

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

**VIRGINIA TOBACCO INDEMNIFICATION AND COMMUNITY
REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501
Richmond, Virginia 23219

Special Projects Committee Meeting
Monday, October 4, 2010
1:00 p.m.

Russell County Conference Center
Lebanon, Virginia

1 **APPEARANCES**

2

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

4 Ms. Connie L. Nyholm, Vice-Chairman

5 The Honorable Richard D. Brown, Secretary of Finance

6 The Honorable Kathy J. Byron

7 Mr. John Cannon

8 The Honorable Daniel W. Marshall, III

9 Mr. Israel O'Quinn

10 Mr. David S. Redwine, DVM

11 The Honorable W. Roscoe Reynolds

12

13 **COMMISSION STAFF**

14 Mr. Neal Noyes, Executive Director

15 Mr. Ned Stephenson, Deputy Executive Director

16 Mr. Timothy J. Pfohl, Grants Program Administration Manager

17 Ms. Sarah Capps, Grants Coordinator, Southside Virginia

18

19

20

21

22

23

24

25

1 October 4, 2010

2

3

4

INDEX

5 -----

6

PAGE

7 Michael Cooper 8

8 Debra Weir 10

9 Skip Skinner..... 16

10 Wade Bartlett..... 18

11 Gary Walker..... 23

12 Jack Caden..... 25

13 Carl Mitchell..... 27

14 Unidentified..... 47

15

16

17

18

19

20

21

22

23

24

25

1 October 4, 2010

2

3

4 SENATOR WAMPLER: I will call to order the
5 meeting of the Special Projects Committee, I'd ask everyone to
6 take their seat and let's go ahead and do a roll call.

7 MR. NOYES: Mr. Barnard?

8 MR. BARNARD: (No response).

9 MR. NOYES: Secretary Brown?

10 SECRETARY BROWN: Here.

11 MR. NOYES: Delegate Byron?

12 DELEGATE BYRON: Here.

13 MR. NOYES: Mr. Cannon?

14 MR. CANNON: Here.

15 MR. NOYES: Mr. Jenkins?

16 MR. JENKINS: (No response)

17 MR. NOYES: Delegate Marshall?

18 DELEGATE MARSHALL: Here.

19 MR. NOYES: Ms. Nyholm?

20 MS. NYHOLM: Here.

21 MR. NOYES: Mr. O'Quinn?

22 MR. O'QUINN: Here.

23 MR. NOYES: Mr. Redwine?

24 MR. REDWINE: Here.

25 MR. NOYES: Senator Reynolds?

1 SENATOR REYNOLDS: Here.

2 MR. NOYES: Senator Wampler?

3 SENATOR WAMPLER: Here.

4 MR. NOYES: You have a quorum Mr.
5 Chairman.

6 SENATOR WAMPLER: I welcome everyone to
7 Russell County, specifically to the Town of Lebanon and to this
8 facility. Some of you may have visited here before but if this is
9 your first visit, we welcome you and we encourage you to take
10 whatever length of tour you want to. If you want the long tour
11 we can accommodate you. I'm mindful of the miles that many
12 folks have traveled. The staff more or less, decided this is
13 where the Special Projects Meeting would be inasmuch as the
14 Southwest Committee met this morning. We're trying to be
15 efficient with the use of our time. The Southwest Committee
16 met and completed its business in less than an hour and I
17 think that was due in part to the staff's work on the proposals.
18 What I'm trying to do is set Tim up for such a mirrored effort
19 this afternoon so we can transact business in a timely
20 manner.

21 If ever there was a reason to have a telephonic
22 meeting by committee, we probably could have accomplished
23 that today but we're not able to do that and that's why we're
24 all physically here in Russell County. We have our full
25 Commission meeting the end of this month and the

1 recommendations we adopt today is what we will take before
2 the full Commission. Before we get into the applications, I
3 know we have at least one new member for the Special
4 Projects Committee and that's Mr. Israel O'Quinn. We're glad
5 to have you. Israel is a resident of Abingdon and he works
6 there and we're pleased to have Israel join us. Is anyone else
7 present for the first meeting of the Special Projects Committee,
8 I see Dr. Redwine. We're glad to have you although you're no
9 stranger to the Commission meeting. I think that's all of our
10 new members.

11 I think what we'll do now is ask for approval of
12 the minutes. I'm sure everyone read them last night. It's been
13 moved and seconded that the minutes be approved as
14 published. All in favor signify by saying aye. (Ayes). Opposed,
15 (No). The ayes have it.

16 The next order of business on the agenda is
17 that we have to discharge our duties on grant proposals. Tim,
18 why don't you lead us through the staff recommendations? It
19 would be my hope that we go through all of them and if you
20 want to modify any of them you would do so still within the
21 block. Those in the audience will have an opportunity to
22 speak if they wish. I'll recognize you after the application is
23 read and we'll hear from you then and take action later.

24 MR. PHOFL: Thank you Mr. Chairman. When
25 your Committee met in July you tabled five proposals and

1 those are back with you today. One has since then been
2 withdrawn 2139 by the Lenowisco Planning District
3 Commission for compressed natural gas vehicle conversions
4 and that's been withdrawn by the applicant so no action is
5 needed today. That leaves you four items just under \$3.8
6 million of available funds. Some of these you've heard and
7 discussed at length in July so I'll just provide you a brief
8 update based on our meeting with the applicants in the last
9 couple of months.

10 The first one is 2150 Cumberland IDA for the
11 Ag-Renewable Resources LLC Anaerobic Digester Facility. The
12 applicant continues to seek \$1.3 million and change as shown.
13 Staff is recommending funding of \$375,000 and I think the
14 applicant can explain to you why they continue to seek \$1.3
15 million. The staff's recommendation in this case is primarily
16 predicated on helping the county and this company get to the
17 point by December 31, they are still eligible for the federal
18 energy tax credits. That means they've got to complete five
19 percent of the project by year end. So that \$375,000 amount
20 is the construction that they have indicated to us that needs
21 to complete by December 31.

22 The second proposal, 2136, Franklin County
23 Office of Tourism Lake Effects –

24 SENATOR WAMPLER: Is there anyone that
25 wants to speak to that concerning application 2150 the

1 Cumberland IDA. Is there anyone here to be heard? All right,
2 if you'd stand and identify yourself and tell us what's on your
3 mind?

4 MR. COOPER: I'm Michael Cooper here
5 representing the Industrial Development Authority for
6 Cumberland County. I also have Mr. Bishop and Mr. Darrell
7 who are members of Ag-Renewable Resources LLC. Just to
8 follow up on Tim's comments, from the Industrial Development
9 Authority's standpoint we've been working with this business
10 now well over a year in an effort to site them in a new business
11 park. The significant benefit of that project coming in the park
12 we don't have a park in site today and this is a new venture for
13 the county so county development is very important. From
14 that standpoint we're looking forward to working with them for
15 bringing in some utility components to the project that the
16 county right can't do it on its own, it will benefit the entire
17 park and our efforts to attract new business going forward.
18 We do have a need for the \$1.317 originally identified in the
19 grant application. We certainly understand the staff's point of
20 view on this project. Eventually we're going to have some
21 funding lined up to get the construction so that we can be in a
22 position to receive that \$1.317 which was the amount
23 originally requested to get started on the construction of the
24 Digester. Thank you.

25 SENATOR WAMPLER: Any questions or

1 comments from the Committee? If memory serves me right, I
2 believe the original request Mr. Jenkins was very much the
3 driving force behind keeping this or going to the Agricultural
4 Business Committee. We decided to retain what we could. I
5 think staff's recommendation was to encourage the applicant
6 to pursue Agribusiness and subsequent modifications of the
7 application. If there are no other comments or questions.

8 MS. NYHOLM: Is money available for this
9 transfer should the Committee decide to move it?

10 MR. PHOFL: There is a \$2 million budget line
11 for Agribusiness. We expect there will be unclaimed
12 indemnification reserves so that can be used to enhance the
13 Agribusiness budget.

14 MR. NYHOLM: Because it's an agricultural
15 project, I can see putting it to Ag but this strikes me as a very
16 regional project also with a variety of positive outcomes. I
17 think just for the record it could go to either committee.

18 SENATOR WAMPLER: I think the staff has
19 adequately addressed the first phase of what is needed by the
20 end of the calendar year to keep the project going forward and
21 that's the chair's observation. Any other comments? All right,
22 2136 please.

23 MR. PHOFL: 2136 is the Franklin County
24 Office of Tourism and the project is Lake Effects – A family film
25 about to be filmed at Smith Mountain Lake. The original

1 requested amount was \$250,000 and the applicant has
2 reduced the requested amount to \$130,000. The post
3 production costs for the film was incurred after the date of the
4 Commission meeting. Filming is set to start, if not this week,
5 certainly in the next week or two. There have been several
6 positive developments from when this application was
7 submitted in terms of some recognized Hollywood talent that
8 has been signed for this production. The state film office has
9 also committed a grant up to \$120,000. However staff would
10 observe that most of the post production costs being requested
11 here by necessity with Hollywood firms in Los Angeles,
12 production houses and so forth, as well as the marketing that
13 will be conducted outside of the Tobacco region. We're going
14 to stick with our original recommendation, no funding for the
15 project.

16 SENATOR WAMPLER: Anyone in the audience
17 care to speak to the Franklin County application? Please tell
18 us your name?

19 MS. WEIR: I'm Debra Weir, Tourism and
20 Special Events Manager for Franklin County. I appreciate the
21 opportunity to speak to you. I'd like to thank Mr. Phofl for
22 meeting with me. The production is actually starting today.
23 Our director is sorry she is not here today and sent me so I'll
24 do the best I can. I'm a little bit nervous right now.

25 SENATOR WAMPLER: You're doing fine.

1 MS. WEIR: Since the last time we were here,
2 we have received \$120,000 from the Governor's motion picture
3 opportunity fund which is a new fund that the Governor is
4 trying to encourage filmmaking in the State of Virginia and
5 we're very lucky that we were actually one of the first to receive
6 that significant amount of funding. We have to use Virginia
7 products for receiving the \$120,000 grant. We're going to use
8 as many people as we can for equipment from the State of
9 Virginia and the Virginia Film Office. Right now there at \$250
10 and 300 extra paid staff, 40 paid actors and 50 staff members.
11 We're asking for \$130,000 from the Tobacco Commission for
12 the production. This has to go out to LA for editing and we
13 don't have some of those resources in the State of Virginia,
14 that's a necessity. We might have those facilities or be able to
15 do that kind of work hopefully in the next couple of years.

16 Right now Starz Entertainment has indicated
17 an interest in producing the film and also NetFlix. NetFlix is a
18 big Starz contributor. They have over 17 million to 30 million
19 subscribers. We're also going to use music around the
20 mountain artisan; Franklin County is part of the crooked road
21 around the mountain. We found out in the meeting with Kim
22 and Sara that Jane Seymour is going to be one of the lead
23 actors in the movie. Aaron Stone of the Walton's is going to be
24 in the movie. Vince Savage and Fred Savage is involved. So
25 we have a lot of named actors that are going to be in this film.

1 Along with the \$120,000 that we have from the Governor, we
2 have \$5,000 from Franklin County and \$5,000 from Bedford
3 County that are going towards this film. Our plan is to market
4 this as driving people to the tourism website, Bedford County
5 website and Franklin County Website and Lake Effects
6 website. There are packages that people can come back and
7 visit the place. They're not only filming at Smith Mountain
8 Lake but they're filming in the community and the community
9 is going to be part of the film. If you go to see the film you're
10 not going to see Rocky Mount, North Carolina or Rocky Mount,
11 New York, you're going to see Rocky Mount, Virginia and
12 Smith Mountain Lake, Virginia. It's going to be a true
13 Southwest Virginia film about our area. That's basically all I
14 have. Thank you very much for hearing me. I'll be glad to
15 answer any questions.

16 SENATOR WAMPLER: You did a great job
17 explaining what it is. Did you present at our last meeting?

18 MS. WEIR: I presented Sara.

19 SENATOR WAMPLER: You've done a great job.
20 Are there any questions?

21 MR. CANNON: I looked at this and when I was
22 reading through this, if you could do more of an economic
23 development marking piece for Southside Virginia and
24 Southwest to promote industry coming down here because
25 these are for the benefit of the places that we live. I think it

1 would be much better than just using a trailer which you're
2 going to do if you, does that make sense?

3 MS. WEIR: Yes, I understand the economic
4 impact of that. We have a film office in Martinsville that's
5 going to be assisting with that and that's something that we
6 can work with in future film activity. I think that's a great
7 idea. When Jane Seymour heard about this project and how
8 the community got involved, this will probably come in under
9 a million dollars. They're filming right now in Northern
10 Virginia for \$3 million. We do have named actors. When she
11 heard about how this film had come together with the
12 community, that's why she got involved. She's being paid a lot
13 less than she would normally get paid. That's one of the
14 marketing issues I hadn't even thought about but thank you
15 very much.

16 MR. CANNON: Are you making that part of
17 your proposal?

18 MS. WEIR: I do, yes. I think that's a very
19 valid concern.

20 MR. CANNON: Michigan does a very good job
21 at that.

22 MS. WEIR: Yes, they do.

23 SENATOR WAMPLER: Tim, it seems to me
24 and maybe I'm wrong. I tried to discuss at the last meeting
25 whether the host county would have any of their dollars to use

1 towards this project. Was that part of the discussion or did
2 they have any cash balance remaining?

3 MR. PHOFL: They do have a balance. Sara,
4 do you recall the Southside allocation?

5 MR. CAPPS: Whatever the new outcome is
6 four years worth.

7 SENATOR WAMPLER: I don't know that the
8 amount is important other than there is an opportunity to
9 address some of that locally I suppose if that is the will of the
10 county amended to maybe move some of the edges off of it.

11 MR. NOYES: It's a pretty small amount. They
12 have sufficient to cover the new requests that would be my
13 question. Why was it just brought to the special projects
14 committee as opposed to the Southside Economic
15 Development Committee?

16 MS. WEIR: That's a good question. It's
17 probably my inexperience in working with the Commission. I
18 been with the department for about six months. Scott Martin
19 was the real deal and he was the one that worked on the
20 project and you all know Scott. It could have been and I
21 apologize for my inexperience. I felt that this would be the
22 route we needed to take.

23 SENATOR WAMPLER: Don't worry about
24 apologizing. We have lots of applications all the time but I
25 think the learning point for everyone is work with staff and see

1 how they can best align your application and that helps in
2 many cases to find out what the best fit or best funding source
3 might be.

4 MS. WEIR: All right, we'll work on that.
5 Thank you.

6 SENATOR WAMPLER: Other questions or
7 comments. Let's go to the next one.

8 MR. PHOFL: Actually 2139 is not before us.
9 That's been withdrawn. 2140 Lenowisco Solar Power
10 Generation Project. It's a \$3 million request in partnership
11 with Secure Futures, LLC. The project description is in front
12 of you so I'll jump over that. I think staff observes that several
13 of the significant steps in the approval process for this project
14 including the power purchase agreement, approval by UVA's
15 Board of Visitors and the Commonwealth Architectural Review
16 Board. In the formation of the LLC that Lenowisco is
17 proposing are still pending. Staff has asked that these project
18 applicants work with the principals of another solar project in
19 Wise County in the Southwest Economic Development round.
20 No progress in bringing those two projects to the same locality
21 together so the staff is recommending the project be tabled.

22 SENATOR WAMPLER: Any discussion on that
23 application?

24 MR. SKINNER: Mr. Chairman, I'm Skip
25 Skinner with the Lenowisco Planning District Commission.

1 We certainly appreciate staff's helpful guidance in working
2 with this project. As was indicated this morning these
3 applications are somewhat different. We're trying to put
4 together a project we think would meet the expectations of the
5 staff and this committee. I would like to recognize Mr.
6 Anthony Smith and Mr. Austin represents Secure Futures.
7 Thank you for your patience. We're going to continue to try to
8 put together the best project possible. Project number 2139
9 we'll continue to work with that. It's going to take some
10 additional time to get it right before it comes before you.
11 Thank you.

12 SENATOR WAMPLER: Anyone else wish to
13 speak on that application? The recommendation is to table
14 2135.

15 MR. PHOFL: The final proposal from the July
16 meeting and the requested amount has been paired down to
17 \$1.5 million. The request by Prince Edward County to build a
18 Granite Falls Hospitality Workforce Training Center. They've
19 accomplished the reduction in the requested amount by
20 reducing the square footage of this workforce training facility.
21 They've eliminated a few rooms and cut the square footage
22 down to about 10,000 square feet. Since your July meeting,
23 the county has been working very actively with the
24 Community Development Block Planning Grant Funding in
25 partnership with the Southside Community College to assess

1 the workforce training needs in their service area. They've
2 now discovered after doing surveys students, business and
3 educational partners that they expect the culinary hospitality
4 classes to be perhaps as low as one-fourth of the training
5 that's offered in this facility. They've demonstrated an interest
6 in information systems and criminal justice and many more.
7 We've spoken directly to the community college which
8 describes the service area as a nagging hole in their ability to
9 serve that portion of the county, the college service area for a
10 long time. The college is very interested in moving into the
11 Farmville Prince Edward offered programs there. We add more
12 clarification about the operation of the facility and we can
13 speak to that. There are also representatives from the County
14 here and the hotel developer will be doing this phase. Cutting
15 to the bottom line, staff is recommending an award of \$1.5
16 million contingent on an executed agreement between the
17 county and SVCC, the terms of which are deemed satisfactory
18 by the Commission, or the latter to operate the center for
19 general higher education purposes in conjunction with the
20 hotel operator and other educational partners.

21 SENATOR WAMPLER: Is there any discussion
22 from the panel, the Committee? I'm going to draw your
23 attention just for a moment to the staff's recommendation. I
24 took part of what I thought of the sense from the last
25 Committee meeting where we asked for SVCC to be part of the

1 agreement with this entity. I want at least for my opinion and
2 see if you all concur and make it very clear that that's not to
3 the exclusion of the other educational institutions but
4 hopefully it would be for the broader inclusion of all
5 institutions of higher education there. If there is a higher
6 education institute nearby that can find purpose that perhaps
7 we don't see today that may present itself at a future date to
8 be inclusive and it's broad and encompassing possibly. I felt
9 obligated to at least try to verbalize that to the Committee here
10 this afternoon. Is there anybody in the audience that cares to
11 speak to that particular topic?

12 MR. CANNON: I've got a little problem trying
13 to understand how the lease flows. It's owned by the IDA and
14 it's leased to the hotel operator and the hotel operator is going
15 to get the MOU with the educational institution. I think it
16 would be much better for the County IDA to be in charge of
17 the MOU to the SVCC not the hotel operator.

18 SENATOR WAMPLER: What we can do is have
19 somebody from the County or IDA to come forward and let's
20 see who their designated spokesperson might be.

21 MR. BARTLETT: Evidently I didn't make that
22 clear in my response in September.

23 SENATOR WAMPLER: Would you tell us your
24 name please?

25 MR. BARTLETT: I'm Wade Bartlett, County

1 Administrator for Prince Edward County. The concept is not
2 to lease this to the hotel operator, it is to lease it to the
3 Hartland Regional Training Center which will be a consortium
4 of SVCC, Longwood, Hampden Sydney, Prince Edward County
5 Public School and the IDA will all make up that non-profit
6 organization. The non-profit organization will then contract
7 with SVCC to organize, schedule and operate the training
8 facility. We had always planned to include the area of the
9 educational center on that. SVCC has agreed to do that. I
10 met with Dr. Cavin and he's willing to do that so the actual
11 training facility would be leased to this non-profit and not the
12 hotel operator.

13 SENATOR WAMPLER: Thank you very much,
14 any other questions from the Committee? Tim, I think that's
15 the balance of the applications for consideration.

16 MR. PHOFL: Yes, sir.

17 SENATOR WAMPLER: It would be the intent
18 of the chair if there is no further discussion on this or other
19 matters to entertain applications 2150, 2136, 2140 and 2135
20 in a block consistent with the staff's recommendations. Is
21 there a motion to that affect?

22 DELEGATE MARSHALL: So moved.

23 MS. NYHOLM: Second.

24 SENATOR WAMPLER: It's been moved and
25 seconded that staff's recommendations for the four

1 applications represented be recommended for approval to the
2 full Commission, all in favor signify by saying aye. (Ayes).
3 Opposed no. (No response). The ayes have it.

4 The next block we have is old business.

5 SENATOR REYNOLDS: Before we go to this
6 next block, let me make sure I understand and I'm speaking to
7 2136. 2136 is if there's money available through the County's
8 share of the Tobacco funds the County's interested in that, is
9 my understanding correct?

10 SENATOR WAMPLER: That is correct, that's
11 my interpretation.

12 SENATOR REYNOLDS: Thank you. If there is
13 no other discussion on the block we just voted to recommend
14 approval of, we can go to the remaining three items under old
15 business. I think we probably ought to take these up
16 individually would be my guess. We'll take them up
17 individually then. Let's start with application 1847, Charlotte
18 County requesting an approval of change of the use of funds
19 previously authorized.

20 MR. PHOFL: In last year's special project
21 cycle, the Committee recommended and the Commission
22 approved \$1.5 million to design and build a water treatment
23 plant in the Town of Drakes Branch in Charlotte County, the
24 wastewater treatment facility to serve what was then a
25 proposed correctional center. That project for construction of

1 the correctional center has been placed on hold indefinitely
2 due to the lack of construction financing so the county has
3 now submitted an alternative proposal to use the \$1.5 million
4 for a project to design and provide infrastructure for a
5 speculative data center facility to be built in the Hartland
6 Regional Industrial Park. Specifically they're asking for a
7 infrastructure to serve the site, water, sewer and fiber as well
8 as the design of electric utility infrastructure to serve the park.
9 Then the balance of the funds will be used as matching
10 investment along with private funds to build the first of three
11 planned data center structures in the Hartland Regional Park
12 which is a regional revenue sharing park located in Charlotte
13 County. The proposal was actually received on Friday and you
14 have a copy of the email at your seat. We obviously having
15 just seen it for half a business day have not had adequate time
16 to present that proposal. The executive director has been
17 involved in meetings with the county and with the perspective
18 developers of this facility. If Neal has any comments to share
19 at this point I'll defer to him.

20 MR. NOYES: For members of the Committee I
21 think there's a contingency that staff has on this project.
22 There is private equity behind this deal and there is serious
23 interest there in meetings as recently as like last week with
24 those folks for financing of the first of three buildings. This is
25 a park that does not have occupants at this time and the

1 Commissioned financed it several years ago. It seems a
2 reasonable opportunity to get the private equity if the private
3 equity comes through. Tim, isn't that contingency on the
4 project that no funds would be disbursed until the full
5 agreement about the private equity?

6 MR. PHOFL: Given the late arrival, the staff
7 would defer to –

8 MR. NOYES: We just talked about it on the
9 airplane. I'm saying there will not be any disbursement, if the
10 Committee recommends the Commission approve this project,
11 no disbursement until all the loose ends are tied up, private
12 equity which at this point is approximately \$8 million and that
13 was the figure when I met with those folks for the initial
14 company until everybody had signed onto that.

15 MR. MARSHALL: Question, because of the late
16 hour of this, we have another special project meeting planned
17 before the end of this year?

18 SENATOR WAMPLER: The short answer is we
19 do not.

20 MR. NOYES: Mr. Chairman, we'll have an
21 opportunity to meet and discuss mega sites before the end of
22 the year sometime in December.

23 SENATOR WAMPLER: Thank you.
24 Anticipating a question maybe along those lines, I would ask
25 the director if we were so inclined to repurpose which I am,

1 what discretion do they need to continue with their agreement
2 between now and when we meet in October, the end of
3 October? Perhaps we'd have an opportunity to be comfortable
4 with whatever agreement like a match or would it be better to
5 wait until the first of next year? I think this prospect is alive
6 and I'd hate to lose it by our inaction between now and when
7 we first meet in December. Do you want to comment on that
8 Neal?

9 MR. NOYES: I think these folks have every
10 intention of wrapping up their agreement in advance of our
11 full Commission meeting October 27 – 28th, October 28th. The
12 staff can make a recommendation at the full Commission
13 meeting should this Committee decide to allow for repurposing
14 the funds.

15 DELEGATE MARSHALL: So would Charlotte
16 County be able to address the timeliness of this?

17 MR. WALKER: Mr. Chairman, I'm Gary Walker
18 of Charlotte County and I'm also the Chairman of the Hartland
19 Regional Authority and we do apologize for the lateness of
20 these documents. As these projects come and go when you
21 have a prospect that needs to move and that's how we
22 approach it. Neal has been meeting along with Senator Ruff
23 and Delegate Edmunds and working with this project it has
24 come to fruition at this time. That's where we are and I hope
25 you take it under consideration.

1 DELEGATE MARSHALL: Do we have to take it
2 up today or take it up at the next full Board meeting is
3 October 28th.

4 MR. WALKER: Given the timetable we're
5 working on and the constraints that Neal was talking about
6 and if you want to tie the knot tight enough where we'd be
7 constrained to spend the money if the agreement is more
8 concrete, it would help us in our negotiations if we had a vote
9 today, certainly with Neal and Tim and Ned's assistance I
10 think we could arrange the project where there was not any
11 money spent until the Commission was comfortable with
12 what's going on.

13 DELEGATE MARSHALL: It still has to be
14 approved by the full Board at the end of the month.

15 MR. WALKER: We certainly understand that
16 Mr. Chairman but we know with your blessing that would
17 carry a lot of weight.

18 SENATOR WAMPLER: I think the follow up
19 question to that would be and I don't want this to necessarily
20 be a leading question but it's important for this potential
21 occupant or joint venture to know that the \$1.5 is potentially
22 repurposed.

23 MR. WALKER: Correct, especially we've gotten
24 by this hurdle if we get the Committee's blessing.

25 SENATOR WAMPLER: Likewise for the

1 Commission it would be important to note until the staff works
2 out all the performance agreements, you still have to come
3 before the full Commission as you know and have 30 some
4 people in agreement.

5 MR. WALKER: Yes, sir.

6 SENATOR WAMPLER: Any other questions?

7 MR. BROWN: Will you have all the details
8 worked out by October 28th?

9 MR. WALKER: We hope to, possibly it might
10 not work that way if you can allow us to work with Neal and
11 his staff I think we can do it or we can make our best effort.

12 MR. CADEN: My name is Jack Caden, the
13 developer working with the Hartland. We have a contract that
14 expires the end of October so October 28th would be good
15 timing sir from that point of view so we need to do something
16 by that point in time.

17 SENATOR WAMPLER: Any discussion from
18 the Committee? Anything else you want to add Mr. Walker
19 unless you want to come back up and take a seat?

20 MR. WALKER: I feel like I'm on the wrong side
21 Mr. Chairman, maybe another day.

22 SENATOR WAMPLER: You're always welcome
23 sir. Thank you for your service. If there is no other
24 discussion, the Chair would entertain a motion to accept the
25 staff's recommendation to repurpose the \$1.5 million

1 understanding the staff remains fully engaged in negotiating
2 the performance agreement thereto.

3 SENATOR REYNOLDS: I so move.

4 SENATOR WAMPLER: It's been moved and
5 seconded.

6 MR. NOYES: The staff will report at the
7 Commission meeting.

8 SENATOR WAMPLER: A motion to approve
9 the \$1.5 million request number 1847 and the staff will work
10 out the performance agreement; it's been moved and
11 seconded. Any discussion on the motion properly before us?
12 If none, all in favor for the adoption of the recommendation
13 signify by saying aye (Ayes). Opposed no. The ayes have it
14 and the motion is adopted. Get it to us as soon as you can in
15 advance of the full meeting so we can digest it fully in
16 advance. Did Charlotte County win the award for being the
17 furthest away from home at today's meeting? I guess that's
18 pretty close. I'm mindful of the miles you've traveled. Thank
19 you all very much for attending and your patience. Southside
20 Planning District 2143.

21 MR. PHOFL: Mr. Chairman and members of
22 the Committee this is a grant offer your Committee made in
23 July that was approved at the July Commission meeting and
24 it's a reduced amount from what was originally requested.
25 The award is \$70,000 to Southside Planning District

1 Commission to expand the Return to Roots Program to 17
2 southern Virginia counties. As is the case when they reduced
3 the award as offered by the Commission the grantees are given
4 an opportunity to submit a revised budget to conform with the
5 approved amount and approved activities. The staff received a
6 proposed budget for the \$70,000 award that requested funds
7 be used for the salary of the Virginia Economic Bridge
8 Executive Director who's located in Radford who has been a
9 project leader on all of the Return to Roots grants that the
10 Commission has awarded over the last five years or so. Staff
11 has declined to administratively approve this revised budget
12 request, finding that, it appears inconsistent with the intent of
13 the original grant offer and Commission policies, particularly
14 in regard to spending Commission funds outside the Tobacco
15 region footprint. Mr. Mitchell from DEP is here to speak to
16 their proposal today and the staff turns to the Committee with
17 the question if this is a palatable use of funds in your mind.

18 SENATOR WAMPLER: Is there anyone in the
19 audience that cares to be heard? Please tell us your name and
20 who you represent.

21 MR. MITCHELL: I'm Carl Mitchell, Virginia
22 Economic Bridge. I'd also like to provide some additional
23 information to the members of the Committee. I thank you for
24 the opportunity to be here today to speak. I am the program
25 manager of the Return to Roots Program and I have been since

1 the inception of the project in 2006. I'm here to ask for your
2 support of the revised \$70,000 budget. In July, the
3 Commission approved the final award of \$70,000 contingent
4 on the Return to Roots Steering Committee being adjusted to
5 include a more balanced representation from both Southwest
6 and Southern Virginia and on coordination of Return to Roots
7 employment information with the Virginia Workforce
8 Connection website. The proposed resubmitted budget
9 addresses the two contingencies raised by the Commission
10 and provides the minimal amount of support required to
11 complete this project which although it started as a program
12 focused in Southwestern Virginia tobacco counties and at the
13 request of many people in Southside Virginia tobacco counties
14 grown to include many, many, many more localities.

15 The budget request recognizes that the
16 following final tasks need to be completed. The completion of
17 a project expansion to include the necessary information
18 detailing the remaining 17 tobacco dependent localities for
19 inclusion in the Return to Roots Southern Virginia website
20 enhancing the Return to Roots Steering Committee to include
21 a balance of representation from both Southwest and
22 Southern Virginia. Coordinating the Return to Roots
23 employment information with the Virginia Workforce
24 Connection website, establishing consistent engagement and
25 collaboration of key community leaders from each of the 41

1 tobacco dependent localities to address and define the final
2 sustainability and ownership of the Return to Roots Program,
3 such as the development of memorandum of understanding or
4 specific agreements for data support and sustainability of the
5 program, establishing targeted collaboration with the state
6 council of higher education, the Virginia Community College
7 System, the Virginia Employment Commission, the Virginia
8 Economic Development Partnership, the Virginia Department
9 of Business Assistance, the Virginia Tourism Corporation, the
10 Virginia Workforce Investment Boards serving the Return to
11 Roots footprint, local chambers of commerce, local technology
12 councils, local cultural heritage commissions as well as local
13 and regional economic development officials and
14 organizations. This final piece of funding will address and
15 define the final sustainability and ownership of the Return to
16 Roots Program.

17 It is the culmination of five years and
18 significant investment of both public and private funds
19 devoted to the development of this portal.

20 Our goal, at the end of this phase is to
21 complete the memorandum of understanding and agreements
22 for data support and sustainability of the program with
23 multiple public and private groups across the region so that
24 the Return to Roots Program is fully constructed and become
25 self sustaining. This phase and this funding will complete the

1 program's platform to encompass all 41 of the tobacco
2 dependent localities being served by the Commission. The
3 revised budget continues to leverage the Commission funds in
4 achieving that goal. A considerable amount of in kind support
5 is being provided making this a true public private partnership
6 and has been for a number of years and keeps the project up
7 and going.

8 Just before 5:00 p.m. on Friday, this past
9 Friday I received an email about today's meeting. I reviewed
10 the information regarding the request of approval and the
11 revised budget and the staff update dated October which you
12 have heard and have in front of you. Over the weekend I
13 attempted to reconstruct the process that might have lead to
14 the staff's determination. We do not understand as well as
15 others working on this project, how Friday's staff decision
16 occurred without staff meeting with or speaking to the grant
17 recipient or the current Return to Roots Program management
18 team.

19 I offered to the Committee a timeline of events
20 and communication related to this grant. On Thursday, the
21 29th of July, the current \$70,000 grant was approved.
22 Wednesday, August 18, a meeting was held in South Boston
23 with grant recipients Ms. Gayle Moody and Ms. Nancy Pool to
24 complete the required paperwork and to discuss what could be
25 accomplished with the reduced funding levels. On Monday,

1 August 23rd, all required paperwork and a request for the
2 allotted advance of funds was submitted to the Tobacco
3 Commission staff. Please note, based upon the Commission's
4 July actions and our efforts to move forward in meeting the
5 two contingencies, we began working on the project without
6 receiving the funds as we had received no feedback to the
7 contrary. Thursday, September 23rd, while the grant recipient
8 understands that it typically takes between 10 and 30 days for
9 this process to move forward since we had not received any
10 response on the request made a month earlier, we asked for
11 an update. Last Monday we received feedback from the
12 Southside Grants Program administrator stating, "thank you
13 for the email as we have been meaning to follow up with you
14 regarding the advance request and status of this project".
15 Included in that email was a comprehensive list of questions
16 that we began answering this past week. In fact, the number
17 of questions asked and the depth of response expected
18 basically required us to almost rewrite and resubmit a new
19 proposal for the \$70,000 that the Commission acted upon in
20 July. We were diligently working on responding to the
21 request, so no deadline had been given when we were informed
22 Friday of today's meeting and staff's decision. Setting aside
23 the fact that the questions staff had asked were still being
24 addressed, everyone involved in this project is still concerned
25 that such a decisions could be made without having

1 conversations with the project management team or the
2 recipient. We're here and understand the concerns that the
3 staff has addressed in the email and provided to you a copy of
4 the responses that we provided that will hopefully give you
5 clarification and more detail as to how the funds will be
6 utilized in the next year. There are such questions asked as
7 what is a direct benefit of the targeted area of Southside? We
8 state that the direct benefit of the targeted areas of Southside
9 is the development and completion of a comprehensive
10 platform for the recruitment of individuals to their localities
11 including tools specific to entrepreneurs, economic developers
12 and tourists in addition to those seeking relocation in the
13 region. Upon completion of this grant, the remaining 17
14 southern Virginia tobacco dependent localities, not currently
15 being served, will be a part of the Return to Roots efforts
16 currently covering 24 tobacco dependent localities in
17 Southwest and Southern Virginia. The platform has been a
18 growing force on the web for the recruitment of workers and
19 potential business owners into the region. It has focused on
20 serving the tobacco dependent region and as a result, instead
21 of 41 different websites, this one web portal can provide a
22 single place for people to interface while seeking jobs and
23 business opportunities in the region. The final result or the
24 final use of these funds makes the remaining Southside
25 counties a part of this overall project.

1 Sustainability and ownership of Return to
2 Roots Program after the Tobacco Commission grant closes has
3 been asked. Both Return to Roots Steering Committee
4 members understand no more than 50 percent of the program
5 expenses will be covered via grant funding. We continue as a
6 team and staff to aggressively pursue strategies for corporate
7 and community based foundation grants to assist in the
8 funding of the Return to Roots Program long term. We also
9 anticipate that the continuation of a combination of user fees,
10 job postings, web based marketing components and local
11 government support will help with sustainability. We believe
12 with a strong base of users and advertisers as well as private,
13 foundation, and local government support we can sustain this
14 program long term. Many people who have worked on this
15 idea from the small group that included Rachel Folks, Ed
16 Whitmore, Shannon Blevins and Ron Flannery to the new
17 supporters in Southwest and Southside understand the power
18 of this website. In fact, in June of 2010 the potential
19 expansion across Virginia of the Return to Roots Program was
20 included in the initial ideas and recommendations of the
21 economically distressed areas subgroup of Governor
22 McDonnell's job creation and economic development
23 commission. Conversations related to this idea and
24 recommendations have continued throughout the summer and
25 early fall, including conversations with the Shenandoah Valley

1 Partnership and most recently this morning at 7:40 a.m. the
2 Mayor of Martinsville referred to an expressed interest in the
3 Return to Roots Program on WRVA, a Richmond based radio
4 station. The question asked about the proposed budget will
5 help in accomplishing meeting the objectives I gave. The
6 amount of funding approved by the Commission was
7 approximately one-fifth of the initial request. The resubmitted
8 proposed budget allows for the funding of the program
9 manager and also identifies that person who has both the
10 historical program background and capability to accomplish
11 the objectives I mentioned earlier. Overseeing the completion
12 of the project expansion to include the necessary information
13 detailing the remaining 17 localities and balancing the Return
14 to Roots Steering Committee among both Southwest and
15 Southern Virginia. Coordinating Return to Roots employment
16 information with the Virginia Workforce Connection Website,
17 establishing consistent engagement and collaboration and
18 establishing target engagement and collaboration with those
19 entities I mentioned earlier.

20 A question was raised as to 100 percent of the
21 proposed realized budget to be spent outside of the footprint to
22 pay the majority of the annual salary for CEO of an
23 organization with a completely distinct and unrelated mission
24 to Return to Roots. Our goal remains to complete the
25 development of the Return to Roots Program. Our

1 organization and myself has devoted significant resources and
2 time to this program over the past 5 years for which we have
3 not been compensated; however, our Board felt it was the right
4 thing to do for the region and rural Virginia.

5 We have many plans underway with our
6 organization and I'm happy to discuss those with the
7 Committee now or at a later date, please let me be clear.
8 Hiring someone within the region to run this program long
9 term is a priority. However, in the short term, to make sure
10 this program is finished, a significant amount of my time and
11 the Board's time will be spent on this program. Also note that
12 with the exception of a very small portion of the funds from
13 the first grant awarded in 2006, VEB has been a recipient of
14 all prior funds related to this project without question or
15 hesitation.

16 The mission of VEB which is to promote the
17 economic vitality and external competitiveness of Virginia
18 through business, industry, government and educational
19 partnerships between Southwest Virginia and Northern
20 Virginia and other areas of Virginia. This is very much related
21 to the Return to Roots Program. Without it and without the
22 other programs and appropriate workforce in the regions we
23 represent and work in, we could never begin to achieve results
24 necessary in fulfilling our mission. Our mission statement
25 also affirms the importance of resource sharing in the pursuit

1 of economic development. Reflecting this conviction to
2 fulfilling our mission, VEB has as one of its objectives to
3 develop externally funded prototypes for economic and
4 educational programs and projects approved by the Board.
5 VEB always has been in the business of developing,
6 implementing and maintaining a number of programs to
7 facilitate the various success of our mission. The Return to
8 Roots actually leverages each of our past performances.

9 VEB has engaged in the development and
10 implementation of the Return to Roots Program since it's
11 inception and because of the experience we've had in
12 developing a similar type of program through our linked
13 workforce initiative.

14 I would like to give you some significant efforts
15 that highlight what your working and your support has done
16 for the program. In the summer of 2003 the initial concept of
17 Return to Roots was conceived as a specific countywide
18 problem by a group of regional leaders in local government,
19 state government and education. Almost immediately, this
20 group realized that the scope of this project was beyond the
21 time and attention that they could give to it. VEB has worked
22 hard to position itself as an independent regional source of
23 support for economic development efforts, especially in
24 Southwestern Virginia as multiple agencies and organizations
25 cover portions of the region. In the summer of 2004, VEB was

1 asked to write and submit the first grant. Early in 2005, the
2 stakeholders in Southwest Virginia took the initial grant and
3 transformed it into a region wide collaborative concept and
4 sought funding again. In 2005 with the announcement of the
5 creation of 700 IT jobs, VEB had supplied data that was used
6 in the decision making process of that announcement. In mid
7 2006 the Commission awarded funding for a pilot program
8 involving 10 jurisdictions and VEB was asked to serve as the
9 project management team to develop and implement the
10 Return to Roots Program. September 2006, the Return to
11 Roots Program was officially launched here in Lebanon at
12 Recita. In the summer of 2007 funding was awarded for a
13 grant written by VEB and the Return to Roots Southwest
14 Virginia Steering Committee to expand the program into an
15 additional 11 localities covering all 21 jurisdictions of
16 Southwest Virginia. Again VEB managed this process. In the
17 fall of 2007 VEB lead the recruitment of community and
18 business sector leaders to serve as a strategic partner to this
19 program, the program's advisors and local champions. In
20 March of 2008 VEB was requested by the Virginia Center and
21 Council of Rural Virginia and Southside Weldon Cooper Center
22 to participate in a meeting in Southern Virginia to discuss
23 collaborative solutions to regional recruiting challenges. This
24 meeting highlighted a need for a Return to Roots type program
25 in Southern Virginia. June 2008, the initial Steering

1 Committee of the Return to Roots Southern Virginia Program
2 submitted a grant request written by VEB on behalf of the
3 Steering Committee for funding of an RTR Southern Virginia
4 Program. In August of 2008, funding was secured to develop
5 RTR Southern Virginia Program in 7 jurisdictions again under
6 VEB's management. From that period forward, VEB lead the
7 development and implementation of the Return to Roots
8 Southern Virginia Program which included tools specific not
9 only to the recruitment of workforce but to entrepreneurs,
10 economic developers, tourists and those seeking relocation.
11 June 12th we saw the official launch of the Return to Roots
12 Southern Virginia Program in 2009. In the fall of 2009 we
13 integrated the newest developed tools of the RTR Southern
14 Virginia website into the RTR Southwest Virginia website. In
15 June of 2010 the potential expansion of the Return to Roots
16 Program was included in the initial ideas. In August of 2010,
17 funding was approved to expand the Return to Roots Program
18 in the remaining 17 localities of Southern Virginia through a
19 grant written and utilized in those two contingencies.

20 The question has been asked how will the
21 database management, marketing and outreach and other
22 aspects of the Return to Roots Project now be handled. It will
23 be handled as in the past, by VEB staff as in kind
24 contributions and as defined in the revised budget. Once the
25 MOUs are established, with the organizations I mentioned, we

1 will plan to engage with those partners to augment and
2 facilitate those efforts.

3 One aspect of the original budget that was
4 attractive for hiring of a project manager located in the region.
5 The original budget submitted in 2009 had the hiring of a
6 project coordinator, not a project manager for the region. We
7 did consider keeping some level of funding in the revised
8 budget for the project coordinator and the hiring of a project
9 coordinator in that region is still an option if additional
10 funding outside of this grant is secured. After much
11 discussion and reflection with the recipient and steering
12 committee, the reduced grant amount of \$70,000 and the one
13 year timeline for this project, no one involved deemed it as
14 practical to recruit and hire someone for the one year term.
15 Therefore the decision was made to maintain the current
16 program manager who has the historical background, skill
17 sets and capabilities to accomplish the objectives necessary for
18 the success of and completion of this program. It did occur to
19 us that perhaps the staff might consider allowing the
20 remaining dollars from the last grant to be used to support a
21 part time project coordinator position within the region and we
22 had every intention to discuss this with them after having
23 submitted the responses to the questions asked last Monday.

24 The next concerns addressed to us is that we
25 do not have a clear idea of the outcome that we can expect to

1 result from the project. The original proposal included many
2 activities that are already seemed to be coordinated by and
3 more appropriate for regional economic development locations,
4 marketing localities, compiling data, updating regional data or
5 perhaps these are functions of VEB. The answer to that is
6 yes, these are functions of the economic groups. We have
7 engaged in this function from the very beginning because we
8 must use it as well to promote these services in the localities
9 we work in.

10 SENATOR WAMPLER: Do you mind if I
11 interrupt you for a second. I'm looking for a handout trying to
12 follow one of the pages or at least two of the pages these are
13 emails. I understand your passion and all the information
14 you've given us, are you close to –

15 MR. MITCHELL: I am, yes, sir and I hear you.
16 I guess there are a few things that were asked as well, what is
17 the role of the Southside Planning District Commission on
18 grants. Gayle Moody is the new executive director of the
19 Southside Planning District Commission and will serve on the
20 Steering Committee in an advisory capacity until she becomes
21 more aware of the program's capacity at which point in time
22 where she work with the PDC engaging in data and data
23 collection. The Commission award was made contingent on
24 coordination of the Return to Roots Steering Committee to
25 include balanced representation. If you look on I believe the

1 second or third page of that email, you'll see the balance
2 representations that include Skip Skinner here today,
3 Lenowisco PDC and a Southside PDC representative, UVA
4 Wise, Southside Virginia Community College, Southwest
5 Virginia Higher Ed Center, Southern Virginia Higher Ed
6 Center, Department of Business Assistance, Virginia's Rural
7 Center, Workforce Investment Board from each region,
8 numerous chambers of commerce of each region.

9 The one other key point that I'd like to point
10 out and that question has been asked. We would also like an
11 understanding of the plan for how we can expect the Return to
12 Roots program to live on after the Tobacco Commission
13 funding is no longer paying for the VEB staff? First I'd like to
14 say that funds are just not paying for the VEB staff. These
15 funds and what the Commission is paying for is the
16 conclusion and completion of this program. We leverage our
17 resources in many ways but view the completion of the Return
18 to Roots Program as one of our main priorities of the
19 organization right now, and as suggested, it makes no sense to
20 bring someone in at this particular point to try to finish the
21 final leg.

22 Let me close by saying that we were quite
23 stunned to receive the email late Friday directing us to appear
24 today to rebut the staff's decision especially since the staff had
25 not afforded us the opportunity to respond to their question.

1 We recognize there are many things going on and they may
2 have been scrambling to get ready for the Commission Board
3 meeting. VEB stepped up to help coordinate and launch the
4 Return to Roots Program in 2006 when there was no clear
5 home for the program. We appreciated the opportunity to
6 work with the Commission and many local and regional
7 officials to develop a national model of this type of economic
8 development support. National and international as the
9 program continues to receive recognition by the ITF and the
10 Harvard American Innovation government awards. Together
11 though we have already achieved great success. When we
12 were asked to work with the Southside groups to implement
13 the program there, we developed a comprehensive budget to
14 do just that and do it in a manner that stood up a in region
15 program not just a program focused on the region. To us, the
16 resubmitted budget is the bare minimum to accomplish this
17 task. Failure to fund this grant may leave us all walking away
18 from six years of lessons learned about how to make this
19 program successful. It also jeopardizes the future investments
20 already made. Therefore, I request of you today that you
21 approve this final grant of \$70,000 so that the folks in
22 Southside that desire to implement this program can do so
23 and so that at the end of this phase, we will have sustainable
24 Return to Roots Program covering the entire region. Thank
25 you.

1 SENATOR WAMPLER: Any questions or
2 comments from the Committee?

3 DELEGATE MARSHALL: Carl, will you stand
4 and repeat that whole thing, just the part about how you're
5 going to fund yourself after you get this \$70,000, how are you
6 going to do that?

7 MR. MITCHELL: There are three options. It is
8 the stated understanding of both steering committees that no
9 more than 50 percent of the program expenses will be covered
10 via grant funding. The VEB staff has already written a
11 number of corporate and community based foundation grants
12 seeking funding of the Return to Roots Program. The
13 remaining funds will be generated through a combination of
14 user fees, web based marketing component and local
15 government support. However, as ownership in terms of the
16 continued functioning of the Return to Roots Program, it will
17 reside with VEB unless other opportunities are presented
18 during the discussion and development of the Memorandum of
19 Understanding with the various state agencies for the course
20 of the year to fulfill this year's grant requirements. As
21 mentioned above, if it is the desire of the Commonwealth to
22 see this program maintained and expanded, we will diligently
23 work with one of the state agencies to determine the feasibility
24 of the Return to Roots Program becoming integrated into their
25 agency's scope of work. Therefore upon the successful

1 completion of the program objectives which include those
2 conversations and interviews? If one of the state agencies
3 should determine it wishes to continue the program you can
4 then expect the program and database to be housed and
5 maintained for as long as that agency wishes to sustain the
6 program. Otherwise, VEB will continue to actively pursue its
7 efforts long term sustainability of the program and database
8 will be housed and maintained with our organization.

9 SENATOR WAMPLER: Any questions or
10 comments. I'm going to make a couple of observations only
11 attributable to me. As your chair, I met with the bridge and
12 some of its members back in the summer before our meeting
13 date. There was a sense I thought that the staff
14 recommendations would be zero at that time. I said what is it
15 that we can do to help create some kind of glide path with the
16 thought that Return to Roots wanted to expand in Southside.
17 I thought it was a little odd that the Southside Planning
18 District Commission would gap, that's the first thing that
19 caught my eye. I made a couple of observations and I'll make
20 them today that it's typically not within our practice of
21 underwriting salaries at a 100 percent level and we may have
22 done that in our first year of operation 10 years ago, however
23 long we've been in business and with the tax exempt bonds
24 we've gotten away from that. When we repurpose, we have to
25 be mindful whether we're into taxable proceeds or tax exempt

1 proceeds. When we underwrite operations directly it goes into
2 that very limited universe of taxable bonds which is an issue
3 we as the Commission need to be mindful of and the staff
4 needs to manage very, very closely so we don't run a fowl of
5 bond counsel and that's an inside baseball kind of analogy.
6 I'm not sure that a \$70,000 repurposing or overhead really
7 gets to the expansion of Southside since my colleagues
8 represent that part of the state. I think we were trying to
9 provide bridge funding to get them through another year so
10 they could find self sufficiency to that. I kind of felt like I
11 needed to tell you that and the work I did prior to our July
12 meeting. I think we have to be very careful for any applicant
13 coming in and wanting a 100 percent using our proceeds for
14 us underwriting its operation. It doesn't make it any easier for
15 me to look at my friend Carl and tell him that but it makes it
16 very difficult for us to do that. I've said what I felt like I
17 needed to say. Normally at this time Delegate Kilgore says the
18 Committee operates on a motion. If there are no other
19 comments or questions from the Committee members, the
20 staff's recommendation was to not repurpose but the \$70,000
21 grant to remain subject to agreement between the staff and
22 the grantee. Is there a motion? Hearing none then the grant
23 would remain as we approved at the July meeting of the full
24 Commission. Carl, thank you for coming in and putting us to
25 the task. If there's no other action on 2143 we'll go to 2145

1 St. Charles Health Council.

2 MR. PHOFL: Also in July your Committee
3 recommended and the Commission approved \$243,765 grant
4 contingent on a dollar for dollar match to provide the projects
5 expense that's described in this summary. The application
6 now requests that that dollar for dollar match requirement be
7 waived entirely on this project. They have stated they can
8 demonstrate 39,000 of in kind contributions as a match on
9 the \$243,000 award. Staff is clearly not authorized to waive or
10 amend the Commission approved condition so we'd defer to
11 the statutory committee.

12 DELEGATE KILGORE: I met with some of the
13 folks and I looked at the and they're able to come up with
14 \$39,242 and they think they can do most of what they're going
15 to do out there without this and I met with them a couple of
16 months ago.

17 SENATOR WAMPLER: My question to the
18 director would be do we vote to repurpose or rather amend
19 what the original grant said we have to go back to the full
20 Commission? I don't know the answer to that.

21 MR. NOYES: This is not a change, you have to
22 go back.

23 SENATOR WAMPLER: If we adopt this, it's
24 going to have to go back to the full Commission.

25 MR. NOYES: Full Commission.

1 SENATOR WAMPLER: Anyone in the audience
2 want to be heard on this?

3 UNIDENTIFIED: I'm trying to figure out a way
4 to do this project we're so passionate about the need of the
5 project, all the counties that need it. We have come up with a
6 way of doing the project by cutting some of the animation that
7 would allow us to do the project with all the contents in tact
8 and in a manner that would work with the age group that we
9 are serving. However, if we don't follow through with this in
10 the very near future we're going to loose kids will have moved
11 out. They're going to move out of the 5th grade into the 6th
12 grade and we'd hope to get those 10,000 kids before the end of
13 the school year and that was one of the reasons when we
14 started looking at other funding, the turnaround time. It
15 seems more prudent to try to cut our costs and to be pushing
16 out further in the future and we wanted to think about these
17 10,000 kids we stand to loose if we don't.

18 SENATOR WAMPLER: Any questions or
19 comments from the Committee members? Thank you very
20 much. Tim, do you know how much of this would be used for
21 operational expenses?

22 MR. PHOFL: The principle task is to contract
23 with a marketing firm to develop the DVDs.

24 SENATOR WAMPLER: We got to make sure
25 we're consistent with the previous application. Is there a

1 motion not to, staff is asking for guidance on this. The motion
2 would be to waive the dollar for dollar requirement for this
3 particular grant.

4 DELEGATE MARSHALL: I so move.

5 SENATOR WAMPLER: It's been moved and
6 seconded. All in favor without further discussion signify by
7 saying aye (ayes). Opposed no. (No response). The ayes have
8 it. I'm of the opinion Tim we've exhausted our agenda.

9 MR. PHOFL: You're correct sir.

10 SENATOR WAMPLER: Before I ask for public
11 comment I'll remind the Committee that while we have taken
12 our action on items there's still a few performance agreements
13 that must be reported back. I don't think it will be necessary
14 to have a meeting before the full Commission meeting if we do,
15 we'll huddle up as quick as we can and I assume you'll give
16 the chair discretion to receive that report from the staff and
17 get it out to you without another meeting.

18 MR. NOYES: You have travel vouchers at your
19 seats.

20 SENATOR WAMPLER: The next Committee
21 meeting date will be next year at your discretion, I guess in
22 December the mega sites.

23 MR. NOYES: The second week in December
24 we'll have Agribusiness and Special Projects if needed.

25 SENATOR WAMPLER: We have come to a

1 period when we ask for public comment; any public comment
2 to be offered? Hearing none or seeing none, if there's no other
3 business to come before the Special Projects Committee we will
4 adjourn.

5

6 PROCEEDINGS CONCLUDED

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the court reporter who took down and transcribed the proceedings of the VIRGINIA TOBACCO INDEMNIFICATION AND COMMUNITY REVITALIZATION COMMISSION, Special Projects Committee Meeting when held on Monday, October 4, 2010, at 1:00 o'clock p.m. at the Russell County Conference Center, in Lebanon, Virginia.

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

Given under my hand this 15th day of October, 2010.

Medford W. Howard

Registered Professional Reporter

Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2014

CERTIFICATE NUMBER: 224566