

1 **VIRGINIA TOBACCO INDEMNIFICATION**
2 **AND COMMUNITY REVITALIZATION COMMISSION**

3 701 East Franklin Street, Suite 501
4 Richmond, Virginia 23219

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8 **TROF COMMITTEE MEETING**

9 Tuesday, June 11, 2013

10 3:00 o'clock p.m.

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14 Hilton Garden Inn - Downtown
15 Richmond, Virginia

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CRANE-SNEAD & ASSOCIATES, INC.
4914 Fitzhugh Avenue, Suite 203
Richmond, Virginia 23230
Tel No. (804) 355-4335
Fax No. (804) 355-7922

1 APPEARANCES:

2 The Honorable Terry G. Kilgore, Chairman
3 The Honorable Frank M. Ruff, Vice Chairman
4 The Honorable Edward Owens
5 Mr. Neal Noyes, Executive Director

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7 COMMISSION STAFF:

8 Mr. Ned Stephenson, Deputy Executive Director
9 Mr. Timothy S. Pfohl, Grants Program Administration Director
10 Ms. Carolyn Bringman, Performance Data Analyst
11 Ms. Stacey Richardson, Executive Assistant

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13 COMMISSION MEMBERS:

14 Ms. Mary Rae Carter, Deputy Secretary
15 Department of Commerce and Trade for Rural Development
16 Ms. Beth D. Rhinehart

17

18 COUNSEL:

19 Eric E. Ballou, Esquire
20 CHRISTIAN & BARTON, L.L.P.
21 Mutual Building
22 909 East Main Street, Suite 1200
23 Richmond, Virginia 23219-3095
24 *Counsel for the Commission*

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1 June 11, 2013

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3 DELEGATE KILGORE: I'll call the meeting to order.

4 It's 3:00 o'clock.

5 Neal, would you call the roll.

6 MR. NOYES: Delegate Kilgore.

7 DELEGATE KILGORE: Here.

8 MR. NOYES: Senator Ruff.

9 SENATOR RUFF: Here.

10 MR. NOYES: Mr. Owens.

11 MR. OWENS: Here.

12 MR. NOYES: I'm Neal Noyes, and I am here.

13 Everyone is here.

14 MR. BALLOU: Mr. Chairman, I can read the
15 appropriate motion, and there are certain rules for going into
16 executive session. The reason for going into closed session
17 would be two. The appropriate verbiage is pursuant to Virginia
18 Code 2.2-37A-11 of the Virginia Freedom of Information Act. Mr.
19 Chairman, we'll entertain a motion to go into a closed meeting
20 with respect to a specific legal matter regarding the TROF
21 Committee and the Commission's guidelines for process, for
22 considering process, regarding the Commission's specific advice
23 by legal counsel for information and for the purpose of discussing
24 such a matter.

25 The second matter is under Virginia Code 2.2-3711-

1 A5, where the Chair will entertain a motion to go into a closed
2 meeting with the appropriate application requesting TROF
3 funding in connection with a previously unannounced expansion
4 or location in Southwest Virginia, a portion of the Commission's
5 footprint and to discuss and consider prospective businesses or
6 industries or the expansion of existing businesses or industries
7 where no previous announcement has been made.

8 MR. OWENS: Second.

9 DELEGATE KILGORE: All those in favor, say aye.
10 (Ayes). We're in closed session.

11

12 NOTE: Whereupon at 3:03 p.m., the Committee goes
13 into executive session. Thereupon, at 3:45 p.m., the Committee
14 reconvenes in open session, viz:

15

16 MR. BALLOU: The appropriate motion following the
17 executive session will be that the Chair will entertain a motion
18 pursuant to Virginia Code 2.2-3712-D, that to the best of each
19 Commissioner's knowledge each Commissioner certifies that only
20 public business matters lawfully exempted from open meeting
21 requirements and only such other business matters identified by
22 the motion in which the closed meeting was convened were
23 heard, discussed or considered by the Committee during the
24 meeting, and a statement of this effect will appear in the minutes
25 of the meeting. This will be by roll call vote.

1 MR. NOYES: We have a motion so moved.

2 MR. OWENS: Second.

3 MR. NOYES: We have a motion and a second, Mr.
4 Chairman. Should I call roll?

5 DELEGATE KILGORE: Yes.

6 MR. NOYES: Delegate Kilgore?

7 DELEGATE KILGORE: Aye.

8 MR. NOYES: Mr. Noyes says aye.

9 Mr. Owens?

10 MR. OWENS: Aye.

11 MR. NOYES: Senator Ruff?

12 SENATOR RUFF: Aye, yes.

13 MR. NOYES: So certified.

14 MR. BALLOU: The Chairman will now entertain a
15 motion recommending that the Commission approve application
16 for and authorize the TROF funding in an amount equal to
17 \$450,000, and in connection therewith, enter into a grant
18 performance agreement with the appropriate public body and
19 private business to be formally announced in connection with the
20 public disclosure of the property. The TROF grant funding will be
21 conditioned upon execution of the Commission's Standard
22 Performance Agreement, including customary claw-back
23 provisions.

24 SENATOR RUFF: So moved.

25 MR. OWENS: Second.

1 DELEGATE KILGORE: All those in favor, say aye.
2 (Ayes). Opposed? (No response).

3 MR. STEPHENSON: Mr. Chairman, next before us is, if
4 you please, is Grant Number 2687, Wise County IDA. I would
5 direct your attention to the summary that you have in your
6 package where Wise County is asking for a grant of \$350,000,
7 and you can see the background information there. This
8 particular grant is unique in that there is no private sector
9 employer or investor who will be bound on the contract with the
10 Commission. It'll be a two-party contract between the IDA and
11 the Commission.

12 Now, I want to invite your attention closely to
13 Footnote Number 1 from the TROF Request Summary. This
14 document looks like this right here. And it's very important for
15 you to focus in on that. This is as it is explained to me by the
16 IDA. That is that this piece of real estate is owned by the IDA.

17 The IDA formed a limited partnership called Wise Inn
18 Partners, who will manage that real estate. Wise Inn partners
19 engaged Guest Services, Inc. to run the hotel under a contract.
20 The point is that Wise Inn Partners, LP has agreed to sign a TROF
21 contract. However, in my opinion, that is a construct of the IDA,
22 and it is essentially the IDA itself. You don't have an employer
23 on the hook, but you have the IDA.

24 There is a couple of other facts you should know. To
25 date, the Commission has committed \$1.6 million to the Wise Inn

1 project, and this would be in addition to that. So, in large part,
2 therein lies the differences for this particular deal.

3 I would also tell you that the requested amount, 350,
4 is in excess of econometric guidelines. If they were an employer,
5 the guidelines would support 120 and not 350.

6 MR. NOYES: May I ask a question, Mr. Chairman?

7 DELEGATE KILGORE: Yes.

8 MR. NOYES: The private taxable capital investment in
9 this project, what is that number, I see \$12 million investment,
10 but you show various sources, you show DHCD and the
11 Commission, what's taxable?

12 MR. STEPHENSON: As it was explained to me, I asked
13 the IDA, who's paying the taxes on this enterprise, and they said
14 the Wise Inn Partners, LP would pay the taxes from the operating
15 profits from the facility, and I'm just telling you as it was told to
16 me.

17 DELEGATE KILGORE: So it would be taxable? They
18 would be paying real estate taxes back to the county, because
19 this is one of the things that we look at, they are a tax base.

20 MR. STEPHENSON: If the project or if the hotel
21 generates some revenue, it'll be paying taxes. There is no one to
22 pay the taxes other than the hotel itself. There's no income
23 besides that.

24 DELEGATE KILGORE: That's the only one to pay
25 taxes, the hotel itself.

1 MR. NOYES: The hotel project, other than Southwest.

2 MR. STEPHENSON: It is unclear to me whether or not
3 the hotel property is subject to real estate taxes under state law.
4 I mean it's owned by the IDA, I don't know if they're exempt.

5 DELEGATE KILGORE: It sounds like this would fall
6 into the Southwest Economic Development's guidelines more so
7 than the TROF guidelines, is that what I'm hearing from you,
8 Ned?

9 MR. STEPHENSON: It does not fit the TROF
10 guidelines.

11 DELEGATE KILGORE: It would fit the Southwest
12 Economic Development guidelines.

13 MR. NOYES: We've done it before.

14 SENATOR RUFF: I would point out that we can take
15 someone else, I'll let Southwest speak.

16 MR. OWENS: Do you need a motion?

17 DELEGATE KILGORE: If there's a motion to approve
18 it.

19 MR. STEPHENSON: In that case, I should direct the
20 applicant to apply to Southwest?

21 DELEGATE KILGORE: More so than others.

22 MR. NOYES: They can pursue that avenue and can
23 proceed sooner than September.

24 DELEGATE KILGORE: Thank you.

25 MR. STEPHENSON: The third item before you today is

1 the City of Bristol, and you have their application in front of you,
2 which has changed a little bit since it was filed, and you have the
3 TROF guidelines also before you. Probably much more important
4 than the TROF guidelines is the Term Sheet which is in your
5 packet.

6 The representatives from the city are here today, and
7 I'm sure, Mr. Chairman, they'll be happy to speak and answer
8 any questions you might have. These terms are a little bit
9 complicated, and they are as a result of several volleys back and
10 forth between the city and its counsel and the Tobacco
11 Commission and its counsel to try to define as clearly as possible
12 what risks the Commission would bear if it chose to enter into
13 this transaction. We can go through this --

14 DELEGATE KILGORE: -- Why don't you go through it,
15 tell us what we're doing and how many jobs and the investment,
16 and let's do that first, and then we'll hear from the city. Why
17 don't you just introduce yourself. Remember, we all have a Term
18 Sheet, and what I'd like to hear from you is to tell us why this is
19 a different run of the mill retail, from jobs, and how much the
20 investment is.

21 MR. TRIVETTE: Thank you, I'll start off and tell you
22 why it's different. This is a one-of-the kind in the
23 Commonwealth, and it's the only one that can be currently, and
24 this project is the only one that'll ever be allowed by the
25 Commonwealth. It's considered to be a development regional

1 impact by statute that was adopted. And as a distinction, that
2 statute prohibits shopping centers and malls just replacing retail.

3 The Development Retail Impact distinction carries with
4 it its own criteria, four of which apply to the private and three
5 apply to the community, which makes it specific to Bristol. The
6 four that apply to the project are most important. A \$50 million
7 capital investment, you have to attract a million visitors a year,
8 and have to do at least \$5 million in sales tax revenue, and it has
9 to, and I forgot the last one, 2,000 jobs have to be created.
10 That's a distinction between this retail project and any other
11 retail. This is a development regional impact by that definition
12 meaning it will affect the region as a whole.

13 The Commonwealth is one of the few states now that
14 has DRI language. There's plenty of other states like Texas,
15 Florida, Maryland, Pennsylvania that have regional impact
16 statutes that allow special waivers and variances due to the
17 magnitude of the project, specifically designed for projects that
18 are very, very large like this one. So that's what really makes
19 this different.

20 In terms of job creation, the statute requires 2,000
21 jobs have to be reasonably expected. In the Term Sheet that we
22 provided, we told you that Phase 1 of four phases with a possible
23 fifth phase is 1,200 jobs. So, we're very satisfied that we can
24 reasonably expect to achieve 2,000 jobs, which is not easy to do.

25 DELEGATE KILGORE: In that Phase 1, 1,250 jobs is

1 what the Tobacco Commission would be committing to.

2 MR. TRIVETTE: Yes, and at 1,000, and there's tons of
3 ways to measure the impact of this project. The numbers on the
4 Term Sheet are based on your standard definition. Working with
5 Mr. Stephenson, I want you guys to look through the terms what
6 is a job, and 1,250 would represent that. We met with all our
7 contractors and met with all of our tenants and said here's the
8 definition, how many will you have? So this doesn't come from
9 my office, but it comes from people that will be doing the hiring.

10 Then, of course, the capital investment for this project
11 is \$86 million in taxable assets, and that's private investment,
12 and that's money that goes into the project will then be taxed.

13 Now, the city will have quite a bit of extra money
14 involved not included in that total. The total project with all five
15 or all four phases the city is participating in is about \$280 million
16 in the total project, including private and public investment. The
17 city's portion of that \$280 million is about \$90 million, and that's
18 a budget we set way back when we started developing this
19 project, and it hasn't changed much from that number.

20 DELEGATE KILGORE: Tell us why you're before us
21 now.

22 MR. TRIVETTE: The reason we're here now is that this
23 project is unique in a lot of different ways, and obviously being
24 the first of its kind comes with a lot of tall challenges. The
25 funding is going to be a challenge because it's enormous and

1 because it's a public private partnership depending upon brand
2 new state legislation. The whole project was designed around
3 very limited risks for everybody involved with the exception of
4 the private partner.

5 The public risk was to be guaranteed by the revenue
6 bonds, the whole project in essence, and there's some risk for
7 the city, but the majority of that \$90 million is revenue bonds.
8 The revenue bonds are predicated on the statutory language that
9 requires the Commonwealth to remit to the city 3.75 percent
10 sales tax that would be generated from the private success, and
11 that comes back to pay down the amount of debt.

12 So in the process of getting all the bonds in place and
13 doing the Phase 1 project, the bond counsel, who is the counsel
14 to the underwriter, got very concerned over the definition that is
15 not provided in the statute for construction complete. That led
16 us down numerous paths with the legislators, the Governor's
17 Office, trying to clarify what that section of the statute meant
18 and really a housekeeping modification. Unable to get that
19 accomplished, the underwriter working with me and Mr.
20 Stephenson arrived at the conclusion that one thing that they
21 could pay to satisfy them on limited risk would be a guarantee to
22 the Commonwealth's performance, that's the most important
23 point of this request.

24 The Tobacco Commission is being asked to provide a
25 guarantee not on the profit, not on my estimations, not on the

1 Chmura estimations, or the revenue estimations and project
2 performance, but simply on the performance of the
3 Commonwealth to remit the tax that's due pursuant to statute in
4 a timely fashion. Meaning when Phase 1 is complete, when those
5 businesses are open and generating revenue, the city expects to
6 receive that remittance back so that we can pay the bond buyers
7 back.

8 DELEGATE KILGORE: If that happens and the
9 Commonwealth is paying that, then we're out?

10 MR. TRIVETTE: Exactly. You're out zero. There are
11 basically four scenarios in the Term Sheet that allow for this
12 guarantee to be forgiven, forgotten. The first is that in the
13 session, which begins in January, there's a legislative
14 amendment to clarify the definition of construction complete. If
15 that happens and it's approved, then the guarantee provided by
16 the Commission is no longer needed.

17 MR. NOYES: If I may, Mr. Chairman. That would be
18 the rebate to the city or Phase 1 as opposed to completion of all
19 phases of the project?

20 MR. TRIVETTE: Yes.

21 MR. NOYES: For some number of years?

22 MR. TRIVETTE: Yes.

23 DELEGATE KILGORE: The Comptroller's Office, were
24 they already planning on doing this?

25 MR. TRIVETTE: That's really been the difficulty in

1 getting the legislative amendment to pass the first go-around,
2 and that was the unmitigated certainty by all the state agencies,
3 the Governor's Office, the city, that the language is clear enough
4 to proceed.

5 Where we hit a roadblock was the one person that had
6 to be convinced, and that is the bond underwriter's counsel. So
7 that's why we're here.

8 Another option is that a budget amendment is
9 accomplished in session, and then, of course, the ultimate proof
10 that the Commonwealth begin remitting the tax. So those are
11 the three ways this can --

12 DELEGATE KILGORE: -- If the amendment passes and
13 signed into law --

14 MR. TRIVETTE: -- End of story. Our bond underwriter
15 would be more than happy. Let me explain how the city's
16 process works in conjunction with this guarantee. The entire
17 project is governed by a revenue bond and their schedule. In
18 order to proceed in time to meet the deadline set by our tenants,
19 we have to move on a schedule that's already been determined.
20 So for that reason, the project is already under construction, city
21 council has financed interim financing to keep the project
22 moving, and construction is underway.

23 Now, what we will do if there's an affirmative vote on
24 the guarantee today, the counsel and the IDA will be asked to do
25 interim financing to carry that construction work from today to

1 September, the end of September. That's when the bond
2 counsel and bond underwriter feel they can have the package
3 ready to let out for bond issuance.

4 So based on the guarantee that passes today, we
5 won't be waiting on the session to start and we will immediately
6 begin preparing the package and do all the due diligence that's
7 required to issue those bonds in September, which our bond
8 underwriter expects to sell at a favorable rate given the
9 guarantee.

10 MR. CURCIO: Let me explain, if I may, I think the
11 transaction is described fairly straightforward and correct, and
12 that's all included in the elaboration on the Term Sheet. I'm not
13 sure I'd call it a guarantee, more of a performance agreement
14 grant to disburse the conditions of which would act as a form of
15 insurance that where the controller of the currency, the
16 Commonwealth's comptroller, not release the tax revenues until
17 completion, and that would enable the city to be able to make
18 the draw under the grant agreement up to the amount that --

19 MR. TRIVETTE: -- That we should be due.

20 MR. NOYES: There can be disbursement of some or
21 all of the award if the legislature does not provide relief or the
22 budget process does not provide relief.

23 MR. TRIVETTE: Yes.

24 MR. NOYES: We're talking about a disbursement
25 that's possible within a year from now.

1 MR. TRIVETTE: Yes, that's the only time we can make
2 a draw.

3 MR. NOYES: One or two things has to happen.

4 MR. CURCIO: I'm Peter Curcio, city attorney. Really
5 three things. Really, the third scenario. Bear in mind that the
6 comptroller has already said that he interprets the statute the
7 way that we do, so according to the comptroller, the monies are
8 going to flow, regardless of whether there is an amendment,
9 regardless of whether it's in the budget. If the comptroller has
10 anything to do with it, it's still going to flow, so three things
11 really have to go wrong.

12 MR. TRIVETTE: It's entirely possible no action will be
13 taken in the session and still the performance guarantee is
14 forgiven.

15 DELEGATE KILGORE: The Governor has said or the
16 administration has said, but you're still going to go forward or
17 that's your intent.

18 MR. CURCIO: Yes, that's our understanding.

19 MR. OWENS: The total project is taxable real estate?

20 MR. TRIVETTE: Yes, ultimately, yes.

21 MR. OWENS: The total number of jobs in Phase 4 is
22 how many?

23 MR. TRIVETTE: After the four phases, the promise is
24 something like 4,000. That includes the indirect jobs, as well.

25 DELEGATE KILGORE: How many direct jobs?

1 MR. TRIVETTE: Three thousand and some-odd
2 number.

3 DELEGATE KILGORE: One of your tenants is moving
4 real fast.

5 MR. TRIVETTE: The major driver in our current
6 situation or a couple of our premier anchor tenants that we dare
7 not lose, unique to the Commonwealth, require a specific opening
8 date, and the performance of the city that they're requiring in
9 order to stay on schedule and what produces the urgency.

10 DELEGATE KILGORE: What's that name?

11 MR. TRIVETTE: It's Cabelas. Cabelas is really the
12 driving force.

13 DELEGATE KILGORE: What's the closest one?

14 MR. CURCIO: One opened in Louisiana, and one in
15 West Virginia.

16 MR. TRIVETTE: Which the Commonwealth competed
17 for but lost to West Virginia.

18 MR. OWENS: Your time table to move forward, when
19 is that?

20 MR. TRIVETTE: Yesterday. City council apparently
21 put in a bill for the project with the optimism that a resolution
22 can be reached.

23 MR. CURCIO: One of the things you need to be aware
24 of, I'm sure you can appreciate this, our city council voted and
25 went out and bought the land at a tune of \$25 million

1 approximately, and they already took that leap of faith, and in
2 the middle of this land, there's a mountain to bring it down.
3 That's why it's so expensive.

4 MR. BALLOU: Mr. Chairman, maybe you could
5 address the importance of the TROF award in providing the
6 necessary comfort for the bond underwriter and the bond sales
7 and who they would sell the bonds to. My understanding is that
8 the terms of timing, part of this has to do with providing the
9 assurance to the bond investors that the statute means what it
10 says.

11 MR. TRIVETTE: Yes, that's really it in a nutshell. The
12 bond underwriter, their process is that they will buy the bonds
13 and resell them on the market. In order to resell them on the
14 market, they have to have a convincing story that backs up why
15 this whole process works. That's important because this is the
16 first time it's ever been done, so there's no other project to look
17 to for an example.

18 The underwriters believe that the Tobacco
19 Commission's participation and because of the prestige of the
20 Commission and also because of the \$5 million guarantee on
21 performance will give them the story that allows them to sell the
22 bonds.

23 MR. STEPHENSON: Mr. Chairman, there's one aspect
24 of this that has not yet been mentioned. If I may, under the best
25 case scenario, is that the state, whoever submits the taxes, the

1 Commission is off the hook, and that's what everyone hopes for.

2 The worst case scenario is all three of those issues
3 that counsel mentioned and all of those things happened, there is
4 no code amendment, there is no budget amendment, and the
5 comptroller, whoever he or she might be, or for whatever reason,
6 won't write the check, all three of those things have to happen
7 for the Commission to disburse.

8 Now, here's a piece that hasn't been mentioned yet.
9 If the Commission does disburse the money, it'll be under a TROF
10 contract, wherein the city itself is obligated to perform on the job
11 promise or has to refund the money to the Commission. We will
12 have the city's obligation if a disbursement occurs.

13 DELEGATE KILGORE: If the job investments --

14 MR. STEPHENSON: -- If the job investment does
15 occur. Now, I must say that the amount of money in this TROF
16 offer being asked of \$5 million is more than the model supports,
17 but we've done that before. The point I want to make is that the
18 city would be obligated to perform.

19 MR. NOYES: Ned, in our discussions about this in the
20 office, and if I recall correctly, or if I didn't understand what you
21 said, disbursement should be if all three of these things
22 happened, to be limited to the amount of the, amount of taxes
23 that would be remitted, \$5.5 million won't fly out the door day
24 one.

25 MR. STEPHENSON: If you look under the Term Sheet,

1 it says we're only going to disburse what the comptroller said
2 should be paid but not going to pay it. It would be the amount of
3 tax that is, quote, due to the city, can't get the comptroller to
4 disburse it.

5 MR. NOYES: That may not be what we have to
6 disburse.

7 MR. STEPHENSON: It may be possible that the
8 Commission's disbursement called upon for several quarters,
9 then the cure comes and our disbursement stops a couple of
10 quarters in.

11 MR. KILGORE: If you have X-Y-Z manufacturing jobs
12 in Bristol and 1,269 jobs, \$86 million in taxable assets, then we
13 would have money to --

14 MR. STEPHENSON: -- All upfront, then you'd wait for
15 a promise to perform.

16 DELEGATE KILGORE: So this is different.

17 MR. STEPHENSON: The money in this case remains in
18 your treasury until these three events fail.

19 DELEGATE KILGORE: Which we think will not fail.

20 MR. STEPHENSON: For a full disclosure so we get
21 everything on the table in the event the Commission elects to do
22 this, we will record a \$5.5 million obligation of the Commission,
23 and it takes that money off of the table, and you can't otherwise
24 commit it until it's released back to you because you might have
25 to disburse it.

1 DELEGATE KILGORE: It's on our books then.

2 MR. STEPHENSON: Currently, that would come out of
3 the TROF fund, which is about \$13 million now, and that \$5.5
4 would not be available for future TROF transactions or anything
5 else. There may be an argument that says that Commission
6 needs to replace that \$5.5 from other sources.

7 DELEGATE KILGORE: There's other sources.

8 MR. STEPHENSON: The thing is the \$5.5 is out of
9 reach.

10 SENATOR RUFF: Let me ask a question about the
11 tenant. Do you have commitments from multiple tenants?

12 MR. TRIVETTE: Yes.

13 SENATOR RUFF: Are they bounded in such a way that
14 they will incur this cost if they pull out or say Cabelas pulls out
15 and filed bankruptcy, what would happen?

16 MR. TRIVETTE: The first answer is that in Phase 1
17 and 2, we do have commitments. Phase 1, we have contracts
18 with all our tenants. I think there are seven.

19 In Phase 2, there are 12 tenants that are currently
20 either at an obligation stage or have a letter of intent with us to
21 be in the project or in negotiation of a contract. That's where
22 they are. Of course, when we did the contracts that are already
23 signed and executed by both parties in Phase 1, we did not
24 anticipate this need. So there is no claw-back from the city to
25 those accounts. What you have is a guarantee of the city to

1 repay if we fail to meet our obligation.

2 MR. OWENS: What is the most optimistic time table
3 for releasing us from this obligation?

4 MR. TRIVETTE: One, it could happen as early as April
5 or May depending upon the legislation. It could happen in July
6 depending on what solution occurs. The longest possible binding
7 of the Commission to this agreement would be 60 months.

8 DELEGATE KILGORE: More likely July?

9 MR. TRIVETTE: There will be some resolution.

10 DELEGATE KILGORE: Does anyone have any
11 questions?

12 MR. STEPHENSON: I think the facts are before you,
13 Mr. Chairman?

14 DELEGATE KILGORE: The reason I was asking about
15 the jobs and in the manufacturing situation, it's just hard to walk
16 away from 1,269 jobs, promised jobs, and \$86 million
17 investment.

18 MR. TRIVETTE: That doesn't include the indirect jobs
19 associated with that, nor does it include 800 or so construction
20 jobs that will be ongoing for at least 12 months.

21 DELEGATE KILGORE: You realize that what we will do
22 today is we can recommend to the full Commission as to what
23 our recommendation is, and that will be in September.

24 MR. TRIVETTE: Yes.

25 MR. NOYES: We can make a recommendation to the

1 full Board, but it's not binding until the full Board meets, and
2 that's our policy, as I said, in September.

3 MR. STEPHENSON: 5.5 is the ask. The application
4 came in at nine, and then was revised, and the ask is 5.5.

5 SENATOR RUFF: I so move.

6 MR. OWENS: Second.

7 MR. BALLOU: If I could just add as a point of order,
8 generally speaking along the lines of the Term Sheet as
9 presented to the Committee and further may be negotiated
10 between the parties.

11 DELEGATE KILGORE: Anyone have any questions or
12 comments? All right. All in favor, say aye. (Ayes). Opposed?
13 (No response).

14 All right. Anyone from the public in the audience or
15 anyone have any comments? All right.

16 Then I move that we adjourn.

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PROCEEDINGS CONCLUDED.

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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, TROF Committee Meeting**, when held on Tuesday, June 11, 2013, at 3:00 o'clock p.m., at the Hilton Garden Inn - Downtown, Richmond, 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 14th of June, 2013.

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

MY COMMISSION EXPIRES: October 31, 2014.