

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

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

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9 **Special Projects Committee Meeting**

10 Monday, November 25, 2013

11 10:00 A.M.

12
13 Institute for Advanced Learning & Research
14 Danville, Virginia

1 **APPEARANCES:**

2 The Honorable Daniel W. Marshall, III, Chairman

3 Ms. Connie Greene Nyholm, Vice Chairman

4 Mr. Kenny F. Barnard

5 Mr. John R. Cannon

6 The Honorable Charles W. Carrico, Sr.

7 Ms. Mary Rae Carter, Deputy Secretary

8 Rural Economic Development

9 Ms. Sandra F. Moss

10 Dr. David S. Redwine, DVM (by phone)

11 Ms. Beth D. Rhinehart

12 The Honorable Ralph K. Smith

13 Mr. Robert Spiers

14 The Honorable Gary D. Walker

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1 **APPEARANCES: (cont'd)**

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3 COMMISSION STAFF:

4 Mr. Timothy S. Pfohl – Interim Executive Director, Grants
5 Program Administration Director

6 Mr. Ned Stephenson – Deputy Executive Director

7 Mr. Benjamin Dawson – Grants Program Assistant,
8 Southside Virginia

9 Ms. Stacey Richardson – Executive Assistant

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1 DELEGATE MARSHALL: All right. I
2 welcome everybody to our meeting. Would everyone please
3 take their seat. Mr. Pfohl I'll ask you to call the roll.

4 MR. PFOHL: Mr. Barnard?

5 MR. BARNARD: Here.

6 MR. PFOHL: Delegate Byron cannot be
7 with us today. Mr. Cannon?

8 MR. CANNON: Here.

9 MR. PFOHL: Senator Carrico?

10 SENATOR CARRICO: Here.

11 MR. PFOHL: Deputy Secretary Carter?

12 DEPUTY SECRETARY CARTER: Here.

13 MR. PFOHL: Delegate Marshall?

14 DELEGATE MARSHALL: Here.

15 MR. PFOHL: Ms. Moss?

16 MS. MOSS: Here.

17 MR. PFOHL: Ms. Nyholm?

18 MS. NYHOLM: Here.

19 MR. PFOHL: Dr. Redwine is on the
20 phone.

21 DR. REDWINE: Present.

22 MR. PFOHL: Ms. Rhinehart?

23 MS. RHINEHART: Here.

24 MR. PFOHL: Senator Smith?

25 SENATOR SMITH: Here.

1 MR. PFOHL: Mr. Spiers?

2 MR. SPIERS: Here.

3 MR. PFOHL: Mr. Walker?

4 MR. WALKER: Here.

5 MR. PFOHL: You have a quorum, Mr.
6 Chairman.

7 DELEGATE MARSHALL: Thank you. I
8 saw the former chairman of this Committee here, Senator
9 Wampler is with us this morning. All right, do I have a motion
10 to approve the minutes for the meeting, which is on the
11 website?

12 DELEGATE WALKER: So moved.

13 SENATOR SMITH: Second.

14 DELEGATE MARSHALL: All those in
15 favor say aye. (Ayes.) Opposed? (no response) All right.
16 Let's go to the applications. We have \$20 million of requests.
17 Tim, let's walk through them and then we'll ask if anyone in
18 the audience would like to speak they can come forward.

19 MR. PFOHL: Just to set the stage, if you
20 recall when the Commission started the Megasite program, it
21 was approved as a \$100 million commitment be spread over
22 four years. We're in the fourth year of the program now; they
23 have divided the \$25 million into two annual funding cycles.
24 This is the first of the \$12.5 million cycle for next year and
25 \$12.5 million remaining of our original commitment to be the

1 final cycle for Megasites. The Committee budgeted \$12.5
2 million this year and we have about a quarter million dollars
3 of carry forward money from the previous year, so we have in
4 effect a balance of just under \$12.8 million and requests
5 totaling \$20,751,000. We've had to be a little bit judicious in
6 our recommendations so we don't overspend. We received five
7 proposals, all from projects that were previously funded by the
8 Megasite program. The staff comments show the funding date
9 for all those projects.

10 Land acquisition has been primarily
11 accomplished for all the sites, so all the sites are under public
12 ownership and control right now. So additional land
13 acquisition is requested in one of the proposals utility
14 infrastructure development is requested in several of them
15 engineering and so forth. I'll very quickly walk through the
16 requests if you'd like Mr. Chairman.

17 DELEGATE MARSHALL: Please.

18 MR. PFOHL: The first proposal is from
19 the Blue Ridge Crossroads Economic Development Authority,
20 the Wildwood Commerce Park – Increasing Wastewater
21 Capacity, \$3.8 million requested. That would bring the
22 current sewer capacity from 114,000 gallons per day up to
23 550,000 gallons per day; those funds would be used for the
24 engineering and construction of sanitary sewer collection
25 system upgrades. That would accommodate two industry

1 prospects, which is one of the targeted industry sectors for
2 Wildwood. There's a possibility of a 270 plus acres graded
3 pad that exists. BRCEDA's engineers have indicated that this
4 sewer upgrade could be broken into two phases with the first
5 phase providing engineering and construction that would
6 increase capacity to over 300,000 gallons per day at a cost of
7 \$962,500. Staff is recommending funding of \$962,500 for this
8 project and that is for the first phase and that is for the sewer
9 capacity increase.

10 The second proposal is from Danville-
11 Pittsylvania Regional Industrial Facility Authority Berry Hill
12 Mega Park – Environmental Permitting requesting \$1.9
13 million. This would include additional archeological work,
14 new engineering site analysis and exhibits and additional
15 wetland delineation and survey. The wetland service permit
16 has been submitted. The Army Corps of Engineers has raised
17 concerns about the site being speculatively developed because
18 there is not currently a prospect that the localities are working
19 with. Because of that, a step in the process with the Army
20 Corps and DEQ permitting and all of the Megasite grants have
21 been awarded so far totaling \$13.8 million for sewer
22 construction, connector roads, natural gas transmission lines,
23 electrical infrastructure and grading a 230 acre pad on lot four
24 are all on hold until the Army Corps of Engineers and the
25 Virginia DEQ issue the wetlands permit so until that issue has

1 been resolved. The RIFA board approved a resolution on
2 November 14 agreeing to the tabling of this proposal. Staff is
3 recommending this request be tabled and addressed in FY15
4 Megasite funding round and/or the Southside Economic
5 Development program within which the two localities have
6 available allocations of nearly \$3 million.

7 The third proposal was from Greensville
8 County Mid-Atlantic Advanced Manufacturing Center
9 requesting \$4.5 million and that is to further develop a 1600
10 acre industrial Megasite. The Commission has assisted RIFA
11 or actually the county, which is the regional industrial
12 facilities authority with Mecklenburg and the City of Emporia.
13 The request involves the request for widening Otterdam Road,
14 a two lane road. In July, the Commonwealth Transportation
15 Board announced a revenue sharing grant of \$3.3 million for
16 the widening of Otterdam Road, approximately 22,000 feet for
17 about four miles. That grant requires a dollar for dollar match
18 and will serve as matching funds for this request. Engineering
19 is wrapping and it expects to be bid in December. The staff
20 recommends an award of \$4,489,211 for the widening of
21 Otterdam Road and some additional wetland delineation and
22 planning and so forth. That excludes the \$67,000 element of
23 this request that would provide the tractor and bush hog
24 equipment to keep the property from regrowth and vegetation.

25 The fourth proposal is from Martinsville-

1 application project matching funds of \$2.5 million for Mercury
2 has been committed along with matching funds. With the
3 \$6.5 million project costs, that leaves a \$4 million request for
4 Commission funds. The applicant indicates the Army Corps
5 leadership has expressed positive support for the required
6 wetland permits, given the two active prospects, and the
7 matching funds of \$5 million have been committed to
8 accomplish this work, contingent upon approval of
9 Commission funds. Staff is recommending an award of \$6.5
10 million. \$2.5 of our funds for Project Atlantis and \$4 million
11 of our funds for Project Mercury.

12 The fifth and final request today is from
13 Sussex County Route 626 Beef Steak Road Megasite project
14 requesting \$3.4 million. Sussex County is requesting funds to
15 assist in the acquisition of four additional parcels of land
16 totaling approximately 346 acres to be added to approximately
17 982 acres already purchased by the county to further expand
18 the county's existing Megasite. There's additional professional
19 engineering services including Phase I environmental site
20 assessment, wetland delineation and confirmation, a formal
21 jurisdictional determination.

22 The application states that \$3.4 million is
23 requested in this cycle for additional land acquisition, but we
24 need to clarify that that amount includes \$400,000 from a
25 previous Megasite grant, which would be repurposed for land

1 acquisition. The \$400,000 from last year's grant is budgeted
2 for land clearing but the county's engineering firm has advised
3 that the land clearance at this time may expand so it might
4 change the wetland delineation basically because the trees
5 won't be there to soak up water on the ground and so forth.
6 So they're going to hold of on land clearing. The request is
7 that \$400,000 from last year's grant #2644 be repurposed for
8 land acquisition. The concept here is that by this additional
9 property acquisition is that they would be squaring off the
10 property to effectively allow more and larger rectangular pads
11 to be built in areas that are somewhat less affected by wetland
12 issues. Staff feels that the parcels that are being set for
13 acquisition that this concept can be partially accomplished
14 under lesser funding alternatives. The first of which would
15 involve acquisition of two parcels totaling 132 acres at a cost
16 of approximately \$1.4 million. Given the constraints of the
17 Megasite program budget this year, the Staff suggests the
18 Committee consider supporting the acquisition of 132
19 additional acres plus the requested engineering, which brings
20 the total project cost to just over \$1.5 million. The balance
21 available after the recommendations above is \$836,375, which
22 when combined with the repurposed \$400,000, which funds
23 79% of the reduced project, thereby requiring a 21% match by
24 the county of \$328,000. We would note there's also available
25 Southside Economic Development allocation of \$195,114 that

1 could be dedicated to this land acquisition assuming approval
2 by the Southside Committee and that the applicant meets the
3 required ten percent matching funds on the Megasite. A long
4 way of saying staff recommends an award of \$836,375 for
5 engineering and acquisition of an additional 132 acres, and
6 the repurposing of \$400,000 from the FY13 Megasite grant
7 #2644 to the proposed land acquisition. That's it.

8 DELEGATE MARSHALL: All right, let's
9 walk through these and ask. Is there somebody from Blue
10 Ridge Crossroads Economic Development Authority here that
11 wishes to speak? Please come forward and identify yourself.

12 MR. MCFADYEN: Good morning, I'm
13 Kenneth McFadyen, regional director of the Economic and
14 Environmental Development for Blue Ridge Crossroads. We
15 appreciate the opportunity to submit an application for
16 funding. During the past year, we have committed to this
17 \$100 million investment and this Commission has decided to
18 fund this project and help us that would effectively require an
19 upgrade of our existing sewer capacity. We understand that
20 property is going to go to North Carolina and we have paid
21 attention to the infrastructure requirements that that project
22 requires of us in the long term in the three to five year period
23 after the announcement this year. So we have identified a
24 target and capacity for 560,000 gallons per day in
25 consultation with the Virginia Economic Development

1 Partnership Site Control. We've identified the target and we
2 have done the preliminary engineering to identify the costs
3 and type of upgrade we need to the existing water system at
4 Carroll County located in the City of Galax where the sewage
5 is treated. That is the basis of our request. This is to help
6 accommodate the two process in project and we'll be able to
7 do that within three to five years. Thank you.

8 DELEGATE MARSHALL: Any questions?

9 All right, next on the agenda is Greensville County.

10 MS. SLATE: Good morning, Natalie
11 Slate, director of economic development for Greensville
12 County. We're very pleased with the recommendation by staff
13 and the Otterdam Road construction and engineering. As Mr.
14 Pfohl stated, the \$3.3 million for VDOT, that money is in place
15 and ready to be spent since the matching funds are required,
16 so we appreciate that recommendation. I'll be glad to answer
17 any questions.

18 DELEGATE MARSHALL: Any questions?

19 All right, thank you. Next will be Martinsville Henry County.

20 MR. HEATH: Good morning, I'm Mark
21 Heath, county economic development director and with me is
22 our county administrator. Thank you for your consideration.
23 This has been a long process for us and we believe now with
24 this request we'll be able to move forward with the project in a
25 manner that will be beneficial to all of us that are involved. So

1 we again appreciate this opportunity to go forward with our
2 planning and project and the Megasite project for Southside
3 and all of us involved. I'll be happy to answer any questions.

4 DELEGATE MARSHALL: Any questions?

5 All right, thank you. I skipped the City of Danville, Greg do
6 you have any questions? The City of Danville and the county's
7 Berry Hill Project was tabled at really you all's request.
8 Besides I don't have anything to add the fact that the Board of
9 Directors on the Authority requested it be tabled.

10 MS. NYHOLM: Can you give us a brief
11 update on where you stand with the?

12 MR. SIDES: Well the current activity,
13 what we're doing right now is really about the same but it was
14 suggested and recommended by the Corps of Engineers, it was
15 suggested that we talk to the Corps about the best way to deal
16 with the issues as far as the development. They made a
17 suggestion maybe we would do a much more detailed target
18 market study that would identify specific users and what the
19 requirements would be and that's underway right now.

20 MS. NYHOLM: Well if you did that,
21 would that overcome any problems with the permit?

22 MR. SIDES: Well, they had some
23 suggestions that we might be able to access the permit.

24 DELEGATE MARSHALL: Any questions?

25 All right, Mr. Hines.

1 MR. HINES: Joe Hines with the Timmons
2 Group and regarding Sussex County. Mr. Harris couldn't
3 make it here today and we are the director of planning and
4 they seem to be happy and appreciate working with the
5 county in that regard. If you have any questions, I'll be glad to
6 answer them.

7 DELEGATE MARSHALL: Thank you.

8 MR. CANNON: How far east does the
9 footprint go?

10 DELEGATE MARSHALL: To Sussex
11 County, that's east, they're in. Kilgore is extreme west.

12 MR. CANNON: I had to ask that.

13 DELEGATE MARSHALL: There's a map
14 on the website.

15 MR. CANNON: Thank you.

16 DELEGATE MARSHALL: Are there any
17 other questions. All right, so we've heard from all the
18 applicants on the applications. Any other questions?

19 MS. NYHOLM: I move we accept the staff
20 recommendations.

21 DELEGATE MARSHALL: We have a
22 motion to accept the staff recommendations for funding. Do
23 we have a second?

24 SENATOR SMITH: Second.

25 DELEGATE MARSHALL: We have a

1 second. All those in favor say aye. (Ayes.) Opposed? (No
2 response.) Thank you. Tim, anything else?

3 MR. PFOHL: No, sir.

4 DELEGATE MARSHALL: Is there any
5 public comment? Anyone in here that would like to make a
6 comment or come up and speak to us?

7 MR. EMMERSON: I'm George Emmerson
8 and I'm here representing the Massey Cancer Center, not to
9 ask for anything today but just to say thank you for all the
10 consideration you've given us this year and work you funded
11 last year. I don't think we can say thank you enough and we
12 appreciate everything that you have done. So thank you.

13 DELEGATE MARSHALL: George, let's see
14 if we have any questions from any of the Committee members.
15 Any questions from the Committee? All right, thank you.
16 Any other comments? Any other public comment or anybody
17 wants to say anything? Then, we're adjourned.

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19 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 Monday, November 25, 2013 at 10:00 a.m. at the Institute for Advanced Learning & Research in Danville, 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 2nd day of December, 2013.

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

My Commission Expires: October 31, 2014.
Notary Registration Number: 224566