

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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9 **Education Committee Meeting**

10 Thursday, May 18, 2017

11 8:00 A.M.

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14 Appomattox County Community Center

15 Appomattox, Virginia

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1 **APPEARANCES:**

2 The Honorable Donald W. Merricks, Vice Chairman

3 Ms. Gayle F. Barts

4 The Honorable A. Benton Chafin, Jr.

5 Ms. Becky Coleman

6 Mr. Frank Harris

7 Mr. A. Dale Moore

8 Mr. Cecil E. Shell

9 The Honorable William M. Stanley, Jr.

10 The Honorable Thomas C. Wright, Jr.

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APPEARANCES (cont'd):

COMMISSION STAFF:

Mr. Evan Feinman – Executive Director

Mr. Chris E. Piper – Deputy Executive Director

Mr. Timothy S. Pfohl – Grants Program Administration
Director

Ms. Sarah K. Capps – Grants Program Administrator,
Southside Virginia

Ms. Michele Faircloth – Grants Assistant, Southside Virginia

Ms. Sara G. Williams – Grants Program Administrator,
Southwest Virginia

Ms. Jessica Stamper – Grants Assistant, Southwest Virginia

Ms. Stacey Richardson – Executive Assistant

Mr. Jordan L. Butler – Public Relations Coordinator

Ms. Stephanie S. Kim – Director of Finance

COUNSEL FOR THE COMMISSION:

Ms. Elizabeth Myers, Assistant Attorney General
Richmond, Virginia.

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MR. MERRICKS: Good morning, I'm going to call the meeting of the Education Committee to order and I'll as Evan to call the roll.

MR. FEINMAN: Ms. Barts?

MS. BARTS: Here.

MR. FEINMAN: Senator Chafin?

SENATOR CHAFIN: Here.

MR. FEINMAN: Ms. Coleman?

MS. COLEMAN: Here.

MR. FEINMAN: Mr. Harris?

MR. HARRIS: [No response.]

MR. FEINMAN: Mr. Merricks?

DELEGATE MERRICKS: Here.

MR. FEINMAN: Mr. Moore?

MR. MOORE: Here.

MR. FEINMAN: Senator Ruff?

SENATOR RUFF: [No response.]

MR. FEINMAN: Mr. Shell?

MR. SHELL: Here.

MR. FEINMAN: Senator Stanley?

SENATOR STANLEY: Here.

MR. FEINMAN: Delegate Wright?

DELEGATE WRIGHT: Here.

MR. FEINMAN: You have a quorum, Mr.

1 Chairman.

2 MR. MERRICKS: Do I have a motion to
3 approve the minutes of May 3, 2017?

4 MR. MOORE: I so move.

5 MR. SHELL: Second.

6 MR. MERRICKS: I have a motion and a
7 second that we approve the minutes of May 3rd, 2017. All in
8 favor say aye. (Ayes.) Opposed? (No response.) The minutes
9 are approved.

10 Now we move to the grant that was tabled
11 at our last meeting and I'll turn it over to Tim.

12 MR. PFOHL: Thank you, Mr. Merricks.
13 When your Committee met two weeks ago and tabled two
14 grant requests, one of which has been withdrawn, the
15 Mountain Empire Community College was withdrawn late last
16 week so you have one remaining request. That's the Bluefield
17 College Third Floor Science Center Addition. Of note, it was
18 originally submitted for \$300,000. The College has reduced
19 that request to \$275,000 based on just receiving a \$25,000
20 foundation grant. This is a \$2.2 million project adding a third
21 floor to the existing science building at Bluefield College. The
22 project was sent last September to the Virginia Resources
23 Authority for review of a \$1.1 million loan. The College is
24 asking that the loan request be considered at \$750,000 in
25 addition to the \$275,000 grant request.

1 The staff has heard an update from the
2 Virginia Resources Authority about three weeks ago that said
3 they're still reviewing it as a \$1.1 million loan request. That
4 decision has not yet been made in terms of how large of a loan
5 up to \$1.1 million that may be. So the staff remains of the
6 opinion until the VRA decision is made, it is arguably
7 premature to make a grant funding decision without knowing
8 how much the loan may be of the remaining \$1.1 million.

9 We suggest this remain on the table until
10 the VRA loan decision is made and then a grant request could
11 be reconsidered at that time.

12 MR. MERRICKS: I know we have
13 representatives here from Bluefield. If we table this as an
14 approved loan or if they approve a loan less than the \$1.1
15 million, say \$750,000, and if we disapprove this grant that's
16 going to really slow up this process. Would it be possible for
17 us to approve the grant subject to the loan? If it's \$1.1
18 million, that's my question.

19 MR. PFOHL: You could conceivably
20 consider a grant up to \$275,000 depending on what the gap is
21 between the loan amount and the \$1.1 million that's needed
22 for the project.

23 MR. FEINMAN: If we were to do that
24 subject to insure that the school would seek the loan amount,
25 you can't force anybody to take a loan.

1 MR. MERRICKS: That's true and you
2 just heard the request is \$750,000. It would be predicated on
3 what VRA approved. If VRA approves \$1.1 million, they
4 wouldn't get anything. If they approve \$750,000, we don't
5 want the right hand to know what the left is doing.

6 Let me ask Bluefield, would that slow the
7 project down if we waited until the September meeting for that
8 amount of money?

9 MS. BLANKENSHIP: Yes, it would. We
10 need that assurance to work with our contractors to work on
11 the building. I'm Ruth Blankenship, Vice President of
12 Finance. We do have a meeting tomorrow afternoon with the
13 VRA to go over any final questions. We hope to have a
14 decision soon.

15 SENATOR CHAFIN: This loan and the
16 application process, how long does this take?

17 MS. BLANKENSHIP: We actually sent in
18 our information in the early part of '17 after the nursing
19 program. We wanted to see what the enrollment would be.
20 We submitted the application based on, some of the numbers
21 were not quite realistic. We waited until the first of January to
22 begin that process after the first class. We didn't hit our
23 original loan target and that's why we came back for the
24 Commission to ask for the loan, combination loan and grant to
25 make the cash flow work.

1 SENATOR CHAFIN: How is the
2 application process looking right now for summer and fall?

3 MS. BLANKENSHIP: We actually started
4 a special class and we have four Master Nursing students to
5 help us get back to what we projected we'd be at this time. We
6 feel we'll meet our target goal for fall based on the applications
7 we have and the deposit. Getting the accreditation is critical
8 to make students want to come and take the course but we're
9 working very hard to achieve all our goals.

10 DELEGATE WRIGHT: Well, we don't
11 want to slow the process down unnecessarily and this is based
12 on and we want to make sure that the maximum amount of
13 loan can be used and we can consider both those things. But
14 the staff may have a suggestion.

15 MR. FEINMAN: Approval of the loan
16 contingent upon the outcomes or actions on the part of the
17 grantee. If somebody gets a loan from say seeking a USDA
18 grant, we'll say we approve this contingent on you getting the
19 maximum funding. I believe what this Committee could do if
20 you want to do this is say we approve up to \$275,000
21 contingent upon Bluefield pursuing as much loan amount as
22 VRA's analysis indicates that they could loan the money. I
23 believe these are good people. I don't believe they're going to
24 play any games.

25 DELEGATE WRIGHT: I wasn't

1 suggesting that but maybe the loan could be approved or the
2 grant approved on that basis and whatever loan they get or
3 that could be depending on the loan and the grant together.

4 MR. FEINMAN: I think we have a good
5 working relationship with VRA.

6 MR. MERRICKS: Tim mentioned VRA is
7 considering right now. That's what they're doing today.

8 MR. PFOHL: As of the status meeting,
9 loan projects we had about three weeks ago with VRA in their
10 spreadsheet listing the projects that are in the pipeline, it still
11 lists this as a \$1.1 loan consideration if you will. That's the
12 number they're assessing right now.

13 DELEGATE WRIGHT: Is there an
14 expectation on when they'll make this decision? What are we
15 looking at?

16 MR. PFOHL: I'm not sure I want to
17 hazard a guess. I would think it's fairly imminent and I think
18 they have the information they need from the College and I
19 think they're ready to pull the trigger within a few weeks.

20 DELEGATE WRIGHT: That was my
21 question. I didn't know if it would be next week or three
22 months from now but if it's before then –

23 MR. FEINMAN: I believe we may be able
24 to actually and they spend a lot of time looking after the
25 revenue generation and analyze all of this information and

1 figuring out all the ratios and figuring out debt that can be
2 comfortably managed. I think in the end VRA will do that.
3 That may be the way to go.

4 MR. MERRICKS: That being said, do we
5 have a motion to that effect?

6 MS. COLEMAN: I'll make that motion.

7 MR. SHELL: Second.

8 MR. MERRICKS: We need to clarify that
9 motion. What we're saying is we're going to condition our
10 grant on the amount of the loan and they're considering \$1.1
11 million but our grant is predicated up to \$275,000; that's the
12 maximum but they're considering a loan VRA of \$1.1 million.
13 If no loan is approved, then no grant.

14 MR. FEINMAN: If the Committee
15 approves up to \$275,000 for the purposes of filling the gap or
16 any gap left between the cost of the project and the loan that
17 VRA approves with the caveat that the loan must used on this
18 project.

19 MR. MERRICKS: That's the motion. Is
20 there a second?

21 MR. SHELL: Second.

22 MR. MERRICKS: Any discussion on the
23 motion? If not, all those in favor say aye. (Ayes.) Opposed?
24 (No response.) Motion is carried. Tim, you said 3281 was
25 pulled?

1 MR. PFOHL: Yes, as of Friday afternoon.
2 Mountain Empire Community College withdrew their request.

3 MR. MERRICKS: Any other business?

4 MR. FEINMAN: We leave that on the
5 agenda in case something pops up but we have no other
6 business.

7 MR. MERRICKS: Then we're adjourned.

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9 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 **Tobacco Region Revitalization Commission Education Committee meeting when held on Thursday, May 18, 2017 at 8:00 a.m. at the Appomattox County Community Center in Appomattox, 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 26th day of May, 2017.

Medford W. Howard
CCR #0313137