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**VIRGINIA TOBACCO INDEMNIFICATION  
AND COMMUNITY REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501  
Richmond, Virginia 23219

**Special Projects Committee Meeting**

Thursday, April 26, 2007

9:30 a.m.

Wytheville Meeting Center – Meeting Room C  
Wytheville, Virginia

1    **APPEARANCES:**

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

3    The Honorable Allen W. Dudley, Vice-Chairman

4    Mr. Thomas W. Arthur

5    The Honorable David Smith, Deputy Secretary for Secretary Gottschalk

6    The Honorable Terry G. Kilgore

7    Mr. Jordan M. Jenkins, Jr.

8    Mr. H. Ronny Montgomery

9    The Honorable Jody Wagner, Secretary of Finance

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13    COMMISSION STAFF:

14    Mr. Neal E. Noyes – Executive Director

15    Mr. Ned Stephenson – Director of Investments

16    Mr. Timothy Pfohl – Grants Program Administration Manager

17    Ms. Britt E. Nelson – Grants Coordinator, Southside Virginia

18    Ms. Sarah Williams – Grants Coordinator, Southwest Virginia

19    Ms. Stephanie Wass – Director of Finance

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21    OFFICE OF THE ATTORNEY GENERAL

22    Mr. Francis N. Ferguson, Senior Assistant Attorney General

23                   Counsel for the Commission

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1                   SENATOR WAMPLER: Good morning, I'll call this  
2 meeting to order. I'll ask our Executive Director to call the roll.

3                   MR. NOYES: Mr. Arthur?

4                   MR. ARTHUR: Present.

5                   MR. NOYES: Delegate Dudley?

6                   DELEGATE DUDLEY: Here.

7                   MR. NOYES: Deputy Secretary Smith for Secretary  
8 Gottschalk?

9                   MR. SMITH: Here.

10                  MR. NOYES: Mr. Jenkins?

11                  MR. JENKINS: Here.

12                  MR. NOYES: Delegate Kilgore?

13                  DELEGATE KILGORE: Here.

14                  MR. NOYES: Mr. Montgomery?

15                  MR. MONTGOMERY: Here.

16                  MR. NOYES: Secretary Wagner?

17                  SECRETARY WAGNER: Here.

18                  MR. NOYES: Mr. West?

19                  MR. WEST: (No response.)

20                  MR. NOYES: Senator Wampler?

21                  SENATOR WAMPLER: Here.

22                  MR. NOYES: You have a quorum.

23                  SENATOR WAMPLER: This is a Special Projects  
24 Committee set for this meeting at 9:30. This is a special called meeting. We  
25 have one item on the agenda this morning and it is without controversy. It's

1 a matter that was transferred from the Southwest Economic Development  
2 Committee to the Special Projects Committee. Along with that there is an  
3 amount of funding that has also been transferred and I'll ask Tim Pfohl to  
4 describe the project and then we'll entertain a motion.

5 MR. PFOHL: Good morning, thank you. Those of you  
6 who were here some years ago may remember the Special Project  
7 Committee funded a project that created a regional water authority that  
8 actually straddled the state line in Grayson County and Allegheny County,  
9 North Carolina, had a regional water authority and that has been established  
10 now in partnership with a Virginia county and town and a North Carolina  
11 county and town to draw water from the New River and update and serve the  
12 town of Independence in Grayson County and the Grayson County Industrial  
13 Park. In recent months a substantial project appeared on the scene that will  
14 benefit Virginia, that will benefit water service as well and the construction  
15 of a new prison facility that will directly create 350 to 400 jobs and an  
16 annual payroll of \$11 million in Grayson County. There is a balance of  
17 150,000 that remains from the FY04 Special Projects grant. The request that  
18 is before you today came to us originally as a submission to the Southwest  
19 Economic Development Committee March 1<sup>st</sup>. This project because of its  
20 multi-jurisdictional nature is eligible for special projects. Yesterday  
21 afternoon the Southwest Committee referred this project over to you for your  
22 consideration. Last week the Executive Committee moved \$200,000 from  
23 restricted funds from Southwest to you to choose if you wish to be used on  
24 this project. The specific need at this point is design and engineering  
25 expenses for construction for the water treatment plant and transmission

1 lines to serve the town and the prison project in Grayson County Industrial  
2 Park and other users in this regional project. The staff recommends an  
3 award for \$200,000 for engineering design of the water plant. We have  
4 some summary information included about sources of funding and that's  
5 before you.

6 MR. ARTHUR: How do you propose to get the other  
7 50,000?

8 MR. PFOHL: The other 50,000 funding gap, this is an  
9 estimated cost. The initial cost that was actually in the application for  
10 engineering and design is closer to half a million ballpark. Using the ten  
11 percent project cost rule of thumb, staff is updating with the localities, the  
12 planning district and some engineering firms and they are estimating the  
13 actual engineering cost to be closer to 800,000, which is ten percent of \$8  
14 million projected construction cost. The gap is somewhat undefined at this  
15 point. Two hundred thousand can be transferred to deal with this, that's the  
16 limit of the funds that are available to this Committee today.

17 SENATOR WAMPLER: This is a small piece of a bigger  
18 project and there are other funding sources to include portions of this past  
19 executive budget and legislative action that would allocate dollars for water  
20 projects, wastewater projects. This will help buy down the cost of the actual  
21 design of the project. It may be that partnering with Sparta, North Carolina  
22 if they wish to participate, we don't know that yet. Does that help you?

23 MR. ARTHUR: Yes.

24 SENATOR WAMPLER: Other questions or comments of  
25 the staff? Does anyone in the audience want to be heard?

1 DELEGATE DUDLEY: Where are we with the two and a  
2 half million dollars?

3 MR. PFOHL: When the proposal was submitted to us, it  
4 was submitted at \$1.5 million and it was subsequently amended by the  
5 applicant planning district commission to a \$2.5 million request and that  
6 would cover a substantial portion of the construction costs. Right now  
7 construction funding is not necessary and there is a balance of the \$2.5  
8 million proposal that would be resubmitted or tabled for future  
9 consideration.

10 SENATOR WAMPLER: Let me try to answer this for a  
11 banker. We don't know the entire cost of the project yet and a lot of what the  
12 first dollars would do to estimate perhaps as much as 8 million. If the state  
13 of North Carolina participates, that's one thing. We don't know how many  
14 users plan to be involved or customers that will be on the system. We don't  
15 know if the appropriate grant would be two hundred. Other questions or  
16 discussion on the matter? Are you ready to vote on the matter? It's  
17 appropriate for the Chair to entertain a motion on the option of the staff  
18 recommendation for \$200,000.

19 MR. ARTHUR: So moved.

20 MR. MONTGOMERY: Second.

21 SENATOR WAMPLER: A motion's been made and  
22 seconded to recommend awarding the staff recommendation of \$200,000 be  
23 adopted. Any further discussion? Hearing none, all in favor of adopting the  
24 motion signify by saying aye. (Ayes.) Opposed, no? (No response.) The  
25 ayes have it.

1           Any other matters that come before the Committee? Anyone in the  
2 audience care to be heard on this particular matter before the Special  
3 Projects Committee? I'm also advised that the applications are due  
4 Wednesday, August 15<sup>th</sup> for this next round of consideration at our next  
5 meeting on October 4<sup>th</sup> at a place to be determined. Any other matters to  
6 come before this Committee? Is there a motion to adjourn?

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8 NOTE: A MOTION IS MADE AND SECONDED TO ADJOURN.

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PROCEEDINGS CONCLUDED.

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## 1 CERTIFICATE OF THE COURT REPORTER

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3 I, Medford W. Howard, Registered Professional Reporter  
4 and Notary Public for the State of Virginia at large, do hereby certify that I  
5 was the court reporter who took down and transcribed the proceedings of the  
6 **Virginia Tobacco Indemnification and Community Revitalization**  
7 **Commission Special Projects Committee Meeting when held on**  
8 **Thursday, April 26, 2007 at 9:30 a.m. at The Wytheville Meeting Center,**  
9 **Wytheville, Virginia.**

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

12 Given under my hand this 2nd day of May, 2007.

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19 Medford W. Howard

20 Registered Professional Reporter

21 Notary Public for the State of Virginia at Large

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25 My Commission Expires: October 31, 2010.