

**VIRGINIA TOBACCO INDEMNIFICATION
AND COMMUNITY REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501
Richmond, Virginia 23219

Southwest Economic Development Committee Meeting

Friday, September 12, 2014

1:00 o'clock p.m.

Sheraton Roanoke Hotel & Conference Center
Roanoke, Virginia

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1 APPEARANCES:

2 Dr. David S. Redwine, DVM, Chairman

3 The Honorable Charles W. Carrico, Sr., Vice Chairman

4 Ms. Mary Rae Carter, Deputy Secretary

5 Department of Commerce and Trade for Rural Development

6 Ms. Rebecca Coleman

7 Mr. H. Ronnie Montgomery

8 Ms. Elizabeth Myers, Assistant Attorney General

9 Dr. Todd E. Pillion - (Via Phone)

10 The Honorable Ralph K. Smith

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14 COMMISSION STAFF:

15 Mr. Timothy S. Pfohl, Interim Executive Director/

16 Grants Program Administration Director

17 Mr. Ned Stephenson, Deputy Executive Director

18 Ms. Sara G. Williams, Grants Program Administrator -

19 Southwest Virginia

20 Ms. Stacey Richardson, Executive Assistant

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1 September 12, 2014

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3 DR. REDWINE: Good afternoon. I'm going to call to
4 order the meeting of the Southwest Economic Development
5 Committee, and I thank you all for being here, although we've
6 been running a little late from the meeting this morning. We're
7 here to do the business of the Southwest Economic Development
8 Committee. We'll start off by calling roll.

9 MR. PFOHL: Senator Carrico.

10 SENATOR CARRICO: Here.

11 MR. PFOHL: Ms. Coleman.

12 MS. COLEMAN: Here.

13 MR. PFOHL: Senator Chafin can't be with us.
14 Ms. Carter.

15 MS. CARTER: Here.

16 MR. PFOHL: Mr. Montgomery.

17 MR. MONTGOMERY: Present.

18 MR. PFOHL: Dr. Pillion.

19 DR. PILLION: Here (Via Phone).

20 MR. PFOHL: Dr. Redwine.

21 DR. REDWINE: Here.

22 MR. PFOHL: Senator Smith.

23 SENATOR SMITH: Here.

24 MR. PFOHL: Mr. Stallard cannot be with us, but we do
25 have a quorum, Mr. Chairman.

1 DR. REDWINE: We want to welcome Ms. Coleman,
2 who's here for her first meeting from Scott County. We welcome
3 you and look forward to working with you.

4 We welcome Ms. Myers, our counsel from the Attorney
5 General's Office in Richmond. We look forward to working with
6 you.

7 We welcome all of you and ask that you be an active
8 participant and we'll all move ahead. Welcome to everyone.

9 You have been presented with copies of the minutes
10 online, the last meeting, which was May 21, 2014. Are there any
11 changes, additions, or amendments to the minutes as written?
12 All right. Hearing none, do I have a motion to accept the
13 minutes as written? I have a motion and a second. All in favor,
14 signify by saying aye. (Ayes). Opposed? (No response). All
15 right, the minutes were approved.

16 We'll now move into the meat of this meeting, the
17 main purpose for us being here today is that we have several
18 applications, and I'll turn it over to Mr. Pfohl for a brief summary
19 and overview, and then we'll move into the specific grant
20 applications.

21 MR. PFOHL: Mr. Chairman, this is the Commission's
22 Fiscal Year 2015 Southwest Economic Development grant cycle.
23 In the budget for FY15, the Commission provided \$2.5 million for
24 the Southwest Economic Development Committee's program.
25 We find ourselves in some very unprecedented and uncharted

1 waters with \$63 million of requests that were submitted by the
2 July deadline. Those requests include six proposals that exceed
3 the amount available to the Committee. The staff has had
4 continuous dialogue with applicants as recently as yesterday
5 afternoon, and some applicants have amended the amount
6 requested. The total is now down to \$56 million. We still have
7 \$2.5 million in change available to us, and we have a very
8 significant task today.

9 In our review of the proposals, staff is recommending
10 the three highest scoring proposals for you for funding today, as
11 is shown at the top of the chart here. You can see the three that
12 we're recommending for funding. There are several proposals in
13 the next section that are not recommended for funding. Lastly,
14 in the spreadsheet and starts off with your staff report, and
15 that's shown on the screen. We have the six proposals that ask
16 for more money than or that were submitted for more money
17 than is available to your Committee. You'll see in red the ones
18 that have been amended in the last few days.

19 This is a challenging situation. We're not here to say
20 any of your projects are not worthy, but on the other hand,
21 there's also some very valid reasons why staff is recommending
22 not to fund some of these projects. We recognize strong projects
23 have asked for considerably more money than is available.
24 Consequently, staff is suggesting that all projects that are not
25 recommended for funding in the staff report be allowed to revise

1 and resubmit their proposal to better align with program
2 objectives and available funding to be considered by the
3 Committee in the spring, 2015 grant cycle.

4 We're trying to tell folks pay attention to what we say
5 in the staff comments, and go home and consider how you might
6 want to revise your proposal, and we're hopeful you'll have a
7 second chance for a hearing in front of this Committee. All that
8 being said, those are the staff recommendations, and as we have
9 been reminded over the years, staff recommends but the
10 Committee votes. Sara is prepared to discuss the proposals you
11 have in front of you, I'll turn it over to her.

12 MS. WILLIAMS: I'm going to try to be brief with this,
13 but if anybody has any questions, stop me; otherwise, I'm just
14 going to go through and talk about what the recommendations
15 are. As Tim has mentioned, we do have three proposals, and the
16 three highest scoring proposals that were recommended for
17 funding. Those are 2913, Friends of Southwest Virginia, the
18 Heartwood Festival Marketplace: The Gateway to Southwest
19 Virginia's Artisan Gateway, requesting \$108,000 for a
20 marketplace and amphitheater for entry into the Heartwood
21 facility in Abingdon, and requesting \$108,000 and recommended
22 for \$108,000.

23 DR. REDWINE: I don't like to interrupt, but I know as
24 we go through these that we'll say that's my project and I'm
25 afraid they're passing me over, I won't get a chance to talk. I'm

1 going to let Sara go through all of these briefly, and then
2 individuals will get a chance to come back and comment.

3 MS. WILLIAMS: The next is 2912, People
4 Incorporated Financial Services for the My Southwest Virginia
5 Opportunity Entrepreneurial Challenge II. That was a \$24,000
6 request. That project is in. It was funded the first year with
7 non-Commission funds. It was to provide small business boot
8 camps targeting seven localities in Southwest Virginia, which
9 include Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and
10 Wise Counties. It's matched with ARC funds and contributions
11 from People Incorporated. And the staff recommends an award
12 of \$24,000.

13 Next, 2904, Southwest Regional Recreation Authority,
14 Adventure Playground of the East - Expanding the Regional
15 Footprint of Economic Impact, requesting \$435,000. And that's
16 for operational support related to the additional trail systems,
17 and they are expecting to open this year. We supported them in
18 the past for the total of \$1,106,609 to start up personnel and
19 operating expenses. These are new trails that will be open and
20 to help maintain and operate the new system. The trail that's
21 been in Saint Paul for about a year has significant economic
22 impact on that community, resulting in approximately a million of
23 private capital investment, \$60,000 in direct revenue to
24 Spearhead from the sale of 3,500 rider permits. Based on what's
25 happened in Saint Paul, we think it is a good investment. You

1 see a similar impact in the other trail systems in those
2 communities. And the staff is recommending an award of
3 \$435,000.

4 That completes the first section or the three that were
5 recommended. Now, I'll briefly go into those that were not
6 recommended for funding.

7 2903, the Bristol Historical Association for The Robert
8 Preston House Living History Museum, requesting \$425,000, to
9 continue the renovations to the Robert Preston House in Bristol.
10 We have supported this project with three previous awards,
11 totaling \$130,000 to assist with site acquisition and Phase 2
12 exterior renovation. At this point, we did not see that there was
13 a strong relationship with the Wilderness Road Initiative. It is
14 located on the original Wilderness Road. The staff suggests that
15 they revise their operating plan to better define a sustainable use
16 of the location and pursue funding from other sources, such as
17 ARC. And the staff recommended no award.

18 Next, we have 2915, Town of Damascas for the
19 Appalachian Trail Center Design, requesting \$180,000. This is in
20 Damascas, Virginia, and this is an early part of the project. The
21 staff is recommending no award.

22 Next is the Rural Retreat Depot Foundation,
23 Incorporated, Number 2908. The Rural Retreat Depot
24 Restoration - Phase Two, requesting \$135,000. We supported
25 this last year with an award of \$49,534 to Phase 1 stabilization

1 work. I did receive a request last week for about \$31,000 of that
2 amount. Staff does not see a clear, final use and hard to
3 determine whatever that use would be consistent with
4 Commission funding priorities. Staff is recommending no award.

5 Next, we have the Scott County EDA, requesting
6 \$2.27 million for Grant Number 2756, Secure
7 Mountain/Sunbright Underground Technology Park. This
8 proposal was originally submitted last year FY14 Special Projects
9 program transferred to Southwest Economic Development
10 Committee, and tabled in September of 2013, and in January,
11 2014, received an award of \$300,000 from Southwest Economic
12 Development Committee, combined with \$160,000 TROF award.
13 The balance of the request was tabled for consideration in FY15.
14 The same comments from last year still apply, seeking a large
15 portion of the available budget for private property owners, and
16 they've already received TROF and Southwest Economic
17 Development funds. The staff is recommending no additional
18 award.

19 The next one is Scott County EDA, Number 2730,
20 Riverside Development - Phase I, seeking \$548,493. You see an
21 amount listed, and on August 14th, we received a revised update
22 requesting \$867,440. This was originally submitted in FY14,
23 Southwest Economic Development, and it was tabled. We have
24 approved previous grants for this project, \$220,000 for master
25 planning, and \$524,000 for final engineering. \$440,000 of that

1 remains. Of the amount requested today, \$497,000 of it would
2 be used to match an ARC access road grant. It is believed that
3 perhaps some of that grant left from a previous grant could be
4 used. The staff is recommending no award.

5 The next one is 2914, Smyth County Board of
6 Supervisors, Exit 39 Seven Mile Ford Sewer Project/Phase 2,
7 requesting \$109,800. We supported the completion of Phase 1
8 engineering in FY14, and none of that grant has been drawn
9 down at this time, although the application stated that the Phase
10 1 work is substantially complete. It seems like the majority of
11 this could result in commercial and retail development, which is
12 not a Commission-funding priority. And the staff recommends no
13 award.

14 The next one is 2909, Smyth-Washington Regional
15 Industrial Facilities Authority, requesting \$500,000 for Mid-
16 Mountain Water System Improvements. This would provide
17 increased water services to the business park, the Washington
18 County Industrial Park for the Town of Chilhowie, as well as the
19 County Industrial Park at Exit 81. They did not provide
20 information that would indicate that these sites are not
21 adequately served already by water, and also it did not indicate
22 that these sites are targeting large water users. In addition, we
23 asked applicants for these types of projects to demonstrate if
24 other financing sources are not available, and we did not see that
25 in this application. We also asked for a cash flow analysis, which

1 is not familiar with this application. So, the staff recommends no
2 award.

3 2910, Southwest Virginia Higher Education Center
4 Foundation, Compressed Natural Gas (CNG) Public Fueling
5 Station, requesting \$268,000. Originally, the application was
6 submitted last year where it was tabled, and no action was taken
7 on it. The version submitted this year is for a reduced amount.
8 The Tobacco Commission is being asked to fund 72 percent of
9 the equipment costs to install a fueling station at a Food City
10 location near Exit 7 in Bristol. The benefits to this project are
11 largely in the form of fuel savings for customers, which does not
12 align with Southwest Economic Development objectives and
13 outcomes. Job creation is quite limited, with only two indirect
14 jobs projected within the first five years of operation. There is no
15 evidence of where the private capital investment occurs. Due to
16 these factors, the proposal does not align well with Southwest
17 Economic Development program objectives. And the staff
18 recommends no award.

19 2886, Town of Saint Paul. Saint Paul 0.5 MGD
20 Regional Wastewater Treatment Plant Expansion, requesting
21 \$370,000. This application was submitted to Special Projects in
22 April of 2014 as an out-of-cycle request. No action was taken,
23 and at the request of the applicant, it was moved to Southwest
24 Economic Development. In FY10, the Commission provided
25 \$150,000 for this project through the Reserve Program to

1 provide a required match for an ARC grant. Originally, the funds
2 were to be used for construction, but the use was later changed
3 to design. The bids came back higher than expected, and this
4 would help make that difference, but we didn't see a clear
5 argument that there was a benefit to this. So, the staff
6 recommends no award.

7 2917, Virginia Highlands Airport, requesting \$300,000
8 for Design Engineering Services for Runway Extension at Virginia
9 Highlands Airport. This applicant did a good job of
10 demonstrating economic impact. Information provided in the
11 application shows that this airport hosts the fifth largest number
12 of base jets in the Commonwealth. They did list a number of
13 additional sources, including the Federal Aviation Administration
14 and the Virginia Department of Aviation as potential funding
15 sources for the runway extension. It appears that these sources
16 could help with the design project. The staff is recommending no
17 award.

18 2911, Washington County Industrial Development
19 Authority. Exit 13, Phase 2A Sewer Project, requesting
20 \$206,000, to provide sewer service around Route 11 near Exit
21 13. The industrial component of this larger endeavor was
22 assisted with a Tobacco Commission award of \$3,892,700 in
23 FY13 from the Megasite fund to provide sewer service to the Oak
24 Park industrial property in Washington County. The phase we're
25 being asked to fund in this proposal appears to be mainly

1 residential and commercial, and we didn't see that industrial
2 component to it. It looks like this project has been funded with a
3 DEQ loan. The case they were trying to make is that the net
4 income would be negative \$41,000 over 20 years. They needed
5 additional funding to help make cash flow work a little bit better.
6 Staff is recommending no award.

7 The next one is 2846, Wise County IDA for the Dhiyo
8 House, Incorporated project, requesting \$1,674,000. The
9 proposal, to assist a private industry to establish operations in
10 Wise County and submitted out-of-cycle in January, 2014. The
11 staff is recommending no award.

12 Next, we have the requests that exceeded available
13 funds. The first one we're going to talk about is 2905,
14 Appalachian Agricultural Exposition Center, requesting funds for
15 the Appalachian Agricultural Exposition Center, in the amount of
16 \$4,659,500 originally, but then on September 9th, that was
17 revised to \$1 million. The staff has gone through this pretty
18 thoroughly and reviewed the revisions. If there's a portion of
19 that \$1 million that would be accessible, the staff is still
20 recommending no further action at this time.

21 2877, Bluefield College for the Bluefield College
22 Proposed School of Dental Medicine Facility, requesting
23 \$10 million, and was revised as of September 9th to \$6,313,516.
24 There's also a pending request to the Education Committee, and
25 both of these were submitted March, 2014, and that request for

1 \$9.2 million has been increased to a little over \$9.47. The
2 applicant acknowledges this exceeds the balance and has said
3 the funding could be spread over three to five years, but there's
4 no suggestion on how that could be accomplished. The amount
5 exceeds the FY15 balance for the Southwest Economic
6 Development Committee, and staff, therefore, recommends no
7 further action.

8 Next is 2842, a \$5 million request from the City of
9 Bristol for The Falls: A Development of Regional Impact. This
10 request was submitted in January, and the work it was initially to
11 fund is substantially complete, and the city has asked that this
12 amount serve as a place holder for future phases of
13 development, which would be particularly poor policy to agree to.
14 The request exceeds the FY15 balance. And the staff
15 recommends no further action.

16 Next is 2906.

17 MR. TRIVETTE: Excuse me, Mr. Chairman, the city
18 asked that that be tabled, the City of Bristol.

19 DR. REDWINE: You're requesting today it be tabled?

20 MR. TRIVETTE: Yes. We sent an email to Mr. Pfohl
21 and Mr. Stephenson asking that that request be tabled.

22 DR. REDWINE: 2842, all right, thank you, sir.

23 MS. WILLIAMS: 2890, Lincoln Memorial University,
24 The Lincoln Memorial University College of Veterinary Medicine
25 Large Animal Teaching and Research Center, requesting

1 \$5,043,862. This is for the large animal facility that began in
2 August, 2014. This proposal originally was submitted in May of
3 2014. We've provided one-and-a-half million already in support
4 of this project from this Committee and from Agri-business. The
5 facility opened in August, so we do have questions about what
6 work would remain that could be assisted, given the dates. This
7 exceeds the available balance. Staff recommends no further
8 action.

9 Next, 2906, Lincoln Memorial University, requesting
10 \$6,600,000 for the Small Animal Clinical Skills Center of the
11 Lincoln Memorial University-College of Veterinary Medicine in Lee
12 County, Virginia. This is the same site as the Large Animal. The
13 requested amount exceeds the available balance. So, we're
14 recommending no further action.

15 Next, we have 2907, Tazewell County IDA for Project
16 Jonah, requesting \$25 million. Again, this is one where the
17 request greatly exceeds the FY15 balance. Staff recommends no
18 further action.

19 DR. REDWINE: All right, thank you. That's a brief
20 overview of the applications that we received. I'm sure you don't
21 have to be a member of this Committee to appreciate the
22 difficulty of carving awards out of \$63 million worth of requests.
23 We do appreciate the applications and the time people put into
24 them. It's not that they're without merit, but we need to
25 prioritize and then refine, amend some of them, and then find a

1 way to get them funded.

2 I'm going to try to work through this in some order.
3 Certainly, those members of the Committee who have a problem
4 with this order, certainly let me know and we'll change. I'm
5 going to begin with the three applications that were
6 recommended for funding at the top. 2913, 2912, and 2904.

7 I'm going to open the floor to Committee members. If
8 you have any comments or questions or problems with any of
9 those, now is the time to speak, and then we'll entertain action
10 as it comes forth. Let's begin with those three. Any opposition
11 from the Committee for any of these?

12 SENATOR CARRICO: Having heard no opposition, to
13 make a motion in a block, 2913, 2912, 2904.

14 SENATOR SMITH: I'll second that.

15 DR. REDWINE: 2913, 2912, and 2904. We have a
16 motion and a second to fund the levels listed, for a total of
17 \$567,000.

18 MR. MONTGOMERY: I'm on the committee, Friends of
19 Heartwood, I'd like to abstain on that.

20 DR. REDWINE: You need to pull that out and vote on
21 it by itself, and we'll amend the motion to 2912 and 2904.

22 SENATOR CARRICO: We recommend that we, 2912
23 and 2904 in a block.

24 DR. REDWINE: All right, second?

25 SENATOR SMITH: Second.

1 DR. REDWINE: All in favor, say aye. (Ayes).
2 Opposed? (No response). All right.

3 Let's begin with 2913, Friends of Southwest Virginia.
4 Do I have a motion to approve that? I've got a motion and a
5 second.

6 SENATOR SMITH: Second.

7 DR. REDWINE: A motion to approve, and seconded in
8 the amount of \$108,000. All in favor, signify by saying aye.
9 (Ayes). Opposed? (No response).

10 Let the record reflect Mr. Montgomery has abstained
11 from voting on 2913.

12 Now, let's go ahead and move into 2842, and that's a
13 request that exceeds available funds. We have a request from
14 the grantee to table that project today. Do I have any opposition
15 or any comments on that?

16 MS. CARTER: Why would the staff recommend that
17 go no further as opposed to tabling it?

18 MR. PFOHL: Staff is recommending that all of the
19 ones that did not get a staff funding recommendation be allowed
20 to revise and resubmit. That's our recommendation.

21 MS. CARTER: If we tabled it, is that revised or the
22 same thing, what does that mean?

23 MR. PFOHL: I'm looking at counsel on that. I think if
24 you tabled it, it means in its current form, but I would suggest
25 that revisions may be preferred as Sara pointed out. It was

1 submitted in January for work that's largely complete, and the
2 land at this point has been graded and conveyed over with
3 developers. We note the city is looking at further phases of or
4 future phases of The Falls for a funding request. If you don't
5 table it, you still have an opportunity to revise and resubmit. If
6 you don't table it, you still have an opportunity to revise and
7 resubmit.

8 MR. TRIVETTE: I'll try to answer your questions.
9 That's mostly accurate. The site hasn't been turned over to the
10 developer yet, and Phase 1 is not wholly completed. There's a
11 number of other parts to the project that still has to be
12 completed as required. I request to table this. As you know, our
13 request stems from another commitment, the Committee had
14 that has been satisfied. The city's preference after meeting with
15 the staff is that this request be tabled as opposed to submitting a
16 new request later on.

17 MS. CARTER: Thank you.

18 DR. REDWINE: Thank you, sir. And the other reason
19 for this group down here is that all of these projects exceeded
20 the amount of money available, so we lumped them down here
21 because it's impossible to fund them fully. Any other discussion
22 on that particular 2842? Any motion?

23 SENATOR CARRICO: How much money do we have
24 available to fund these projects?

25 MR. PFOHL: I think we're down to about \$2 million.

1 DR. REDWINE: The question was what's the available
2 balance, seems very, very close to \$2 million.

3 SENATOR SMITH: Mr. Chairman, I'll ask the question,
4 is there any requirement that we spend all of the money?

5 DR. REDWINE: There's absolutely no requirement
6 that we spend it at all.

7 SENATOR SMITH: Since the others, I guess, from
8 the, others that were not specifically approved that their ask is
9 so far greater than the available funds, will this money stay in
10 this committee if we don't spend the other approximately
11 \$2 million?

12 DR. REDWINE: Any amount of the balance that's left
13 today and not committed to a particular grant that's listed will
14 stay in Southwest Economic Development Committee for
15 consideration and use on the valid and meritable grant at a later
16 time.

17 SENATOR SMITH: Thank you.

18 DR. REDWINE: So, 2842, you've heard the staff and
19 you've heard questions and you've heard the gentleman who was
20 in charge, I guess the grantee or the applicant. Is there any
21 motion?

22 SENATOR CARRICO: 2842, I move 2842, that that be
23 tabled.

24 DR. REDWINE: We have a motion that we table
25 Number 2842 in its current form.

1 SENATOR SMITH: Second.

2 DR. REDWINE: All in favor, say aye. (Ayes).

3 Opposed? (No response). So, we'll leave that one alone.

4 I realize it's been a long day for many of you, but I
5 also feel obligated to let folks who have traveled a long way to at
6 least give us a brief description or to plead their case on the
7 grants that were not recommended for funding. Now, I'm going
8 to make you a deal. I really want you to have a voice and I want
9 you to be able to speak, but I'm asking you to be concise and to
10 the point and limit the time if you can, let's get through these.
11 We want you to speak, but we don't want to be here until 7:00
12 o'clock tonight if we can avoid that. So that will be fair for both
13 ways. Any questions before we begin?

14 All right, 2903, Bristol Historical Association. If you
15 could come up and give us your name and then go ahead and
16 have a brief comment.

17 MS. RAMERO: I'm Jan Ramero with Bristol Historical
18 Association. I brought another person from the committee. This
19 project, we thank you for helping us get to the point where we
20 are now, and the house is really coming together. Just this
21 Monday, we had Jim Mallory, director of the Lewis and Clark
22 Trail, and some members of Mr. Lewis' family. We met with
23 them. I want to mention they did on their way back, 1906, stop
24 and visit the president. We hope now that this trail is being
25 developed to get a working relationship with this group. We'd

1 like to come back to you in the spring. We're also on the
2 Wilderness Road site, and we're going to look into that, too Do
3 you have any questions you'd like to ask me.

4 DR. REDWINE: Any questions? Thank you. Town of
5 Damascus, 2915.

6 MR. LEMMONS: I'm Jeff Lemmons, Town of
7 Damascus. The project we're looking at is to, I know the staff
8 said the project was too early, but with the original initiative that
9 we have going on and we're doing a downtown revitalization, it's
10 apparent to us that we get with the other project and put it
11 together. The town has a trail that runs right down Main Street,
12 and what we have envisioned will allow the town to get by their
13 seasonal economy, as well as hopefully from higher usage rates
14 from the trails. What we've also got envisioned from Georgia to
15 upper --

16 Are there any questions?

17 DR. REDWINE: Any questions?

18 SENATOR CARRICO: One eighty is for design of what
19 you're thinking about?

20 MR. LEMMONS: Right, it is for design of the facility.

21 MAJOR DOWNS: I'm Major Downs, and I'm regional
22 director of the Appalachian Trail, Regional Office for Central and
23 Southwest Virginia. Just a little bit about this project, and the
24 partnership we have going on with Damascus. To the extent that
25 Damascus is an official Appalachian Trail, designated community,

1 and also a partnership surrounding this project is broad and
2 extensive, including the National Park Service and Wilderness
3 Society. We see this as an economic development opportunity
4 two ways.

5 Obviously, it would generate tourism, but also this
6 facility would be a huge professional development opportunity
7 with the Appalachian Trail and training programs for
8 conservation, and that's renown throughout the nation, and
9 we're looking for a home for that program. We hire about 40
10 seasonal young people annually in our partnership with other
11 states, hires another over 100. We're looking at a centerpiece to
12 train young people, and then provide professional grade hands-
13 on learning opportunities through our networking partnership
14 that surrounds Damascas. This would include the Appalachian
15 Trail, of course, and the Virginia Creeper Trail, and the trails in
16 the high country, for the mountain bike community. This could
17 be a regional destination and actually a national designation.
18 Bringing all these trails together and providing a tourist
19 destination and also is an opportunity for professional
20 development. We have a broad funding plan laid out, and this is
21 the first step, and it offers many opportunities. Be glad to
22 answer any questions.

23 MS. COLEMAN: Who operates and maintains the
24 facilities?

25 MR. DOWNS: At this point, the Appalachian Trail is

1 concerned and dedicated to making sure the facility is operated
2 to a professional standard. The National Park Services is also an
3 option there. We've discussed potentially spinning off, a
4 professional organization can help us with the management of
5 this facility. At this point, we don't have a clear understanding of
6 the best way to go, but the Appalachian Trail Conservancy is
7 dedicated to making sure that it's manageable, and we can see
8 the potential for a larger responsibility in the future.

9 DR. REDWINE: Thank you. We'll move to 2908, Rural
10 Retreat Depot Foundation.

11 MS. AKERS: Hello, Kim Akers with the Depot
12 Foundation. The first grant was a million four. This next round is
13 to continue that effort because we had some snags in the first
14 round and didn't realize some problems that we had. We're
15 currently engaged with an architectural historian that we're going
16 to use, as well as Rural Retreat, the town, and briefly the block
17 grant, new vitalization of the downtown, and the foundation is on
18 board with that. The Depot is the centerpiece of the downtown
19 project. We really appreciate your support.

20 SENATOR CARRICO: Have you received any grant
21 funding from anyone else?

22 MS. AKERS: We've received some support called
23 Farmers Market Effort. The Farmers Market has been the
24 primary use of it so far. We are hoping for support for the town
25 and the Farmers Market would be the centerpiece, and several

1 other businesses have moved into the downtown area.

2 SENATOR CARRICO: I see your request is for
3 \$135,00. What's the estimate to finish what you are trying to do
4 at the Depot?

5 MS. AKERS: The best estimate for this grant is
6 continued or stabilization of the foundation of the facility and roof
7 and siding. The original estimate was over a million dollars, but
8 we've taken another look at it, since we've gotten more engaged,
9 and there are merchants that have offered to provide labor in
10 exchange for funds. So that makes our new estimate about
11 \$100,000.

12 SENATOR CARRICO: Total?

13 MS. AKERS: Total. We've knocked off \$1 million from
14 our original estimate.

15 DR. REDWINE: Any other questions?

16 SENATOR SMITH: You say it's been reduced, is there
17 any source of funds other than, did you refer to 15,000? Do you
18 have any other potential sources of funding?

19 MS. AKERS: We plan on applying to, for grants in the
20 future, DOT partnering with the Town of Rural Retreat for the
21 industrial or ARC fund.

22 SENATOR SMITH: Thank you.

23 DR. REDWINE: The next two projects submitted by
24 Scott County EDA. Mr. Kilgore is here today, and I'll ask you if
25 you could take them one at a time, begin with Secure Mountain.

1 MR. KILGORE: Mr. Chairman, if I could, George will
2 talk about 2756, I'll do 2730. In talking about Riverside and the
3 project, 22 percent of the funds in the project. The total project
4 right now is \$3.2 million. Twenty-two percent of the funds are,
5 and the other 78 percent is from the locality in federal dollars.
6 I'm not asking for any additional funds from this and ask for a
7 transfer from a previous grant, and we'll have a remaining
8 balance, \$354,000. I'm asking for a transfer of the remaining
9 2559 to the Riverside project, 2730, but there's no additional
10 funds from this today.

11 SENATOR CARRICO: Are you going to take motions?

12 DR. REDWINE: We can certainly take a motion as we
13 go since this, and he's not asking for funds today. I don't see
14 any reason why we can't consider this since he's asking for a
15 transfer.

16 SENATOR CARRICO: I would make a motion that we
17 take the remainder 354,000 from Grant Number 2559 and
18 transfer it to the Riverside Development, Phase I, Grant Number
19 2730, and that's my motion.

20 DR. REDWINE: We have a motion, and I want to
21 make it clear to the new members. Is everybody clear?

22 MR. PFOHL: I'm trying to get my arms around this,
23 because this is kind of late-breaking news for the Riverside
24 property. So, we're not changing projects here. We can
25 continue to keep that money on the Riverside property without

1 having to move it between grants and have your committee
2 approve a new use of those funds to the Riverside property. You
3 can see in the staff report, 2559, was for final engineering costs.

4 MR. KILGORE: That's probably an oversight on my
5 behalf, the number here was picked up wrong. It should be the
6 remaining balance of Phase II to this project, whatever that grant
7 number is.

8 SENATOR CARRICO: To clarify that, Mr. Chairman, I
9 would ask that we move the remainder of \$354,000 from the
10 Crooked Road Phase II into Grant Number 2730.

11 DR. REDWINE: Discussion.

12 MS. COLEMAN: Mr. Chairman, is there a precedent
13 for this?

14 DR. REDWINE: Mr. Stephenson, Mr. Pfohl, or Sara,
15 the question is do we have a precedent for moving money from
16 one separate project to the same locality or same entity to
17 another grant project?

18 MR. STEPHENSON: The standard practice, Mr.
19 Chairman, underruns or leftover money in one grant are returned
20 to the Commission to go back in the pot for redistribution in the
21 competitive projects. Certainly, the Committee could do it if it
22 wants to, but that means those dollars are not exposed to any
23 other application in the competitive phase.

24 DR. REDWINE: Ms. Myers, do you have any thoughts
25 on that?

1 MS. MYERS: I would defer to Mr. Stephenson's
2 explanation that this committee can do that. However, I would
3 say it would be the best practice if treated as a completely new
4 request for funding, separate and apart from any leftover funds
5 and left over from a completely separate grant, even though the
6 same jurisdiction.

7 SENATOR SMITH: Mr. Chairman, I would have a
8 substitute motion that we follow the standard procedures.

9 SENATOR CARRICO: Before that is seconded, I want
10 to ask Mr. Kilgore about the project and how it affects the
11 projects if we take the dollars back and the money that's
12 available at this point in time and how long that would delay the
13 project?

14 MR. KILGORE: It could delay the project because we
15 already have the ARC funds approved. We have the letter, and
16 Tim has a copy of that. We have \$497,000 from ARC approved.
17 At the end of the day, we need a one-to-one match on that one,
18 building the road back into the site.

19 SENATOR CARRICO: If we go through the usual
20 protocol to bring the dollars back, how long would it be before
21 you cleared that up or ask to have it back to clear the application
22 where you'd be able to have it?

23 MR. KILGORE: Probably reapply next year.

24 SENATOR CARRICO: So there'd be about a one-year
25 delay.

1 MS. COLEMAN: Mr. Chairman, my question is there
2 any reason the Committee couldn't vote to fund \$354,000 in this
3 cycle with the expectation of regaining the money from the
4 previous --

5 MR. PFOHL: John, quick question, was that a reserve
6 grant? The Tech Center Phase II, was that the one matched by
7 EDA?

8 MR. KILGORE: Yes.

9 MR. PFOHL: Mr. Chairman, that's a completely
10 separate program. The reserve was the program that we used to
11 match ARRA stimulus, not money in your committee's budget.
12 That's a fly in the ointment, but that's the reality of the
13 accounting.

14 DR. REDWINE: So if you choose to return that
15 money, it goes back to the general fund.

16 MR. PFOHL: Unused reserves, grant funds return to
17 our Commission's reserve account, which are not assigned to any
18 particular committee, but the executive does so, it's a general
19 fund.

20 MR. KILGORE: Then I'd revise the request, \$497,000
21 and take 8670 off. The 497 matches ARC one to one.

22 DR. REDWINE: 497,000 on 2730?

23 MR. KILGORE: Yes.

24 DR. REDWINE: 497,000 on 2730 is the request?

25 MR. KILGORE: Yes.

1 SENATOR CARRICO: Then I make a motion that the
2 remaining amount we have --

3 SENATOR SMITH: Mr. Chairman, there's a motion on
4 the floor, a substitute motion.

5 DR. REDWINE: Yes, let me undo some of this motion
6 and then we'll get to this. The first motion was Senator Carrico
7 to transfer that money and there was not a second.

8 MR. PFOHL: Correct.

9 DR. REDWINE: I guess to be fair I have to say is
10 there a second? And there's not, so that motion fails. Then
11 we're not allowed to have a substitute motion.

12 SENATOR SMITH: I withdraw.

13 DR. REDWINE: Since we didn't have a motion, so
14 we're back to opening the floor for any motion since Senator
15 Smith withdraws his substitute motion.

16 SENATOR CARRICO: I'll reiterate the motion to fund
17 \$497,000 for the Riverside Development Project.

18 MS. COLEMAN: I'll second that motion.

19 DR. REDWINE: Senator Carrico makes a motion to
20 fund \$497,000 to Riverside Development, 2730, a one-to-one
21 match. Do we have a second? Any other discussion?

22 There's options, here's one of the things that we can
23 do is go ahead and vote on this as it is, or we can go through
24 these and see what other projects are available, to vote on these
25 at the end.

1 SENATOR SMITH: Mr. Chairman, due to the
2 disproportionate amount of funding going to this area in the
3 footprint, I won't state to the quality of or the lack of, but I'll only
4 state to the disproportionate share, disproportionate amount of
5 funding going to this area. That is the reason I oppose this.

6 SENATOR CARRICO: If I follow up, Mr. Chairman, I
7 don't think we're done yet, but we've got a whole lot of projects
8 to go unless we're not funding anything.

9 DR. REDWINE: My feeling is that when we vote on
10 these things, it may make a difference in how we vote depending
11 on what comes up in other projects. I have a motion and a
12 second, and I can ask for the, as for the voter, we can deal with
13 these and be in a place that makes it difficult. Any other
14 discussion?

15 MS. CARTER: Mr. Chairman, if we had been able to
16 transfer the funds from this project, I would be in favor of us
17 considering that not being funded, but I'm having a tough time
18 right now considering all these other applicants, we don't have
19 enough money for everyone.

20 DR. REDWINE: I understand.

21 John, before we go any further, let's talk about the
22 time table, what you're doing down there and when funds are
23 actually needed to get the work done.

24 MR. KILGORE: Right now, they're developing the pad,
25 and we had a prospect this morning actually when I was on my

1 way here, and there's a pad being developed, and we're trying to
2 get a road in there, and that's why we applied to ARC for those
3 funds. And these funds that you're voting on today would make
4 ARC's, so we can get the road back to the pad.

5 MR. PFOHL: John, can you ask the ARC
6 representatives if the \$440,000 that remains in your engineering
7 grant can be used as a match, those are unspent dedicated to
8 Riverside?

9 MR. KILGORE: I haven't asked them because I need
10 \$1.2 million to do the project. The pad is going to cost upwards
11 of twenty-two hundred to three hundred thousand. So, the pad,
12 and we have whatever is left, and the road is going to cost one to
13 two million.

14 MS. CARTER: John, if I could ask a question. These
15 are ARC funds, do they have a timetable for these funds?

16 MR. KILGORE: They do. This is a road project, so the
17 road, the last one that we did was within a year, so I'm not sure
18 a dedicated road and other projects.

19 MS. CARTER: So you're not sure about that?

20 MR. KILGORE: Right.

21 MS. CARTER: So you know they might, is there a
22 possibility the same way you wanted to extend that?

23 MR. KILGORE: Right.

24 MS. CARTER: My question is you don't have to have
25 this immediately?

1 MR. KILGORE: I'd remind the Commissioners, too,
2 that this was tabled in the January meeting, this project, and we
3 brought it and had it back and we revised it, and if you see fit not
4 to fund it today, then you only have 22 percent of the money in
5 the project. And if you approve this today at 35 percent and
6 approve \$497,000, I know you want a 10 percent match on the
7 project, and we've got 65 percent. This was payable in January,
8 65 percent. So, this was tabled in January. And if you don't vote
9 the \$497,000, we'd ask that it be tabled again.

10 DR. REDWINE: Well, that's the question because if we
11 don't or if we leave the motion on the floor and we vote and it's
12 not funded, then it can't be tabled, and it would have to be
13 resubmitted. That particular application then would be acted
14 upon. But what I'm saying is that we need to decide and we've
15 got a motion and a second on the floor to vote, and if those
16 motions are not, and if they're going to be left on the floor, then
17 we need to vote. If they're withdrawn, it could be tabled.

18 SENATOR CARRICO: Mr. Chairman, if this motion is
19 withdrawn and this project is tabled, then we're looking for at
20 least a year before we can address this issue, or are we going to
21 be able to --

22 MR. PFOHL: 2015, I don't know why it couldn't be
23 reconsidered then.

24 SENATOR CARRICO: We're looking at April.

25 DR REDWINE: They still have \$440,000 unused

1 money to use, Senator Carrico, is that correct?

2 SENATOR CARRICO: Correct. Did I understand you
3 correctly to say that the pad is already being constructed?

4 MR. KILGORE: Correct.

5 SENATOR CARRICO: What's the estimated cost if
6 you're going to have to extend to do that?

7 MR. KILGORE: We have to have somebody call,
8 \$1.2 million is what it costs.

9 MR. PFOHL: The pad is shown in there as 194.

10 SENATOR CARRICO: ARC dollars?

11 MR. PFOHL: My understanding is that the job and
12 materials have been provided. The road project is a \$1.2 million
13 project, which \$108,000 is a contingency and they have provided
14 us documentation from ARC and they have \$497,000 committed
15 to that \$1.2 million project.

16 SENATOR CARRICO: Mr. Chairman, I will withdraw
17 my motion to table this project and look at it in the spring.

18 MS. COLEMAN: Discretion being the better part of
19 valor, I withdraw my second.

20 DR. REDWINE: Senator Carrico withdraws the motion
21 to fund this and asks that this be tabled and reconsidered in the
22 spring. Thank you. Do I have a second?

23 MR. PFOLH: If you include it in the block staff
24 recommending revise and resubmit, I'd ask Liz.

25 MS. MYERS: With the discussion and confusion, vote

1 on this separate.

2 DR. REDWINE: Senator Carrico withdraws his motion
3 and makes a motion to table. Senator Carrico makes that
4 motion. Do I have a second?

5 MR. MONTGOMERY: Second.

6 DR. REDWINE: I have a motion and a second, all
7 those in favor say aye. (Ayes). Opposed? (No response).

8 MR. KILGORE: Mr. Chairman, I'm going to introduce
9 George Foresman, he's supposed to be talking about Secure
10 Mountain, and it's a great project in Scott County, and this will
11 help diversify the economy and I'll introduce George and he'll
12 talk about the project.

13 DR. REDWINE: Thank you.

14 MR. FORESMAN: Mr. Chairman and members of the
15 Committee, thank you. And in light of your guidance, I'll try to
16 be exceptionally brief. For the benefit of the new members of
17 the Committee, this project is the transitioning of an industrial
18 mine complex and former limestone mine, which is located in
19 Scott County, Virginia. Transitioning it from an old industrial
20 usage to a new use with an underground technology park.
21 There's clearly not another project like this in Virginia, and based
22 on all the research, none of any projects have a similar type in
23 the United States and very few with similar type anywhere in the
24 world.

25 We were before you back in the January timeframe,

1 and this Committee showed a level of support for the project and
2 we very much appreciated that. You all provided us a \$2.27
3 million request in January, and there was some additional TROF
4 funding that was provided, and we executed a performance
5 agreement, but there were several points I wanted to mention.

6 The first point is that we did execute the performance
7 agreement with the TROF monies, and we hold very dearly to our
8 commitment to meet those performance objectives that you set
9 for us. I also made a pledge to this Committee when we asked
10 for funding that if we were to get any funding from the
11 Committee, we would immediately match it dollar for dollar in
12 private sector funds within 30 to 45 days, and we met that
13 commitment. We brought in an additional \$600,000 of private
14 sector funding.

15 Two days about a ten-to-one spent ratio of investment
16 dollars to the Tobacco Commission dollars, and I expect that
17 ratio is going to further increase as we spend out our private
18 sector engagement. We're currently in the process of drafting an
19 agreement that I mentioned to the Committee back in the
20 January timeframe, we have a 12-acre portion of the property,
21 which is situated on the front 166 acres of the above-ground
22 complex, which is suitable for a railroad siting, and we're in the
23 process of drafting some agreements that would be acceptable to
24 all the parties to make that land available to the Economic
25 Development Authority if they chose to use it, install a rail siting.

1 At our own expense, we went and had the design work done.
2 You can have rail transportation into that siting, and that will
3 serve the regions and adjacent counties as a whole.

4 One final point I'd like to make, we mentioned to you
5 one of our challenges was to 200,000-plus cubic yards of
6 hydrated lime, which was a byproduct of previous manufacturing
7 operations that were conducted on the site. That got usability in
8 the agricultural community. There's a whole series of discussions
9 in what we're trying to do in terms of creating high-paying
10 technology jobs and spinoff activities down there.

11 In the March timeframe, we executed an agreement
12 with the Farmers Co-op down there, and we were willing to
13 donate lime to them for their subsequent resale for use in the
14 agricultural community across the region. That got about a \$1,3
15 million value associated with it. We certainly would have liked to
16 monetized it at some point in the future. But, frankly, we're
17 focused on the technology development, and that's a ten-year
18 timeframe we're looking at and us focusing on lime sales from
19 the Co-op, and that's a matter of business, but I just wanted to
20 certainly, but it just wouldn't have made prudent sense.

21 Clearly, we're looking at a balance of our \$2.27 million
22 initial request. We understand the limitations and the number of
23 high quality projects that you had before you. My request is if
24 you're so disposed to provide additional funding from the
25 Southwest Economic Development Committee, but if not,

1 certainly a nod for the full Commission for potential consideration
2 of additional funding would be appreciated, as well. I'll be more
3 than happy to address any questions.

4 DR. REDWINE: The 12 acres you have an agreement
5 with Scott EDA and can you say that again about who would be
6 responsible for developing the rail siting.

7 MR. FORESMAN: If the discussions with the EDA were
8 and decided to exercise the option, they would be responsible for
9 the development of the railroad siting. But basically what we
10 would be providing them is that 12 acres of land if you're able to
11 get the full grant from the Commission and they would be
12 provided that 12 acres of land for one dollar.

13 DR. REDWINE: Have you had an appraisal done on
14 the 12 acres?

15 MR. FORESMAN: No, not on the 12 acres per se. The
16 overall site with the data center including the underground
17 complex and the above-ground, 166 acres, have been appraised
18 at, the valuation was at \$40 million.

19 DR. REDWINE: Any other questions? All right, sir,
20 thank you.

21 Let's move on to 2914, Smyth County Board of
22 Supervisors Project.

23 UNIDENTIFIED: Thank you, Mr. Chairman, and
24 members of the Committee, and we appreciate you wanting to
25 help fund this project, which is critical for development of our

1 county. Phase 2 is a request for funds for the engineering and
2 design and to help get this project ready for construction. We've
3 been offered funds from ARC and EDA for this project, as well.
4 We understand that this is all job creation, as well.

5 A portion of this land that's off Exit 39 is prime for
6 industrial development. One reason I didn't put that in the
7 application is that there's an existing business in Smyth County
8 and they're looking at that specific piece of property depending
9 on if we're successful today. If they were to claim that area or if
10 they claim that area, that would open up there, and the bottom
11 line is that would encourage growth, as well.

12 This particular exit is one of two of the seven that we
13 have in Smyth County, and that would help the growth that we
14 need for the county. So the bottom line is we appreciate your
15 consideration of this project. And I'd be happy to answer any
16 questions.

17 DR. REDWINE: Thank you. Any questions? All right,
18 thank you.

19 2909, Smyth-Washington Regional Industrial Facilities
20 Authority.

21 MR. SNODGRASS: Mr. Chairman and members, my
22 name is Henry Snodgrass, chairman of the Smyth-Washington
23 Regional Industrial Facilities Authority. I have the general
24 manager of the Washington County Service Authority to speak to
25 the details of the project. I'll ask him to come forward.

1 MR. CORNETT: Thank you, Mr. Chairman and
2 members of the Committee, thank you for the opportunity to
3 share with you the background on the Smyth-Washington
4 Improvement projects. We, for some time, had been looking at
5 ways to provide water and sewer service to the Highlands
6 Business Park in Glade Springs, currently owned by Smyth and
7 Washington County. We have successfully secured 100,000
8 gallons of wastewater capacity for that facility, and that's
9 available.

10 What is needed now is water capacity with this project
11 we're prepared to provide and reserve for 100,000 gallons a day
12 of water capacity. There are several other benefits to this
13 project. Smyth County has a mega site in Chilhowie, and that
14 facility is served with water from a drinking water plant that is
15 co-owned by the Town of Chilhowie in the Washington County
16 Service Authority.

17 Currently, that plant is running at full capacity 24-7.
18 So with the future development of that park, additional water
19 capacity will be needed, and we can back-feed from our drinking
20 water plant, therefore making capacity available to Smyth
21 County, as well. We just completed a \$29 million expansion of
22 our facilities, so there's plenty of excess capacity at that facility.
23 This is a two-phase project and improve the infrastructure in our
24 distribution system and water lines to the pump station and the
25 water storage tank. The water storage tank is Phase 2.

1 What we're talking about today is Phase 1. So, I'm
2 pleased to report that the \$2.39 million that we need for Phase 1,
3 a little over a million dollars of that funding is already available
4 through the USDA and Rural Development and for waterline
5 work. So, we have submitted a \$500,000 ARC grant that we're
6 waiting word on. We sure appreciate being able to put to good
7 use the half million dollar request from the Tobacco Commission.
8 With that, I'd be very happy to answer any of your questions.

9 DR. REDWINE: Questions on that? Thank you very
10 much.

11 Move to 2910, Southwest Virginia Higher Education
12 Center Foundation, Compressed National Gas Public Fueling
13 Station.

14 MR. ROGERS: I'm Ed Rogers on behalf of the Higher
15 Education Center, and I'll be real quick. This is for natural gas, a
16 fueling station at the Food City location in Bristol. This is an
17 opportunity to showcase the natural gas industry, which is very
18 strong in Southwest Virginia, and it employs over 3,000 people.
19 The project has support for one of the largest employers in
20 Southwest Virginia. We structured this proposal as a request for
21 investment, not as a grant. Those are the three things I wanted
22 to say.

23 DR. REDWINE: All right, any questions? Thank you,
24 sir.

25 Town of Saint Paul, 2886.

1 MR. MACROY: Thank you, Mr. Chairman. I'm Cody
2 MacRoy, project engineer, a consultant for the Wastewater
3 Treatment project. I have several gentlemen with me today,
4 including the mayor from the Town of Saint Paul. To be brief and
5 give you a quick update, it's a major accomplishment for these
6 three entities to be regional partners to serve their areas with the
7 infrastructure in place.

8 The project began roughly in 2007 or 2008. During
9 that time, you did provide \$150,000 grant for design, which is
10 roughly two percent of the project costs. The partnership at that
11 time did include Dominion, Virginia City Power Plant. The
12 original plan was .99 million gallons per day. Dominion decided
13 at that time they did not want to proceed with that project, and
14 they withdrew themselves, but the other three proceeded
15 forward, and the redesign with the current .5 million gallons per
16 day plan.

17 The bids were received at approximately \$375,000
18 over budget, and we had discretions with the low bidder. So,
19 today, we're here to request \$370,000 and also to touch on the
20 industrial impact of the staff recommendations. I believe you
21 recommended funding for Appalachian biofuels located in a
22 vacant factory in Saint Paul, and that's a major industrial player
23 that we would be discharging to this plant. Without this funding
24 to help go forward, the town, Castlewood and Town of
25 Castlewood and Wise County, you're looking at further debt

1 service that would hinder the expansion much quicker than
2 additionally thought to accommodate these industrial users and
3 the town. If there's any questions, we'd be happy to address
4 them. Thank you.

5 DR. REDWINE: Questions on this regional project?
6 Thank you.

7 MR. FLETCHER: I'm with the Town of Saint Paul, and
8 I appreciate your time, and I'm the mayor. Seven years ago, we
9 decided and our Congressman told us, that we should stay within
10 regionalism with the plan, that's what we do. This is a tri-county
11 region, Dickenson, Russell, and Saint Paul. We've always been
12 the center of those three counties for transportation and
13 communication. We're not a big town, less than a thousand
14 people, but we're doing big things.

15 One thing, and there is a misconception if you
16 consider the fact we're not interested in industry. What we're
17 doing is not just building housing, we're trying to build an
18 industrial complex. We have 58 through town and we have two
19 rail heads and a side track.

20 So, I would express to you that not only are we
21 developing infrastructure and so forth to develop the town, but
22 we are going to be an industrial complex, and we would
23 appreciate your assistance with that. Thank you.

24 DR. REDWINE: Thank you, sir.

25 Moving to 2917, Virginia Highlands Airport.

1 MR. HINES: Mr. Chairman, I'm Mickey Hines,
2 manager of the Virginia Highlands Airport. Appreciate the time
3 you're giving us today, and I'll be brief. If there are any
4 questions at the end, I'll be glad to answer them. We have our
5 consultant with us, too.

6 For about the past 15 years, Virginia Highlands
7 Airport, we have a proposal to expand our runway. There's only
8 one other airport in Virginia that has more private airplanes than
9 Virginia Highlands. You have to consider our elevation, and this
10 is a long-term project. The FAA and Virginia Department of
11 Aviation have certain requirements in order to extend the
12 runway, and we've met those requirements, and now we're ready
13 to expand the runway.

14 The question the staff asked about do you have any
15 other sources, yes, we do. The FAA and Department of Aviation,
16 their funds are limited. I think this project would save money in
17 the long run and probably will take ten years or longer if we go
18 through normal funding sources.

19 The design and engineering costs will be about a
20 million dollars. We're asking this Board for \$300,000 for design
21 and engineering so that we can move this program forward and
22 start construction hopefully next year. The other stakeholders
23 are Washington County, the Virginia Department of
24 Transportation, the Virginia Highlands Airport Authority, and
25 other funding sources we turn to are available. If there's any

1 questions, I'll be glad to try to answer them.

2 DR. REDWINE: All right, thank you. Are there any
3 questions?

4 Next Washington County IDA, 2911, Exit 13, Sewer
5 Project.

6 MR. WILLIAMS: Thank you for allowing us some time,
7 and I have Mr. Cornett here to answer questions.

8 MR. CORNETT: Thank you, Mr. Chairman, and
9 members of the Committee. Exit 13 is a Phase 2 Sewer Project,
10 is a project, as Mr. Williams indicated, is an offspring of a project
11 that the Tobacco Commission helped a couple of years ago, \$3.8
12 million project. This project will serve business and industry.
13 The report is that we came in on time and under budget with a
14 previous project, \$2.2 million project, and that's been in service
15 for a little over a year.

16 This project currently adjoins that project and has 52
17 potential connections, many of those being commercial
18 businesses and industry. That also serves agriculture customers.
19 Two of them I believe are government agencies, one is State
20 Police Aviation hanger at the Virginia Highlands Airport and
21 Virginia Highlands Airport being another that Mr. Hines was just
22 speaking of, and the National Guard.

23 We have solicited and secured some funding from the
24 Department of Environmental Quality, but that funding leaves us
25 about \$206,000 short of making that project financially feasible.

1 I'll certainly try to answer any questions you may have, and we
2 appreciate your consideration.

3 DR. REDWINE: Thank you, sir. Any questions.
4 Wise County IDA, Number 2846.

5 MR. JOE GILLESPIE: I'm Joe Gillespie, I'm not
6 representing the Wise County IDA, but I'm a project manager for
7 the Virginia Economic Development Partnership, and I work
8 Southwest Virginia. This particular project is one that I've been
9 working on and I'm speaking for the representative from Wise
10 County, as well.

11 This project has been one that we've been working on
12 about three years and involves a local company. I do respect the
13 staff and their recommendations, but let me make a couple of
14 points that I think is pertinent. Of course, we're talking about 80
15 jobs, we're talking about a site already prepared. VACEDA is
16 very diligent in giving out money, has agreed to put \$2 million
17 into a building in Wise County. The Tobacco Commission can put
18 in \$710,000. The project has passed then.

19 So, what we're asking for is consideration of
20 \$710,000. I know there's some question about the investment
21 and whether this is an upside-down project or not. This was
22 originally a \$1.67 million project. Now, we're asking for
23 \$710,000, which means the people who are investing in this are
24 going to be investing close to another million dollars for
25 equipment. I don't have an exact figure on that, but I know they

1 will be investing quite a bit of money. The \$455,000 that we're
2 talking about, they will be investing that, it's additional money
3 for equipment.

4 Another thing to consider is their investment. They're
5 concerned and they have to pay for the \$2 million building. So
6 that's an indebtedness that they will be incurring. Along with
7 that, in order to have a working capital and inventory, they're
8 going to be in the rubber business and they're going to be
9 producing conveyor belts, as well as supplying rubber for the tire
10 industry. That needs to get started, they're going to have to, six
11 or seven containers of rubber products brought into the
12 company, and those containers are valued at about \$60,000 to
13 \$70,000 apiece.

14 The investment is there, and the opportunity is there
15 for a quick turnaround to produce and produce as much as 80
16 jobs. It's just a matter of whether this project will go or not. It
17 will not go if we can't get the money from VACEDA, and we can't
18 get the money from VACEDA unless we get \$710,000, so it's that
19 simple.

20 As I work Southwest Virginia with VEDP, it's hard to
21 find projects and hard to bring people and bring jobs to people.
22 What's happening to people in Wise County and Scott County and
23 Dickenson County, City of Norton, Russell County, who have a
24 chance to get some of these 80 jobs are moving away and
25 leaving. It may not be a blue star project, but it's a project I feel

1 like has quite a bit of potential because I have worked with the
2 last three years. So I'd ask that you'd consider it. Thank you.

3 DR. REDWINE: Any questions?

4 MR. PFOHL: Would this project qualify for the TROF,
5 the Tobacco Region Opportunity Fund, and I said no as it was
6 presented to us. The company itself was investing \$455,000 in
7 operating capital, which doesn't get to the TROF qualifying
8 threshold.

9 Joe, that's \$1 million taxable direct support or
10 investment, like machinery or equipment or buildings. Joe, can
11 you talk about the terms of the construction loan for the
12 building? Is the company signing this loan under a lease
13 purchase agreement?

14 MR. GILLESPIE: A lease purchase agreement,
15 assuming the \$2 million loan, the lease purchase agreement, and
16 I think we set this for a later date. The belts that this company
17 make has been approved, and that means they have to be
18 fireproof retardant. Along with that, just within the last few
19 days, they have gotten letters by working with this company to
20 produce the belts and produce the rubber. There will be the
21 need for laboratory space. Of course, and the company is
22 planning on building that lab in addition to what we've already
23 talked about.

24 MR. PFOHL: In the meantime, before the Committee
25 takes any action, I know the proposals in the spring, we'll be

1 happy to get together with Ned and look at the TROF guidelines
2 and see if there's anything with the building that would put it
3 over the threshold and open up the door for TROF.

4 MR. GILLESPIE: I worked this project, we started out
5 with TROF, and then VACEDA was asked for the money, and then
6 we got with them.

7 DR. REDWINE: How long do you have to give
8 VACEDA an answer before your promised loan with them would
9 expire?

10 MR. GILLESPIE: There's an extension. The next
11 VACEDA board meeting is November 20th.

12 DR. REDWINE: After September, we won't meet
13 again until January, that would be the next time we could
14 consider this for TROF.

15 MR. GILLESPIE: I'm not sure that extension was not
16 for a longer period of time. Given an extension a few months
17 ago for the Wise County IDA, was given an extension. It may
18 have been until this particular September meeting.

19 DR. REDWINE: Rather than running the risk of having
20 this project killed here today, if there's a chance that a \$2 million
21 or a two point something million dollars in investment and a
22 promise of 80 jobs would qualify you for some TROF money, I
23 would rather that you take that chance and maybe we can get
24 you some money through TROF rather than see it die here on the
25 floor.

1 If it doesn't qualify, then we're back where we are
2 now. You realize with TROF if you don't meet your goal, you end
3 up having to pay it back.

4 MR. GILLESPIE: Yes.

5 DR. REDWINE: We'll hear the discussion. I'm going
6 to make a couple of notes here. We'll hear what the discussion is
7 today, if there's not enough support for funding today, then I'd
8 like to consider, that the Committee consider tabling and let you
9 work with staff on the possibility of some TROF funding.

10 MR. GILLESPIE: Be more than glad to, thank you.

11 DR. REDWINE: Next we have requests that exceeded
12 available funds, 2509, Appalachian Agricultural Exposition
13 Center.

14 UNIDENTIFIED: Basically what we have here, and, of
15 course, I notice over time this is a grant that's been submitted,
16 and you're aware of it. We had some major changes since we
17 submitted the application in July. The main change being that
18 Wythe County committed to purchasing land for this Appalachian
19 Center. Presently, they're entering verbal talks with the elders of
20 the Fort Chiswell Mall, Fort Chiswell Outlet Mall. Mr. Reid is here,
21 and he can testify to that. Basically, we've gotten the grant
22 down a little bit, and we want to work in phases.

23 The land itself is valued in excess of \$8 million, which
24 is a significant local investment. In addition to the local land
25 that's invested, the Appalachian Committee can put as much as a

1 half million dollars into the construction of the arena portion of
2 the grant. That would bring down the funding from the Tobacco
3 Commission to only 12 percent of the total value of this project.
4 It's a long-term vision, but once the arena is in place, that could
5 be done for a million and a half dollars.

6 Once the arena is in place, then the Committee,
7 Appalachian Agriculture Committee can begin taking revenue
8 from that and hopefully can become a self-sustained project.

9 MR. REESE: Yes, I'd like to say that Wythe County
10 and the Board of Supervisors are committed to this project. The
11 site we're looking at we've already done a tremendous amount of
12 money into the site, fire, sewer, and water. Our reason for this
13 is economic impact to the region, not only to Wythe County, but
14 have a tremendous impact to all of Southwest Virginia. Thank
15 you for your consideration.

16 DR. REDWINE: Any questions? Thank you.

17 Next is Bluefield College School of Dental Medicine.

18 MR. OLIVE: Good afternoon, David Olive. I'm
19 president of Bluefield College, and I'm here on behalf of Tazewell
20 County and Bluefield College as we embark on this endeavor.
21 This is to serve Appalachia and Southside and Southwest Virginia
22 and other parts of rural America.

23 With me today in support of this endeavor is Dr. David
24 Bailey, chair of the Board of Trustees of Bluefield College and
25 also the board member of the Dental Project, Inc. I also have

1 Dr. Michael DeBaugh (sp.), a member of the College Board of
2 Trustees, Mr. Joe Tatum (sp.), director of the Dental Project
3 Team, Board of Directors, and Mr. Frank Barnes, also a director
4 on the board; Ruth Blankenship, vice president for advancement.
5 We have here the consultant that prepared the Economic Impact
6 Study on behalf of the county.

7 We have this team in place for the transition of
8 meeting timelines that have been set on this project. We have
9 now engaged Dr. Karen West, who is dean of the Dental School,
10 as well as Sue Cantrell, acting director of the Cumberland Plateau
11 Health District. We're working with our architects in redesigning
12 the facility to maximize the impact of our community partnership
13 and our desire to have our fourth year students out doing a
14 clinical rotation in existing facilities to strengthen the footprint
15 and reduce the clinical site within the medical facility by 25
16 percent, as well as some other administrative office space.

17 The revised project now comes before the Tobacco
18 Commission for a total request of \$15.7 million, \$6.3 of that is
19 being asked from this Committee, \$9.5 from the Education
20 Committee. To date, we have \$22 million in commitments from
21 Tazewell County and other private entities. This is a very worthy
22 project due not only to the economic impact with a full
23 maximization of over \$27 million annually, and it's an educational
24 impact that will train future professional dentists. Some will work
25 within our footprint while others will return to other areas in the

1 country and other rural communities.

2 It will also have a tremendous health impact with our
3 footprint being served with half of the dentists that are serving
4 other areas in the Commonwealth. We certainly need this and
5 it's important to the Commonwealth.

6 We've had conversations with the staff related to our
7 funding of this project and other financing entities, such as VRA,
8 the Southwest Virginia Health Authority, who has the ability to --
9 and we've been in exploration of these opportunities. Part of the
10 issue since engaging in this conversation and communication
11 with the Commission over a year ago has been the target of
12 moving from perhaps the initial lump sum grant to more of a
13 multi-year, not knowing whether that three, four, or five years.
14 It's difficult to plan and trying to take into consideration all of the
15 options that are available to this Commission.

16 We're here to say that we're flexible and willing to
17 work with the Commission to make this project work because we
18 believe in the need that's here before us. Are there any
19 questions? Thank you for your time.

20 DR. REDWINE: Thank you, sir.

21 2842, we've dealt with.

22 2906 and 2890, those two are Lincoln Memorial
23 University and dealing with two different branches, the
24 Veterinary College. Anyone here to speak to that? I know
25 they've been in contact with our staff.

1 SENATOR CARRICO: Mr. Chairman, do you want to
2 take the motion now?

3 DR. REDWINE: Let's do the last one. 2907, Project
4 Jonah.

5 UNIDENTIFIED: I'm here representing Project Jonah,
6 and thank you for the opportunity to talk to you. I'm sure they
7 asked for a delay in action on the project, I'd say a huge project
8 that is potentially coming to the region. A proven world leader in
9 aquaculture. The job creation level is 426 high paying jobs for
10 the region, and will have a huge secondary impact on the region
11 in terms of food stock, contracts involved. It's going to be
12 transformational for the fish market in the United States.

13 Right now, 90 percent of fish that you eat comes from
14 out of the country, Honduras, Nicaragua, China, and other
15 places. This fish farm will potentially produce 30,000 tons every
16 year. I was in Poland earlier this week looking at one of their
17 facilities.

18 The equity funding piece is complicated, a lot of
19 moving parts. We do thank you for your time, and we'd like to
20 keep this application open instead of killing it because at any
21 time we could have our equity together, which would then allow
22 this Committee, full Commission to enter into discussions with
23 us, and that's very important.

24 Two additional things, one of the companies worldwide
25 has moved to Blacksburg, Virginia, which signals the

1 commitment from the company to the project. We have received
2 a \$10 million commitment, so we ask for your patience.

3 DR. REDWINE: All right, thank you.

4 Ladies and gentlemen, that gets us through the list of
5 projects that have not been recommended for funding, but suited
6 the available funds. You've had a chance to go over those, so
7 let's take a little bit of time and we'll try to deal with these and
8 weed out some of the business that we know we need to do. We
9 should have an available balance should we choose to commit to
10 any of these projects, or we can choose to keep it in the fund and
11 then the Committee and have these applicants revise their work
12 with staff to improve applications and resubmit them.

13 SENATOR CARRICO: Mr. Chairman, having heard the
14 testimony of all of these, I have a motion that we table or do this
15 in a block, or you can pull them out of the block if you want to. I
16 have a motion we table 2756.

17 DR. REDWINE: We did vote on Riverside at the time.

18 SENATOR CARRICO: 2846, Wise County, the revised
19 amount on 2905, 2906, 2809.

20 DR. REDWINE: The motion is to table those five
21 projects, 2756, 2846, 2905 at the amount of one million. 2905,
22 they reduced the request from \$4,659,000 to \$1 million.

23 SENATOR CARRICO: The board has voted, you heard
24 the chairman, to proceed in purchasing the property to give them
25 a chance to come back. 2906 and 2890 are the two Lincoln

1 Memorial projects. That's certainly a fantastic project, but there
2 are still some moving parts they're trying to get in place, and if
3 we table it, by the next time we get together, we may be better
4 able to deal with it.

5 MS. CARTER: I have a little bit of a problem tabling
6 those, if someone would like to speak to them.

7 DR. REDWINE: Actually, I've been to the project.
8 Senator Carrico has been to the project. Mr. Montgomery has
9 been to the project, and I was down there earlier this week, and
10 advised them of the situation with the Committee and that we
11 have a limited amount of money and both of the projects exceed
12 the amount that's available and we ask that they look at their
13 needs and work with staff and keep the two projects alive rather
14 than killing them, try to revise them or deal with them again
15 after they see what they can pull together. They would have
16 gladly been here. I advised them there was no way they could
17 get funding because money is not available and they requested
18 to be tabled.

19 MS. CARTER: Then I think they should be pulled out
20 of the block.

21 DR. REDWINE: All right, 2906 and 2890 will be pulled
22 out of the block.

23 MS. COLEMAN: Does that mean they'll be revised or
24 resubmitted?

25 DR. REDWINE: At this time, they want to table them

1 and leave them.

2 SENATOR CARRICO: Pulling them out of the block
3 and voting on them separately.

4 DR. REDWINE: So, Senator Carrico's motion.

5 SENATOR SMITH: I'll second the motion.

6 DR. REDWINE: The substitute motion is to table
7 2756, 2846, and 2905 in the amount of one million. Any
8 discussion? All in favor, signify by saying aye. (Ayes).
9 Opposed? (No response).

10 Now, 2906 and 2890, Ms. Carter asked that we deal
11 with them separately.

12 SENATOR CARRICO: I make a motion we table 2906
13 and 2890.

14 DR. REDWINE: Do we have a second?

15 MR. MONTGOMERY: I'll second it.

16 DR. REDWINE: Mr. Montgomery seconds. All in
17 favor, signify by saying aye. (Ayes). Opposed? (Two no's --
18 Ms. Carter and Senator Smith). We have two no's.

19 We've now dealt with starting from the bottom, 2890,
20 2906, 2842, The Falls, that's been dealt with. 2836, 2730, 2756,
21 and the three at the top. That leaves, the remainder of the
22 projects we did just now and are open for consideration.

23 MS. MYERS: Just for clarification, 2905, I don't
24 believe you read that one out, 2905.

25 DR. REDWINE: Thank you. All right, the balance is

1 still around two million. All right. Any discussion? Any further
2 action to be taken or any further projects to be discussed for
3 consideration?

4 MR. PFOHL: Is there a motion?

5 DR. REDWINE: There's no motion, it's open for
6 consideration to bring forth on any of them or none.

7 The last motion we had was to table them in their
8 current form. All right. Since there's no motion, we'll move
9 ahead. If there's nothing further, we'll go to the next business.

10 MR. PFOHL: Ben, if you could pull up that word
11 document, we want to talk about the extensions. And, Sara, can
12 you lead us through those. The grantee by right has three years
13 from the date of approval to use their project funds. They can
14 request a fourth year of activity with approval by the executive
15 director, anything beyond the fourth anniversary has to come
16 back to the Committee and request an extension, and we have
17 ten of those before you today.

18 Sara, would you walk us through.

19 MS. WILLIAMS: As Tim mentioned, all the grantees
20 are given three years and they can ask for an extension beyond
21 that, but take a look at the top section. The most important
22 dates to look at is the award date. One thing we never like to do
23 is to shut down that full funding away from a project that is
24 active. Based on the award date and the date of the last
25 payment. In some cases, there has been no payment. We

1 determined there were some projects that I shut down at this
2 time to give those grantees an opportunity to submit any
3 expenses that would be eligible for reimbursement and then
4 close that grant and to recapture that money for the
5 Committee.

6 The first one is 1635, Smyth County Board of
7 Supervisors with the Groseclose Exit 54 Area Sewer Project.
8 They were awarded \$250,000 in July of 2008. We did receive a
9 little bit of an update late yesterday afternoon and said the
10 project was taking on bids and they said they'd need an
11 additional \$500,000 from the Commission in order to make this
12 project go.

13 Based on that, we think it's best to go ahead and
14 close that project because there's a point in time where there's
15 other funds available and they can always reapply for funding for
16 that project. That project, there were no disbursements.

17 The other four, 1650, 1838, 1904, and 1905, you can
18 see in some cases it's been three years since the last payment
19 for the Lee County project, it's been a year or a year and a half.
20 I think if we give those grantees time to permit any outstanding
21 invoices, then those projects would be closed.

22 The second half of the page you'll see there are five
23 projects that we are recommending an extension, and these are
24 projects that are active and in some cases under contract, and
25 we felt warranted additional time, 1642, 2106, 2110, and 2112.

1 If you look at 2108, and that's for the Stone Mountain
2 Multi-use Trail, Phase II, we're suggesting at the request of the
3 applicant and the agreement of Spearhead Trails that that be
4 granted an extension and that the grant be transferred to the
5 Southwest Regional Recreation Authority as part of the
6 extension. Do you need any additional information?

7 MS. CARTER: Do you have an extension?

8 MS. WILLIAMS: We have the application that was
9 approved for the project. And a significant portion of that grant
10 was disbursed and we have the invoices to show how the funds
11 were spent, but it's been about a year and a half since they last
12 drew down funds for that project.

13 MS. COLEMAN: On 2108, is there a precedent for
14 transferring from one to the other?

15 MS. PFOHL: Thank you for bringing that up. At this
16 late hour on Friday, we ought to spend a little bit of time. The
17 Spearhead Trail folks, Chuck, if you're still here, and the board
18 chair, Charlotte Mullins. Lee County was awarded these funds
19 four years ago, and they encountered a number of delays. In the
20 meantime, Chuck Riedhaumer from the Spearhead Trails
21 organization has gotten up and running. If we had had an active
22 organization that Chuck is setting up in 2010, we would have
23 recommended they be awarded these construction funds, and
24 we're recommending it now. Spearhead Trails is the organization
25 that is supervising this project from construction to operations.

1 There are seven county regions in Southwest Virginia.

2 Lee County Board of Supervisors is agreeable to
3 transfer the responsibility for that to Spearhead Trails, so the Lee
4 County portion can be built consistent with all of the other
5 segments of the trail across Southwest Virginia. So, we're
6 recommending that grant be transferred.

7 MS. CARTER: Since we have legal counsel here.
8 Hearing what we've heard today, would the Spearhead Trail
9 folks, would it be transferred over to them?

10 MR. PFOHL: We have talked over the last few months
11 with the county and Spearhead Trails on ways to potentially
12 handle this. One would be for Lee County to remain responsible
13 for the, or transfer the fiscal authorization, fiscal agent authority
14 to Spearhead Trails. That's one option.

15 The other option is to take Lee County out of the
16 picture, and that organization for the past four years has been
17 unable to implement this project and put it in the hands, same
18 trail segments, put it in the hands of the organization that's been
19 able to operate trails across Southwest Virginia. Any legal
20 aspects of that, and Liz is giving me this look, so it's your turn.

21 MS. MYERS: This doesn't become a situation where
22 the Committee can simply transfer funds from one recipient to
23 another without putting that money out for --

24 MR. PFOHL: Chuck, would you rather be a fiscal agent
25 on this?

1 MR. RIEDHAUMER: That's fine. We want to get the
2 project complete, but as a point of information, one of the
3 challenges of this project is or what Lee County is trying to
4 acquire, obviously we've run into some roadblocks and we
5 decided, look I don't want to go to the Tobacco Commission and
6 ask for, let's sharpen our pencils and find a way to make the
7 project work. We can get 30 miles of trail in the mountain, and
8 let's go ahead and do that, and then the rest of this is going to
9 focus on a little change in the project. And this is already being
10 worked on, or turn it into an ATV off-road and an on-road facility
11 whereby and move ahead. We think we can do things to improve
12 this and make it workable.

13 The bottom line is we're real confident we can move
14 forward with this and as long as we can move forward.
15 Transferring the money does give us a little bit more control.
16 And we're the fiscal agent, we're contracting the work, and when
17 the work is done, we have to submit invoices to the county and
18 they pay us and we pay the contractor. It's kind of a
19 cumbersome way to go. My preference would be to make this a
20 clean deal. We've got a good track record of getting work done
21 in Southwest Virginia, but that's our preference. What's the
22 pleasure of the Committee?

23 MS. CARTER: I'd like to ask another question to make
24 sure I understand. The balance is, that'll come back to Special
25 Projects or Southwest? Then the extension, or there'll be

1 extensions to the designated with what's recommended?

2 MR. PFOHL: Yes. The funds stay with the grant from
3 which they were awarded.

4 DR. REDWINE: Any other questions? If there's any
5 particular grant you wish to change, let it be known, otherwise
6 I'll entertain a motion to take these recommendations in a block.

7 SENATOR SMITH: Are you referring to the last five?

8 DR. REDWINE: The recommendations for the first
9 ones will be no extension, and the recommendations for the last
10 ones to be granted extensions. We'll need to ratify all of that.

11 SENATOR SMITH: The question on 1642, July of '08,
12 is there a substantial reason for keeping that?

13 MR. PFOHL: Senator, there's a great story with every
14 one of these. The Daniel Boone Interpretive Center was initially
15 planned for a separate location and went through a number of
16 years before they honed in on their current site. In the last year,
17 they did get substantial federal funding through the Scenic
18 Byways Program, yes, it's been very long in the making. It's
19 substantially funded by the Federal Government.

20 SENATOR SMITH: Staff still thinks it's a good idea?

21 MR. PFOHL: We're willing to extend at least through
22 May.

23 MS. CARTER: There's not a specific amount of time
24 they need to finish. I'm referring to all of these.

25 MR. PFOHL: Yes, three years by right from date of

1 original approval, and a fourth year by the executive director's
2 approval, and anything beyond the fourth anniversary has to
3 come back to the committee that originally recommended it.
4 That's why these, because of their age, are all before you today.

5 MS. CARTER: They've already had one extension?

6 MR. PFOHL: Yes, and several of these have been
7 discussed previously.

8 DR. REDWINE: How do you want to do this, each one
9 individually?

10 SENATOR SMITH: I think we're all in agreement on
11 the first five, no extensions.

12 DR. REDWINE: The top five, no extension. Any
13 objection to that?

14 SENATOR SMITH: I'll make that motion.

15 DR. REDWINE: Senator Smith makes a motion we do
16 not extend the top five.

17 MS. CARTER: I'll second it.

18 DR. REDWINE: A motion and a second. All in favor,
19 say aye. (Ayes). Opposed? (No response).

20 Roughly, roughly, that'll add a \$350,000 balance. The
21 bottom ones, we'll take individually. 1642 extension through
22 May, 2015?

23 SENATOR CARRICO: I so move.

24 MS. COLEMAN: I'll second.

25 DR. REDWINE: All in favor, signify by saying aye.

1 (Ayes). Opposed? (No response).

2 All right, 2106, Tazewell County IDA, one year
3 extension to October of 2015. Do I have a motion?

4 SENATOR CARRICO: So moved.

5 DR. REDWINE: And got a second. All in favor, signify
6 by saying aye. (Ayes). Opposed? (No response).

7 2108, Lee County Board of Supervisors.

8 MR. PFOHL: On advice of counsel, we just have
9 Spearhead Trails.

10 MS. MYERS: Yes, that's my advice.

11 MR. PFOHL: That's why we have you here.

12 DR. REDWINE: The motion is an extension through
13 October, 2015.

14 SENATOR CARRICO: So moved.

15 MS. COLEMAN: Second.

16 DR. REDWINE: All those in favor, say aye. (Ayes).
17 Opposed? (No response).

18 2110, Town of Honaker, one year extension, October,
19 2015.

20 SENATOR CARRICO: So moved.

21 MS. COLEMAN: Second.

22 DR. REDWINE: All in favor, signify by saying aye.
23 (Ayes). Opposed? (No response).

24 All right, 2112, Town of Nickelsville, extension through
25 May, 2015.

1 SENATOR CARRICO: So moved.

2 SENATOR SMITH: Second.

3 DR. REDWINE: All in favor, signify by saying aye.
4 (Ayes). Opposed? (No response).

5 MR. PFOHL: That's all we have for you.

6 DR. REDWINE: I have to ask, is there any public
7 comment? All right, since there's no public comment, we'll see
8 you on the 24th of September.

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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 Friday, September 12, 2014, at 1:00 o'clock p.m., at the Sheraton Roanoke Hotel & Conference Center, Roanoke, 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 13th day of October, 2014.

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

MY COMMISSION EXPIRES: October 31, 2014.