

- 1 Dr. David S. Redwine, DVM, Chairman
2 The Honorable Charles W. Carrico, Sr., Vice Chairman
3 Ms. Mary Rae Carter, Deputy Secretary
4 Rural Economic Development
5 Ms. Linda P. DiYorio
6 The Honorable Joseph P. Johnson, Jr.
7 Ms. Beth D. Rhinehart
8 The Honorable Ralph K. Smith

9
10 COMMISSION STAFF:

- 11 Mr. Neal E. Noyes – Executive Director
12 Mr. Ned Stephenson – Deputy Executive Director
13 Mr. Timothy S. Pfohl – Grants Program Administration Director
14 Ms. Sara G. Williams – Grants Program Administrator,
15 Southwest Virginia

16

17

18

19

20

21

22

23

24 DR. REDWINE: Good afternoon everyone,
25 I appreciate you all coming today and we have some business
26 to take care of. Before we go any further, I'll ask Neal to call

1 the roll.

2 MR. NOYES: Senator Carrico?

3 SENATOR CARRICO: Here.

4 MR. NOYES: Ms. Carter?

5 DEPUTY SECRETARY CARTER: Here.

6 MR. NOYES: Ms. DiYorio?

7 MS. DIYORIO: Here.

8 MR. NOYES: Mr. Montgomery isn't here.

9 Ms. Rhinehart?

10 MS. RHINEHART: Here.

11 MR. NOYES: Mr. Stallard isn't here.

12 Delegate Johnson?

13 DELEGATE JOHNSON: Here.

14 MR. NOYES: Senator Smith?

15 SENATOR SMITH: Here.

16 MR. NOYES: You have a quorum, Mr.

17 Chairman. Members of the Committee, we've been furnished
18 with the minutes of our meeting on January 8th, 2013 online.

19 Any changes or additions?

20 SENATOR CARRICO: I move we approve
21 them.

22 DR. REDWINE: Senator Carrico makes a
23 motion and Ms. Rhinehart seconds. All those in favor say aye.
24 (Ayes.) Opposed? (No response.) The minutes are approved.
25 We'll move right into our main item of business today. I'll turn
26 the meeting over to Mr. Noyes, our Executive Director and it

1 involves an updated report from the King School of Medicine.

2 MR. NOYES: Mr. Chairman, you'll note
3 there's a late filed application that have come to the staff.
4 Elements, pieces of it have continued to come in and you
5 haven't seen a complete application yet. It has changed from
6 \$25 million to \$15 million to allow this project to go forward.
7 I'll refer you to page 118 in your board book and that will give
8 you some history of this project. This began in October of
9 2009, the grant was for restricted purposes to pay for
10 construction a 50% grant. You can see what's happened in
11 the meantime. We do have provisions for the use not to exceed
12 \$1 million costs are consistent with a construction project. We
13 have disbursed to date about \$546,000 to those types of
14 activities. We've asked the representatives from the King
15 School of Medicine to appear to give you an update on where
16 they are with the project. The most important issue at our last
17 gathering was the IRS designation as a 501(c) and that has
18 been accomplished. Where we are with fundraising on this
19 project, I couldn't tell you and I don't think that the Committee
20 needs to recommend approval of the new application until it's
21 been thoroughly viewed and all the pieces are in place and we
22 don't need to do that today.

23 Mr. Chairman and Members of the
24 Committee, I recommend that we hear from and ask our
25 questions from representatives of the King School of Medicine.
26 The staff doesn't have a recommendation to approve.

1 DR. REDWINE: Thank you, sir, and you
2 please come on up.

3 MR. ZAIDI: My name is Tariq Zaidi.

4 DR. REDWINE: We've met with you many
5 times and thank you for being here today.

6 MR. ZAIDI: I'm the President and Chief
7 Operating Officer of the King School of Medicine. I'd like to
8 thank the Committee for allowing us to be here today. I'd like
9 to thank the staff for working with us, they've been invaluable
10 and we've been working with them since we were here in
11 January. I'd like to say we're pleased and proud of what we've
12 been able to do so far accomplish since January.

13 You've got a packet and I know you're
14 looking at some of that information and I'd like to highlight
15 some of it but not go into too much detail.

16 Before I get started, I do want to reiterate
17 the reason why we're here and the reasons for it. Obviously,
18 it's an Economic Development program but also a healthcare
19 program. Recent studies that I've seen show that in Southwest
20 Virginia, there's 133 towns in Virginia. Eight of the eleven
21 rank in the bottom fifteen percent of healthcare outcomes in
22 2013. Four of them in the bottom five percent. The national
23 physician to patient ratio is one per 1,067 patients. In Virginia
24 the average is one physician for 1,350 patients and in
25 Southwest Virginia it's one for 2,650 patients. So clearly
26 there's a need and I don't think anybody really questions that.

1 That need is addressed not just by creating physicians and
2 expand the number of students but it's doing it in a very
3 detailed and tailored way. That means creating a program that
4 starts at admissions and admits students who have a real
5 focus, who are from the region and want to come back and
6 practice in that region and practice family medicine. Those are
7 the things we're looking at and we're doing this and we feel it's
8 important to build a medical school in Southwest Virginia by
9 people in Southwest Virginia and the region and who know the
10 region and have students and they're admitted from that
11 region. All those factors when put together, this is about
12 Southwest Virginia and the healthcare outcomes and the
13 economic impact that we can create.

14 We put a collaboration together through
15 the region. ETSU, as you all know, we signed an MOU with
16 them in January of this year and we have now executed
17 guiding principles with them. As you also know, it takes some
18 time to get through and get a final agreement done and we
19 have agreed upon the framework of what that's going to look
20 like. In essence, it's going to be a four year school and Virginia
21 ownership of Virginia assets and our resources will stay in
22 Virginia. There is a preference stated in writing for admissions
23 for Virginia students. They have agreed that we will seek
24 Virginia partners and we will use their LCME accreditation.
25 What's important about the LCME accreditation is that in
26 essence they're guaranteeing the quality of the program. We're

1 talking about a school that has a strong representation in the
2 region and that will be rural healthcare medical college in the
3 country. They originally opposed this project but are now
4 staking their reputation on it and getting involved with us
5 because they go hand in hand with this program and feel
6 confident since they are invested and that will help build a very
7 strong program.

8 They already had a regional focus and the
9 second largest density of these alumni is in Southwest Virginia
10 and through Southside, so they already are a huge part of the
11 community.

12 You'll also find in your packet a document
13 that illustrates the amount of time, effort and resources that
14 ETSU has put into this program. They are clearly committed
15 and going all the way to the Chancellor of the Board of Regents
16 in Nashville. They have support all the way up in Nashville to
17 do this project. What's important to this Committee is a
18 revised economic impact analysis that we're going to build from
19 the ground up. ETSU is going to help sponsor that and they've
20 cut the price by fifty percent to do it and are putting half the
21 money up for that study and that shows their investment in
22 the project.

23 I think you'll see as we talked about last
24 time Mr. Noyes had asked for a project comparison and that
25 may be one of the first documents in your packet. It shows
26 what the original grant proposal had stated and where we are

1 We looked at our financials and you have
2 an executive summary in there as to what our operational
3 costs will be. Over a seven year period and that's how long the
4 performer goes out, we're looking at a cost of about \$9.5
5 million annual budget and that's significantly reduced from
6 what it was before. That translates into sustainability. We're
7 able to create a project, which has come down in cost and
8 increased the sustainability and viability.

9 Additionally, in terms of taking a look and
10 making this a reasonably sized project, we've looked at our
11 building needs and we believe we'll be able to create a facility
12 for \$30 million. We've looked at the new medical education
13 building at the University of Virginia and VCU has just
14 launched their medical education building and these are all
15 curriculum driven. We've had an architect look at those and
16 tour the buildings and we feel very confident that we'll be able
17 to do this in a much more reasonably priced fashion. We've
18 got an RFP which is included in our packet as a result of a
19 planning grant from the General Assembly and that is going to
20 hone those numbers down so we'll have those actual numbers
21 of what they are and we expect to make a selection probably in
22 the next three weeks or so of who that architect will be and
23 that will be a comprehensive and preliminary architectural
24 report for the project. All this is translated into a lot of positive
25 momentum in terms of philanthropic and private community
26 and we'd love to have the cash on the barrel head where we

1 could go forward. I don't have that yet, but what I do have is I
2 have commitments from four significant donors and those are
3 verbal commitments and now going to join our founder's circle,
4 which is to raise a million and a half seed money. We will also
5 have a fundraiser to raise in the neighborhood of \$15 million of
6 private money and that will guarantee this project for another
7 seven years of operation. I anticipate very shortly that will be
8 in place and those donors will help put together other groups
9 that want to help spearhead this project. So we're very pleased
10 with that.

11 We continue to work with LifePoint and
12 we're having ongoing dialog with other healthcare systems and
13 our physicians' advisory group has been busy and has helped
14 with those aspects. We've received actual cash from Abingdon
15 and Washington County to the tune of about \$100,000 in cash
16 support. We have the New Market tax credit folks at People
17 Incorporated and spent a lot of time going down line by line
18 performance and other numbers. There's also a letter of
19 support in there and intent to participate to the tune of about
20 twelve to fifteen million. That brings down our ultimate capital
21 needs very significantly, yet that has to be honed down to the
22 final figures significantly less than what we originally thought.

23 I think generally the interest that we're
24 going to cause about people wanting to get involved at all the
25 different kind of levels from the people within the region,
26 people calling and wanting to work to support the project and

1 the momentum has really kicked off. There's been an
2 increased interest over this project in the last four months or
3 so. There's still a lot of work to be done but the benefit of all
4 this, I think, is very significant. I'm at the point where I believe
5 this is going to happen and I feel like it's moving in the right
6 direction so I feel very positive about it.

7 I heard over the radio this morning
8 someone say the longer you talk, the more likely you'll put your
9 foot in our mouth. So I probably better stop talking before I
10 stick both feet in my mouth. I know there's some questions
11 but I would like to thank you for your support today. I know
12 this project will take a lot of will and determination from
13 everybody but I really do appreciate everything you all have
14 done and again thank you all for your support. Thank you.

15 DR. REDWINE: Thank you, sir. I'll begin
16 by saying I appreciate the effort that you put in in the last two
17 or three months and I know that some pressure you've been
18 under and we've put you under that to try to get some things
19 done but you have delivered several of the things we asked for
20 and it makes the picture clearer as far as what the project is
21 going to look like eventually. I know it's changed quite a bit
22 but we needed to know that and this comparison is really
23 important for me and for us.

24 I know there's questions from Committee
25 members and I appreciate them keeping those until you were
26 finished but now's the time for the questions.

1 DEPUTY SECRETARY CARTER: When I
2 was reading this article there were some records kept of the
3 Georgia region.

4 MR. ZAIDI: Our medical education
5 consultant is the Chief Medical Officer at the Georgia Regent's
6 University, that's his official capacity. They've done a
7 partnership comparison, which is what we're trying to do. The
8 original campus of the Medical College of Georgia is in August
9 and in partnership with the University of Georgia, they put
10 together a campus in Athens, Georgia and it's based on the
11 same model, which we're looking at here. One of the reasons I
12 feel confident about this is that the numbers that they put
13 together and they opened their books up to us and sat down
14 and went through it and made several visits. We've been able
15 to go through and build our numbers based on real examples
16 of what has happened and how they have gone through and
17 learning from some of their mistakes and know where we need
18 to. Georgia Regent's has played a role both as an individual
19 consultant but also as a real example and where we can go
20 and sit down and talk to their people and they've sent a letter
21 of support. We'll give you all the help we can provide you and
22 they're willing to do that. That's where Georgia Regent's comes
23 into play. Our medical consultant is Dr. William Campo, he's
24 originally from Norton and he went to play football at Virginia
25 and went to medical school in Virginia and had residencies and
26 fellowships at Michigan, UNC and Virginia. He's been in

1 medical education for thirty-five plus years and in the Dean's
2 office at the Medical College of Georgia. And he got interested
3 in this project because Norton and that area is his home and
4 he believes in the project and thinks it will have a real impact.

5 That begin Southwest Virginia building and knowing the needs
6 and things that we need. I really think that makes a
7 difference. There's a lot of medical schools around but you
8 have to take the right approach and it starts at admissions
9 and who you bring in and how you focus. There's been a
10 number of studies out there but that's what we intend to do is
11 make a difference.

12 MS. RHINEHART: In terms of any
13 investment made outside of these funds, how will those be
14 shared?

15 MR. ZAIDI: We're working those details
16 out right now. One of the things I think should give you
17 comfort or comfort to this Committee about Virginia funds and
18 Virginia resources and ironically by being a public institution
19 they have some of the same concerns at the state line as you
20 all do and we would and the resources that go into this at the
21 state of Virginia they'll stay here. There will be some sharing of
22 services and some synergies that will be created and we'll
23 figure out how that's going to be and I hope to have the details
24 and final agreement when we meet in September, we should be
25 well down the road then. So I can give you more details as to
26 exactly how. I think we're going to try to maintain both

1 synergies and autonomy. This is a unique project in that
2 respect.

3 DR. REDWINE: You mentioned a written
4 preference for Virginia.

5 MR. ZAIDI: Yes, the guiding principles.

6 DR. REDWINE: Has there been any
7 mention of a written agreement for graduates to stay in the
8 rural area or stay in this part of the state? I know some of
9 these and I'm getting outside of my realm of expertise but I
10 know some doctors work in the Appalachian rural areas who
11 signed agreements that if they went to a certain institute and
12 got their degrees, they work so long in those areas. I know you
13 say that if we get Virginia money and educate them in Virginia
14 and we attract Virginia students then we can therefore assume
15 they will stay in Virginia, we can't really, can we?

16 MR. ZAIDI: Yes and no. The studies
17 have shown you have an eight times more likelihood chance of
18 them staying. Absent some sort of agreement or scholarships
19 that might come or certain other thing, you cannot dictate
20 that. We will explore everything we can do in order to try to
21 retain the students. The issue is not just having a medical
22 school in Southwest Virginia, it's retention. Retention is the
23 main thing we have to focus on. Whatever tools we can use to
24 retain our encourage them to remain is what we're going to do
25 because if you look a lot of the Appalachian healthcare and the
26 physicians in Southwest Virginia, a lot of them are

1 international medical graduates and they come for three, five
2 or seven years and they move on and go somewhere else. My
3 dad is the exception to the rule because he stayed in the same
4 practice thirty-five years. If we're able to be successful with
5 retention through the tools you're talking about and the
6 admission process that we're talking about. If a family
7 practice physician goes into say Van Zandt or Washington
8 County and stays there for thirty-five years instead of having
9 to replace the other physicians that were there and just
10 substituting you then begin to supplement the practices so
11 you're increasing or by retaining you actually end up
12 increasing the other physicians who are going to come to the
13 area anyway and join a practice and add to it and grow it and
14 reduce the ratio we're talking about as opposed to being a
15 band-aid and that's what we're trying to do, using all the tools
16 available to us, that's what we'd like to do.

17 DR. REDWINE: I'm not suggesting it I'm
18 just saying you all would like to have a medical school and we
19 know economic benefits around that area but in the end we're
20 talking about bolstering the delivery of healthcare to Southwest
21 Virginia and that's what we'd really like to do. I don't know
22 these numbers but you're telling me that if we select those
23 Virginia students and educate them, they're eight times more
24 likely to stay?

25 MR. ZAIDI: Yes, and in the information
26 you have and I don't know if that was printed or not, I think

1 it's in the overall package you have is what I call the white
2 paper and talks about what the national physician shortage is.
3 As to how you address the Southwest Virginia, but it talks
4 about studies on what programs have been proven over a
5 thirty year period of time to actually retain students. Most of
6 the references are online or I can provide that to you. But you
7 have that information in your packet.

8 MR. NOYES: Members of the Committee,
9 it might sound like I'm down on this project, I would like some
10 clarification. Private funds for operation, you don't have any of
11 those funds at this time?

12 MR. ZAIDI: Not in hand, no.

13 MR. NOYES: On the matching funds for
14 the construction project, you have commitments but those
15 commitments have not realized, you don't have cash at this
16 time?

17 MR. ZAIDI: That's right, they're all
18 contingent.

19 MR. NOYES: What are the time frames
20 you anticipate having money to start? We are rapidly
21 approaching the end of the fourth year, not since you've been
22 involved but on this project. When is construction going to get
23 underway, give us an estimate, when will the private funds for
24 operation, because you have a two year construction period
25 and this is a five year effort and we're roughly in ten years
26 after having made an award. These are the questions that are

1 not clear and all this depends on when and if the Committee
2 takes such action. As I understand it, you don't have any
3 money and you've got commitments.

4 MR. ZAIDI: I'll give you the best answer I
5 can give you. We have a grant from Abingdon and Washington
6 County and September is the deadline to have the pieces in
7 place for this and to realize the money in Abingdon and
8 Washington County. I expect our initial seed money and
9 capital contributions and the Founder's Circle to realize money
10 within the next month. You're exactly right, we don't have the
11 money in hand. This is the first time I've had talks with
12 donors where they have said we're going to give you a
13 significant gift and we'll give it to you. Right now all you have
14 is my word, I realize that.

15 MR. NOYES: What you seek from this
16 Committee is forbearance, you're saying in September at that
17 time you will expect to be able to demonstrate you actually
18 have money and not a commitment and not a promise, you
19 have cash that could match our funds.

20 MR. ZAIDI: Yes, sir.

21 MR. NOYES: So you're seeking
22 forbearance for about 120 days or however many days it is so
23 that you can begin to accomplish these things. The MOU I
24 would point out that you have with ETSU is an agreement to
25 explore how you go forward for each specific agreement and
26 specific information as to what that is. You have a

1 Memorandum of Understanding that provides none of the
2 information that I would look for as a staff member in making
3 a recommendation to the Committee. So what are you asking
4 for today?

5 MR. ZAIDI: Status quo in September.

6 MR. NOYES: You would like to continue
7 to be able to draw funds for construction related purposes is to
8 stay fundraising and doing fundraising, you've got to be able to
9 deal with DHCD on this ARC fundraising?

10 MR. ZAIDI: Yes.

11 MR. NOYES: That's what you seek from
12 the Committee this afternoon?

13 MR. ZAIDI: Yes, that's exactly right.

14 MR. NOYES: So what you're seeking is to
15 continue what you're asking for is you've got a million dollar
16 cap on what can be spent, we have to have a dollar for dollar
17 match or matching funds in order to go forward. Now, Mr.
18 Chairman, do you want to see if this is the sense of the
19 Committee, you don't have to report anything to full Board
20 tomorrow if that's the consensus of this Committee, forbear
21 until September.

22 DR. REDWINE: Delegate Johnson?

23 DELEGATE JOHNSON: What is the
24 physical office?

25 MR. ZAIDI: The Virginia Highlands
26 Incubator just adjacent to the property, the small business

1 incubator.

2 DELEGATE JOHNSON: Do you have a
3 room or an office?

4 MR. ZAIDI: It's an office and I'm there
5 virtually every day. I have a desk and a chair and pictures up
6 yet.

7 DELEGATE JOHNSON: Sir, I noticed
8 \$545,988 is what you spent.

9 MR. ZAIDI: Correct.

10 DELEGATE JOHNSON: I don't know how
11 you can spend that much money and accomplish nothing.

12 MR. NOYES: Mr. Zaidi himself hasn't
13 spent that five hundred thousand. It's been spent on the
14 project, the majority of that was spent by King College before
15 the transfer. You can see the source of things that it was
16 spent on. They are related to the construction of a medical
17 school at Abingdon, Virginia.

18 DELEGATE JOHNSON: How many
19 employees?

20 MR. ZAIDI: Just me.

21 DELEGATE JOHNSON: \$150,000 from
22 January to June has been spent on you?

23 MR. ZAIDI: From January to June, we
24 also have consultants but in terms of full time employees, I'm
25 the only full time person but we have other consultants that
26 are paid consultants that are working for us. I can say that I

1 haven't received \$150,000.

2 DELEGATE JOHNSON: Who writes the
3 checks?

4 MR. ZAIDI: The checks are issued by the
5 officers or by me, we have two signatories on them. Those are
6 funds that were submitted and have been vetted by the
7 Commission.

8 DELEGATE JOHNSON: If the project is
9 cut, your request is \$15 million from the Tobacco Commission
10 and what you're getting from the County and the Town is that
11 cut in half?

12 MR. ZAIDI: I don't know what we're going
13 to do yet. We haven't had those discussions yet.

14 DELEGATE JOHNSON: That gives me
15 some concern. Are we spending money for a Cadillac and
16 we're going to get a Volkswagen?

17 MR. ZAIDI: No, sir, absolutely not. The
18 difference in the project is not the quality of the education
19 you're getting or the quality of the project, the difference is the
20 cost of entry and the risk that exists of starting up an
21 independent medical school. You have \$100 million that has
22 to be raised to go to endowment. You're going through a six to
23 eight or possibly a ten year application process before you get
24 your full LCME accreditation. With partners such as ETSU,
25 who has already got full accreditation, we're able to fall under
26 its accreditation, they're guaranteeing the quality of the

1 program. The LCME would not allow them to do this unless
2 they felt comfortable with the quality of the program. As a
3 result, they're putting their reputation on the line and doing
4 this with us.

5 DELEGATE JOHNSON: Have you dealt
6 with the County and the Town and let them know you've cut
7 the request from the Tobacco Commission?

8 MR. ZAIDI: I don't know if we've had a
9 specific discussion, not specifically, no.

10 MR. NOYES: When you do, I would take
11 this side by side comparison with you because what you said is
12 true and you're also cutting the size of the fiscal plan, cutting
13 the number of students who participate and things like that.
14 All of those things are important in the details that we need to
15 see in an application and actually having raised money.

16 MR. ZAIDI: Understood and Delegate
17 Johnson, we do have representatives from the Board of
18 Supervisors from Washington County and the Town of
19 Abingdon on our board. We have liaison board members there
20 that are aware of all this. As far as standing in front of a
21 committee, we have not gone in front of them yet but the
22 expectation is that in building a more reasonably priced
23 program, everybody should be able to share in the cost/benefit
24 upside to it.

25 SENATOR SMITH: I'm not sure this is
26 relevant but this would be under the leadership of these

1 universities, the University of Tennessee?

2 MR. ZAIDI: Yes.

3 SENATOR SMITH: Where is the state of
4 Tennessee's, they have tobacco money?

5 MR. ZAIDI: They had tobacco money, I
6 think.

7 SENATOR SMITH: Now, East Tennessee
8 State University, can you talk about that as far as money or
9 information?

10 MR. ZAIDI: I can't advise other than
11 what I've heard. They balance their budget several years ago
12 with the tobacco settlement and did not set up a Tobacco
13 Commission like this. Whether ETSU ultimately received some
14 of those funds, I would expect they probably did through the
15 Tennessee general budget but as far as a specific committee
16 like this and the programs that you do in supporting
17 educational and economic development, the state chose to use
18 their money otherwise, so I really can't answer the question
19 with any specificity.

20 SENATOR CARRICO: In the budget from
21 the General Assembly this year, there's \$250,000 obligated
22 appropriation with the Town of Abingdon for this. What was
23 the \$250,000 used for?

24 MR. ZAIDI: That \$250,000 becomes
25 available July 1. That's why we're going through the
26 preliminary architectural report. That's the planning grant

1 and there's an RFP, which is going to be put out so that we bid
2 out the planning grant funds and used in accordance with that
3 which CHCD requires. CHCD is the administrator.

4 SENATOR CARRICO: Is the Town of
5 Abingdon, do they know about that agreement or is it through
6 you?

7 MR. ZAIDI: The Town of Abingdon is
8 entering into it with us and we'll work hand in hand with them
9 on that.

10 DR. REDWINE: We'll wrap this up fairly
11 quickly as a Committee. This month by month plan that we
12 have and we need this included in our packet at our next full
13 Commission meeting, which is September 26th of this year and
14 we go down this thing point by point with you and ask you if
15 those things you said on here will be done in those months will
16 be done. Do you have confidence they will be?

17 MR. ZAIDI: I'm a lawyer and I can't give
18 you an absolute answer on anything but I can tell you this,
19 those were done by our best judgment and good faith and our
20 expectation is yes but I can't guarantee it will happen but I do
21 believe they will.

22 DR. REDWINE: If you would use this as a
23 priority for your work between now and then.

24 MR. ZAIDI: Absolutely.

25 DR. REDWINE: The main emphasis
26 should be on those funds, I think.

1 MR. ZAIDI: I will say this and I know how
2 much each and every one of you wants progress, funds raised
3 for this, as badly as you do, I do. It's necessary the private
4 community support this project and we're asking them to do
5 so. I have confidence they will.

6 DR. REDWINE: If we get an extension
7 until September to re-look at this again, those will be the
8 things that we're going to be asking for and looking for, fair
9 enough?

10 MR. ZAIDI: Absolutely.

11 DR. REDWINE: Is it the consensus of
12 this Committee, somebody's got a real heartburn speak up but
13 otherwise is it the consent of the Committee that we will
14 continue this extension until September with a very thorough
15 and detailed look at your progress at that point? It might be
16 very fair for me to tell you that at that point one way or the
17 other we will probably be ready to make a decision are we
18 going to move forward or are we going to kill it.

19 MR. ZAIDI: Absolutely, that's
20 understandable and reasonable.

21 DR. REDWINE: All right, we all heard
22 that. I'll entertain a motion to extend.

23 SENATOR CARRICO: I move we extend
24 this.

25 DR. REDWINE: I have a motion and do I
26 have a second? I have a motion and a second. All in favor,

1 aye? (Ayes.) Opposed? (No response.) All right. Thank you
2 very much.

3 MR. ZAIDI: Just for the record, Mr.
4 Noyes, you have been nice.

5 DR. REDWINE: All right, Sarah, do you
6 have something else?

7 MS. WILLIAMS: There are a few
8 extensions that you need to consider today. The first is
9 Carroll, Grayson, Galax Regional Industrial Facility. They were
10 granted \$951,297 in January of 2009. They're seeking an
11 extension beyond the fourth year. They have a balance of
12 \$538,035 and they have several other projects they'd like to
13 build out. They're seeking an extension to August 31, 2014.
14 We can go through the list or act on them individually.

15 DR. REDWINE: Let's do them as a block
16 unless there's a problem.

17 MR. PFOHL: Those are all the extensions.

18 MS. WILLIAMS: We have three grants,
19 1608, 1635 and 1642 and they're approaching a fifth
20 anniversary. These three grants were granted an extension
21 through July 31st, 2013. They're seeing a grace period to be
22 extended until September. They're trying to determine how
23 much additional time is needed.

24 DR. REDWINE: There is action going on
25 on all of these?

26 MS. WILLIAMS: I would say at varying

1 degrees. Some are very close to completion and some are just
2 getting started and we're hearing end of summer.

3 DR. REDWINE: Thank you. These are all
4 the extensions. Grants 1763, 1608, 1635 and 1642. Anyone
5 have any problems with granting an extension?

6 SENATOR CARRICO: I move we extend.

7 MS. DIYORIO: Second.

8 DR. REDWINE: We have a motion and
9 second. All in favor say aye. (Ayes.) Opposed? (No response.)

10 MS. WILLIAMS: Moving along quickly,
11 the next one is Southwest Virginia Community Foundation. In
12 September, they were awarded \$100,000 to continue work on
13 the Bushmill Heritage Project. That grant was awarded
14 contingent on seeking additional funds from the VDOT
15 enhancement program. The program's guidelines have
16 changed where they are no longer eligible for the program. The
17 grantee is seeking removal of that contingency for this grant.

18 DR. REDWINE: They had received VDOT
19 money in the past but not since this grant was granted?

20 MS. WILLIAMS: That's correct.

21 DR. REDWINE: VDOT has changed their
22 guidelines?

23 MS. WILLIAMS: That's correct.

24 DR. REDWINE: Any questions?
25 Everybody understand? They're not asking for anything but a
26 removal of the contingency. I'll entertain a motion to remove

1 the contingency on grant number 2549.

2 SENATOR CARRICO: So moved.

3 DR. REDWINE: It's been moved and
4 seconded. All in favor signify by saying aye. (Ayes.) Opposed?
5 (No response.) Is there anything else?

6 MS. WILLIAMS: No.

7 DR. REDWINE: Do we have any public
8 comment. That concludes our agenda. Any further comment
9 from this particular Committee? Hearing none, this meeting
10 will adjourn. Thank you very much.

11

12 PROCEEDINGS CONCLUDED.

13

14

15

16

17 CERTIFICATE OF THE COURT REPORTER

18

19 I, Medford W. Howard, Registered Professional
20 Reporter and Notary Public for the State of Virginia at large, do
21 hereby certify that I was the court reporter who took down and
22 transcribed the proceedings of the **Virginia Tobacco**
23 **Indemnification and Community Revitalization**
24 **Commission Southwest Economic Development**
25 **Committee meeting when held on Wednesday, May 22,**
26 **2013 at 3:00 p.m. at the R. T. Arnold Library in South Hill,**

1 **Virginia.**

2 I further certify this is a true and accurate
3 transcript, to the best of my ability to hear and understand the
4 proceedings.

5 Given under my hand this 3rd day of June,
6 2013.

7

8

9

Medford W. Howard

10

Registered Professional Reporter

11

Notary Public for the State of Virginia at Large

12

13 My Commission Expires: October 31, 2014.

14 Notary Registration Number: 224566