

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  
Thursday, July 15, 2010  
1:00 p.m.

Wytheville Meeting Center  
Wytheville, Virginia

1    **APPEARANCES**

2

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

4    Ms. Connie Nyholm, Vice-Chairman

5    The Honorable Kathy J. Byron

6    Mr. John Cannon

7    Mr. Jordon M. Jenkins, Jr.

8    The Honorable Daniel W. Marshall, III

9    The Honorable W. Roscoe Reynolds

10   The Honorable Terry G. Kilgore, Chairman (via phone)

11

12   **COMMISSION STAFF**

13   Mr. Neal Noyes, Executive Director

14   Mr. Ned Stephenson, Deputy Executive Director

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

16   Ms. Sara Williams, Grants Coordinator, Southwest Virginia

17   Ms. Sarah Capps, Grants Coordinator, Southside Virginia

18

19   **COUNSEL FOR THE COMMISSION**

20   Mr. Francis N. Ferguson, Esquire

21   Counsel for the Commission (by phone)

22

23

24

25

1 July 15, 2010

2

3

4

INDEX

5 -----

6

PAGE

7 Sandi McNinch ..... 5

8 Jennifer Roberts ..... 30

9 Darryl Bishop ..... 30

10 Jack Davenport ..... 36

11 Robert Boyd ..... 38

12 Deborah Weir ..... 39

13 Sara Timmins ..... 40

14 Kenneth Jackson ..... 42

15 Wayne Bartlett ..... 44

16 Robert Fowler ..... 49

17 John Dreyzehner ..... 55

18 Kevin Costello ..... 57

19

20

21

22

23

24

25

1 July 15, 2010

2

3

4 SENATOR WAMPLER: I will now call the  
5 meeting of the Special Projects Committee to order. I'd ask  
6 our director to call the role.

7 MR. NOYES: Mr. Bernard?

8 MR. BERNARD: (No response).

9 MR. NOYES: Secretary Brown?

10 SECRETARY BROWN: (No response).

11 MR. NOYES: Delegate Byron?

12 DELEGATE BYRON: Here.

13 MR. NOYES: Mr. Cannon?

14 MR. CANNON: Here.

15 MR. NOYES: Mr. Hite?

16 MR. HITE: (No response).

17 MR. NOYES: Mr. Jenkins?

18 MR. JENKINS: Here.

19 MR. NOYES: Delegate Marshall?

20 DELEGATE MARSHALL: Here.

21 MR. NOYES: Ms. Nyholm?

22 MS. NYHOLM: Here.

23 MR. NOYES: Senator Reynolds?

24 SENATOR REYNOLDS: Here.

25 MR. NOYES: Senator Wampler?

1                   SENATOR WAMPLER: The lone voice from  
2 Southwest Virginia, here.

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

5                   SENATOR WAMPLER: To the applicants who  
6 are waiting on the next item on the agenda, we're going to  
7 juggle around and hear from Sandi from the Economic  
8 Development Partnership relative to our contribution to the  
9 Mega Sites; with that Sandi, come on up here.

10                  SANDI MCNINCH: Thank you for the  
11 opportunity to speak to you today. In the past legislative  
12 session the General Assembly authorized the creation of a  
13 mega project site grant fund and authorized VEDP to  
14 administer that fund. We're in the process of finalizing our  
15 guidelines for that important initiative. We wanted to share  
16 with you our view on the guidelines for that program to make  
17 sure that we cooperate and coordinate with you on the best  
18 way to make the Mega Site to come to fruition. The first \$5  
19 million of funding for that opportunity comes from the Tobacco  
20 Commission and for that reason we wanted to share with you  
21 our thoughts on that as to how we should spend this money  
22 through our program. In any event, we wanted to share with  
23 you our vision and our goals on that. Of course, we need to  
24 have a, the goal is to fulfill a need to have a menu of mega  
25 project sites available throughout the Commonwealth. The

1 legislative definition of the various projects on the  
2 transformative economic life of the project to have at least  
3 \$450 million of private investment and create at least 400 new  
4 jobs that might be in your area perhaps such things as motor  
5 manufacturers or aerospace manufacturers and in an urban  
6 setting it might be something used for a corporate  
7 headquarters. In a suburban setting perhaps it's a R&D  
8 facility but there's a variety of opportunities for mega project  
9 sites to spread up the road and we wanted to make sure we  
10 have a program in place to help localities to be prepared for  
11 projects like this. At present we have a slim inventory of sites  
12 available today and we have lost some opportunities because  
13 of that, I'm sure.

14           As you know the first \$5 million is going to  
15 come from the Tobacco Commission and because of that, it  
16 will get spent for localities that are in Southside, it's going to  
17 be spent in your Southside district. The guidelines we  
18 prepared are more broad and it would allow other localities to  
19 participate in that program when other sources of funding is  
20 available.

21           In our discussion with localities, we have  
22 identified two different needs. The first is at the lower level  
23 where there's a need to identify sites that might be appropriate  
24 for a mega project and to do the initial engineering, utility  
25 studies to determine if that site would indeed be viable for a

1 mega project facility. The second is to actually prepare the  
2 site for development for a mega project bringing in roads and  
3 fiber and everything that goes with doing that.

4           Initially we're thinking there really would be a  
5 very small number of those sites that we would want to  
6 provide grant monies for because we don't have a lot of money  
7 and we don't want to dilute an opportunity to get at least one  
8 big Mega Site up and running. Because of those two needs,  
9 we have established two different funds. The site evaluation  
10 and planning fund and the site improvement fund. Both of  
11 them have common goals and common applications and a  
12 grant cycle that I'll mention to you in a minute.

13           On the initial or site evaluation and planning  
14 we envision spending about \$2 million of the initial \$5 million  
15 on the earlier stage for the facility to allow the locality to  
16 identify and evaluate feasibility of sites. This involves due  
17 diligence and initial engineering study underway. If we don't  
18 really need the full \$2 million for this initiative, it will be  
19 deposited into the site improvement fund which we know is  
20 pretty much or it doesn't have to be spent all at once or at  
21 least \$2 million in the initial. This is how initially the program  
22 will be set up. This actually involves the site status. Under  
23 our guidelines we have some commonalities for the programs.  
24 Regional applications are going to be encouraged but not  
25 mandated. We'll give more points to you under our scoring

1 system to those localities that join together to participate in  
2 the Mega Site and give even more points to those localities that  
3 actually enter into revenue sharing agreements for the sites.  
4 Even in the initial phase you want some measure of site  
5 control. It's not an option or it's not actual ownership versus  
6 the second bigger level with expected ownership by that time.  
7 We're going to require 25 percent that could be done with  
8 monies that have already been spent for acquiring the  
9 option or acquiring the land and doing work themselves that  
10 would not be available for a match from other federal or state  
11 grant monies. As you know economic development involves  
12 everyone. In all of these, we want to make sure that the sites  
13 being developed matches with the locality with their economic  
14 development strategy and aligns with the assets and workforce  
15 they have in place or get in place shortly. So it doesn't make  
16 any sense to develop a Mega Site with all the land prospects  
17 when it doesn't have the other infrastructure or workforce  
18 necessary to make it work. The timeline for accepting the first  
19 round of applications or to accept return applications is early  
20 October and make the announcement for the governor in early  
21 November and start sending out checks in early December for  
22 both the initial and the later stage grantees. We expect some  
23 localities to spend the money within two years. Are there any  
24 questions?

25 DELEGATE MARSHALL: The Mega Site, when

1 it comes to jobs and jobs away from the site, is there a certain  
2 amount of land that you need?

3 MS. MCNINCH: No, it's going to differ whether  
4 it's a headquarters versus an R&D facility it might be three  
5 stories up or an automobile plant would be a huge, like several  
6 hundred acre facility. Depending on what it is, it's going to be  
7 very different and it will be a variety of opportunities.

8 DELEGATE MARSHALL: How many Mega  
9 Sites should we have in the State of Virginia?

10 MS. MCNINCH: One of the reasons why we  
11 want to make sure that the first three or probably focusing on  
12 one site, you're probably thinking of traditional Mega Sites. In  
13 other words, one would be just fine. Let's at least get one  
14 developed and one going and underway. Two would be great,  
15 three would be wonderful but we need to make sure we've got  
16 something that's workable.

17 SENATOR WAMPLER: One thing I forgot to do  
18 is recognize Madam Secretary Carter, thank you for joining us.  
19 Your presence here is appreciated. The reason for this item on  
20 the agenda was to give this committee the honor on where the  
21 partnership thinks we ought to have a Mega Site. I would say  
22 respectfully that at this point our areas overlap almost a  
23 hundred percent. Inasmuch as we are providing that first  
24 contribution toward what I believe the administration seeks to  
25 at least create one site. Delegate Marshall's point is a very

1 good point and it's yet to be determined how many sites or  
2 where the sites might be. I think the director has sent, the  
3 staff has worked with localities to say that we will offer in an  
4 open ended way to the footprint, that's the entire footprint as  
5 to what proposals or applications might be submitted to the  
6 Tobacco Commission to work in conjunction and in  
7 partnership with VEDP. I would almost say the circles do not  
8 overlap, maybe as much as we think because at least from the  
9 Commission standpoint I don't know if we can make a decision  
10 whether it's 1, 2, 3 or 4 or where the capital contributions and  
11 the vendor might be. I think it is a very strong goal of the  
12 Commission and certainly within the boundaries of this  
13 committee to oversee that evaluation where we might go with  
14 this. I would not say one is the final answer and it may be two  
15 or three and it may be different in size and scope depending on  
16 the property or the site, how bad did I butcher that Neal?

17 MR. NOYES: You did well sir.

18 SENATOR WAMPLER: I didn't mean to  
19 interrupt. Is there another question?

20 DELEGATE MARSHALL: You talked about  
21 revenue sharing between the communities. Are there any  
22 communities or localities or any sites that are sharing revenue  
23 right now?

24 MS. MCNINCH: I'm not sure about that. I  
25 know of two but whether there's three I don't know.

1                   MR. NOYES: Delegate Marshall there are at  
2 least four or five within the Commission's footprint where  
3 revenue sharing agreements are in place. Whether they will be  
4 interested in making application for the MEI site fund, I don't  
5 know yet.

6                   SENATOR REYNOLDS: Could I ask you to  
7 jump back I think two or three slides back. It's the next slide,  
8 the one you just went by. Help me to understand the second  
9 item below the first.

10                  MS. MCNINCH: The money needed –

11                  SENATOR REYNOLDS: Any money not needed  
12 for site evaluation it says.

13                  MS. MCNINCH: We allocated our initial goal,  
14 we allocated \$2 million for the initial site evaluation and  
15 planning program. I think there's \$500,000, I think it was  
16 \$500,000 is more than enough to get someone up and going.  
17 If we don't find that we have at least four takers, reasonable  
18 takers for that money, we will deposit that remaining amount  
19 to the later stage grant program. We only have \$4 million  
20 going out the door here and allow \$4 million for the site  
21 improvement fund.

22                  SENATOR REYNOLDS: Help me to remember  
23 where the \$3 million comes from?

24                  MS. MCNINCH: That comes from your \$5  
25 million that's going into it.

1                   SENATOR REYNOLDS: Explain to me, is there  
2 any limitation as to where the, that the money not needed for  
3 site evaluation would be spent? Where would that be spent?

4                   MS. MCNINCH: It will all be spent in  
5 Southside.

6                   SENATOR REYNOLDS: I wanted to make sure,  
7 thank you.

8                   SENATOR WAMPLER: I would hope that that  
9 comment is within the footprint of the Tobacco Commission  
10 and not just Southside.

11                  MS. MCNINCH: Yes, the footprint, your vision.

12                  SENATOR WAMPLER: From the Cumberland  
13 Gap, the most eastern portion of the Tobacco Commission  
14 region is what we would call the footprint. I don't mean to  
15 dwell on that but there is a difference. I'm going to try to clean  
16 up one of the items on the slide that Delegate Marshall asked  
17 about. Just to give you a little flexibility to make sure the  
18 administration concurs. I know the partnership perhaps has  
19 an idea of their vision but I'd like you to make sure that it's  
20 consistent with what the Secretary's office has.

21                  MS. MCNINCH: We share it with the  
22 Secretary's office.

23                  SENATOR WAMPLER: Whatever you send us,  
24 make sure that gets agreed upon by all the parties and that  
25 would be very helpful. Does that help Senator Reynolds?

1 SENATOR REYNOLDS: Yes.

2 SENATOR WAMPLER: Any other questions or  
3 comments?

4 MR. CANNON: On this site development, what  
5 is the job count?

6 MR. NOYES: The metric is 400 jobs, \$250  
7 million investment. If it's a corporate headquarters it could be  
8 a small footprint or if it's a large acreage facility, it could be a  
9 different type of facility. Those are the metrics that they chose  
10 to use and we haven't chosen anything for the balance of the  
11 funds.

12 SENATOR WAMPLER: Does that beg another  
13 question?

14 MR. CANNON: When you talk about a mega  
15 park, you're really focusing on cluster parks, that's part of the  
16 Mega Site, combined?

17 SENATOR WAMPLER: I'd say that's  
18 reasonable and why we're here discussing it. All right, any  
19 other questions or comments? All right, thank you for coming.  
20 Now, where are we on the agenda? Let me tell you how we did  
21 it this morning and if anybody wants to reshuffle the deck and  
22 do it differently, we'll have all the applications and I'll ask Tim  
23 to go through each one of the applications and we'll operate  
24 under the one objection rule. If anybody wishes to pull an  
25 application out of the block we'll do so. We can accept, reject

1 or modify whatever the will of the Committee is. There will be  
2 a term that is called and I'm going to defer to the director so  
3 every applicant can hear it directly from him as to what that  
4 term means.

5 MR. NOYES: The Chairman has agreed to  
6 have another meeting of the Special Projects Committee that  
7 will consider applications tabled by the Committee here today.  
8 Not a new application round, those applications tabled here  
9 today, that's however many this Committee determines.

10 SENATOR WAMPLER: I'll mention that we're  
11 joined by Delegate Kilgore on the phone and also Frank  
12 Ferguson, our counsel. Is that accurate?

13 DELEGATE KILGORE: Yes.

14 MR. FERGUSON: Yes.

15 SENATOR WAMPLER: I'd ask the record to so  
16 reflect. Tim, do you have any parameters you wish to add?

17 MR. PHOFL: No. The Commission received 24  
18 requests for special project grant funds by the announced  
19 deadline of June 2<sup>nd</sup>. The request totaled \$21.5 million and  
20 the Committee had a budgeted line item in FY11 of \$7.5  
21 million. There was a carry forward amount in the ballpark of  
22 three-quarters of a million. So you have just shy of \$8.3  
23 million today to deal with \$21.5 million of proposals. The  
24 documents staff provided for you recommended funding for 8  
25 projects totaling \$4.5 million and it was suggested that three

1 be tabled; one has been withdrawn by the applicant and 6  
2 were suggested to be referred to other committees.

3 Mr. Chairman, as you wish, I can move  
4 straight down the list or deal with those block referrals and  
5 recommended and so forth.

6 SENATOR WAMPLER: I suggest we start at  
7 the top and work our way down to the bottom. Those that  
8 wish to be heard on your application we'll entertain you albeit  
9 briefly in a clear and concise format. I've sat through a few of  
10 these but if the staff recommendation is something you can  
11 live with, I don't know that additional comments is necessary  
12 or required.

13 MR. PHOFL: Thank you. If I could take a  
14 moment to recognize the efforts of the original grant  
15 administrators who not only helped to review and develop  
16 these recommendations for you but also provided their sage  
17 advice to the applicants as they prepared their applications  
18 over the last few months, namely Sara Williams from  
19 Southwest Virginia and we're happy to have her back from her  
20 maternity leave and Sarah Capps from Southern Virginia so  
21 thank both of you for your efforts.

22 The first applicant is Blue Ridge Crossroads  
23 Economic Development Authority, the Wildwood Commerce  
24 Park and they have requested \$2.5 million to acquire 167  
25 acres of industrial property adjacent to Exit 19 on Interstate

1 77. The property includes a 50 acre pad that's already been  
2 rough graded with a storm water retention basin. The  
3 preliminary engineering reports indicate that for an additional  
4 \$2 million that pad could be made ready for occupancy. The  
5 proposal is asking for five years of principal and interest  
6 payments totaling \$1.5 million on a proposed USDA loan to  
7 acquire that property plus \$1 million of principal to reuse the  
8 amount of that loan. Staff is recommending three years of  
9 principal and interest to support or an equivalent level of  
10 funding to be used to reduce the principal of the loan. The  
11 staff recommends \$1 million award.

12 The second matter is the Communities in  
13 Schools of Virginia, Inc. and it is a non-profit applicant. The  
14 request is for \$50,000 for the study. They're interested in  
15 expanding this program that currently operates in Hampton  
16 Roads and Richmond Region and want to go to the Tobacco  
17 Region and the request for \$50,000, those funds will be used  
18 to establish two regional committees that would meet with  
19 interested private sector and public sector potential  
20 participants in bringing the program that's aimed at  
21 increasing on kind graduation rates in local high schools to  
22 the tobacco region. The outcomes are education oriented and  
23 involves K through 12 and this is one of three proposals that  
24 shows those characteristics that staff is recommending be sent  
25 to the education committee for policy discussion on whether

1 they're interested pending these types of K through 12  
2 programs. The staff recommendation is refer to education.

3           The Crossroads Rural Entrepreneurial  
4 Institute is seeking \$300,000 for the Crossroads campus  
5 expansion. This would be to acquire a vacant and existing  
6 building adjacent to the Institute's building. It would allow  
7 additional space and virtually ready to go with some minor  
8 cosmetic changes and improving traffic access to the Institute  
9 which current does not have a traffic light for a very well  
10 trafficked facility. There's a lot of movement of student  
11 participants in and out of that building and that is against US  
12 58 traffic. This property is adjacent to the traffic light and  
13 newly constructed hotel. Staff feels that this is very cost  
14 effective and ready to go solution to enable expansion of degree  
15 programs and other educational offerings in localities that  
16 have been severely impacted by the decline of domestic  
17 furniture manufacturing. We're recommending an award of  
18 \$300,000. I should note that there is a concurrent reserve  
19 proposal of \$200,000 also to assist with this building  
20 purchase and that would match a USDA rural development  
21 application that's pending.

22           Cumberland County Industrial Development  
23 Authority is asking for \$1.3 million for the Ag-Renewable  
24 Resources, LLC Anaerobic Digester Facility. This is a request  
25 by the local IDA to assist a private farmer owned LLC in

1 Cumberland County to develop a methane digester that will be  
2 fed by cultured waste from producers in Cumberland and  
3 surrounding counties. The request is here because of the  
4 Cumberland County under the Southside Economic  
5 Development formula has insufficient funds to address this  
6 project. They only have \$87,000 available to them in the  
7 upcoming Southside round. There's a very clear IT building  
8 site and staff feels there may be some additional opportunities  
9 from USDA funding for energy efficiency and other energy  
10 programs and so forth. We're recommending the proposals be  
11 referred to Agribusiness Committee.

12 Danville Pittsylvania Regional Industrial  
13 Facility Authority is requesting \$886,950 for the Berry Hill  
14 Regional Mega Park, Phase III, Environmental Review and  
15 Planning. This will complete the Phase III environmental on a  
16 3,500 acre regional park being jointly developed by the city  
17 and county. The Commission has provided \$13 million for  
18 this regional park. There will be sufficient funds in the  
19 upcoming Southside Economic Development round for these  
20 two localities to accomplish this work. The balance is  
21 available for Danville of \$1.6 million and Pittsylvania for \$5.8  
22 million so there's adequate funding there or alternatively  
23 through Mega Site funds from VEDP as you just heard or from  
24 the Commission budgeted Mega Site funds are available. So  
25 staff is recommending this proposal be referred to the

1 Southside Economic Development Committee.

2 Ellis Acres Memorial Park is requesting  
3 \$30,000 to renovate an existing bathroom structure that will  
4 serve an adjacent former training school building in  
5 Buckingham County that is being renovated for an adult basic  
6 education, community college classes and community  
7 meetings. The time that the applicant inquired we weren't  
8 clear that there was going to be sufficient allocation for  
9 Buckingham in the Southside formula. We now know that  
10 there is \$35,000 available in that upcoming grant round and  
11 the staff is recommending this proposal be referred to  
12 Southside Economic Development Committee.

13 The City of Emporia is requesting \$932,000 for  
14 a water treatment plant and water distribution system  
15 improvement project. Again, the previous proposal for  
16 Cumberland, it was in Special Projects but in this case  
17 Emporia received no allocation under the Southside Economic  
18 Development Program. For those that are newer to this  
19 committee that has been an entre to special projects regional  
20 program for Southern Virginia localities that does have  
21 adequate Southside allocations to accomplish projects.  
22 Emporia had no application under that program is here by  
23 virtue of that accommodation. The treatment plant was built  
24 in 1954 and the distribution lines go back to the 1920s. The  
25 water system, according to the preliminary engineering is more

1 than half commercial and industrial user based. Construction  
2 is estimated to be in the 9 to 10 million dollar range with an  
3 anticipated USDA loan and perhaps a future Tobacco  
4 Commission request. Staff recommends \$932,000, the  
5 requested amount. We stated a contingency on competitively  
6 bidding this project but the design and construction services  
7 had already been competitively bid.

8                   Ethanol is Energy Inside Organics d/b/a  
9 Trinity Energy is requesting \$500,000 in their proposal and  
10 has been reduced by the applicant to a \$200,000 request. The  
11 concept is to develop micro ethanol refineries at locations  
12 across the tobacco region. The request initially was for  
13 equipment costs and the revised proposal for \$200,000 would  
14 cover engineering, \$100,000; marketing at \$70,000; and a  
15 feasibility study at \$30,000. We've had several conversations  
16 with the applicant and has not yet filed a 501 C nonprofit tax  
17 exempt organization application with the federal government  
18 and they intend to do so promptly. They would wish to have  
19 you consider a proposal for engineering, marketing and  
20 feasibility study funds based upon receiving an IRS nonprofit  
21 designation. The staff is recommending no award at this time.  
22 It was suggested the Agribusiness Committee may be a viable  
23 option for this project when they have secured tax exempt  
24 status and thereby become an eligible applicant.

25                   SENATOR REYNOLDS: I move that that

1 project be taken out of the block and we can take about it  
2 later.

3 SENATOR WAMPLER: Just put an asterisk on  
4 it. My thought is that we would go back through and anybody  
5 who wants to speak to it could.

6 MR. PHOFL: Franklin County Office of  
7 Tourism requesting \$250,000 to produce lake affects, a family  
8 film about Franklin County which would be of course, filmed  
9 at Smith Mountain Lake. Staff has suggested that the  
10 economic development outcomes would be hard to quantify  
11 and to directly to attribute to this film and we're  
12 recommending no award on this project.

13 Lenowisco Planning District Commission has  
14 two proposals; one for compressed natural gas vehicle  
15 conversions and solar power generation projects and it's been  
16 requested to be tabled by the applicant.

17 Moving on, the Mary E. Branch Community  
18 Center is requesting a million dollars, a nonprofit applicant  
19 that is planning to renovate classrooms and a cyber lab in an  
20 existing school building. That should be enough description.  
21 That's part of Prince Edward County. It is hoped to offer  
22 community college and GED classrooms. A DHCD planning  
23 grant for this project is pending. The needs assessment and  
24 feasibility planning and we would suggest that that planning  
25 process needs to be conducted and completed before we can

1 assist in this project so we're recommending no award at this  
2 time.

3 The next proposal is People Incorporated  
4 Financial Services requesting a million dollars. That was  
5 withdrawn at the request of the applicant.

6 SENATOR WAMPLER: I thought that one was  
7 to be applied to the reserve fund.

8 MR. NOYES: They have successfully had a  
9 reserve award from the Tobacco Commission and that's an  
10 approved award. The reserve program is wide open anytime  
11 they wish to come back in. We talked with them and they're  
12 okay with this. They understand about the reserve process.  
13 They said go ahead and withdraw and we'll see you under the  
14 reserve program.

15 SENATOR WAMPLER: As with any other  
16 applicant, if you have a difference of what staff's interpretation  
17 and what the applicant's is, let's have it marked clearly in the  
18 record so it's not without prejudice.

19 MR. NOYES: Yes, sir.

20 MR. PHOFL: Prince Edward County.

21 SENATOR REYNOLDS: I'd request that be  
22 taken out of the block.

23 MR. PHOFL: The grant request for the Granite  
24 Falls Hospitality Workforce Training Center is a \$2.5 million  
25 request. That's a \$15 million conference and workforce

1 training center and part of a \$50 million hotel and conference  
2 center development near US Routes 460 and 15 outside of  
3 Farmville.

4 SENATOR ROSCOE: That's in Prince Edward  
5 County.

6 MR. PHOFL: Yes, Prince Edward County,  
7 thank you Senator. The workforce center would be owned by  
8 the County IDA and leased to the hotel operator. One level of  
9 the two level center will be dedicated to workforce training  
10 classrooms, a computer lab and training kitchen spaces,  
11 primarily for training hospitality industry workers in culinary  
12 and hospitality careers. The proposal was submitted to  
13 special projects because the allocation to Prince Edward from  
14 the Southside Economic Development Program is insufficient  
15 to substantially fund this project. Their allocation is about  
16 \$145,000 in the upcoming Southside round. The project is  
17 estimated to train more than 100 students annually over the  
18 25 to 30 year life of the facility. The discussions are ongoing  
19 with education institutions to provide hospitality and culinary  
20 training and agreements have not yet been completed or  
21 formalized. Pending the resolution of those agreements and  
22 funding for the project, staff is recommending that the  
23 proposal be tabled.

24 Region 2000 Technology Council has  
25 requested \$138,350 to develop a STEM Resource Center for

1 teachers and that would be in Southside. This Center would  
2 be for teachers, students and community groups at the CAER  
3 Research Facility that's under construction in Bedford. This  
4 would serve Bedford, Appomattox and Campbell Counties as  
5 well as other Tobacco Commission counties. The applicant  
6 has prorated the cost to include that 50 percent of the regional  
7 cost using Tobacco Commission funds. They hope to serve  
8 5,000 students annually with hands on programs. This is the  
9 second of the three proposals that deal primarily with the K  
10 through 12 audiences. The staff is recommending this be sent  
11 over to the Education Committee.

12                   Southside Planning District Commission is  
13 applying for \$343,599 to continue the return to Roots-  
14 Southern Virginia Phase II program and it would be a second  
15 phase in this expanded program. This would benefit primarily  
16 17 localities in Southside. The objective of Return to Roots is  
17 to expose job seekers to employment opportunities and to  
18 provide employers with access to a pool of workers at a  
19 reduced recruitment cost. The Commission has invested just  
20 shy of \$650,000 in this program to date. In the last 18  
21 months or so, 10 individuals have been placed into positions  
22 using the services of Return to Roots. In this case, it's the  
23 intent to establish a Southside based coordinator who will be  
24 hired but the majority of requested expenses appear to  
25 support continued operation of the Return to Roots for both

1 Southwest and Southern Virginia by the VEB staff based in  
2 Radford. Staff has requested information regarding movement  
3 toward sustainability using other funding sources and job  
4 opening information available on the Virginia Employment  
5 Commission's Virginia Workforce Connection website. The  
6 staff is recommending a final award of \$70,000 contingent on  
7 the Return to Roots Steering Committee to include balanced  
8 representation from both Southwest and Southern Virginia.

9 Southwest Regional Recreational Authority  
10 requesting \$270,000 for the Multi-Use Trail implementation  
11 project. Funds are requested by the state authority to build  
12 on a previous Tobacco Commission funded trail feasibility  
13 study and prepared to move into the implementation planning  
14 that would assess locations and costs, provide a prioritized list  
15 of projects for each venue and their service area and estimate  
16 ongoing operational and maintenance cost. The staff notes  
17 that there were two proposals that were tabled in the  
18 Southwest Committee today for trail construction into  
19 Southwest Virginia localities and we felt it was wise to proceed  
20 with this overall planning process first. There may be some  
21 eligibility and ARC funding but we thought in order to help the  
22 implementation planning, we suggested funding \$270,000  
23 contingent on reimbursement of no more than 90 percent of  
24 total project cost. Per the Commission's new policy, expect  
25 that 10 percent of the project costs be shared by the applicant,

1 at least 10 percent.

2 Southwest Virginia Area Health Education  
3 Center is requesting \$150,000 for Southwest Virginia Medical  
4 Center of Excellence Feasibility Study. Location not yet  
5 determined but the MCV project would create a new model for  
6 a locally based, accredited university affiliated medical  
7 specialists, primary care and allied health educational  
8 institution. This proposal has been hard for us to get our  
9 arms around because we're not sure that anything like this  
10 exists in the tobacco region or any other areas that we could  
11 find. We feel that there might be some eligibility for ARC  
12 funds. We're suggesting some issues need to be clarified  
13 concerning a healthcare provider versus a healthcare  
14 education facility. This is something that might be considered  
15 under the reserve fund as a match to ARC or other funding  
16 proposals.

17 St. Charles Health Council, Inc. d/b/a Stone  
18 Mountain Health Services Project PLAYOUT is requesting  
19 \$487,529. A nonprofit applicant proposes a contract with a  
20 private firm to produce and distribute a DVD and website that  
21 would educate third through fifth grade children across the  
22 tobacco region on obesity issues and healthy lifestyle choices.  
23 This project is unquestionably worthy and some of it is outside  
24 our vision in strategic planning. This might be in partnership  
25 with our colleagues down the hall, the foundation for health

1 and youth. Staff recommends 50 percent of project costs not  
2 to exceed \$243,765 contingent on a dollar for dollar match  
3 from the Appalachian Regional Commission and/or other  
4 sources.

5 Southwest Virginia Cultural Heritage  
6 Commission is requesting funding for inviting the world to  
7 Southwest Virginia. The proposal was submitted for \$750,000  
8 and we can happily report that this week the reserve panel  
9 approved \$500,000 of funding for this so the request in here  
10 today is reduced to \$250,000 for the multi-faceted initiative to  
11 begin marketing the Hartwood Regional Center which will be  
12 opening next year as well as tourism destinations and  
13 opportunities across Southwest Virginia. The staff  
14 recommends an award of \$250,000.

15 Virginia Foundation for the Humanities is  
16 requesting \$150,000 in bridging the gap program for  
17 musicians and professional development. This is a  
18 Charlottesville based nonprofit seeking funds to get a program  
19 to train musicians across Southwest Virginia and artists  
20 including marketing, tour development, contracts, audio and  
21 video production and so forth. This is a contract that has  
22 been brought to us in the past by not only nonprofits,  
23 community colleges across the region and with further  
24 refinements to develop this proposal involving community  
25 colleges and so forth. This could be a viable candidate for ARC

1 funding. I spoke with the project leader today. He has  
2 suggested there is a national endowment of the humanities so  
3 we're going to continue dialogue with the applicant and with  
4 the prospect of moving this through the reserve fund.

5 Virginia Technical Institute Phase II a request  
6 for \$1.45 million a recently established nonprofit educational  
7 organization to renovate the interior of a former industrial  
8 facility in Altavista and the site is Campbell County. This is  
9 for skilled technical trade's career and using the national  
10 center for construction education and research. This involves  
11 the NCCER curriculum. They estimate 160 students would  
12 receive training. The building has been acquired. Classes are  
13 scheduled to begin in September. Staff is concerned using the  
14 reserve fund for equipment and we're recommending the \$1.45  
15 million award contingent on obtaining at least three  
16 competitive bids for all construction.

17 Virginia First proposal for \$155,000 and it's  
18 the third of three proposals we're suggesting be referred to the  
19 Education Committee because of the K through 12. This  
20 involves a LEGO league and first robotics. This would be  
21 funded principally through the Education Committee. The  
22 target audience is high school students but we're suggesting  
23 the Education Committee have the opportunity to consider  
24 this project.

25 Finally Wilderness Road Virginia Heritage

1 Migration Route Tourism Economic Development Initiative is  
2 requesting \$146,500 for the tourism and economic  
3 development initiative. This is the informational kiosk, way  
4 finding signs, a web portal with ecommerce and trip planning  
5 capabilities, marketing campaign and economic impact  
6 assessment for this effort to promote tourism along the great  
7 wagon route US 11 and Daniel Boone Wilderness Trail US 58  
8 in Southwest Virginia and the Carolina Road US 220 in  
9 Southern Virginia. They are a candidate for the ARC asset  
10 based development funds. Staff is suggesting this be  
11 resubmitted to the reserve fund to match a potential ARC  
12 request. That concludes the list.

13 SENATOR REYNOLDS: Mr. Chairman, I move  
14 that the recommendations of the staff with the exception of  
15 2136 and 2135.

16 SENATOR WAMPLER: I think I've got 2137  
17 and 2135.

18 SENATOR REYNOLDS: 2135 and 2136.

19 MR. PHOFL: Franklin County Lake Effects  
20 film and 2135 Granite Falls Hospitality.

21 DELEGATE MARSHALL: I have a question  
22 about 2148 if you want to pull that one out of the block.

23 SENATOR WAMPLER: What I would like to do  
24 is go back to the top of the list and for those in the audience  
25 that wish to speak, now would be the time to do that as we go

1 down the list and we can see if we can cull out what we need  
2 to. Again, if you are an applicant and you are pleased with  
3 your application, we'll be glad to hear you but brevity would be  
4 appreciated. So let's go to the top, 2138. Next would be 2154.  
5 Next is 2142.

6 MR. JENKINS: Mr. Chairman, I would request  
7 2150 be considered separately.

8 SENATOR WAMPLER: Is there anyone in the  
9 audience that wishes to speak to 2150, you can come up front  
10 and tell us your name. Brevity will be appreciated.

11 JENNIFER ROBERTS: I'm Jennifer Roberts  
12 with Cumberland County. We're very excited about this  
13 project and we wholeheartedly endorse it. I'd like to introduce  
14 Darryl Bishop.

15 DARRYL BISHOP: Thank you Jennifer, I'll try  
16 to speak louder. I appreciate the opportunity to speak to you  
17 this afternoon. We're really excited about this project so  
18 excuse my exuberance here. I want to touch on a couple of  
19 points. This is a broad range of benefits to the region.

20 SENATOR WAMPLER: Would you tell us your  
21 name again?

22 DARRYL BISHOP: Darryl Bishop.

23 SENATOR WAMPLER: Thank you.

24 DARRYL BISHOP: From Agrenewable  
25 Resources, LLC. This will be the first industrial park in

1 Cumberland County and we're excited to be the anchor  
2 location for that industrial park and specifically why it should  
3 be a special project and not referred to the Agricultural  
4 Committee. I'd say that 60 to 70 percent of that revenue  
5 stream from that green energy type project would make it a  
6 green energy project and a special project along with the fact  
7 that it would power 25 percent of the homes in Cumberland  
8 County. In addition to that being a special project, it would  
9 compete in a lower category for agribusiness with the request  
10 much higher and perhaps have less success in that category.

11           There's an opportunity to break ground with  
12 this project by December 31. If we can break ground, we'll get  
13 that 30 percent federal tax credit and that will help us in that  
14 grant aspect to be very successful in this project. We will not  
15 be able to obtain that without the earlier grant from special  
16 projects as opposed to being put back in agribusiness which  
17 doesn't meet until January. There's three key points there, it  
18 is a green power project primarily and it would be more  
19 distinctly in special projects. Number two it has the  
20 opportunity to power 25 percent of the homes in Cumberland  
21 County for 30 percent tax benefits. More importantly it would  
22 not then compete with more specific agribusiness projects. In  
23 the other category it would compete where it's more closely  
24 aligned. Thank you for the opportunity to speak to you this  
25 afternoon.

1 SENATOR WAMPLER: Any questions?

2 DELEGATE MARSHALL: The waste that's  
3 going to be turned into electricity, where is that waste going?

4 MR. BISHOP: Now it's being sold to apply to  
5 crops and there are manure management plans that the  
6 producer of that waste has to submit but there is legislation  
7 pending that will cause them to do an end use manure  
8 management plan. A lot of that waste would originally end up  
9 in streams and into the Chesapeake Bay in a phosphorus  
10 problem as a result of some of that. This takes care of all  
11 those issues. It's a great project and it takes care of air  
12 pollution, water pollution and soil contamination.

13 DELEGATE MARSHALL: You must have read  
14 my mind. This could go into the Chesapeake Bay watershed?

15 MR. BISHOP: Yes, absolutely.

16 DELEGATE MARSHALL: How many tons a  
17 year would this involve?

18 MR. BISHOP: Right now we're proposing at  
19 least 40 tons a day times 365 days so you can do the math,  
20 it's a lot. That's only 25 percent of the available litter based on  
21 our survey. We did a survey of over 150 farms in the area and  
22 73 percent of the farmers were very interested in sending all or  
23 a percentage of their litter to this location. This includes areas  
24 in 8 counties that form the boundaries that you take into  
25 consideration.

1                   DELEGATE MARSHALL: We had somebody  
2 from EPA who didn't talk to us but lectured to us about  
3 cleaning up the Bay and if we don't clean it up today,  
4 phosphorus is one of the big issues.

5                   MR. BISHOP: In other parts of the country  
6 phosphorus is like gold. For us, when it's in our soil, it runs  
7 into the Chesapeake Bay and it's like poison. We can take it  
8 and send it to the Midwest and they can use it and send us  
9 back things that we can use.

10                  SENATOR WAMPLER: Tim, I believe in your  
11 recommendation one of them was without this Committee  
12 passing judgment, refer it to Agribusiness. I think we  
13 struggled, this is a subject that or sometimes we struggle  
14 finding good quality projects for Agribusiness. Back on point  
15 Tim, I think you recognized at least in your reiteration that  
16 this project would be eligible for funds other than the Tobacco  
17 Commission. If we're consistent with what we've done before,  
18 go to those entities and find the funding, how many dollars  
19 you can draw down before we're the first bank so to speak. In  
20 the total project cost, do you have, if you could find funding  
21 elsewhere and then you could come to Agribusiness and that  
22 will still help you meet your objective, would it not.

23                  MR. BISHOP: If we go to the WHEET Program  
24 which is the one outstanding on the Agribusiness side, they  
25 have a \$500,000 limit on their grant. Our financials that you

1 have seen is based on a \$2 million strike mark to make this  
2 project go financially. Right now we have commitments for  
3 \$200,000 from the Tobacco Commission for a site through IDA  
4 and \$300,000 from DMME. We also received a feasibility  
5 grant from the USDA for \$37,000. What it amounts to is that  
6 if we miss this opportunity to get a \$500,000 grant, we miss  
7 the 30 percent tax benefit and if we don't break ground by the  
8 first of the year, then we take off the table the opportunity to  
9 make this project go quickly and move forward fast.

10 SENATOR WAMPLER: What is the will of the  
11 committee? Do you want to refer this one to the Agribusiness  
12 Committee?

13 MR. JENKINS: I move that we consider this  
14 for Special Projects.

15 DELEGATE MARSHALL: Second.

16 MR. JENKINS: I serve on the Agribusiness  
17 Committee and if this is referred and I think everybody would  
18 agree, it's a well qualified request and no question about it.  
19 An award from the Ag Committee would kill the Ag  
20 Committee's budget for the year. I see it as a no win situation  
21 to refer it to the Ag Committee.

22 SENATOR WAMPLER: Any further discussion  
23 on the motion? The chair would ask the question objectively,  
24 where are we then if we award \$1,317,600 and not pursue  
25 other funding?

1 DELEGATE BYRON: Could we award this total  
2 amount contingent on their process of applying for other funds  
3 and qualifying?

4 SENATOR WAMPLER: Let me defer if I might.  
5 You could table it and come back after.

6 MR. NOYES: I think at minimum, my  
7 preference would be and looking at the performance, this  
8 generates fairly significant cash flow and it does not appear to  
9 me and I read the application, rather they are coming to us for  
10 the largest part of, we need to see how the revenue is going to  
11 be used. My recommendation would be to seek a motion to  
12 table it, a substitute motion to table it and bring it back before  
13 the October Board meeting.

14 DELEGATE BYRON: By tabling it, would it  
15 come back to Special Projects?

16 MR. NOYES: Yes.

17 DELEGATE BYRON: So in that regard the  
18 staff can give a better recommendation based on, we're going  
19 to have a staff recommendation to send it to Agriculture?

20 MR. NOYES: That's correct.

21 DELEGATE BYRON: Then what is the  
22 timeline?

23 MR. NOYES: October 29<sup>th</sup> approval rather  
24 than July 29<sup>th</sup> approval.

25 SENATOR WAMPLER: We got a motion and a

1 second.

2 DELEGATE BYRON: I'd make a substitute  
3 motion that we table it and allow them to bring it back to the  
4 October meeting.

5 SENATOR REYNOLDS: Second.

6 SENATOR WAMPLER: There's a substitute  
7 motion on application 2150 to table the matter. Is there  
8 discussion on the substitute motion? Is the Committee ready  
9 to vote on the substitute motion to table it? Hearing none, all  
10 in favor of tabling the motion, signify by saying aye. (Ayes).  
11 Opposed No. (No response). The ayes have it and that motion  
12 is tabled. That would then be included in the block. Thank  
13 you very much.

14 MR. JENKINS: Are you saying that in effect  
15 with this motion, we have agreed to refer it to Agribusiness?

16 SENATOR WAMPLER: No, sir. It's tabled but  
17 it remains, the substitute motion was that application 2150  
18 remain within Special Projects and be tabled which can be  
19 considered at our next meeting in October. Any other  
20 questions that's in the block? If there's no other questions  
21 then we'll move on. 2151, 2152, 2148.

22 DELEGATE MARSHALL: Someone from  
23 Emporia is here. Would you tell us your name please?

24 MR. DAVENPORT: I'm Jack Davenport and  
25 I'm the Executive Director of Emporia Economic Development

1 Corporation and this is the operator of the wastewater  
2 treatment plant.

3 SENATOR WAMPLER: Thank you, you might  
4 be the folks that had to travel the farthest. Question from  
5 Delegate Marshall.

6 DELEGATE MARSHALL: We've heard the  
7 report from the staff, can you give us a short, tell us about this  
8 project.

9 MR. DAVENPORT: We have a 50 year old  
10 facility to maintain and we have a 50 year old facility and we're  
11 maintaining it. It's hard to get parts for this equipment. We're  
12 still on some original equipment. We were designed for 2 mgd  
13 by today's health standards we would not be able to operate.  
14 Our distribution is 1910 to 1920 can't really supply the water  
15 needed. You got the pressure but don't have the volume and  
16 there's some restrictions. The plant is on the edge of meeting  
17 all the regulations of the Health Department but it's not going  
18 to take much to drop it off.

19 DELEGATE MARSHALL: Does Emporia have  
20 bond debt for a water treatment facility?

21 MR. DAVENPORT: Yes, sir.

22 DELEGATE MARSHALL: How much debt?

23 MR. DAVENPORT: I can't give you that, I don't  
24 know.

25 DELEGATE MARSHALL: I guess my question

1 is the City of Danville looked at this a couple of years ago as a  
2 taxpayer and the City of Danville didn't come to the Tobacco  
3 Commission but we asked the taxpayers to pay for it because  
4 they're using it.

5 MR. DAVENPORT: I think the issue before you  
6 is Emporia is a very small community population  
7 approximately 5,900 residents. More than half the capacity of  
8 the water treatment plant serves our existing business base  
9 which is a regional employment hub for those folks in  
10 Emporia. That includes Sussex and Brunswick County.  
11 Actually it's a 40 mile radius. About 2,500 jobs that are  
12 served by manufacturers and commercial businesses are tied  
13 to the facility. There's an effort here to develop a funding plan  
14 and also working with a formula that does not drive out our  
15 employers.

16 DELEGATE MARSHALL: Have your water and  
17 sewer rates gone up?

18 MR. DAVENPORT: I think it was increased five  
19 percent three years ago. I think the overall funding is going to  
20 push the rate structure and I don't have the exact numbers.  
21 We're looking at about a three percent increase in order to  
22 fund this.

23 SENATOR WAMPLER: Any other questions  
24 from Committee members. Do you wish to be heard?

25 MR. BOYD: I'm Robert Boyd, a consultant for

1 the City of Emporia. You asked about the current debt load.  
2 Currently Emporia has annual debt in excess of \$600,000 on  
3 the water, just on water. They are proposing to fund the total  
4 project or proposing a loan from rural development of about  
5 \$10 million so you can see it's going to increase the debt load  
6 a lot.

7 SENATOR WAMPLER: Thank you. 2137.  
8 Hearing nothing, 2136.

9 SENATOR REYNOLDS: Mr. Chairman, if I  
10 could speak to that very briefly.

11 SENATOR WAMPLER: Yes, sir.

12 SENATOR REYNOLDS: I've read the staff's  
13 recommendations and I spoke to Ron Willard, Mr. Willard is a  
14 prominent resident of Franklin County and I talked to him  
15 about concerns that were expressed by staff. What I would  
16 like to do Mr. Chairman, I would like to give them an  
17 opportunity to try to do things that staff indicates needs to be  
18 done in order for this grant to be favorable. I move to table it.

19 SENATOR WAMPLER: There's a motion by  
20 Senator Reynolds on 2136 to table. Is there a second?

21 DELEGATE MARSHALL: Second.

22 SENATOR WAMPLER: There's a motion and a  
23 second, is there anyone that would like to be heard?

24 MS. WEIR: Thank you, my name is Deborah  
25 Weir. I'm manager for tourism in Franklin County. I

1 appreciate the opportunity to talk to you about this project.  
2 It's a rather unique project and I guess by staff's  
3 recommendation it is. I have with me Sara Timmins who is  
4 spearheading this whole project and I'd like her to address  
5 you.

6 MS. TIMMINS: Good afternoon and I'd like to  
7 address some of the staff's comments and their  
8 recommendation. First of all, I'd just like to tell you the  
9 Governor has awarded us a grant from the Governor's  
10 Opportunity Fund and so we'd like to reduce what we're  
11 asking for from \$250 to \$185 thousand. When you talk about  
12 film making and I just want to point out some things about  
13 making a film and this involves Smith Mountain Lake. The  
14 difference is that we are calling this Smith Mountain Lake and  
15 we are showcasing businesses that already exist, the local  
16 musicians that are driving this area. Our goal in making this  
17 film is to make economic development and tourism have an  
18 impact locally. Our hope is that when somebody watches this,  
19 they can go to that lake or google it and see that it really exists  
20 and they'll be wanting to tour this area in Southwest Virginia.  
21 You can see some realtors are posting the update with our film  
22 on their site. People that are purchasing second homes, why  
23 do they want to locate here. It was pretty exciting this week  
24 and we were looking for a crew and we were contacted by four  
25 individuals all separately who come from West Virginia and

1 have moved to other areas to pursue filmmaking. They are  
2 very excited about coming down and working here and  
3 working on this project. Three of the four are thinking about  
4 relocating here. I know by this recommendation that the  
5 project will most likely happen regardless of Tobacco  
6 Commission funding. The question really is how will that  
7 happen because right now the community has taken  
8 ownership of the project. They see the long term effects it can  
9 have, therefore, they're willing to donate in kind and volunteer  
10 efforts. Some people have personally invested money and I  
11 could go on and about people who feel this would have an  
12 affect on their company long term. I have letters from a  
13 number of legislators that support the project. We've had  
14 some lodging donated there. I can go on and on with that.  
15 This is just one film of many but our goal is to have a  
16 company in Southwest Virginia that can continue to make  
17 film. I could go into more detail. We have also received in  
18 kind services and I see my time is running out.

19 SENATOR WAMPLER: Is this being voted to be  
20 tabled, do we have a motion?

21 MR. NOYES: We haven't voted on a motion to  
22 table.

23 DELEGATE MARSHALL: Motion to table.

24 SENATOR WAMPLER: There's a motion to  
25 table and a second for application number 2136. All those in

1 favor identify by saying aye. (Ayes) Opposed. (No response).  
2 This project will be tabled and will be within the  
3 recommendations. All right, 2139; there was a  
4 recommendation to table; 2140 a recommendation to table;  
5 2103, do you wish to speak sir?

6 MR. JACKSON: Yes.

7 SENATOR WAMPLER: Tell us your name?

8 MR. JACKSON: My name is Kenneth Jackson  
9 and thank you for the opportunity to speak to the committee.  
10 I'm from Farmville, Virginia, Prince Edward County. I'm going  
11 to tell you a real quick story and I'll be brief. I went to the  
12 Board of Supervisors last year and there was a 25 year old  
13 man, a great father under privileged low income. He was  
14 anxious to vote and get registered to vote and I made the  
15 mistake of handing him the registration and watched a blank  
16 stare come over his face because he couldn't read and couldn't  
17 write. He could barely say his name. I knew there was a  
18 problem with somebody 25 years old and at that age; you have  
19 a big life ahead of you not to mention you have to raise your  
20 children. If you can't read and write what kind of job would  
21 you get?

22 I took over as director and president of Mary E.  
23 Branch in December. My goal was to make a community  
24 center and actually did what it was supposed to do, improve  
25 the community. You know that there is one thing a business

1 needs and that is educated workforce. The second thing is  
2 infrastructure and public safety. I looked at our statistics in  
3 Prince Edward County, 11.7 and these are recent statistics  
4 have less than a 9<sup>th</sup> grade education; 18.4 have no high school  
5 diploma at all, 28.4 don't have a GED. When we put this  
6 proposal before you, it's not our first option but one of our  
7 options. The application is still pending and we still have a lot  
8 more information to gather to give to them. Giving us a  
9 second chance to get all the information together. In order to  
10 comply, you need someone who specializes and therefore you  
11 need money. We're a nonprofit and we get most of our money  
12 from the County of Prince Edward and some help from the  
13 United Way. A project like this cannot go without support.  
14 We have a population of about 20,000 people in Prince Edward  
15 County and we got about 5 or 6 thousand people that can't  
16 read or write and they really can't sustain themselves. This is  
17 a county that definitely needs this. If it wasn't needed the  
18 percentage rates would not be this high. I ask your Board to  
19 reconsider, even if you don't give us a million dollars, give us  
20 something so we can get this going. Education is very  
21 important and this is a great part of our society in this  
22 Commonwealth that needs some help. Thank you.

23 SENATOR WAMPLER: Any questions? All  
24 right, thank you very much for your time and patience and  
25 your travel. Next is 2149 that was withdrawn for future

1 consideration from the reserve fund. Next is 2135, that one  
2 was out of the block by Senator Reynolds.

3 SENATOR REYNOLDS: Yes.

4 SENATOR WAMPLER: You may come forward  
5 and tell us who you represent and your name.

6 MR. BARTLETT: Good afternoon, I'm Wayne  
7 Bartlett, County Manager of Prince Edward County. I  
8 understand this project has been tabled and we do have some  
9 time constraints but I didn't hear the date of the next meeting.

10 MR. NOYES: The date has not been  
11 established yet for the next Committee meeting; probably  
12 October.

13 MR. BARTLETT: That's right in our  
14 wheelhouse. Prince Edward County is requesting a \$2.5  
15 million request from Special Projects. Let me give you a brief  
16 description of the four major components costing  
17 approximately \$50 million. That would be the largest single  
18 investment ever in Prince Edward County. This project is a  
19 perfect fit for a special projects grant and it would provide a  
20 positive impact that would be felt all across Southside.  
21 There's an education component and tourism based economic  
22 development component. The first component is the actual  
23 hotel which should cost \$33 million and for that amount, we  
24 received \$16.75 million allocation that was a bond from the  
25 Governor, a preliminary commitment of \$300,000 in a TROF

1 grant, \$6.6 million owner's equity and an additional \$6.5  
2 million coming from the sale of new market tax credits. A  
3 buyer of the credit has already been lined up. That's a total of  
4 approximately \$30 million. Ninety-two percent of that  
5 component has already been committed. The second is a  
6 conference center which is estimated to cost \$9.5 million.  
7 Farmers Bank of Appomattox and the USDA Community Bond  
8 guaranteed loan of \$1.5 million on Tuesday, July 13<sup>th</sup>. We  
9 have a draft loan proposal from Community Capital Bank of  
10 Virginia for \$8 million USDA business and industry  
11 guaranteed loan. The conference center will be owned by  
12 Prince Edward County IDA and all of that funded is either  
13 committed or will be shortly. The third component is  
14 relocation of State Route 628 that will cost \$2 million. The  
15 County has obtained a VDOT revenue sharing grant for one  
16 half of that cost up to \$1 million. The developer has agreed to  
17 pay the remainder of that cost. The fourth and final item is  
18 the workforce training center which will cost \$5.94 million.  
19 The grant in question of \$2.5 million will fund 42 percent of  
20 that center. The funding would be used to pay a portion of the  
21 construction of the workforce training center which will be  
22 housed in the conference center. The space will be  
23 permanently configured and equipped as classrooms and be  
24 used for training. The remaining funds are anticipated to  
25 come from a variety of sources, yet to be finalized. The

1 training curriculum will be focused on hospitality management  
2 training and culinary art for Southside Virginia's growing  
3 tourism industry and local food initiatives. All seven of our  
4 surrounding counties have provided written letters of support  
5 for this project which can and will benefit all counties in the  
6 Southside region. The culinary arts project will be run by  
7 Central Virginia Community College. Hospitality training by  
8 the Southside Virginia Community College. CDCC has no  
9 hospitality training and is interested in receiving that.  
10 Currently CDCC training kitchen which I believe the Tobacco  
11 Commission funded this last round they had approximately 40  
12 applications for that program and had to turn away people.  
13 The CDCC is very interested in aligning their program with  
14 this project, not only to allow expansion of the program but to  
15 provide real world training for their existing students. We  
16 have correspondence from the business directors supporting  
17 this program. The Governor has provided Prince Edward a  
18 \$16.75 million allocation. An investment banking company  
19 has issued a letter to council or to the Governor that they're  
20 confident that they can get private placement of these tax  
21 exempt bonds. By federal law, these bonds must be closed by  
22 December 31<sup>st</sup> of this year. For that to happen, we must have  
23 a guaranty in construction for both the hotel and the  
24 conference center. In order to get that guaranty, the architect  
25 must complete the design and development. In other words,

1 all phase requirements layouts and et cetera to be finalized by  
2 mid October. The bond investors must have confidence in the  
3 project funding sources for all aspects of the project and they  
4 must feel comfortable in purchasing the bonds. If funding for  
5 the workforce training center in is not committed to Prince  
6 Edward County and the developer will have no choice but to  
7 delete that portion from the project. Elimination of the  
8 workforce training center would actually reduce the estimated  
9 cost of this project by \$5.94 million. The staff of the Tobacco  
10 Commission has recommended that our request be tabled. If  
11 that recommendation is accepted, it would effectively eliminate  
12 the workforce training center for this project. We fully  
13 understand and share the concerns expressed by the  
14 Commission staff but to continue the momentum we are  
15 experiencing to keep this project moving forward in a timely  
16 manner, we respectfully recommend that our request be  
17 approved and be contingent on the following answers. First,  
18 the Recovery Zone Utility Bond –

19 SENATOR WAMPLER: I think what you're  
20 trying to tell us, I think you're going to tell us what we need to  
21 do.

22 MR. BARTLETT: Recommend. What we're  
23 doing is we're amending our request.

24 SENATOR WAMPLER: I'm just going to slow it  
25 down because if I don't understand it, I don't know if the

1 members at the table do. Now you're amending your  
2 application and what you have here, the \$2.5 million is not  
3 what you want us to take action on?

4 MR. BARTLETT: We'd like the \$2.5 contingent  
5 upon certain items being addressed by Prince Edward County  
6 and the developer to answer concerns of the Commission.

7 SENATOR REYNOLDS: Mr. Chairman, I think  
8 what he's saying is he's asking for \$2.5 million only if the  
9 following three conditions are met.

10 MR. NOYES: Contingent on them doing  
11 something.

12 SENATOR WAMPLER: Normally the staff will  
13 work with you telling you how we can work things out. For  
14 the applicant to stand at the podium and tell us how we're  
15 going to do that if that's the way you wish to do it.

16 MR. BARTLETT: Those contingencies would be  
17 that the recovery zone utility bond be closed as required by  
18 federal law. All remaining construction funding sources be  
19 committed and three assurance of educational uses and  
20 grants be arranged. The Commission's funds would not be  
21 allocated or expended until all three of the above contingencies  
22 are fulfilled. That concludes my remarks. I'll be welcomed to  
23 answer questions.

24 SENATOR WAMPLER: I'm going to ask a  
25 couple of questions because I'm still trying to understand what

1 you just said. I'm sure others have greater knowledge than I  
2 do. You list in your sources of funding an \$800,000 request  
3 for EDA and in your application you say it's not coming until  
4 2010, yet you told us October is too late for the Tobacco  
5 Commission to respond to your request. What don't I  
6 understand here?

7 MR. BARTLETT: Those funds would be mainly  
8 used for infrastructure like water and sewer. We don't have a  
9 timeline; we had our Congressman just talk to the EDA  
10 recently to define the timeline.

11 SENATOR WAMPLER: Is it fair to say then  
12 that you don't know about a portion of this potential funding,  
13 you don't know about a portion of your grant sources?

14 MR. BARTLETT: That is correct and that's one  
15 of the contingencies.

16 SENATOR WAMPLER: We could make it  
17 contingent and you wouldn't know if that's in October or  
18 December? There's one thought that I had and you mentioned  
19 that the architect must determine or must have his  
20 determination made by a date certain which will be the end of  
21 the year. Where is the ADP, how much of those –

22 MR. FOWLER: I'm Robert Fowler. I'm a  
23 manager for the developer of the hotel. At this stage we've  
24 been funding the A&E piece. The issue at hand is that in  
25 order to get a guaranty, we need for the bond issue, we have to

1 have the design and development drawings completed by mid  
2 October. We need to know between now and mid October  
3 whether or not the workforce training center is part of the  
4 project so we know what plans to hand over to the  
5 construction manager to give us a price.

6 SENATOR WAMPLER: Where I was trying to  
7 go with that question, if the A&E component is what you have  
8 to have completed by date certain, how much is that and  
9 nobody knows the answer to that.

10 MR. FOWLER: It's approximately \$150,000.

11 SENATOR WAMPLER: That's what we heard  
12 before as to what was needed to make sure that the project  
13 was not lost.

14 MR. FOWLER: What we're saying is that you  
15 need to have a definition of the project by October 15<sup>th</sup> so our  
16 construction manager can give us a price that will be used in  
17 the financing of the bond. Once they get their plan, they need  
18 four to five weeks to develop the guaranteed maximum price.  
19 If you look at closing the beginning of December and back off  
20 four or five weeks, back off a month to actually sell the bonds,  
21 you'd come to October 15<sup>th</sup> where we have to deliver a set of  
22 plans for pricing.

23 SENATOR WAMPLER: Are there other  
24 questions from the Committee?

25 SENATOR REYNOLDS: Could I ask the staff to

1 react to the presentation here? What affect would  
2 contingencies; I mean if all the contingences were met, what  
3 affect would it have on your recommendation? I guess what  
4 I'm saying is could you tell me how you would react if the  
5 Commission should decide to set aside \$2.5 million contingent  
6 on the three conditions being met?

7 MR. PHOFL: Senator Reynolds, what they're  
8 asking for is that our funds be used for construction. If we  
9 don't approve construction funding that the workforce training  
10 component will be deleted from the project, taken out of the  
11 drawings and not built. If contingencies are in place, our  
12 funds would not be used until they had completed all their  
13 construction financing.

14 SENATOR REYNOLDS: Does that address the  
15 concerns that staff has?

16 MR. PHOFL: Yes, I think in that but I'd have  
17 to go back and ask Mr. Bartlett to clarify the piece about the  
18 education agreement. I think what we're looking for –

19 MR. NOYES: If I may Tim. Is your question if  
20 these contingencies are in here now and funds are set aside  
21 for it and if there was no need for a contingency, would the  
22 staff recommend \$2.5 million?

23 SENATOR REYNOLDS: No. What I'm trying to  
24 find out is, I thought what they were asking for was the  
25 contingent allotment and contingent upon three things being

1 met before the allotment would take place. If it was done that  
2 way, would that meet the staff's concerns?

3 MR. PHOFL: For the most part.

4 SENATOR REYNOLDS: Mr. Chairman, Scott  
5 Harwood called me. Scott is a member of the Commission and  
6 represents this area and he said this is very important he  
7 represent it. Unfortunately he was tied up and couldn't be  
8 here today and he asked me to defer that to the Committee.  
9 Mr. Chairman, I would move that the grant or a contingent  
10 grant of \$2.5 million to partially fund the workforce training  
11 center be made contingent upon the three conditions to which  
12 would have to be met. Number one, the recovery zone facility  
13 bonds would have to be closed as required by federal law; two,  
14 all remaining construction funding sources be committed; and  
15 number three a satisfactory use agreement with the colleges  
16 and universities be resolved. As I understand it, that basically  
17 addresses concerns that the staff had and why they  
18 recommended this project be tabled. If I'm speaking out of  
19 order tell me.

20 MR. NOYES: I'm not sure staff, even with  
21 those contingencies, I'm not sure if \$2.5 is the number that  
22 staff would recommend; \$2.5 million is substantially in excess  
23 of all funding provided by the Tobacco Commission for all the  
24 community colleges we work with in Southern Virginia in a  
25 given year, one site for two training programs. I cannot

1 answer the question what that number would have been in the  
2 staff's recommendation.

3 DELEGATE BYRON: So the plan is to table  
4 this after, we could tell you what that number might be or  
5 mean.

6 MR. NOYES: That's not going to help these  
7 folks because October 28<sup>th</sup> and 29<sup>th</sup> is our next meeting and  
8 they have to have something two weeks earlier than that.

9 SENATOR WAMPLER: The motion before the  
10 Committee is to table. The Chair is going to observe this  
11 project has merit. I would ask, depending upon the will of the  
12 Committee if in fact it is tabled and that we continue to pursue  
13 this aggressively on a timeline that meets the needs and that  
14 may be the Executive Committee has to be called and/or we  
15 have to meet perhaps earlier. I'm one person and I don't know  
16 the answer to that. I wish we could fund a piece that is not in  
17 the amount of \$2.5 million to help facilitate and that's the  
18 problem with doing it in open committee.

19 DELEGATE MARSHALL: Mr. Chairman,  
20 listening to the timelines and the special projects schedule in  
21 October. Before the full Commission, we're going to be back in  
22 this part of the state in about two weeks and would that give  
23 staff enough time to a special meeting at that time?

24 SENATOR WAMPLER: I don't know.

25 MR. NOYES: There's no condition as far as

1 contingencies to resolve –

2                   SENATOR WAMPLER: - I don't think it's fair  
3 for staff to try to resolve it in two weeks. We probably don't  
4 know all the funding sources and the commitments that are  
5 coming from them. I would say that the staff  
6 recommendation, without any other motion before the  
7 Committee is to table, if that's the will, I would give guidance  
8 since I hope the concurrence of the balance of the Committee  
9 is for staff to continue to work aggressively the rest of the way  
10 on this.

11                   DELEGATE BYRON: I concur with your  
12 comments and I would also like to say I know you're not going  
13 to get the money for the workforce training to go forward  
14 unless; I don't think I've seen anybody at any time or a million  
15 dollar building and what's involved here is certainly a worthy  
16 project.

17                   UNIDENTIFIED: I'm hearing you say that if  
18 you don't get the workforce development building you're still  
19 going to go forward with the other phase of the project.

20                   MR. FOWLER: That is correct. The workforce  
21 training center added later on would be an additional building.

22                   SENATOR WAMPLER: If you have something  
23 else to add please do.

24                   MR. BARTLETT: The workforce training center  
25 will be scaled back somewhat to a smaller amount.

1                   SENATOR WAMPLER: Thank you all very  
2 much, appreciate what you're doing. 2135, the  
3 recommendation is to table. Next is 2156, 2143, 2144, 2159.

4                   DR. JOHN DREYZEHNER: My name is John  
5 Dreyzehner and I'm a physician and I'm here on behalf of the  
6 Southwest Virginia Medical Center of Excellence Feasibility  
7 Study, that's an area health institution and council. I've  
8 spoken to the staff about our application and I just have a  
9 couple of comments and we can always refine the application  
10 that was submitted. I'd like to say a few words about that. If  
11 you're not familiar about the educational aspect of this or how  
12 that fits into economic development but what this is about is  
13 creating health jobs in Southwest Virginia. By the way,  
14 Southside because if this project is successful it would be able  
15 to replicate it elsewhere. We haven't specifically determined  
16 the location yet because it's not going to be a single location  
17 center. The idea here is to create a new model. You're correct  
18 we haven't been clear on the models but that's the reason  
19 we're asking for some funding to help us refine the model and  
20 determine the feasibility. Right now if you're going to become  
21 a physician and go to medical school and after you go to  
22 medical school, you go to residency if you're going to become a  
23 specialist or a fellowship. Fellowships all occur under  
24 university centers. What we're proposing is to create a  
25 fellowship that occur in rural areas using rural people as

1 patients and training other healthcare providers in that  
2 context. This would not be competitive with any existing  
3 healthcare enterprise in our region. In fact we have hospitals  
4 and medical schools that are supportive of the fact as well as  
5 private practitioners. This is a project that will create stable  
6 health jobs in our community. This will provide education  
7 both at the fellowship level and specialists and also primary  
8 care physicians. It will provide care for local residents at a  
9 much higher level than they can receive anywhere locally and  
10 for university care at the local level. We hope to also bring in  
11 some research dollars for community based research. This is  
12 a new model and we're very concerned about healthcare jobs  
13 especially with the economy we're facing and hospitals are  
14 looking at substantial reduction in payment. Rural health  
15 jobs are such an important part of the local economy. In most  
16 of the areas we're talking about, hospital and healthcare jobs  
17 are usually the top five employers. This is new and I  
18 understand that. As I said, it's a new model and we're trying  
19 to move this forward. This is a priority in the health authority  
20 blueprint. Health is very important for any community but it's  
21 also a substantial economic development tool creating health  
22 jobs and creating a more attractive climate and creating more  
23 health opportunities for people that work in the area.

24 I'll be happy to answer any questions you  
25 might have but at the end of the day, we think this is an

1 important economic development project and as I said, health  
2 is economic development. We think this is one of the major  
3 industries providing health and education and provide  
4 significant health benefits too. As you know, we are ranked  
5 near the bottom in the state with regard to health outcomes in  
6 Southwest and Southside. This is one way to help change  
7 that, it's actually a generational change.

8                   SENATOR WAMPLER:       Are there any  
9 questions? We didn't really know where to put this  
10 application and it ended up with special projects. I thought it  
11 might have been in the Southwest Economic Development  
12 Committee. I'm not sure what scope this fits in. Thank you  
13 for coming and your patience and travel. All right, moving on,  
14 2145, 2147, 2146, 2155, 2153 and 2141.

15                   MR. COSTELLO: My name is Kevin Costello  
16 and I'm President of Wilderness Road Virginia Heritage  
17 Migration Route Tourism Economic Development Initiative. I'd  
18 like to first start off by thanking the staff. We had some back  
19 and forth on whether or not their putting the cart before the  
20 horse and I feel like we have not put the cart before the horse.  
21 I just ask that you reconsider the staff's recommendation with  
22 the reserve fund. I feel like after five years of implementing  
23 this program and coming before you to ask for funding, that  
24 we'd want to move forward quickly with this project and we're  
25 hoping to do that in conjunction with a bill before the General

1 Assembly which is sponsored by our delegate to achieve  
2 highway status for the Wilderness Road and others. Along  
3 with that bill, we would request some money from VDOT to  
4 pay for the signage and that sum may not be in the  
5 Commission's footprint. We're looking for funding from the  
6 Commission to help us facilitate that. We also hope to  
7 accomplish that in conjunction with Hartwood, part of the  
8 three pronged project involving the Wilderness Road and the  
9 Crooked Road and around the mountain. We appreciate your  
10 time. Thank you.

11 SENATOR WAMPLER: Any questions? Thank  
12 you very much for your presentation. All right, let's go back to  
13 the top of the list or the top of the recommendations. From  
14 the staff's recommendations there are two changes and that  
15 would be on item number 2150 and instead of referring to  
16 Agribusiness the staff recommended to table that would be  
17 included in the block. The next item is application number  
18 2136, Franklin County Office of Tourism and we would change  
19 the recommendation to table. As the Chair and to reduce their  
20 amount, rather than do it on the fly, we'll let them work with  
21 staff and find out what they really want to do. To the Chair's  
22 knowledge, that's the only two modifications to the staff's  
23 recommendations. Are there any comments concerning what  
24 is before us now? The Chair would entertain a motion to  
25 adopt the recommendations. Senator Reynolds.

1                   SENATOR REYNOLDS: Is 2135 being removed  
2 from the block?

3                   SENATOR WAMPLER: 2135, Prince Edward,  
4 the block remains with all other items excluding application  
5 2135. Is there a motion to adopt the block?

6                   SENATOR REYNOLDS: So moved.

7                   SENATOR WAMPLER: It's been moved and  
8 seconded to adopt the recommendations with the additions as  
9 we noted, tabling the two items, excluding item 2135. Any  
10 discussion? All in favor signify by saying aye (Ayes). Opposed  
11 like sign (No response). The ayes have it. The block is  
12 adopted. The next item is application 2135. Is there a motion  
13 to approve the recommendation to table? It's been moved and  
14 seconded that on application 2135 moved to table the  
15 application. If there's no further discussion, all in favor of  
16 tabling application 2135 signify by saying aye (ayes). Opposed  
17 no. (1 No). The motion carries and that's tabled. There's a lot  
18 of work to be done between now and the next meeting on  
19 matters that have been tabled and that's why we're here. Now,  
20 the Chair would entertain a motion to adopt the minutes I'm  
21 sure you all read. It's been moved and seconded that the  
22 minutes be approved. All in favor say aye (ayes). Opposed no.  
23 (No response). The minutes are approved.

24                   There is one other action item, there are two  
25 items, there are two previous applications that special projects

1 recommended to the full Commission that are obtaining the  
2 timeline of extension and staff will do those administratively.  
3 I'd ask Tim to discuss those. I'd ask for a motion to extend the  
4 deadline.

5 MR. PHOFL: Referring to the Commission's  
6 policy adopted by the full Commission last year, grants have  
7 three years from date of approval to complete their approved  
8 activity. Grantees can request a fourth year to complete their  
9 project which can be approved administratively by the  
10 executive director. Any project activity beyond four yours,  
11 beyond the fourth anniversary from the date of Commission  
12 approval requires that vote of the committee that funded the  
13 project. So staff has alerted two grantees that still have open  
14 projects funded by your Committee. The two projects are the  
15 Virginia Nursery Association Research Foundation. The  
16 second is the William King Regional Art Center in Abingdon  
17 and Washington County. Both of those were approved in April  
18 of 2006 so they're just a couple of months after their approval,  
19 expiration of the fourth anniversary. The Virginia Nursery  
20 Association Research Foundation Grant was for \$145,000 and  
21 that was the beautiful gardens program that would be sold to  
22 nurseries. They have a balance of less than \$40,000 and  
23 they're asking to be able to use those funds to propagate  
24 plants at the research lab in Danville.

25 The second proposal was originally a grant for

1 \$500,000 to the William King Art Center in Abingdon for  
2 construction of the artists and studios expansion of the  
3 museum building. Fifty-five thousand of that half million  
4 grant on design work. They're requesting an extension so that  
5 they can complete some strategic planning on their site. The  
6 County of Washington has vacated former classroom space  
7 adjacent to the museum. There are representatives of both  
8 projects here if you'd like to speak to them.

9 SENATOR WAMPLER: It would be a  
10 recommendation of the full Commission that we recommend  
11 extending those grants.

12 SENATOR REYNOLDS: So moved.

13 SENATOR WAMPLER: Moved and second.

14 DELEGATE MARSHALL: I wasn't here in '06.  
15 If they don't use all the money, does the money go back to  
16 special projects?

17 MR. NOYES: Yes.

18 SENATOR WAMPLER: It's been moved and  
19 seconded and the motion before us is to adopt the  
20 recommendation to grant the extension or recommend it to the  
21 full Commission. Any further discussion on these two items?  
22 Hearing none all in favor signify by saying aye (Ayes).  
23 Opposed no. (No response). The ayes have it. Now, we have  
24 one more item.

25 MR. NOYES: Ladies and gentlemen, you have

1 some comments that I drafted on your table concerning that  
2 portion of the MEI major funding investment program and  
3 we're working with VEDP. My thinking in the third paragraph  
4 is that there should be open competition. The application is  
5 due in early October. Those applications with staff  
6 recommendations before this Committee. Special projects  
7 committee would meet in December concerning  
8 recommendations for the full Commission's consideration in  
9 January. There's a balance of \$20 million this year. That's  
10 the only decision we need to make. The rest is discussion  
11 things. My thinking was that initial applications describing  
12 how the Commission would be used over a four year period  
13 rather than focusing just on the existing balance today. Those  
14 applications need to identify where other than the Commission  
15 and applicants would go for other funds. These are very  
16 expensive projects whether we wanted a 1, 2 or a 4 hour  
17 meeting, this committee would elect to recommend to the full  
18 Commission \$100 million or to a single one in all likelihood.  
19 These are all very expensive projects.

20 SENATOR REYNOLDS: I move that the  
21 Committee's position being that there's open competition of  
22 the applications due in October and the Special Projects  
23 Committee meeting in December we follow recommendations  
24 and develop the recommendations for the full Commission  
25 meeting in January.

1                   MR. NOYES: There's other things in here to  
2 discuss, some of the same things with VEDP mission, site  
3 control, geotechnical information, environmental and land use,  
4 regulatory permitting sorts of things, certain physical  
5 infrastructure, proximity of rail, many other things also. It's  
6 going to be developing a site that's going to cost X. This is  
7 going to involve the water plant and sewer plant. These are  
8 the sorts of things that need to be discussed. The staff would  
9 like to work with the applicants so we can get the applications  
10 developed by 30 October for the use of the balance of the fund.  
11 I also suggest the starting point that no application should  
12 exceed \$10 million for the existing \$20 million amount instead  
13 of everybody coming in and asking for \$20 million. The thing  
14 that I believe that would be most controversial for this  
15 Committee that I am suggesting that as we go through round  
16 one we have an open competition, this committee considers  
17 among all other folks that we no longer have open competition  
18 in subsequent years. That the applicant pool would be  
19 decided with the first group of recommendations and that way  
20 staff can work more closely with one or two or three, however  
21 many you want to consider.

22                   DELEGATE MARSHALL: The only caveat to  
23 that is that if one of these sites happens to hit a homerun can  
24 locate a business at an occupied site then with the additional  
25 dollars going there.

1                   MR. NOYES:    The Committee always has  
2 discretion to change the rules. Just so the applicants know,  
3 I'm asking the Committee to provide that direction to the staff.

4                   MR. CANNON:    Are you saying that in  
5 December the entire region or county is this done by  
6 December 1<sup>st</sup>?

7                   SENATOR WAMPLER: Let me take a crack at  
8 that. This has been going on for awhile and localities know  
9 that this has been part of the strategic plan in representing a  
10 locality that chose to engage in a Mega Site is pretty scary.  
11 The financial commitment to put in the infrastructure, site  
12 control is the easy part. I think what the director is trying to  
13 say is we need to narrow the focus down significantly and  
14 that's why we oppose a deadline. This Governor will leave  
15 office before this Mega Site is even out of the ground. I  
16 probably shouldn't say that madam secretary but even if he  
17 closes the deal today, he would have a hard time and be  
18 pressed to be present at the ribbon cutting. We're just trying  
19 to help facilitate and focus it down so we're not chasing after  
20 20 different locations. That's my personal opinion.

21                   MR. NOYES:    To be perfectly clear what I'm  
22 saying is that the application for the \$20 million is available  
23 this year. By early October and the Committee meeting will be  
24 in December and have recommendations be decided by the  
25 Commission in January. The answer to your question is yes.

1 We're not going to sit around for a year and a half or two years  
2 while folks figure out how they want to approach the Mega  
3 Site.

4 SENATOR WAMPLER: Does that complete the  
5 action?

6 MR. NOYES: Mr. Chairman, yes.

7 SENATOR WAMPLER: Now we come to the  
8 part of the agenda where we ask if anyone wants to make any  
9 public comments.

10 SENATOR REYNOLDS: I don't think we have a  
11 motion to adopt.

12 MR. NOYES: It's under the direction of the  
13 chair based on the discussion already; it'll be on the website.

14 SENATOR REYNOLDS: You're satisfied where  
15 we are on that?

16 SENATOR WAMPLER: Are there any public  
17 comments? Are there any other matters to come before the  
18 committee? I want to thank everyone for bearing with us. I  
19 want to thank you for coming and I want to thank the staff for  
20 all their work and I want to thank the applicants for traveling  
21 here and your patience.

22

23 PROCEEDINGS CONCLUDED

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 Thursday, July 15, 2010, at 11:00 o'clock a.m. at the Wytheville Meeting Center, in Wytheville, 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 \_\_\_\_ day of July, 2010.

\_\_\_\_\_

Medford W. Howard

Registered Professional Reporter

Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2010

CERTIFICATE NUMBER: 224566