



SPECIAL PROJECTS COMMITTEE
Thursday, April 24, 2003 – 9:30 a.m.
Berry Hill Conference Center
South Boston, Virginia

APPEARANCES:

Senator William Wampler, Co-Chairman
Delegate Allen Dudley - Co-Chairman
The Honorable John Bennett
The Honorable Carlton Courter
The Honorable Isiah Hopkins
Delegate Terry Kilgore
Claude Owen
The Honorable Michael Schewel
H. Ronnie Montgomery
Gary Walker
Tom West

COMMISSION STAFF:

Timothy S. Pfohl, Grants Administration Manager
Mary Cabell Sherrod, Manager of Communications and Committee Operations

ATTORNEY GENERAL'S OFFICE:

Frank Ferguson, Senior Assistant Attorney General

SENATOR WAMPLER: Called the meeting to order at approximately 9:30 a.m. The Chairman reviewed actions that were taken at the Special Projects meeting on Tuesday, April 2, 2003.

- Discussed small business loan programs in Southside and Southwest Virginia
- Discussed the People Inc. proposal to administer the loans in Southwest
- Charged to Southside Economic Development Committee to examine a similar loan program.

The Chairman also discussed the following projects:

- Cumberland County Reservoir - \$350,000 to study the development aspects of constructing a several hundred-acre reservoir for drinking water, economic development and recreation purposes in Cumberland County. The approval of this project was contingent on local government participation.
- Institute for Advanced Learning and Research - \$500,000 for a portion of first year startup operating expenses of the 90,000 square foot research, instruction and conference facility located in Danville's Cyber Park.
- Institute for Advanced Learning and Research - \$2,000,000 to serve as match to application for \$3,000,000 federal Economic Development Administration funds to construct a \$5 million, 40,000 square foot research building located in Danville's Cyber Park.
- Martinsville Speedway – The committee asked Henry County to reevaluate their application for funding. The speedway needs to expand to keep the two NASCAR races it currently hosts. The committee recommended \$500,000 to Henry County IDA for the addition of 2,000 seats and

1 construction of a four-lane access road (with an additional two lanes for pedestrians).

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3 DELEGATE KILGORE: Made a motion to approve the discussed grants. A second
4 was made, Motion and a second, all in favor say aye? (Ayes.) Opposed, same sign? (No response.) Motion
5 passes.

6
7 **Retiree Attraction feasibility study by Dr. Mark Fagan.**

8 TIM PFOHL: The project has requested \$26,000 to have an industry expert (and
9 department chair at Alabama's Jacksonville State University) assess the economic impact, potential and
10 required steps in attracting retirees to Southwest and Southside Virginia. He stated this report would be out
11 by October to include all of the tobacco regions.

12
13 RONNIE MONTGOMERY: Stated that he was interested in the project.

14
15 CLAUDE OWEN: Wanted to know to whom the money was being granted?

16
17 TIM PFOHL: Stated that Dr. Mark Fagan would be the recipient of the funding.

18
19 RONNIE MONTGOMERY: Made a motion to approve the Retiree attraction feasibility
20 study by Dr. Mark Fagan for \$26,000. Motion seconded. All in favor say aye? (Ayes.) Opposed, same sign
21 (Gary Walker voted no.)

22
23 **Scott County Economic Development Authority - "E-Corridor Industrial Park" \$1.67**
24 **million, Southwest Economic Development Committee Recommend \$840,000.**

25 TERRY KILGORE: Stated that this is the highest rated project in the Southwest
26 Region with known quality.

27
28 SENATOR WAMPLER: Stated that this project has Enterprise Zone designation.

29
30 TERRY KILGORE: Stated that Lenowisco bought land for the project and additional
31 land for the project is owned by Scott County IDA.

32
33 CLAUDE OWEN: Felt like he wasn't getting enough information to make a sound
34 business decision on this project.

35
36 SENATOR WAMPLER: He understood Mr. Owen's concerns with the project. He
37 also suggested the members visit the project. He then asked for any additional questions.

38
39 DELEGATE KILGORE: Made a motion to approve the Scott County Economic
40 Development Authority - "E-Corridor Industrial Park" for \$840,000.

41
42 RONNIE MONTGOMERY: Is VCEDA funding 1/3 of the money for the Project?

43
44 DELEGATE KILGORE: Replied Yes. All in favor say aye? (Ayes.) Opposed, same
45 sign (No Response).

46
47 **Virginia Highlands Business Incubator, Inc.:** Bristol, Abingdon, and Washington. The total

1 cost of the project will be \$5 million once it is completed. This project has a significant local investment and
2 is receiving federal money.

3
4 MICHAEL SCHEWEL: Wanted to know why the money was coming out of Special
5 projects when the project previously received economic development funds.

6
7 SENATOR WAMPLER: Stated that they didn't have special projects before and this
8 project is regional in scope.

9
10 MICHAEL SCHEWEL: Asked if the Commission was thinking about these projects
11 and their assignment to particular committees in a sufficiently clear manner.

12
13 WILLIAM WAMPLER: Replied that there were still some blurry lines but that the
14 Commission and Committees were doing their best to draw those lines as they proceed.

15
16 CLAUDE OWEN: Asked if there was a successful incubator model that Washington
17 County was following?

18
19 SENATOR WAMPLER: Replied that the success of the incubator lies in its leadership.

20
21 NEAL BARBER: He stated that based on basic market figures there was some success
22 reported from feasibility studies.

23
24 MICHAEL SCHEWEL: There are 27 incubators in the state and all of them are not a
25 success.

26
27 SENATOR WAMPLER: Replied that People Inc. was a success.

28
29 DELEGATE DUDLEY: Wanted to know if they were going to keep asking for funding.
30 He felt like these were on-going costs.

31
32 SENATOR WAMPLER: This funding is debt for capital.

33
34 TIM PFOHL: There was a grant application from CDBG for \$650,000.

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36 DELEGATE KILGORE: Made a motion to approve the Virginia Highlands Business
37 Incubator, Inc, for \$500,000. All in favor say aye? (Ayes.) Opposed, same sign (Allen Dudley voted no.)
38

39
40 **Site Work for Boydton Comprehensive Medical Center, Boydton Community
41 Health Facility:** This project was referred from the Southside Economic Development Committee.

42 CAROL DILL (Executive Director): Briefed the committee on the project. The funds
43 from this project will be used for rehabilitating a block of derelict buildings to historic standards in the
44 town square of Boydton, which will be used for expanding affordable primary medical care and
45 pharmacy services. In addition, dental, mental health, therapeutic rehabilitation and support services
46 and telemedicine for specialty care will be added. The new medical center will create a minimum of 28
47 new jobs. There are five buildings on this block, of which three will be used by the Medical Center and
two will be restored for commercial lease. Income generated from the lease space will be used to offset

1 the medical center facility expenses. This project will be getting \$700,000 from CDBG for equipment.
2 The application from the USDARD was for \$4.3 million out of the \$4.7 million for the total project.
3 Was the Tobacco Commission providing funding for Site Development? He also stated that Boydton
4 headquarters was a hub of training.

5
6 SENATOR WAMPLER: Stated they were struck by he project's leverage efforts.
7 But wondered if this would set a precedent for funding health care projects. He also stated that this
8 project was full of merit.

9
10 CAROL DILL: The organization is willing to set standards with clear parameters.

11
12 MICHEAL SCHEWEL: Wanted to know were the addition \$300,000 was coming
13 from.

14
15 CAROL DILL: Replied that the money was coming from historic preservation tax
16 credits.

17
18 SENATOR WAMPLER: Stated that the committee shouldn't take action on this
19 project. He stated that they could meet again on the project, but the Tobacco Commission hasn't been
20 known to fund these types of special projects.

21
22 JACK HITE: Asked for a staff recommendation.

23
24 TIM PFOHL: Staff recommended \$314,795 from the Southside Economic
25 Development Committee.

26
27 SENATOR WAMPLER: Held 2 proposals and referred 2 projects to the Agribusiness
28 Committee.

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30 DELEGATE KILGORE: Stated the Full Commission should be allocating money to
31 the Agribusiness Committee.

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33 SENATOR WAMPLER: The Tobacco Commission should not be the first funding
34 but the last funding grants need to retain flexibility. He wanted to maximize leveraging sources.

35
36 MICHAEL SCHEWEL: The lines between committees are not clear; there needs to
37 be continuity throughout the Commission's funding committees. He felt troubled with how the
38 committee was thinking about this project.

39
40 GARY WALKER: Stated that Mecklenburg could help with this project.

41
42
43 Meeting adjourned.