

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

3                                   701 East Franklin Street, Suite 501  
4                                   Richmond, Virginia 23219

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7                                   **Special Projects Committee Meeting**

8                                   Tuesday, January 10, 2012

9                                   11:00 a.m.

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11                                  Omni Richmond Hotel  
12                                  Richmond, Virginia

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1    **APPEARANCES:**

2    The Honorable William C. Wampler, Jr., Chairman

3    Ms. Connie Greene Nyholm, Vice Chairman

4    Mr. Kenny F. Barnard

5    The Honorable Kathy J. Byron

6    Mr. John R. Cannon

7    Ms. Mary Rae Carter, Deputy Secretary of Commerce and Trade  
8           for Rural Development

9    The Honorable Daniel W. Marshall, III

10   Ms. Sandra F. Moss

11   The Honorable Israel O'Quinn

12   Dr. David S. Redwine, DVM

13   Mr. Robert Spiers

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16   COMMISSION STAFF:

17   Mr. Neal E. Noyes, Executive Director

18   Mr. Ned Stephenson, Deputy Executive Director

19   Mr. Timothy S. Pfohl, Grants Program Administration Manager

20   Ms. Stephanie S. Kim, Director of Finance

21   Ms. Sara G. Williams, Grants Program Administrator –  
22           Southwest Virginia

23   Ms. Sarah K. Capps, Grants Program Administrator –  
24           Southside Virginia

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1                   SENATOR WAMPLER: Good morning, everyone.  
2 I'll call the meeting to order. Neal, would you call roll, please?  
3                   MR. NOYES: Deputy Secretary Carter?  
4                   DEPUTY SECRETARY CARTER: Here.  
5                   MR. NOYES: Mr. Barnard?  
6                   MR. BARNARD: Here.  
7                   MR. NOYES: Delegate Byron?  
8                   DELEGATE BYRON: Here.  
9                   MR. NOYES: Mr. Cannon?  
10                  MR. CANNON: Here.  
11                  MR. NOYES: Delegate Marshall?  
12                  DELEGATE MARSHALL: Here.  
13                  MR. NOYES: Ms. Moss?  
14                  MS. MOSS: Here.  
15                  MR. NOYES: Ms. Nyholm?  
16                  MS. NYHOLM: Here.  
17                  MR. NOYES: Delegate O'Quinn?  
18                  DELEGATE O'QUINN: Here.  
19                  MR. NOYES: Dr. Redwine?  
20                  DR. REDWINE: Here.  
21                  MR. NOYES: Senator Reynolds?  
22                  SENATOR REYNOLDS? (No response.)  
23                  MR. NOYES: Mr. Reynolds?  
24                  MR. REYNOLDS: (No response.)  
25                  MR. NOYES: Mr. Spiers?

1 MR. SPIERS: Here.

2 MR. NOYES: Senator Wampler?

3 SENATOR WAMPLER: Here.

4 MR. NOYES: We have a quorum, Mr. Chairman.

5 SENATOR WAMPLER: Thank you. Our Agenda is  
6 relatively brief. The matters for consideration are seven in  
7 number, seven Megasite investments and one additional  
8 application that has been tabled. The Chair knows of no other  
9 business to come before us.

10 Hopefully the Committee received the Staff's  
11 recommendations Thursday or Friday, I don't remember the  
12 actual date they were delivered. I worked with the Staff to try  
13 to address concerns on all the applications that I thought, all  
14 that were communicated to me. If what you see in your final  
15 projects exceeds what we have originally budgeted for by some  
16 \$3 million, six of the seven received substantially what they  
17 asked for.

18 The application, Exit 19 at Wildwood in Carroll County, is  
19 the application that received something close to \$600,000,  
20 should the Committee concur with the Staff's  
21 recommendations.

22 As my term expires tomorrow and I will not be your Chair  
23 at the next meeting, and I say these words, and it's easy for me  
24 to say, but I would encourage and hope that BRCEDA would  
25 submit an application in the next round. Tim, correct me if I

1 misstate this, I believe it's mostly with grading and making that  
2 project more site-ready for a prospective entity. Obviously, it's  
3 the Committee's will and what they want to do in the future  
4 applications, but it would be my hope we move forward with a  
5 major investment at Exit 19. That is the Chair's initial  
6 observation. That's how I think we'll go today.

7 Without any observation from Committee members, I  
8 would ask Tim to lead us through the discussion.

9 I know we have Minutes, and I know you stayed up last  
10 night reading the Minutes, but is there a motion to approve the  
11 Minutes?

12 MS. NYHOLM: So moved.

13 SENATOR WAMPLER: It's been moved and  
14 seconded that we approve the Minutes as the Minutes that were  
15 presented be adopted. All in favor say aye? (Aye.) Opposed,  
16 no? (No response.) The ayes have it.

17 All right, Tim.

18 MR. PFOHL: Thank you, Mr. Chairman. I'll try to  
19 clarify what may have appeared to be some problems in  
20 communication about the Megasite applications. The Megasite  
21 proposals were received in mid-November. There was \$25  
22 million budgeted this year for megasite projects. We received  
23 seven applications for \$41 million. The Chairman has directed  
24 the Staff to take additional available Special Project's balance of  
25 nearly \$3.4 million and apply that to these projects. Therefore,

1 there is in excess of \$28 million of recommendations here.

2 You will also note that we left \$250,000 on the table so  
3 your Committee could address another project which was  
4 tabled in the Special Projects round back in September. And  
5 that project is the GENEDGE ALLIANCE Project.

6 Mr. Chairman, if it's your preference we can address the  
7 GENEDGE Project first. That's for 250,000 versus the  
8 Megasites.

9 SENATOR WAMPLER: I asked the Staff to try to  
10 prepare a recommendation on this particular project. The  
11 Staff's recommendation, and I concur, is that should we want to  
12 leave it tabled, we can leave it tabled and take no action, and in  
13 which case the 250,000 would flow back to one of these specific  
14 projects, the megasite projects. Should we move forward with  
15 \$250,000 with certain conditions to it, I really don't know what  
16 the Committee wants to do, we can entertain discussion on that  
17 one particular project, if you wish.

18 MR. PFOHL: Just to refresh you, the GENEDGE  
19 ALLIANCE, which was formerly known as Virginia's Philpott  
20 Manufacturing Partnership, applied to Special Projects in the  
21 summer for \$550,000, proposal 2434, and we attached a  
22 summary of that to the e-mail that went out to you last week.  
23 The E3 Project is an energy-efficiency auditing project for major  
24 industries and employers in the tobacco region. It was tabled  
25 in September, and it's back in front of you today because the

1 Danville Regional Foundation entertained a request from  
2 GENEDGE for some matching funds on the project.

3 Staff is suggesting a \$250,000 award pending a  
4 dollar-for-dollar match, which will not only provide a match to  
5 the Danville Regional Foundation but encourage GENEDGE to  
6 pursue some federal E3 funding, which has been awarded in  
7 other states and other portions of Virginia. The  
8 recommendation is to get them started on a demonstration and  
9 then ----- auditing industries.

10 SENATOR WAMPLER: Further discussion from the  
11 Committee?

12 DELEGATE MARSHALL: I move that we approve  
13 2434 for \$250,000 with the stipulation that Mr. Pfohl  
14 expressed.

15 SENATOR WAMPLER: Is there a second?

16 MR. CANNON: Second.

17 SENATOR WAMPLER: It's been moved and  
18 seconded that the recommendation by Staff be approved in the  
19 amount of \$250,000. Is there further discussion on the  
20 motion? Hearing none, all in favor of adopting that  
21 recommendation signify by saying aye? (Ayes.) Opposed, no?  
22 (No response.) The ayes have it, and that recommendation is  
23 adopted.

24 All right, I would prefer that we do the rest of them in a  
25 block, and if anybody wants to take one out of the block you can

1 do so. So, Tim, if you would start and tell us what the Staff's  
2 recommendations are.

3 MR. PFOHL: I will attempt to be brief, which is not  
4 in my nature. The first application is from the Blue Ridge  
5 Crossroads Economic Development Authority for the Wildwood  
6 Commerce Park - Site #1 Grading & Development. This is in  
7 Carroll County, Exit 19. This is a revenue-sharing park on  
8 Interstate 77. This is regional revenue-sharing, and this serves  
9 the City of Galax and also Grayson County. Requesting \$7.8  
10 million to engineer and grade 117 acres. We assisted them last  
11 year with acquisition of this property as well as some utility  
12 extensions and access road. There is a privately-owned graded  
13 pad already at Wildwood as well as a publicly-owned pad.

14 We're recommending \$598,652 to accomplish the basic  
15 engineering and geo-technical studies of the 117 additional  
16 acres that are still in raw form; also with the recommendation  
17 that in the next funding cycle BRCEDA approach us for some  
18 grading dollars. BRCEDA is in agreement that this engineering  
19 assistance will move them through next year and allow them to  
20 come back at the next cycle around and get the grading bid for  
21 start in early 2013.

22 The second project is from the Danville-Pittsylvania  
23 Regional Industrial Facility Authority for the Berry Hill Mega  
24 Park - Site Development requesting 6.2 million and change for  
25 grading of the 230 acres. The Virginia Economic Development

1 Partnership feels that having a graded site at Berry Hill, which  
2 is ultimately 3500 acres, would greatly enhance the marketing  
3 ability and show prospects that there is a clear site that's  
4 shovel-ready for their development. This is also a project we  
5 have funded extensively in a number of programs including  
6 Southside Economic Development in the last several years.

7 Greensville County for the Mid-Atlantic Advanced  
8 Manufacturing Center, known as MAMaC, requesting \$8.8  
9 million plus for additional property acquisition. The idea is to  
10 have a clear site to show prospects.

11 Staff is recommending \$5,746,992, which would  
12 accomplish the purchase of 633 acres that was originally  
13 identified as Phase 2 land acquisition. This is all property that  
14 the county has options, and we assisted them last year in Phase  
15 1 land acquisition. They will be back next year for Phase 3 and  
16 final land acquisition. The recommendation is for \$5.7 million-  
17 plus to help them acquire 633 acres, as well as doing the  
18 clearing of 150 acres.

19 Henry County, Commonwealth Crossing Business Center  
20 Water Tank and Water Lines is a \$2.4 million request on a site  
21 that we assisted them last year, which is a Megasite through the  
22 Reserve Program. In this case, the addition of an  
23 above-ground water storage tank and water lines to connect to  
24 that tank is the focus of this request.

25 Staff is recommending full funding for that and adequate

1 fire suppression for Commonwealth Crossing.

2       Smyth County Board of Supervisors for their Mega-Site  
3 Project requesting \$5.4 million. We funded a mega-site  
4 selection study last year and focused on vacant industrial  
5 property at Chilhowie. This site is now vacant and more than a  
6 half million dollars to build there, but VEDP tells us the  
7 building doesn't have adequate ceiling heights and adequate  
8 configuration to be marketable. Smyth County is proposing to  
9 acquire the Epoch Composite site, which is about 70 acres.  
10 They will have to have a start-up space for a prospect to look at  
11 that.

12       Staff is recommending \$4.9 million for acquisition of the  
13 building. A price is being negotiated right now, as well as  
14 demolition of some current structures. They will be back next  
15 year for some additional utility and engineering and so forth.

16       Sussex County Route 626 Beef Steak Road Megasite  
17 Project requesting \$6.5 million plus. This is a project we  
18 assisted last year with some engineering money. The request  
19 is to acquire 600-plus acres currently under option as well as  
20 300 or so acres adjacent, and that option is being negotiated.

21       Staff is recommending funding of \$4,292,000, which will  
22 accomplish the acquisition of the 610 acres they currently have  
23 an option on at a cost of \$8,000 per acre.

24       Lastly, Washington County Industrial Development  
25 Authority Oak Park Megasite - Sewer Project. This is a project

1 we were involved in last year with the access road and utilities  
2 on-site. The request this year is to build the sewer back to  
3 Washington County Service Authority treatment plant. This  
4 will allow a reserve capacity of a half-million gallons per day  
5 sewer treatment for the Oak Park or for prospective occupants  
6 of that park.

7 We're recommending the full award of \$3,892,700.

8 That wraps it up, Mr. Chairman.

9 SENATOR WAMPLER: Any questions for Staff, or is  
10 there anyone who wishes to be heard on this matter? The  
11 Committee operates on a motion.

12 DELEGATE MARSHALL: Mr. Chairman, I  
13 recommend that we approve Application 2487 in the amount of  
14 \$598,652; Application 2491 in the amount of \$6,208,153;  
15 Application 2488 in the amount of \$5,746,992; Application  
16 2486 in the amount of \$2,400,000; Application 2489 in the  
17 amount of \$4,905,000; Application 2492 in the amount of  
18 \$4,392,000; Application 2493 in the amount of \$3,892,700.

19 SENATOR WAMPLER: Is there a second?

20 MS. NYHOLM: Second.

21 SENATOR WAMPLER: It's been moved and  
22 seconded that the motion as read by Delegate Marshall be  
23 adopted. Any discussion on the motion? The Chairman will  
24 take a moment to say first that this is our work product, or the  
25 Tobacco Commission's work product, and it is entirely

1 consistent with that of this Administration and our Governor's  
2 direction and vision of creating projects to help sell Virginia. I  
3 think is also consistent with what the General Assembly sees as  
4 an effort to revitalize the footprint of the tobacco-growing region.

5 My point is that I think the Staff's recommendations are  
6 completely aligned with what our vision and mission is all  
7 about. I think that, even though we went through this in a  
8 pretty short period of time, it's actually testimony to the good  
9 work of the Staff to gain a consensus in what our communities  
10 have done to respond to the Governor and General Assembly's  
11 challenge in trying to create a product in order to create jobs.  
12 That's what we're all about in funding these projects.

13 That's probably all I should say at this point, but is the  
14 Committee ready to vote? Any questions or further  
15 discussion? Hearing none, all those in favor of adopting the  
16 motion signify by saying aye? (Ayes.) Opposed, no? (No  
17 response.) The ayes have it. Those recommendations are  
18 complete.

19 Thank you, Tim, and all of the Staff members who played a  
20 part in this.

21 Is there any other business that requires a motion? Is  
22 there anyone in the public who cares to comment at this portion  
23 of our Committee meeting? Delegate Marshall.

24 DELEGATE MARSHALL: Mr. Chairman, I think we  
25 would be remiss if we didn't thank you for your leadership in

1 heading up this subcommittee. You've been here since day one  
2 and you've helped move us to where we are today, statewide, in  
3 trying to create jobs in Southside and Southwest Virginia. I  
4 want to thank you personally, and I know everyone else does.

5 (Applause.)

6 SENATOR WAMPLER: Thank you all for your  
7 patience. Is there any other business to come before the  
8 Committee? If not, the Committee will rise.

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10 NOTE: 347 people crying profusely.

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12 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 Special Projects Committee Meeting when held on Tuesday, January 10, 2012 at 11:00 a.m. at the Omni Richmond Hotel, Richmond, 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 20th day of January, 2012.

\_\_\_\_\_

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

My Commission Expires: October 31, 2010.  
Notary Registration Number: 224566