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7 **Special Projects Committee**

8 Thursday, July 8, 2004

9 2:00 p.m.

10 Hotel Roanoke and Conference Center

11 Roanoke, Virginia

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13 **APPEARANCES:**

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

15 The Honorable Allen W. Dudley, Vice Chairman

16 The Honorable Michael J. Schewel

17 The Honorable Terry G. Kilgore

18 The Honorable Pamela Curry

19 Mr. Jordon M. Jenkins, Jr.

20 Mr. Claude B. Owen, Jr.

21 The Honorable Gary D. Walker

22 Mr. Thomas F. West

23
24 **COMMISSION STAFF:**

25 Mr. Carthan F. Currin, III - Executive Director

26 Mr. Ned Stephenson - Manager of Strategic Investments

27 Mr. Timothy J. Pfohl - Grants Program Administration Manager

28 Ms. Stephane Wass - Director of Finance

29 Ms. Britt Nelson - Grants Program Administrator - Southside Virginia

30 Ms. Sara Griffith- Grants Program Administrator - Southwest Virginia

31
32 **OFFICE OF THE ATTORNEY GENERAL:**

33 Anne Marie Cushmac, Sr. Assistant Attorney General

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38 SENATOR WAMPLER: I will now call the Special Projects Committee of
39 the Tobacco Commission to come to order. The first thing I'll ask Carthan to do is call the roll.

40 MR. CURRIN: Assistant Secretary Curry?

41 ASSISTANT SECRETARY CURRY: Present.

42 MR. CURRIN: Mr. Hopkins?

43 MR. HOPKINS: (No response.)

44 MR. CURRIN: Mr. Jenkins?

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1 MR. JENKINS: Here.
2 MR. CURRIN: Delegate Kilgore?
3 DELEGATE KILGORE: Here.
4 MR. CURRIN: Mr. Montgomery?
5 MR. MONTGOMERY: (No response.)
6 MR. CURRIN: Mr. Owen?
7 MR. OWEN: Here.
8 MR. CURRIN: Secretary Schewel?
9 SECRETARY SCHEWEL: Here.
10 MR. CURRIN: Mr. Walker?
11 MR. WALKER: Here.
12 MR. CURRIN: Mr. West?
13 MR. WEST: Here.
14 MR. CURRIN: Mr. Vice Chairman?
15 DELEGATE DUDLEY: Here.
16 MR. CURRIN: Mr. Chairman?
17 SENATOR WAMPLER: Here.
18 MR. CURRIN: We have a quorum.

19 SENATOR WAMPLER: The first order of business is to ask for a motion to
20 adopt the Minutes of the October 2003 meeting at the University of Virginia College at Wise. It's
21 been moved and seconded that the Minutes of the October 2003 meeting be adopted. Without
22 further discussion, all those in favor say aye? (Ayes.) Opposed? (No response.) The ayes have
23 it, the Minutes are adopted.

24 Before we get into the actual presentation by Staff of projects, I have asked Tim to try
25 to put together a brief overview of where we are in balances remaining that would be
26 unobligated, the number of requests we have today, and what we might anticipate our deposits to
27 be in April and give us an idea at the end of the fiscal year how many dollars we might have. So,
28 if we can do that, Tim? I will ask our Executive Director if he has anything to add before we do
29 that?

30 MR. CURRIN: No, sir.

31 MR. PFOHL: In the e-mail and faxes that went out a couple of days ago
32 and also in your packet is a one-page spreadsheet which lists the projects that will be before you
33 today for consideration. They represent a total requested amount of dollars just under three point
34 two million dollars. There's currently four million dollars cash on hand for this Committee. That
35 is the budgeted figures, slightly under four million by a couple of thousand dollars. That's
36 money received by the Commission in the April 15th MSA payment and budgeted in the fiscal
37 year just ended last week. Next April the budget currently calls for three million dollars to arrive
38 at your Committee, but we know it is not known for sure what the figure is that will arrive until
39 the close of business on April 15th, 2005.

40 SENATOR WAMPLER: Are there any other unobligated dollars that may
41 accrue to the benefit of the Committee? Any dollars that may be E obligated is another way of
42 saying that.

43 MR. PFOHL: We're looking at three awards, the most substantial is a
44 million dollar award from more than two years ago that there has been no activity on,

1 specifically the Asian Venture Award, something we planned to deal with administratively. The
2 first guidelines that were adopted by the Commission in 2002 say that if no funds have been
3 drawn down within twelve months of the award that the Commission can consider the grant
4 award as no longer on the table.

5 SENATOR WAMPLER: Which would meet the definition of what we had
6 earmarked for possible disbursement. Asia Venture Partners, if they bring any deals to us.

7 MS. WASS: A set-aside.

8 SENATOR WAMPLER: Does anybody on the Committee for Special
9 Projects need any further refresher on Asia Venture Partners? Do you remember it sufficiently?
10 Ms. Curry, I don't know if you were around at that particular time, but this was an international
11 group of business people who thought they might look at Virginia for investment, and we kind of
12 set aside a million bucks to say that if there were potential projects that made sense and due
13 diligence was performed that we would use that to leverage up other dollars, and to date that has
14 not come about. So we could add that then to the seven million, and we would potentially have
15 eight million dollars available, should those funds become de-obligated and we actually receive
16 the deposit that we think we will.

17 Let me take the Special Projects Committee to another thought process. I'm out of my
18 lane and out of bounds when I offer this theory to you all, but I think it's important to consider,
19 particularly those in the audience. There is a rather large request from the Southside
20 communities to deploy high-speed Internet throughout the regions of Southside. Without going
21 into all the details there, they need more dollars than we have previously allocated to do the
22 project. The short version of it is that if you're pitching horseshoes, it's probably around six
23 million dollars or seven or eight million dollars that they need to do the total project. I think as
24 we go through the exercises today, and looking at applications, we have to keep in mind that the
25 Full Commission may come back and say to the various committees that we may have to transfer
26 dollars, Special Projects or Deal Closing or Education or Agriculture, to help make that prospect
27 in Southside work. That's just an observation, and I don't know that will happen, but I think we
28 should keep it in mind. Also, one fund, which is the Southside Economic Development Fund,
29 that our Chairman calls the formularies, may be tapped to help close that gap, and I offer that for
30 what it is worth. This would be one of the few times where the dollar amount requests do not
31 exceed the cash that we have on hand.

32 Those would be the general thoughts that I have. Do any other members of the
33 Special Projects Committee have any thoughts they would like to offer before we get into the
34 Staff's presentation? So, we will proceed expeditiously.

35 The next item then is to review and discuss the pending Special Projects applications.
36 Tim, are you going to deal with that?

37 MR. PFOHL: Yes, sir. Also in your packet there is a set of guidelines that
38 were adopted last October by this Committee and the Full Commission. They constitute the first
39 guidelines that Special Projects has. I want to convey to you that our applicants and constituents
40 to familiarize them with what the intent of the program is. Those are there for you to refer to if
41 necessary. We have developed Special Projects application forms that reflect the principles that
42 the guidelines address that we are looking for, projects that provide positive impacts across a
43 substantial portion of the tobacco region. They provide replicable models that could potentially
44 reshape the economies of the communities across the regions. They are so broad in scope and

1 geographic impact that they do not clearly fit under the eligibility of project types for the
2 Commission's other funding, such as Economic Development, Education, Agriculture,
3 Technology, and so forth. Without reading the rest of them, that's basically what we've used in
4 conjunction with the Long-Range Plan and to take a look at the requests that are before us today.
5

6 Several of the requests that you will notice in the Staff report have been referred over
7 from the Economic Development Committees. They were requests that arrived to us by that
8 Economic Development deadline of March 1st. We looked at them and determined that they
9 were regional enough in focus that they deserve consideration by this Committee. That explains
10 why some of the applications you received were on Economic Development forms dated March
11 1st, and they are very much up for consideration today.

12 MR. CURRIN: To those of you in the audience, if you're interested in
13 looking at those guidelines and you have not seen those with any other guidelines, all of these
14 guidelines are posted on our Web site.

15 MR. PFOHL: Mr. Chairman, leading off on the first several pages we have
16 the Staff summaries and the projects and comments and recommendations for projects that have
17 been referred to you from the Southwest Economic Development Committee, starting with the
18 Crossroads Regional Industrial Facility Authority - Progress Park Phase II Infrastructure. Do
19 you want me to read all the comments?

20 SENATOR WAMPLER: Unless the Committee wants to do it another way,
21 why don't we listen to all the proposals before we vote, only to find out we don't have any money
22 when we get there at the bottom of the list, somebody's name that starts with W, I'm familiar with
23 that.

24 MR. PFOHL: Leading off with the Crossroads Regional Industrial Facility
25 Authority is a partnership of two counties and a town, Wythe and Bland Counties and the Town
26 of Wytheville. They are continuing to develop their industrial park at the intersection of the
27 Interstate along there. The request was initially submitted to us as a five hundred forty-one
28 thousand request. The applicant who is here, Dr. Hawthorne, he's here from the Industrial
29 Facility Authority, has reduced that request to three hundred fifty thousand dollars. It's noted
30 that as they bring companies into the park they will request TROF funds to make up the balance
31 of the project costs. In a nutshell they're asking for money to extend the town water and sewer
32 lines into the second phase of the park, which would be a phase that is served by rails and roads.
33 It's a new development opportunity there.

34 DELEGATE DUDLEY: Mr. Chairman?

35 SENATOR WAMPLER: Delegate Dudley.

36 DELEGATE DUDLEY: Tim, part of the match was done from the Mount
37 Rogers Planning District Commission. Is part of that contingent upon the state budget, is that
38 where they stand?

39 DR. HAWTHORNE: I do not know the exact status, but I do know that
40 they have committed and do anticipate that they will provide this fiscal year funding to match
41 what we need for the planning of that.

42 DELEGATE DUDLEY: Forty thousand dollars?

43 DR. HAWTHORNE: The forty thousand has been committed, and the
44 remaining forty thousand I anticipate this fiscal year, yes.

1 MR. PFOHL: Delegate Dudley, one of the concerns that the Staff had when
2 we first reviewed this in the Economic Development round was that after some conversations we
3 had with the U. S. Department of Agriculture we weren't sure if that source had been tapped on
4 appropriately in this project, and the applicant demonstrated to us that there was substantial
5 USDA funding in this for water and sewer lines. We feel like they brought the funding sources
6 to the table as they should.

7 MR. WALKER: An estimated six to twelve companies employing five
8 hundred to two thousand people will be served by the project. Are they already there, or is that
9 anticipated? If they're already there, what are you using for water and sewer?

10 MR. PFOHL: They're anticipated there.

11 DR. HAWTHORNE: These are projected sites for companies to come. We
12 have one company committed to come, and they will begin construction next spring. The initial
13 negotiation was such that if all else failed they would actually do an on-site septic system at the
14 facility. We certainly wouldn't want that to happen, but other than that the subsequent rail
15 service sites are projected in the future, projected future locations and not existing companies.
16 We do not have those utilities in the southern portion of the park at this time.

17 SECRETARY SCHEWEL: The revenues are in Wythe County, is that
18 where physically the park is located, in Wythe County?

19 DR. HAWTHORNE: The park is physically in Wythe County, the
20 Crossroads Regional Industrial Facility Authority is made up of the three entities. As individual
21 projects come along, there is the option to offer those to the members of the Crossroads
22 Authority. The primary one outside of Wythe County would be Bland County. They have been
23 participants in other projects within Progress Park. Traditionally, projects are offered as a one-
24 third revenue stream from machinery and tool taxes to each of the member jurisdictions. For
25 example, Bland County would be one-third recipient of the revenue stream.

26 SENATOR WAMPLER: Other questions or comments? All right.

27 MR. PFOHL: Bottom of page one, Heart of Appalachia Tourism Authority
28 is applying on behalf of the Crooked Road Coalition, their marketing arm. The request was
29 submitted to the Southwest Economic Development Committee. This project is what I would
30 call a poster child for Special Projects in terms of regional scope and their participation. There's
31 financial participation by eight counties, three cities and nine towns in the project. We actually
32 have two requests that would serve the Crooked Road Heritage Music Trail. This one would be
33 marketing dollars, and the applicants presented a very thorough and detailed proposal that listed
34 a variety of advertising sources that they would use in cost to advertise and get the message out
35 that the Crooked Road Music Trail is up and running and is available for tourists to come to
36 Virginia and spend money.

37 DELEGATE DUDLEY: Mr. Chairman, can we kind of take these two
38 together in the discussion?

39 SENATOR WAMPLER: If it is all right with the Committee we will blend
40 the two together so we have a better idea in total what we are proposing.

41 MR. PFOHL: At the top of page two is the second Crooked Road request.
42 The Lenowisco Planning District Commission is submitting the request, and they would serve as
43 the fiscal agent for this component of the Crooked Road. This is a ninety thousand dollar request
44 to erect one hundred directional signs and install thirty-three listening boxes along the Crooked

1 Road Trail, similar to what the Civil War Trail system is that is put in place across the state.

2 DELEGATE DUDLEY: Mr. Chairman, is anyone here from that group?

3 SENATOR WAMPLER: We have two applicants and probably four people
4 that would like to speak to it. If it is all right with the Commission, and we're asking, we'd like
5 an executive summary of the Crooked Road, and we'll see how quick a study we are on it.
6 Whoever would like to, pick it up and run with it.

7 MR. FLANARY: I'm Ron Flanary, Mr. Chairman, I'll pick it up and run
8 with it. I'm the Director of the Lenowisco Planning District Committee and also Chairman of the
9 Crooked Road. The Crooked Road project is a collaborative effort that includes a host of state
10 and local agencies, including nine counties, three cities and eight incorporated towns, and all of
11 them put up cash. That includes staff support and money from the Virginia Department of
12 Housing and Community Development. It also included support from VDOT, local financial
13 support of this as well. So far, when you include the investments, it also includes the Tobacco
14 Commission having already made a significant investment in some of the key venues along the
15 Crooked Road. One that comes to mind to me is the Carter Fold, Hilton Virginia, Appalachian
16 Traditions and the soon-to-come Ralph Stanley Museum, and those are the ones that I'm aware
17 of. Of the two applications the first one is the signage, and these signs would be installed by
18 VDOT by prior agreement, about two hundred twenty-five miles of signs by five-mile intervals,
19 generally speaking. Also, thirty-three low-wattage AM transmitters that would have information
20 directing tourists to particular venues. The other part of it is the marketing issue, which I am less
21 familiar with. I have my colleagues here who can speak to that, but that is the nuts and bolts of
22 the project. As Tim noted, Lenowisco is just one of many partners in this four planning district
23 commissions. Our Board decided to step up and be the fiscal agent, since we had to have an
24 applicant. We will be handling the money, and I might say, for no compensation. We're doing
25 this for the greater good. It is an exciting initiative, and we were joined by Governor Warner in
26 mid-May as he signed the bill designating the Trail at Clintwood. That is where we are with it.
27 It took effect the 1st of July, so the Trail is designated, and we're ready to start posting the signs.

28 SENATOR WAMPLER: Would you answer Delegate Dudley's question?
29 The ninety thousand that you are requesting, that covers what?

30 MR. FLANARY: That would cover the signs, posts, directional arrows and
31 transmitters.

32 SENATOR WAMPLER: One would say that is non-recurring?

33 MR. FLANARY: That's correct, that is a non-recurring one-time capital
34 outlay. There is no recurring cost in any of these requests.

35 DELEGATE DUDLEY: Mr. Chairman, I notice in the presentation it
36 basically looks like it starts at Galax and goes to wherever it ends up. I think in actuality it starts
37 at the Blue Ridge Museum in Ferrum.

38 MR. FLANARY: It does, in my application it reflects that. It starts at the
39 Blue Ridge Institute in Franklin County.

40 DELEGATE DUDLEY: We're talking about signage, not on the whole
41 Trail, not just a portion of it?

42 MR. FLANARY: That's the whole Trail.

43 DELEGATE KILGORE: I just wanted to make sure that Delegate Dudley
44 realizes that it started in Franklin.

1 DELEGATE DUDLEY: I realize it, I put in the amendment.

2 MR. FLANARY: We're very pleased with it, and I think we're going to
3 make a presentation to the Board of Supervisors very shortly. They seem interested in providing
4 some assistance, so we're pretty excited.

5 SENATOR WAMPLER: That would be your component, then, for the
6 capital part of it?

7 MR. FLANARY: That is a one-time nuts and bolts.

8 SENATOR WAMPLER: Ninety thousand dollars.

9 Next, we would look at the Heart of Appalachia Tourism Authority. Is it marketing?
10 Who is going to speak?

11 MR. GALYEAN: I'm Steve Galyean, and I'm Chairperson of the Crooked
12 Road Marketing Committee. I've been in the tourism field for ten years, and it is one of the most
13 comprehensive regional projects that I have been involved with. The marketing program is to
14 support the promotion of the Crooked Road project to the traveling public. It is a comprehensive
15 program that includes advertising in both general consumer publications as well as niche
16 publications for music lovers. It also includes a group travel component as well as a broadcast
17 media component. The program is set to launch in the fall of 2004, continuing to November of
18 2005. Are there any questions?

19 SENATOR WAMPLER: Any questions or comments? We may have to
20 come back and revisit that when we try to decide what to do with those two applications. Does
21 that accurately address those two, Tim?

22 MR. PFOHL: Yes. If you look down at the bottom of page two of your
23 handout that is the Lenowisco Planning District Commission - Virginia Coalfields Regional
24 Sewer Study. This is a comprehensive study of sewer needs in two planning districts, Planning
25 Districts 1 and 2, encompassing seven counties, one city and several towns. This is parallel to a
26 water study that was done in the two planning districts a few years ago and would give a
27 blueprint for sewer needs, it certainly would be a helpful tool for the Commission to get requests
28 for sewer projects as we did this year. The request is for one hundred thousand, the total project
29 cost is three hundred fifty thousand. There is a verbal commitment from the Department of
30 Housing and Community Development and USDA money. We have an issue here where this
31 was inserted, the application was submitted to us before the end of the General Assembly budget
32 issue. I think we probably need to answer that question as a General Assembly funding request.

33 MR. FLANARY: Senator Wampler, Chairman of the Committee, is very
34 familiar with this. Mr. Chairman, we had some discussion about some language of DEQ, and I
35 don't know if, I haven't had any dialogue with DEQ, and I don't know if that survived the budget.

36 SENATOR WAMPLER: I'll try to use my best diplomacy. I'm not sure the
37 entire legislature thought it was in the best interest.

38 MR. FLANARY: That was my impression, and I'd better have you say that,
39 and per our discussions, let me just say that Senator Wampler and Delegate Kilgore are very
40 familiar with the concept of the Virginia Coalfield Regional Water Study. We've had enormous
41 success with that, and it's been really our best, most successful strategic planning effort and
42 utilities. We'd basically like to replicate that on the sewer side. Only twenty-five percent of the
43 people in that service area have public sewer. My request would be for the hundred thousand
44 dollars from the Tobacco Commission. The other funds are committed and in place, and if it's

1 acted on favorably we will launch this in August. Most of this will be outsourced for technical
2 consultants, and we're ready to move on that.

3 SENATOR WAMPLER: Any questions or comments? Thank you. Next?

4 MR. PFOHL: Let's go to the top of page three for the next one. We have a
5 request from the Southwest Virginia Higher Education Center for funding for Southwest Export
6 Trade Initiative. The Export Trade Initiative was successful in securing a U.S. Department of
7 Education Grant, and this would serve as a match for that. There's a unique twist to this request,
8 in that the Southwest Economic Development Committee agreed to fund up to the requested
9 amount of one hundred fifty-four thousand seventy-five dollars, but because of the regional
10 impact of this program stretching across Southwest Virginia they felt like it should be presented
11 to your Committee to see if Special Projects wants to pick up part or all of this half. So it boils
12 down to the question of, the funds have been obligated to this project, and it's a question of
13 which of our pots of money they come from. That's the odd twist on this one. I believe Dr.
14 Fowlkes is here to address the status of the project.

15 DELEGATE DUDLEY: Mr. Chairman, this appears from the wording it's a
16 renewal, and then from budget expenditures it states, start-up costs.

17 MR. PFOHL: It is a renewal request in that the Commission funded this
18 initially in late October, 2002, and this would provide additional funding. I think the applicant
19 has made the case that they are still rolling out this project, so in effect the question is do we still
20 consider this in a start-up phase, and we felt like that with the progress being made with this, the
21 life cycle of a project like this needed to have multiple years to begin to generate the results, and
22 I think we buy into that argument.

23 SENATOR WAMPLER: The market being one of them. Dr. Fowlkes,
24 would you tell us about the project?

25 DR. FOWLKES: We feel like the project is still in its start-up phase. It's
26 sort of like being a first-term delegate in the General Assembly, you don't accomplish a lot the
27 first term you're there, and it takes several terms to actually show significant progress. The
28 project we're doing is developing export markets for businesses across Southwest Virginia,
29 particularly the small businesses that do not qualify for some of the programs that are available
30 through the state. A large component of this project is education driven. Most of the citizens in
31 Southwest Virginia that are involved in small business operations are not aware of opportunities
32 in a global market that are available to them. We've spent a lot of time during this first nine
33 months of the project educating them to some of the opportunities that are available. We have
34 been pleased seeing some of our companies working in countries other than the United States
35 and selling their products in countries other than the United States.

36 One of our businesses that is a larger business and has been working with Secretary
37 Schewel accompanied the Governor to China a couple of weeks ago. They did a videotape
38 presentation to use with our businesses in Southwest Virginia, and there are opportunities
39 available in both China and Korea. These are groundwork opportunities that take a while to
40 develop through the business community. We're very excited that our project has received a Title
41 6B Grant, and that's a competitive grant and a federal grant. This will give us opportunities to
42 expand the project and an education component across all Southwest Virginia and into the
43 colleges of Southwest Virginia.

44 This past spring we received an award from the Southern Growth Policies Board for

1 innovation in this project. And, I think there's a lot of positives about it. The Chairman has
2 moved us towards working with our Christmas tree growers, and we have an inward buying
3 mission with Mexico coming up in the third week of September. A lot of things we have had in
4 place and that we have been working on are beginning to come to fruition, and we don't want to
5 drop the ball on it now.

6 SECRETARY SCHEWEL: In terms of the one-year issue, and for what it is
7 worth, the program that the Virginia Economic Development Partnership has developing larger
8 companies is a two-year program, because they found that one year is not enough to get people
9 integrated and educated and up to speed and isn't really productive in this kind of enterprise. The
10 experience with VED indicates it takes a little bit longer, and that's consistent with what Rachael
11 said.

12 SENATOR WAMPLER: The Southwest Committee said, why don't we
13 take it to Special Projects and see if Southside is interested in duplicating the same effort. I think
14 what we heard from the Program Manager was that they could not do that, they couldn't
15 duplicate it and someone else could. To take on the mission of trying to market the Southside
16 communities was not practical with the funding sources that they had. The other reason it ends
17 up here is that Southwest feels very strongly, and we had to underwrite it with an amount up to
18 what they had requested. We thought at least the cost sharing part of that, they needed an answer
19 then to keep the prospect going, and that's why, at least that part, we thought if not all was
20 funded cost sharing would be part of it, and we could decide that later. That's kind of how that
21 went. That doesn't mean Southside couldn't do it another year under another application, but
22 since we referred it we found out we didn't press it too much.

23 Any other questions on this project?

24 DELEGATE DUDLEY: Last year's funding came through Southwest
25 Economic Development?

26 SENATOR WAMPLER: To the best of my recollection, yes.

27 DELEGATE KILGORE: Mr. Chairman, whatever comes out, is Southwest
28 funding one hundred fifty-four?

29 SENATOR WAMPLER: Yes, that's the way I recall the motion. Next?

30 MR. PFOHL: The bottom of page three, this is another project referred
31 over from Southwest Economic Development because of its regional impact. The Virginia
32 Southwest Blue Ridge Highlands request for funds to initiate E-Commerce and Packaging On-
33 line Mall. It basically would add an e-commerce shopping part component to the Web site that
34 the Commission helped fund for the Southwest Blue Ridge Highlands last year. They have
35 received USDA Grant Funds and have reduced their original request, which was one hundred
36 forty-one thousand dollars, down to the request before you today of thirty-six thousand nine
37 hundred. The members of the Southwest Blue Ridge Highlands represent businesses that are
38 oriented in Bland, Wythe, Floyd, Carroll, Smyth and Washington Counties. The Executive
39 Director of that organization is here to answer any questions.

40 SENATOR WAMPLER: Any questions from the Committee? Kitty is
41 going to speak to it? We asked you to pare it down, and you did that. What are you going to
42 have with it, what is the consumer going to see at the other end?

43 MS. BARKER: We already have the database search and sort available,
44 and the consumers can go in there and search by topic or town or city, and we have it translated,

1 and one of the things that this will help us do is translate it into seven other languages. We're
2 now promoting on Overture and Yahoo, we're talking with people in Canada, Britain, Ireland and
3 Spain, and we'd like to expand that. The E-Commerce Shopping Mall would provide a small
4 museum, a gift shop, small business artisans, musicians, crafters. It would give those people an
5 opportunity to sell their wares over the Internet. We would provide the secure credit card and
6 merchant accounts, and we would handle that for them so they don't have the up-front costs that
7 that would involve. We have a reservation planning system to help our cabins, B&B's,
8 campgrounds, vacation homes, that would help to make reservations and capture that visitor
9 while he's sitting in his living room in Ohio. We can go ahead and book them and get the credit
10 card number and put it into our secure credit card system. We would also give them maps,
11 directions if the small business has a visitor coming in.

12 SENATOR WAMPLER: If you'll look at the application and on page three,
13 let me read this. Under economic development and outcome there was a 2002 conversion study
14 that reconciled eighty-five thousand visitors to the region. What I found amazing was that
15 ninety-five percent of Web site users took travel information from those Web sites.

16 MS. BARKER: Yes.

17 SENATOR WAMPLER: I think we miss the boat in Southside and
18 Southwest if we don't become more integrated with the use of the Internet as it comes to an
19 attraction or a destination and gaining knowledge from it. The Commission has made
20 investments both with the Economic Development Committee, Special Projects, and whatever
21 else. I think the hard data is there and shows what the people want and how well they want this.
22 In theory, practical application, my hunch is that that was 2002 data and it's only stronger with
23 the enhancements that we have made today.

24 SECRETARY SCHEWEL: Mr. Chairman, I was one of the percentages
25 there, it's just very convenient. You're looking for a place and you just use your computer and
26 you do it and that's it. It's just that easy.

27 SENATOR WAMPLER: Any other questions or comments from the
28 Committee? All right, thank you very much.

29 MR. PFOHL: At the top of page four we have a request submitted by the
30 Cumberland Plateau Electronic Business Village, and it's a partnership of two electronic village
31 businesses, Cumberland Plateau and Mountain Empire. The Cumberland Plateau is based in
32 Richlands, and Mountain Empire is based in Duffield. The project is called Advancing
33 Electronic Commerce in Southwest Virginia. These are two relatively new non-profit
34 organizations that were created by the community colleges in their regions to accomplish many
35 of the same type of things that e-commerce was trying to do to assist businesses in increasing
36 their sales and revenues by providing training and doing business on-line. The request is one
37 hundred eighty thousand for operational funds so they can continue training programs and offer
38 their services to businesses and entrepreneurs. The total project cost is two hundred thirty-five
39 thousand. They have twenty-five thousand in hand from the Center for Innovative Technology
40 and from the Appalachian Regional Commission. Both approved of this project. We have
41 representatives here to speak to that.

42 SENATOR WAMPLER: The total project is two thirty-five, who
43 contributed to this? How much is CIT's contribution?

44 MR. PFOHL: We had a couple of rounds of funding from CIT. They

1 initially had twenty-five thousand, and this week we got word of another sixty thousand that has
2 been provided by CIT.

3 SENATOR WAMPLER: It's not included here?

4 MR. PFOHL: I may not have adjusted the math, we just got the e-mail this
5 week about the second CIT award.

6 SENATOR WAMPLER: We probably need somebody from the
7 Cumberland Plateau Electronic Business Village to bring us up-to- date.

8 MR. BARTLEY: My name is Ron Bartley, and I am Chairman of the Board
9 of Directors for the Cumberland Plateau Business Village. We also have Paul Short with
10 Mountain Empire E-Business Village, so we're both represented. We have Bill Winter and
11 Debbie Townsend here, who worked with us. They have been with us in the infancy of our
12 organization. Our organization started out separately but has grown together over time and the
13 development of what we call a membership base. We have been very successful in the efforts we
14 have carried out so far with the limited funding we have had. Our primary work is in economic
15 growth through electronic commerce. One of our goals is to promote jobs and technology. We
16 don't compete with local providers of any particular technology service. We work very closely
17 with those providers that are private providers. We don't serve as any competition to any of
18 those. A big part of what we do is try to increase our services for the Southwest region to seven
19 counties and one city, access to what we call the global markets, and we haven't had access to
20 that before we began this project.

21 One of the things not stated in this proposal is that we do want to increase the use of
22 growing the infrastructure within our region and to use the pipelines coming into our areas to
23 carry out activities for businesses so jobs can grow and businesses can grow. If you have any
24 questions, I'll be glad to answer those.

25 Most of what we're asking for is to increase what we call sustainability. We're in the
26 infancy, and we have been very successful. We have in excess of thirty members at this point, so
27 we help businesses and also agencies where we assisted, and they are on-line and up and
28 running. We have a host of providers that we brought on-line that are private partners in the
29 process.

30 DELEGATE DUDLEY: Mr. Chairman, where do you anticipate future
31 funding coming from?

32 MR. BARTLEY: Where do we anticipate future funding coming from?

33 SENATOR WAMPLER: Yes.

34 MR. WINTER: I'm Bill Winter, and I'm Chairman of the Virginia
35 Electronic Commerce Technology Center, and we have an office in Lebanon. We've been
36 working on this project for a couple of years now. Future funding will depend on grants, and I
37 don't know of any other way I can say it. We're non-profit, and we don't compete with the
38 private sector, so we have a very aggressive grant-writing agenda. If we do our work right we
39 should be able to extend services at scaleable levels, depending on our income. We're also
40 interested in extending this kind of program to other regions in Virginia, rural regions, because it
41 is working so well. We have sixty-four businesses that we are helping now, small firms that
42 would not have otherwise been doing electronic commerce, and we think it's a good program.
43 One of those is developing on the Eastern Shore, we have one in Newport News, two here, and
44 we'd be glad to talk to anyone who would like to see how it can be done for their region. But I

1 think it's a good model because it gets results.

2 MR. WALKER: Mr. Chairman, two questions. It doesn't get any local
3 funding or local match?

4 MS. TOWNSEND: There are a couple of things. Russell County has
5 helped with office space, we recently partnered with the incubators, the Duffield Center and the
6 Richlands Incubator. We're developing that into part of the prototype model, and the incubators
7 are supplying all of the office space and personnel, and we're working together in our programs
8 throughout the seven counties

9 MR. WALKER: Mr. Chairman, I want to ask, has the Staff researched this
10 with the Technology Committee? Is this something that will work with their overall blueprint?

11 MR. PFOHL: We've actually had some conversations with the two
12 electronic business villages and have encouraged the two EDP's to partner together. Technically,
13 how this will match, I think from the footprint of the fiber that the Commission has helped to
14 provide in Southwest it will match up technology-wise, but you may need to have some technical
15 expertise to understand if there is any kind of technical drawbacks that would not work. It
16 matches the footprint of what we have been funding with Lenowisco and the Cumberland
17 Plateau.

18 MR. FLANARY: Ron Flanary again. This is not my project, but I want to
19 confirm what Ken said, this is on the network. I think basically with your money, and we think it
20 is a nice complement, I want to emphasize that I, they are going to be headquartered in those two
21 business incubators, which are sustainable, and I think they'll pay for themselves. There is going
22 to have to be some creativity in finding some additional grant dollars, but I think you have to
23 start somewhere, and it is towards sustainability. It's a very nice complement to what we're
24 trying to do in the hardware in Southwest.

25 SENATOR WAMPLER: Further questions or comments? I think it
26 overlaps, and once you light the fiber it helps bring it all together and adds value to the project.
27 One thing I was concerned about, Tim, is the seventy-three thousand dollars in salaries, wages
28 and benefits. Other than contractual services I don't know that we did a lot of that.

29 MR. PFOHL: Just got their IRS non-profit determination last fall, and
30 they're still in the first year of operation, and that would constitute a start-up period. By
31 definition, with the Long-Range Plan we could, if the Commission chooses to, provide operating
32 support.

33 SENATOR WAMPLER: That's what it is for?

34 MR. PFOHL: Yes.

35 SENATOR WAMPLER: These typically don't generate revenues, so we're
36 driven by grants in the out years, other grant sources in the out years to support. Do I understand
37 that correctly?

38 MR. BARTLEY: Technically that's correct, we have a small amount of
39 revenue sources available; technically you're correct.

40 SENATOR WAMPLER: Other questions or comments?

41 Is there a new one at the starting gate?

42 MR. PFOHL: We have one project that has been referred from the
43 Southside Economic Development Committee, and that's the Institute for Advanced Learning
44 and Research - VIPER Project. That VIPER is the acronym for Virginia Institute for

1 Performance Engineering and Research. When this project was submitted in the spring the
2 Economic Development applicant was Halifax County. The request has been enlarged to the
3 operation of this program at the Institute up and running. It's been substantially enhanced from
4 when this Committee heard this last October and provided some funding for the VIPER Project
5 to develop a business plan. It has come back to us in the form that has substantial investment in
6 the Institute, matching funds. It has been structured so that Halifax County's Industrial
7 Development Authority will own the equipment that is being requested and will lease it for a
8 nominal fee to the VIPER program.

9 SENATOR WAMPLER: How much has the Institute put into the project?
10 That was undetermined. Is that in-kind, or cash, or what?

11 MR. PFOHL: It's part of their appropriation that they have access as of last
12 week. It would be state appropriation for the Institute.

13 SENATOR WAMPLER: This is part of their research component?

14 MR. PFOHL: There are folks here that can speak to this. In essence, it is a
15 program that will expand Virginia Tech's Advanced Vehicle Dynamics Lab in Southside and
16 provide research and commercial testing for motorsports teams and automotive companies, and
17 so forth. There is a research component to it as well as a commercial component that would
18 generate revenues.

19 MR. CURRIN: Mr. Pfohl, is the figure from the Institute's appropriation
20 from the Commonwealth, is that figure six hundred twenty-three thousand?

21 MR. PFOHL: Yes.

22 MR. CURRIN: It is from the general fund that has been awarded to them
23 July 1?

24 MR. PFOHL: That is how they presented it to us.

25 DELEGATE KILGORE: Tim, how many of these facilities are there across
26 the nation?

27 MR. PFOHL: There are facilities for every one of the Formula One Race
28 Teams that have their own equipment. A couple of the Nextel Cup teams have their own, such as
29 Richard Childress Racing. I think the emphasis is to get out there in front of some of the other
30 universities that are looking at this, such as Auburn and Clemson. Beyond that, I'd probably
31 have to turn to the people from Virginia Tech involved with the VIPER Project. Eric Koster is
32 here, and he completed a business plan that looked at competing facilities, and he can give us
33 that information.

34 SENATOR WAMPLER: Before we get into the more detailed presentation,
35 any other questions from the Committee members? I read the Minutes, and it appeared in
36 October that we had some concern over this project, and we asked that you rescale, retool,
37 whatever you call it. Now we have come back, and actually the total project costs 1.2, but that's,
38 I must be on the wrong piece of paper. How much is the total cost?

39 MR. PFOHL: It's 2.3.

40 SENATOR WAMPLER: The total project cost is 2.3 million, and the
41 requested amount is 1.3.

42 MR. PFOHL: Yes.

43 MR. KOSTER: I'll speak first. My name is Eric Koster, and I work as a
44 consultant for Halifax County. It has been my job to research the motorsports industry and find

1 opportunities for VIPER in that industry. I've traveled throughout North Carolina and
2 throughout the country and have spoken to other people that operate other rigs similar to this, so
3 I have a pretty good background in what the availability is and also what the demands are. I'd
4 like to start out by maybe giving you a little overview of what the motorsports industry generally
5 is all about. I don't know if you all are aware of this, but the motorsports industry in the United
6 States is a sixteen billion-dollar industry. In the UK it is currently a six billion-dollar industry.
7 The British government has seen fit to allocate funds in the amount of twenty-five million dollars
8 to ensure that the facilities in Great Britain are perceived as world-class facilities. I have to
9 relate a little story here from NASA Langley. My main day job is that I work for Old Dominion
10 University as the Director of Motorsports Operations for the Langley full-scale tunnel. In that
11 capacity I interact a lot with the Langley NASA Research Center and some of the other facilities
12 there. It came to my attention we had a test scheduled in our wind tunnel, scheduled for later
13 this year, in which a model will be run as a NASA test that was built by Cranfield University in
14 the UK. What this demonstrated to me was a lack of expertise in our country. Cranfield
15 University in the UK is the preeminent motorsports educational institution in the world.
16 Through this project we hope to perhaps offer an alternative. Also, we hope to offer an
17 economic alternative within this community of Southside Virginia.

18 This seven-post rig will act as an impetus to create a skilled labor force in Southside
19 Virginia and create educational opportunities that will be participated in by universities statewide
20 in Virginia. They'll all focus in Southside Virginia, and they'll be able to focus on this facility
21 located at Virginia International Raceway. Virginia International Raceway is certainly a quality
22 facility, and management has demonstrated firsthand their commitment to build this industry in
23 Southside. Most of you have been there and seen the facility firsthand and spoken to the
24 management team there. This facility will operate at VIR, it will be operated by Virginia Tech,
25 it'll offer educational courses and it'll offer technician training and bring part of the business from
26 the motorsports community that is now in North Carolina and Indianapolis. It will bring that to
27 Southside Virginia, and what we hope to do is build upon that so we offer a skilled labor force
28 and the facilities that will prevent teams like the Wood Brothers from Stuart, Virginia, from
29 migrating to North Carolina. In a conversation I had with Lyn Wood I asked him what's the
30 reason that you moved to North Carolina, and he said really the technical expertise was
31 unavailable in Virginia, not only expertise but the facilities. What this facility will do and what
32 VIPER will do is to plug that hole in our statewide system so we can develop this entire industry
33 in Southside Virginia. Any questions I can answer?

34 DELEGATE DUDLEY: Mr. Chairman, if I'm understanding this right, from
35 our initial funding this was to come back, and I don't remember if it is in the Minutes or not, but
36 I remember it was kind of like don't worry about it, it will be Halifax's money that we'll be using.
37 Did this come back as a request from Halifax County or through their allocation formula, or
38 how did we do it?

39 SENATOR WAMPLER: Not being part of the Southside I can't answer
40 that, but the applicant is the Halifax County IDA.

41 MR. PFOHL: The Halifax County IDA submitted a request to Southside
42 Economic Development in March for this funding shortly before the Committee met, asked that
43 this be sent over to Special Projects. The Staff looked at the request and sent it to you folks and
44 said your Committee had funded the business plan and asked that when the business plan was

1 completed the project be brought back to you, so, it is in front of you today. I think it also meets
2 our Special Projects' test as far as impacts and involvement of the Institute, which had regional
3 representation. I think for a variety of reasons it is back before you today.

4 DELEGATE KILGORE: What do you mean by rig?

5 DR. AHMADIAN: Maybe I can answer that. My name is Mehdi
6 Ahmadian, and I wear various hats. One of the hats I wear is that I am the Director of the
7 Virginia Institute for Focus Engineering and Research VIPER. I am also the Director of this
8 laboratory at Virginia Tech, that's the Advanced Vehicle Dynamics Laboratory. Before I answer
9 any questions, let me go ahead and tell you and add to Eric's presentation for VIPER. The
10 division for VIPER has been in existence for nearly two and a half years. It is to draw assets that
11 are already available in Southside Virginia and bring that expertise and technology we have at
12 Virginia Tech together so we can create a world-class facility for drawing on the motorsports
13 markets that exist, motorsports as well as other areas such as the automotive industry, and all this
14 is in hopes of bringing job opportunities and employment along with skilled labor to Southside.

15 Let me go ahead and answer that question as far as what is this rig. The rig that we're
16 referring to is called the seven-post rig because of the fact that it applies seven different types of
17 forces to the body and the axle to the vehicle. When we are driving on the road we have forces
18 coming in from the road, four tires, and we also have four other forces applying to the body of
19 the vehicle from three different directions. What this rig is intended to do is to apply all forces in
20 the same manner as the way we see it on the road, except in the controlled environment of the
21 laboratory. Those of us in this field know that when you put things on the road in this
22 environment they're pretty much at the mercy of the environment. When you bring it in the lab,
23 then you can control them. You can also fine-tune things to the point of where it gives you a
24 great deal of understanding. It's that fine-tuning and great deal of understanding that's the main
25 element that gets others to invest and the element we see of bringing customers to our doorstep.

26 The other element that we feel strongly about in terms of bringing customers to the
27 doorstep is the fact that we are going above and beyond what our competition has in terms of
28 providing them with technologies that are developed at the Virginia Tech campus that they will
29 have access to in terms of providing them with a possible future labor force in terms of
30 undergraduate and graduate students who will be working with VIPER. Also, in terms of
31 another advantage that we have with VIPER as compared to most of our competition, we have a
32 critical mass that is being formed in cooperation with Old Dominion University and the wind
33 tunnel facility that they have, as well as Virginia International Raceway, and a lot of our
34 competition does not have these facilities available. I'll stop right there and answer any
35 questions.

36 DELEGATE KILGORE: If we were to fund this, how long would it be
37 before this would be operational?

38 DR. AHMADIAN: Our projection is that from the time of funding to the
39 time where we are able to have the rig operational would be about six to nine months. From
40 there we anticipate another two or three months to calibrate and have things to the point where
41 we can bring customers in, so you're looking at roughly about nine to twelve months. That's very
42 much in line with the experience that others have had, as well as some of the manufacturers that
43 we have been talking with, with regard to this.

44 SECRETARY SCHEWEL: I am a customer, and am I Hendrix Racing or

1 whoever I happen to be, then I come to you, what is it I want to know, or who is the customer,
2 and what do they want, and what do you do for them?

3 DR. AHMADIAN: The customer is anyone that's interested in performance
4 or safety, and I highlight both of them. They want to know in this case how their vehicle is
5 going to be performing under different operating conditions. To bring you a concrete example,
6 how is my vehicle performing as I corner or as I go around the turn? What kind of adjustments
7 can I make to that vehicle to make it perform better? In this case, performing better, in the case
8 of motorsports, is going to be so you can enable it to go faster. If I'm Ford Motor Company, it
9 may be to enable my vehicle to be safer.

10 MS. NYHOLM: My name is Connie Nyholm, can I add a little bit more?

11 SENATOR WAMPLER: Yes.

12 MS. NYHOLM: I'm Connie Nyholm from VIR. Many of the customers
13 from Southside Virginia have come here, and they are already customers of Southside Virginia.
14 They come in usually for a very short period of time for limited reasons, like tests on our
15 racetrack over in South Boston; they can't do those tests. But with the VIPER capability they
16 will stay longer and develop more expertise in testing their vehicles. With those assets,
17 combined with the assets we already have, potentially it would help to open new shops. Since
18 we were here in October we had two tenants come to us, and they came to us specifically
19 because of the word they heard about VIPER. They are sitting on the fence, and I'm supposed to
20 call them after this meeting. I think we will be leveraging some of the customers that are already
21 coming to Southside, as well as other initiatives of the Institute, which is robotics, job growth.
22 Most of the robotics revolve around vehicle dynamics. Those robots have to traverse in the right
23 terrain, which then translates into vehicle dynamics and mobility platform, and along with some
24 of the other equipment that is planned for VIPER, can be leveraged into the job market.
25 GELSER has been funded for over six million from federal sources, so that program is a reality
26 and can add to and take from VIPER.

27 DR. AHMADIAN: Gentlemen, if I could add just a little bit more, and to
28 follow up on Ms. Nyholm's point. Even though it is not included in your application, we have
29 been in conversations with places like NASA Langley and whether we would like to use this
30 facility for exploration vehicles and the kind of vehicles they sent to Mars and bring our
31 expertise together with theirs so we can use this as an asset to go after federal funding, as well as
32 do the same with the Army. The seven-post rig that we are proposing is one that will go above
33 and beyond testing race cars. It enables us to test much heavier vehicles, the type that would be
34 of interest to the Army.

35 MR. OWEN: Mr. Chairman, one additional comment. This is a research
36 and commercial testing venture. The research part is very important, because not only did it
37 involve faculty but it involves students. There will be a time that young people from Southside
38 and Southwest can go get their mechanical engineering degree at Tech or wherever and then
39 come back to Southside and do graduate work in this kind of performance engineering and stay
40 there because the facilities will be viable and there will be a viable industry to employ their skills
41 and talents, which doesn't exist today. To get those skills today we have to emigrate out the
42 territory for them to stay here.

43 SENATOR WAMPLER: Maybe you want to deflect this question to
44 somebody else, but I'm having a difficult time understanding the organizational chart of where

1 the dollars go, who has the ownership, what is for-profit and what is not-for-profit. I don't know
2 if anyone is skilled in providing that answer, but I'm having a hard time holding all the pieces
3 together.

4 DR. AHMADIAN: We envisioned VIPER as an entity to be a not-for-profit
5 organization, and that would be operated under the auspices of the Advanced Learning and
6 Research Center. We see it as one where all of the excess revenues will be plowed back into the
7 operational side of the organization to make it grow, both in terms of capability as well as
8 staffing. We have had an extensive amount of discussion in that regard.

9 MS. NYHOLM: And equipment and educational programs.

10 SENATOR WAMPLER: It would be open to anyone that wishes to use it?

11 DR. AHMADIAN: That is correct.

12 SENATOR WAMPLER: Any results from a client who schedules a week or
13 two weeks or whatever block of time, that is proprietary in nature and they would own the
14 research results?

15 DR. AHMADIAN: That is correct.

16 SENATOR WAMPLER: Delegate Dudley.

17 DELEGATE DUDLEY: I'm probably the only person in here that has ever
18 financed an endeavor that is pretty close to this. My customer made an awful lot of money on it.
19 They had government contracts, Army contracts, private company contracts. Don't you see, this
20 is something that is very, very profitable if it is done right?

21 DR. AHMADIAN: Yes, sir, I do see it as a profitable venture. In fact, one
22 conservative estimate, the first couple of years the operation will move into the black. You have
23 got to understand that is just looking at only motorsports racing teams as the only customer. If
24 you add on top of that the potential for bringing in research dollars and bringing in revenues
25 from the automotive industry, their suppliers, you can see the revenues will grow.

26 SENATOR WAMPLER: Other questions of the Committee? What else do
27 you think we need to know about the project?

28 DR. AHMADIAN: The only other piece that I would like to add is that
29 there are a couple of things here in play. This is very much in line with the Governor's and
30 Secretary of Commerce's vision in terms of creating a motorsports alley similar to what is in
31 existence overseas in Southside Virginia.

32 The other thing I would like to add is that we will have a unique facility which will
33 enable us to create and put in place a multi-university structure of undergraduate and graduate
34 education that will very nicely complement the Motorsports Academy that has been very
35 recently put in place in Southside.

36 SENATOR WAMPLER: In the spirit of cooperation, let me say that the
37 legislature thinks that it is a good idea, too. Other questions concerning this application? All
38 right, thank you all very much.

39 MR. PFOHL: Page five, the Longwood and Region 2000 Small Business
40 Development Centers. They put in a proposal that they call the Southern Region SBDC
41 Supplemental Funding Proposal. It is a request for one hundred fifty thousand dollars. The
42 applicant was candid with us and said that they had been cut a hundred and fifty thousand from
43 the state budget over the last couple of years, and they are asking the Commission to replenish
44 their budget. Staff has had conversations with the applicants and conveyed to them that they

1 needed to bring us some new initiatives that would be new offerings in their regions. The
2 applicant recognizes that. We request this be tabled so that it will allow the Staff time to work
3 with the applicants on some new programs that they could operate in their regions. They are not
4 here, as I understand it.

5 SENATOR WAMPLER: Any discussion from the Committee? All right.
6 Next item.

7 MR. PFOHL: Of a somewhat similar nature, Virginia's Philpott
8 Manufacturing Extension Partnership submitted a request for four hundred thousand. It is a
9 partnership with the Manufacturing Technology Center based in Wytheville. The two existing
10 organizations provide consulting services to companies, and principally they are asking us to
11 assist them in offering a Lean Manufacturing program in Southside and Southwest. Lean
12 Manufacturing is something they have been doing for a number of years, and we indicated the
13 same concerns to the applicants on the Philpott Manufacturing project that this is a request that
14 would supplant state and federal budget cuts and allow them to continue offering a program that
15 they can offer for a number of years, and they understand that as well. I don't know if anyone is
16 here that wants to speak that. We ask the Staff be allowed to work with them to identify some
17 new initiatives and come back.

18 SENATOR WAMPLER: Anyone from the Manufacturing Programs here?
19 The Chair's guidance to the Staff would be, find out if there is something specific that is needed
20 to move an industry or even specific business forward for lack of funding which would be at a
21 competitive disadvantage, and if that is the case bring it back to us, and I suspect we would look
22 at it much more differently, rather than giving them general operating support for an entity. At
23 least that is my thought, so without objection we would ask Staff to do that.

24 MR. PFOHL: Finally, on page six in effect the Tobacco Commission is
25 looking to have a partnership with the Virginia Economic Development Partnership, and
26 particularly the Department of Housing and Community Development, to perform an analysis of
27 eleven sites that have been identified by VEDP as having potential for an auto assembly plant.
28 These are so-called mega-sites of a thousand acres plus. The eleven sites are in both regions.
29 Mr. Barber is here and has identified those eleven sites. He could speak to the next steps in
30 moving us forward, and we have some information that could be handed out to you. The concept
31 would be that the Commission, along with VEDP and Housing and Community Development,
32 would perform preliminary engineering on these sites, as well as looking at the sites for other
33 attributes and the ability of those sites to handle the auto assembly plant, as well as the ability of
34 the surrounding areas within an hour or so radius to attract auto part suppliers and other related
35 industries.

36 SENATOR WAMPLER: Neil, give us a quick version of what he is talking
37 about.

38 MR. BARBER: Yes, sir. I'm Neil Barber with the Virginia Economic
39 Development Partnership. As you are aware, the automotive industry has been a target not only
40 of VEDP but also the region and local Economic Development organizations throughout
41 Southside and Southwest. It is the mainstay of a lot of the current economy. Virginia in the past
42 has been unsuccessful in recruiting a major automotive plant operation. One of the major
43 reasons for it not being successful is that lack of appropriate properties that have acreage and
44 infrastructure necessary to support a major automotive manufacturer. These sites, as Tim

1 mentioned, would be in excess of one thousand acres up to two thousand acres. They would
2 need immediate access to a four-lane highway or Interstates, gas, power and rail service. We've
3 done a preliminary review of properties, local economic development organizations and Staff,
4 and have identified roughly a dozen properties that would generally meet the criteria. We would
5 like to hire an automotive consultant on the national level, which would give us an overview of
6 Virginia's competitive environment for the automotive industry, as well as to set up some specific
7 criteria for evaluation of these individual sites. Once that has been done, we would then select
8 amongst those properties that have already been identified and others that could come forward.
9 Then some of the due diligence would have to be performed that would be necessary to in
10 essence pre-qualify the sites that, certified automotive sites. That would include legal,
11 engineering, whatever would be necessary. I'll be glad to answer any questions.

12 SENATOR WAMPLER: Tim, do we have an application for this?

13 MR. PFOHL: We received an application, yes.

14 SENATOR WAMPLER: Am I the only one that doesn't have it? Who is the
15 actual applicant?

16 MR. PFOHL: The Tobacco Commission would administer this project.

17 SENATOR WAMPLER: Let me try again, who actually applied for it?

18 MR. PFOHL: It's an outgrowth of conversations with the Executive
19 Director of the Economic Development Partnership and our Executive Director.

20 SENATOR WAMPLER: Who would own the information?

21 MR. CURRIN: If we paid for it, Mr. Chairman, we would, I would suspect.

22 SENATOR WAMPLER: It's actually good that we are collaborating, but
23 I'm just trying to understand what the deal is. I'm not still sure I understand what the deal is.

24 MR. CURRIN: The deal is that we are suggesting to the Commission that
25 we embark upon attracting consultants to do this analysis of these eleven sites that have been
26 identified thus far by Mr. Barber and the Partnership, realizing that this would present an
27 extremely unique opportunity to the Commonwealth and more precisely to Southside and
28 Southwest Virginia. We have not historically in the past made positions similar to our sister
29 states of South Carolina, for example, which have attracted large automotive manufacturing
30 facilities. Approximately six months ago Mr. Kilduff contacted me and suggested that we kind
31 of create a collective opportunity to at least review where we may have some opportunities to
32 market a site or two that would be attractive to that industry in Virginia which as of today has not
33 been successful. I hope, Mr. Chairman, that is clear, that is very brief and will be helpful.

34 SENATOR WAMPLER: Mr. Jenkins.

35 MR. JENKINS: I have a question, what you're saying here, there's already
36 been eleven sites identified within the two regions that would possibly qualify.

37 SENATOR WAMPLER: Right.

38 MR. JENKINS: How does that compare with the rest of the state? In other
39 words, this is coming from the Department of Housing and Community Development, which
40 means you're not just going to look at eleven or twelve sites in Southside and Southwest
41 Virginia. Where would the funding come from to look at the other sites in Virginia? How many
42 have been identified elsewhere?

43 MR. PFOHL: I think probably the Secretary can address that. This funding
44 would specifically do the engineering on the sites in the tobacco region. It would not be looking

1 at sites outside the tobacco region.

2 MR. JENKINS: But then you become competitive with the rest of the state,
3 and who is going to fund that, and what chance have you got if that gets ten times the funding?

4 SECRETARY SCHEWEL: Mr. Chairman, I don't really see this as being
5 competitive with what is going on elsewhere in the state. I see it as being an enhancement of
6 what is going on. If we had a prospect for an auto assembly plant, what we would do in any
7 similar case for any other plants, the Virginia Economic Development Partnership would identify
8 all of the sites in Virginia that meet their criteria. Let's say a Ford plant, Ford was out looking to
9 build a new plant and they came to Virginia. They said, we're looking, and we said what are
10 your criteria? They say we need a thousand acres and served by two rail, we need gas, we need
11 power, and we need X-amount of water. We need a population of X within fifty miles. We
12 would then identify every site we knew in Virginia that met that criteria. We would provide all
13 of those sites to the company. The company would typically look through our site survey.
14 You've given us ten sites, one in Augusta County, and one is here, and one is in Isle of Wight
15 County, and one is in Pittsylvania, and one is in Washington. They would say, these are the ones
16 we are interested in, and we would like to come back in the future and look more thoroughly at
17 them for more information. I don't really see it as being competitive. The way we handle it is
18 that we give them everything in Virginia that meets the criteria when we present to these
19 companies. It's an enhancement, and we have more to present to them. The problem is,
20 particularly for auto plants, because there are so relatively few sites, and if you don't have the
21 sites identified and embedded in advance, and Mississippi, Alabama or Kentucky do, it just takes
22 too long to do all of that after the fact and once you know somebody is looking. You have to do
23 it up front in order to have a shot, and I think it would be an enhancement to the state's overall
24 efforts.

25 MR. JENKINS: I understand that, but I still have a problem understanding
26 if we spend the money to go the extra mile and identify and come up with criteria to make these
27 sites in Southside or Southwest attractive, then who is going to do it for the rest of the state? I
28 don't think they are going to sit back and not identify other places in the state. Who is going to
29 pay for what it takes to bring them up to the same level?

30 SECRETARY SCHEWEL: I think as a practical matter this is in the area in
31 which the tobacco regions have an advantage in that there isn't any organization like the Tobacco
32 Commission that is available elsewhere in the state to do this kind of comprehensive study.
33 There is no question that the Virginia Economic Development Partnership knows the number of
34 sites in Virginia that it considers suitable for these kinds of projects. Some are in Southside and
35 some are in Southwest and in different parts of the state. Toyota recently was looking for some
36 place, and we made presentations to Toyota for sites, so Virginia already has some sites
37 identified and continues to try to identify sites, but it doesn't have the resources to do it in this
38 kind of systematic manner that would be available for Southside and Southwest, and we'll
39 probably end up with better data and more comprehensive data in Southwest and Southside sites
40 than we will other parts of the state where it will be a little more episodic.

41 SENATOR WAMPLER: I think what this boils down to, without coming to
42 conclusion, (a) are we funding it, and (b) does the Tobacco Commission want to do it a hundred
43 percent, or are they going to ask the Partnership to cost share this with us? I don't know what
44 course you want to offer, but those are a couple that I wanted to bring out. Tim, I don't know if

1 there are any other points you need to make to the Full Commission before we see if anyone else
2 has any comments on it.

3 MR. PFOHL: Fine.

4 SENATOR WAMPLER: Does anyone else have a comment they want to
5 make?

6 DR. HAWTHORNE: Mr. Chairman, another comment I'd like to make. I'm
7 Alan Hawthorne, Economic Developer for Wythe County. Speaking from my local economic
8 development perspective, should such a site be identified successfully and successfully locate a
9 facility anywhere within the entire tobacco region, it would have a tremendous impact on the
10 entire region, because there would be facilities for a hundred or more miles around that would
11 continue to feed into such a facility. If this project would be successful it would be a win/win
12 throughout the region, and I'd just like to share that with you if I may.

13 SENATOR WAMPLER: In order to do this deal the Tobacco Commission
14 would have no discretionary dollars left available to meet the incentive package that would be
15 required. It's not a bad problem to have.

16 MR. FLANARY: Mr. Chairman, I've listened to all of these comments, but
17 I'll let you know Neil did a lot of due diligence in contacting a lot of us early on. I don't think he
18 identified one in Planning District One. If we cleaned everything out of the regional park in
19 Duffield it's less than four hundred acres. We are topographically challenged. I'll join what Alan
20 said, it's a good thing. I think what you described amounts to a preliminary engineering report
21 on the sites, and you're probably going to identify multiple land ownership issues, and you're
22 going to have to do some rough cut filling out and raise your level of readiness to be able to
23 respond. Secretary Schewel would say he doesn't want to say, but we'll get back to you in a few
24 days. Without regard to the cost or anything I'd say the concept is very good.

25 SENATOR WAMPLER: Other questions or comments.

26 DELEGATE KILGORE: Is now the time to go back and start through
27 these, hashing them out one by one?

28 MR. PFOHL: That is all we are presenting today.

29 SENATOR WAMPLER: Without taking a break I would suggest we go
30 right into the matters. We can just take them up accordingly, or however you all want to take
31 them.

32 DELEGATE KILGORE: I see the Staff has recommended 2.477. Are we
33 going through the Staff recommendations, or how do you want to do that?

34 SENATOR WAMPLER: As uncharacteristic as it may sound, I'm not sure I
35 disagree with the Staff recommendations on many things.

36 DELEGATE KILGORE: Mr. Chairman, on the Crooked Road marketing
37 and the Crooked Road signage project, Lenowisco Planning District Commission, I would make
38 a motion that we approve the Staff recommendation on both of those at two hundred fifty and
39 ninety thousand dollars, two hundred fifty for the marketing and ninety thousand for signage.

40 SENATOR WAMPLER: Is there a second to Delegate Kilgore's motion?

41 SECRETARY SCHEWEL: I'll second it.

42 SENATOR WAMPLER: It's been moved and seconded the application for
43 marketing the Crooked Road in the amount of two hundred fifty thousand and the next project
44 being the Crooked Road Virginia Music Heritage Trail Project in the amount of ninety thousand

1 be recommended to the Full Commission. We can slow down and take as much time as we need
2 for discussion so everybody is comfortable and understands what we are voting on. The motion
3 before us is to take those two applications, to take the Staff's recommendation of two hundred
4 fifty thousand and ninety thousand, respectively, the two applications. Discussion on the two
5 items? Hearing none, all in favor of recommending to the Full Commission the two items
6 described signify by saying aye? (Ayes.) Opposed, no? (No response.) The ayes have it, and
7 those two will be recommended to the Full Commission.

8 DELEGATE KILGORE: There's another big one here, and I probably
9 should go ahead, if it's all right with the Chair, and it's the VIPER Project. I believe this project
10 has a lot of opportunity for Southside and also may offer some opportunities for Southwest and
11 Bristol and all that. I'd make a motion that we adopt the Staff's recommendation.

12 MR. WALKER: Second.

13 SENATOR WAMPLER: It's been moved and seconded that the application
14 from the Halifax IDA to support the VIPER Project in the amount of one million three hundred
15 five thousand two hundred fifty dollars be adopted. Is there any discussion on the matter?

16 MR. PFOHL: Mr. Chairman, I may have misstated something, the
17 application is the Institute for Advanced Learning and Research.

18 SENATOR WAMPLER: Thank you, the Minutes will so reflect. Delegate
19 Dudley.

20 DELEGATE DUDLEY: This came to us as a request from Halifax County
21 Economic Development. If this is successful, this should produce quite a bit of profit within the
22 next few years. I think it should either go back to the Southside Economic Development for
23 funding from Halifax's share or it should be advanced as a loan to be repaid. That's my opinion.

24 SENATOR WAMPLER: Other discussion on the VIPER Project? Hearing
25 none and seeing none, all in favor of adopting the Staff's recommendation on the VIPER Project
26 signify by saying aye? (Ayes.) Opposed, no?

27 DELEGATE DUDLEY: No.

28 SENATOR WAMPLER: The ayes have it, and that motion carries.

29 The Committee operates on a motion.

30 DELEGATE KILGORE: I hate to hog the floor, but I will make a motion
31 on the Auto Assembly Mega-Sites Study. One hundred seventy thousand if we own it. Would
32 the Tobacco Commission own it?

33 MR. CURRIN: That would be my understanding, Delegate Kilgore, yes.

34 DELEGATE KILGORE: One hundred seventy thousand is a lot of money,
35 but if we were to land one of these auto assembly plants it would be a drop in the bucket, and the
36 General Assembly would probably have to go into special session.

37 SENATOR WAMPLER: Delegate Kilgore, your motion is to adopt the
38 hundred seventy thousand, with the understanding that the Tobacco Commission would own the
39 rights to the study.

40 DELEGATE DUDLEY: Second.

41 SENATOR WAMPLER: It's been moved and seconded that the hundred
42 seventy thousand dollar recommendation from the Staff be adopted. Any further discussion?

43 SECRETARY SCHEWEL: I'm not sure I understand the ownership
44 question. I assume that this thing is funded principally by the Tobacco Commission, Virginia

1 Economic Development Partnership funds part of it. I assume that the Economic Development
2 arms of the State of Virginia will own and have this information.

3 SENATOR WAMPLER: Mr. Secretary, not being argumentative, but I
4 didn't see that. I understood a hundred seventy thousand dollars was the total cost and we would
5 be the only person to participate. Am I in error? We don't have that application, perhaps you do.

6 MR. PFOHL: Mr. Secretary, VEDP has indicated they could provide fifty
7 thousand dollars to the project and the eleven localities would be the applicants for a community
8 block grant through the Department of Housing and Community Development for five thousand
9 dollars each. That would be fifty-five thousand going into this total project cost.

10 SENATOR WAMPLER: Who would contribute the first fifty thousand?

11 MR. PFOHL: VEDP.

12 DELEGATE KILGORE: Then the joint venture would own it, but it would
13 still benefit Southwest and Southside, it appears to me. All these sites would be within Southside
14 and Southwest.

15 SENATOR WAMPLER: I'll try this again on the Full Commission, and
16 we'll operate on the motion before us and without objection try it. The motion before us is to
17 recommend to the Full Commission to allocate a hundred seventy thousand dollars toward a joint
18 study to support the Auto Assembly Mega-Sites Study. For those that made the motion and
19 seconded it, I would assume that you would concur with that. Hearing no objection, and that is
20 concurred in, is there any other discussion on the matter? Hearing none, all in favor of that
21 motion signify by saying aye? (Ayes.) Opposed, no? The ayes have it, and the motion is
22 adopted.

23 I'm going to try to clean up two items on the agenda. Again, under the one objection
24 rule where if anybody wants to offer an alternative view, the two items that the Staff
25 recommended for the Philpott Manufacturing Extension Partnership and Longwood and Region
26 2000 supplemental funding. The Staff's recommendation was not to take those up now, and
27 without objection those will go by for the day, and we'll hear from them perhaps at another date.

28 DELEGATE KILGORE: I was going to ask you a question about the
29 Cumberland Plateau Electronic Business Village. That request was for a hundred eighty
30 thousand. Did you all deduct the seventy-three thousand for salaries, or is that included in the
31 one hundred eighty thousand.

32 MR. PFOHL: As is the case when a full request is not awarded, we'll give
33 them an opportunity to come back and present a budget to us to reflect the awarded amount. We
34 can also condition the award that specific uses be allowed or disallowed.

35 DELEGATE KILGORE: I didn't realize, I thought the Staff had, but then I
36 would make a motion that we approve eighty thousand dollars for the Cumberland Plateau
37 Economic Business Village.

38 SENATOR WAMPLER: Is there a second to that motion?

39 MR. WALKER: Second.

40 SENATOR WAMPLER: It's been moved and seconded that the amount of
41 eighty thousand dollars be allocated or recommended, and remember, everything we are doing
42 today is simply a recommendation to the Full Commission, and if I get a little carried away just
43 bear with me. The motion before the Committee is to recommend to the Full Commission eighty
44 thousand dollars be allocated to the Cumberland Plateau Electronic Business Village. Any

1 discussion on this project? Hearing none, all in favor of adopting the Staff's recommendation
2 signify by saying aye? (Ayes.) Opposed, no? (One no vote.)

3 SENATOR WAMPLER: The ayes have it, and that motion will be adopted.

4 SECRETARY SCHEWEL: Mr. Chairman, I move adoption of the Staff's
5 recommendation for the Southwest Export Trade Initiative, which is a seventy-five thousand
6 dollar amount toward the hundred fifty-four thousand seventy-five dollars, cost sharing.

7 SENATOR WAMPLER: Is there a second to that motion?

8 DELEGATE KILGORE: Second.

9 SENATOR WAMPLER: It's been moved and seconded that the Staff
10 recommendation of seventy-five thousand dollars be recommended to the Full Commission for
11 the Southwest Export Trade Initiative. Any discussion on the matter? Hearing none, all in favor
12 signify by saying aye? (Ayes.) Opposed, no? (No response.) The ayes have it.

13 DELEGATE KILGORE: Mr. Chairman, I move we accept the Staff's
14 recommendation on the Virginia Coalfields Regional Sewer Study. This is a big part of a lot of
15 water line being put in the ground down in Southwest Virginia. We did that several years ago.
16 So I would make a motion that we fund the study.

17 SENATOR WAMPLER: The Staff's recommendation is a hundred thousand
18 dollars. Is there a second to that?

19 SECRETARY SCHEWEL: Second.

20 SENATOR WAMPLER: It's been moved and seconded that the Staff's
21 recommendation of a hundred thousand dollars towards the Virginia Coalfields Regional Sewer
22 Study be adopted. Any discussion? Hearing none, all in favor of that adoption signify by saying
23 aye? (Ayes.) Opposed, no? (No response.) The ayes have it, and that recommendation is
24 adopted.

25 Mr. Vice Chairman, would you chair this, please?

26 DELEGATE DUDLEY: Yes.

27 SENATOR WAMPLER: Mr. Chairman, I'd like to make a motion that
28 Staff's recommendation of thirty-six thousand nine hundred dollars be adopted for the Blue
29 Ridge Highlands E-Commerce Project.

30 DELEGATE DUDLEY: Do I have a second?

31 DELEGATE KILGORE: Second.

32 DELEGATE DUDLEY: Any discussion? All those in favor of the motion
33 to approve funding recommended by Staff, signify by saying aye? (Ayes.) All opposed, same
34 sign? (No response.) The motion carries.

35 SENATOR WAMPLER: Mr. Chairman, I'd like to take one more pass
36 perhaps to clean up the balance. Mr. Chairman, it appears to me we have one project left, and
37 one that I am not as familiar with in the region as others. It seems to me that we all look for not
38 only horizontal products but a horizontal product that will yield business at the end of the day. I
39 was sitting here thinking about VIR, and it seems to me one of the very first projects we funded
40 was a sewer and water extension to VIR. Some people on the Commission wondered why we
41 were doing that, and I think we can see how growth has leap-frogged in that neck of the woods
42 as a result of what that small investment made. The only concern I have with the Staff's
43 recommendation of three hundred fifty thousand dollars, can it be paid and what happens if we
44 reduce it by a dollar amount, and are there other funding sources, other grants that are pending

1 that may or may not support this project?

2 MR. PFOHL: Mr. Chairman, I think the federal sources have been tapped
3 pretty extensively on this, and I'd probably have to defer to the applicant to see if there is
4 anything pending, there is nothing else represented that we are aware of, could be possible gap
5 financing, I'd prefer the applicant to comment on that.

6 DR. HAWTHORNE: I'm Alan Hawthorne, Executive Director of the Joint
7 Industrial Development Authority. Mr. Chairman, working with Staff we did go back and try to
8 reduce it, and what do we think would be a minimum amount of request to make this happen,
9 and that's the three fifty that we came up with. There are two items that we have not gotten
10 concrete funding on, but they are associated with location of specific projects. We anticipate no
11 problem in closing on that, once the Community Development block grants are provided in
12 partial support of this facility. The other component is the rail assistance program providing rail
13 services into the first project that would be located among that group. This is the amount that is
14 required to get that initial backbone of the water and sewer services in, which would be required
15 to get in the first company which has committed to locate there.

16 DELEGATE DUDLEY: Senator Wampler, did that answer your question?

17 SENATOR WAMPLER: If I could defer to Secretary Schewel for his
18 thought of the Progress Park and the opportunity to move forward. I happen to think that we
19 cannot invest enough in our industrial parks.

20 SECRETARY SCHEWEL: Mr. Chairman, the total project cost here is a
21 million six, is that correct?

22 DR. HAWTHORNE: The Phase II development of the southern part of the
23 park is actually five point eight million dollars, two and a half million of which has been
24 borrowed money from Rural Development. That was the question that came up last time. EDA
25 has invested a million and a half in the southern rail service part of the park. We certainly feel
26 like a three hundred fifty thousand-dollar investment by the Tobacco Commission is very good
27 leverage for five point eight million dollars. That is just the construction of the infrastructure.
28 When the companies come in and fill that you're looking at least at a ten-to-one ratio of capital
29 investment over that. The park has been projected to have anywhere from a third up to a billion
30 dollars of private sector capital investments in that twelve hundred ten acre park. It's a very large
31 facility and that is how we get into some of these larger numbers in terms of providing
32 infrastructure to the sites. I think it is important to keep in mind that the Phase II development
33 and construction cost is five point eight million.

34 SECRETARY SCHEWEL: Mr. Chairman, I was about to say that was good
35 leverage, but it is better leverage than I thought it was. The second thing is that we have had, the
36 area around this park is the juncture of 77 and 81, and in that area there seems to be a lot of
37 interest in that, so I think the prospects here, and of course nothing is certain, we've still had a lot
38 of interest in this area. I think it's a likely source of success over the years.

39 SENATOR WAMPLER: Mr. Chairman, I'd make a recommendation that
40 we adopt the Staff's recommendation of three hundred fifty thousand toward Progress Park
41 Infrastructure.

42 SECRETARY SCHEWEL: I'll second that.

43 MS. WASS: Do you want to make it contingent upon receipt of funding?

44 SENATOR WAMPLER: I really didn't. I don't know if we'd do that on the

1 other projects that we've done today.

2 DELEGATE DUDLEY: Senator Wampler, I would think that every
3 application we're looking at where they are saying they have got X money coming from
4 somewhere else, we're relying on that in the vote that we take on any of these.

5 MS. WASS: I think in most cases the funding is already secured, except in
6 this case.

7 DELEGATE KILGORE: I think it is already secured, anyway.

8 DR. HAWTHORNE: Part of the dilemma is that we can't accept the other
9 funding if we don't have, the project will not go without this. It's a chicken-and-egg scenario.

10 DELEGATE DUDLEY: Stephane, did you understand that?

11 SENATOR WAMPLER: Mr. Chairman, if I could modify my amendment.
12 That we would adopt Staff's recommendation of three hundred fifty thousand for the Progress
13 Park Phase II Infrastructure, employment contingent upon other grant sources as presented in the
14 application coming to fruition. That's my motion.

15 DELEGATE DUDLEY: We had a second.

16 SECRETARY SCHEWEL: I second it.

17 DELEGATE DUDLEY: Any further discussion on this motion? All in
18 favor, signify by saying aye? (Ayes.) All opposed, same sign? (No response.)

19 SENATOR WAMPLER: We actually have a couple more items on the
20 agenda. Public comments. Is there anyone else that feels they need to offer comments?

21 MR. FLANARY: I want to apologize to Delegate Dudley. I read the
22 application, and it did say that the Blue Ridge Center is in Galax; a soon-to-be former staff
23 member wrote that. I referred to the map, and the map does include Franklin County, and the
24 Staff picked up on that as well, and I apologize for it.

25 Secondly, I'd like to ask, in reference to the signage, I'd ask Secretary Schewel to call
26 Secretary Clement, and I understand the Transportation Board is meeting later, and communicate
27 the favorable decisions so they will hopefully be disposed to do their part on this.

28 DELEGATE DUDLEY: They are going to be for it, because they are also
29 considering regulations, and they are going to charge for every sign.

30 MR. FLANARY: We have assurances from VDOT they are not going to
31 charge for this one. As a technical matter, I would just like to, we don't have any way to interfere
32 in that process, they are doing their own deliberations. It would be helpful if you could
33 communicate that to, to the VDOT people.

34 SECRETARY SCHEWEL: I just wanted to mention that the TODD
35 program that VDOT is working on will affect things like the shape of signs and where they go
36 and all that kind of stuff. My understanding, because I have been negotiating with someone, as
37 you said, organizations like this would not charge for them. I still think you are going to have to
38 coordinate with them about the design and all that stuff, because that's a very hot topic with them
39 at the moment.

40 MR. FLANARY: You're right, VDOT's been a part of it, at least at the
41 Bristol District level and the County level from day one that we were aware of.

42 SENATOR WAMPLER: Are there any others that wish to speak during this
43 comment period?

44 MR. CURRIN: Mr. Chairman, the Full Commission will meet July 22nd in

1 the great Southwest in Abingdon, Virginia, at the Higher Education Center.

2 SENATOR WAMPLER: Any other comments from Staff or other
3 directions?

4 MR. PFOHL: Mr. Chairman, with the Committee's blessings we will ask
5 that when the Special Projects Committee meeting is announced that we would close the door to
6 applications at least two weeks before that Committee meeting date. We had a flurry of
7 applications that were trying to get in the door in the last forty-eight hours. In trying to do our
8 job in such a short time frame, so with the Committee's approval we will insert in the application
9 instructions that when the meeting is announced the applications will have to be received at least
10 two weeks prior to the meeting date.

11 SENATOR WAMPLER: I understand that we're about ready to adjourn, but
12 this is an important point. One reason Special Project's guidelines are as general or as generic as
13 they are is the unforeseen request that may come in and may not fit, Deal Closing Funds either
14 from the Tobacco Commission or the Governor's Fund. I still say that we need to maintain some
15 degree of flexibility if a project happens to come before us that we are able to act on it and not be
16 limited by that time. I suspect we could always accept one under those circumstances.

17 MR. CURRIN: Mr. Chairman, I make a compromise to Mr. Pfohl's
18 position, and that is in those situations, in talking to the Chairman and Vice Chairman of the
19 Committee, we could allow that flexibility.

20 SENATOR WAMPLER: I'm comfortable with that, I just think we need to
21 keep an avenue open to where if the Secretary brings us a project that needs help that we need to
22 be able to move on it fairly quickly.

23 The last comment I will make is to all the applicants that are here. These are
24 recommendations, and funding may change a bit. As I said before, we have another large project
25 in Southside that we are trying to make a business plan work on, and there may be other dollars
26 from other projects that we have to come to and hopefully make that work, too. I think we're in
27 pretty good shape. Any other matters to come before us?

28 DELEGATE KILGORE: I move we adjourn.

29 SENATOR WAMPLER: Is there a second? We're adjourned.

30
31 PROCEEDINGS CONCLUDED.

32
33
34 CERTIFICATE OF THE COURT REPORTER

35
36
37 I, Medford W. Howard, Registered Professional Reporter and Notary Public
38 for the State of Virginia at large, do hereby certify that I was the court reporter who took down
39 and transcribed the proceedings of the **Special Projects Committee Meeting when held on**
40 **Thursday, July 8, 2004 at 2:00 p.m. at the Hotel Roanoke and Conference Center in**
41 **Roanoke, Virginia.**

42 I further certify this is a true and accurate transcript to the best of my ability
43 to hear and understand the proceedings.

44 Given under my hand this 14th day of July, 2004.

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

My Commission Expires: October 31, 2006.