. I believe it
12 was less than a year ago we asked Smyth County if the \$2.5
13 million was enough to complete the deal and move forward
14 with it. I think I'm right on that, that's it's been less than a
15 year.

16 SENATOR PUCKETT: Yes.

17 SENATOR WAMPLER: We gave it our best
18 effort. We went back and sharpened our pencil and said first
19 we said no because of obligations and I know the county is
20 well aware of that and went back and addressed our concerns
21 I think satisfactorily considering our position. Now 9 months
22 later they want another million dollars. I think as I read the
23 application or part of it is because the scope of the project has
24 changed with additional acreage. I would say to all the
25 applicants who are going to walk away today with zero that

1 times are tight and we have to live within our budget or at
2 least it hasn't been conveyed to me that there is an industry
3 that's going to locate on all this additional acreage and we
4 have to do it today versus another day; \$2.5 million is a pretty
5 big investment. I feel good about that. I think the site is a
6 good site and probably one of the strongest sites we have in
7 Southwest Virginia. I think if we were to do another million
8 dollars 8 or 9 months after the fact, how do the other
9 applicants look upon and see their applications reduced or
10 tabled of no award at all. Quite frankly we could just go back
11 and awarding everybody else and not have a second round
12 later this year which I think we tried to keep something of a
13 balance. My no vote is not because I don't support the project.
14 I supported it before. I just think we're getting through the
15 first round. I beg mercy on my chairperson.

16 SENATOR PUCKETT: Mr. Chairman, I think I
17 understand Senator Wampler and his concerns. I just point
18 out a couple of things that there's a lot of worthy projects on
19 this list. I don't believe there's a project on this list that we
20 can point to with local money and in kind land value that has
21 been built out on the project that doesn't merit some
22 consideration because of what they put into it. That's the
23 reason I was after this and asked the Committee to reconsider
24 it. I don't hold any hard feelings toward anyone voting against
25 it because we'll have another round. If you look at the figures,

1 we're going to leave here today with, if we don't do anything
2 else, with close to a million dollars left. I just think it's
3 important to see that this project continues to move forward. I
4 know it's over a short time period but we've seen some pretty
5 serious economic issues and we've cut a lot of stuff. I think
6 when a locality puts their money up first, I think that's the
7 kind of thing we should look to and that's the reason I bring
8 the motion. I certainly will accept the will of the Committee.

9 MR. THOMPSON: We have a motion and we
10 have a second. Any further discussion? There being no
11 further discussion or questions, all in favor of the motion
12 signify by saying aye (ayes). Opposed like sign.

13 SENATOR WAMPLER: No.

14 DEPUTY SECRETARY CARTER: No.

15 MR. THOMPSON: The motion carries.

16 SENATOR PUCKETT: That completes the list,
17 2109 unless somebody wants to speak to that but that's being
18 tabled.

19 BOB WASHINGTON: Good morning, I'm Bob
20 Washington and the principal of our development company.
21 We're partnering with the Wise County IDA for construction of
22 up to four MW utility scale solar power plant in Wise County.
23 Up to 3.5 megawatt solar facility to be built by Wise Solar
24 Development, LLC of Wise, Virginia. We see as far as the
25 rollover of nuclear energy, we see coal as being a dominate

1 energy source for our country and renewable becoming a
2 significant energy source to meet our demand. We see a high
3 growth rate in the new market sector called solar utility. Solar
4 companies building out and purchasing power from solar
5 parks and that's what we're trying to do here and that would
6 create jobs in Wise County. That's 21 jobs anywhere from 2.5
7 to 3.5 megawatt match from the utility. That's building out
8 solar engineering procurement construction company in Wise
9 to take advantage of this high growth rate and service that
10 market in Virginia and also Appalachia. We're trying to take
11 an innovative approach partnering with coal companies in the
12 area and looking at building solar farms on upcoming post
13 mine land. That should be a competitive advantage for our
14 area and save coal companies money. You'll see in the packet
15 there are letters of support from various companies. I wanted
16 to say thank you very much for further consideration for
17 tabling this and we're looking forward to getting a match from
18 the utility company and moving forward to create jobs in Wise
19 County. Thank you.

20 SENATOR PUCKETT: Any questions or
21 comments? All right, I would entertain a motion now that
22 we've completed all the grant request applications and there's
23 two changes that we have addressed. We can take them as a
24 block if you wish. The Honaker project will go into table
25 status and the Wytheville Project for another million dollars.

1 On your sheet, 2115, make sure that figure on that sheet only
2 shows 340 but it should read \$610,190.

3 DELEGATE KILGORE: Is that correct?

4 SENATOR PUCKETT: I believe our Board, the
5 spreadsheet is correct at this time.

6 MR. BANNER: Would you say that again?

7 SENATOR PUCKETT: \$6.4 million, the
8 balance is \$6,403,294.

9 MR. BANNER: Which project requested
10 \$600,000.

11 MR. NOYES: 2116.

12 SENATOR PUCKETT: 2116. There's two
13 pieces to that and we only had one piece in that figure.

14 MR. BANNER: The total on that?

15 SENATOR PUCKETT: The total is \$610,190.

16 MR. BANNER: Thank you.

17 SENATOR PUCKETT: Anyone have a question
18 about the figures on the board? I would entertain a motion
19 that we approve the figures on the board as a block and all
20 those projects on there be approved according to the figures in
21 the block.

22 SENATOR WAMPLER: Mr. Chairman, I'd like
23 the minutes to reflect that while I vote for the block, the right
24 to reserve a negative vote on the one application that was
25 admitted.

1 SENATOR PUCKETT: It's so noted. Mr.
2 Thompson will be abstaining on 2104, 2112, 2118, 1810 and
3 2121. Anyone else? I thought I heard somebody on the
4 phone.

5 MR. REDWINE: Senator Puckett, I wanted the
6 minutes to show that I participated on this.

7 SENATOR PUCKETT: Thank you Dr. Redwine.
8 The minutes will reflect everyone that participated by
9 conference call.

10 DELEGATE KILGORE: It will show that we
11 participated.

12 SENATOR PUCKETT: That's correct.

13 MR. NOYES: Dr. Redwine, this is Neal. We
14 have a quorum present but you are entitled to vote if you wish.

15 MR. FERGUSON: (Unintelligible by phone)

16 SENATOR PUCKETT: All right, are we ready to
17 vote? All those in favor of the grant request as it appears on
18 the board and that we've already discussed signify by saying
19 aye (ayes). All those opposed. The motion carries and those
20 are approved. That brings us to a couple of housekeeping
21 items. Neal if you could handle those.

22 MR. NOYES: Travel vouchers are on the table.
23 Please complete, sign and turn them into Michelle. Box
24 lunches are available for the Commissioners inside the room.
25 For those of you that will be looking for the Appalachian

1 Regional Commission funding, look to the reserve program of
2 the Tobacco Commission August 10th as part of the housing
3 community development and a follow up workshop that's on
4 their website at Virginia Highlands Community College,
5 Southwest Higher Ed Center, 2:00 o'clock August 10th, ARC.
6 Thank you Mr. Chairman.

7 SENATOR PUCKETT: Delegate Kilgore, 115.
8 Now, is there any public comment or anyone who was here
9 that needs to speak? Is there anybody on the phone that
10 wants to make a comment? All right, again, anybody from the
11 public that needs to speak? Then that brings us to the end of
12 our agenda and I call the meeting adjourned.

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14 PROCEEDINGS CONCLUDED

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the court reporter who took down and transcribed the proceedings of the VIRGINIA TOBACCO INDEMNIFICATION AND COMMUNITY REVITALIZATION COMMISSION, Southwest Economic Development Committee Meeting when held on Thursday, July 15, 2010, at 11:00 o'clock a.m. at the Wytheville Meeting Center, in Wytheville, 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 21st day of July, 2010.

Medford W. Howard

Registered Professional Reporter

Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2010

CERTIFICATE NUMBER: 224566