

TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501

Richmond, Virginia 23219

Full Commission Meeting

Tuesday, January 9, 2018

10:00 a.m.

The Homewood Suites

Richmond, Virginia

CRANE-SNEAD & ASSOCIATES, INC.

4914 Fitzhugh Avenue, Suite 203

Henrico, Virginia 23230

Tel. No. 804-355-4335

1 APPEARANCES:
2
3 The Honorable Frank M. Ruff, Vice Chairman
4 Ms. Gayle F. Barts
5 The Honorable Kathy J. Byron
6 The Honorable Charles W. Carrico, Sr.
7 Ms. Mary Rae Carter
8 The Honorable A. Benton Chafin, Jr.
9 Ms. Rebecca Coleman
10 Ms. Cassidy Rasnick, Deputy Secretary Agriculture &
11 Forestry
12 The Honorable Franklin D. Harris
13 Mr. John Holland
14 Ms. Cathy Lowe
15 The Honorable Daniel W. Marshall, III
16 The Honorable Donald W. Merricks
17 Mr. Robert Mills, Jr.
18 Mr. H. Ronnie Montgomery
19 Mr. A. Dale Moore
20 The Honorable James W. Morefield
21 The Honorable Edward Owens
22 Mr. Cecil E. Shell
23 Mr. Robert Spiers
24 The Honorable William M. Stanley, Jr.
25 Mr. Richard R. Sutherland

1 APPEARANCES: (Cont'd)

2 The Honorable Thomas C. Wright

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4 COMISSION STAFF:

5 Mr. Evan Feinman, Executive Director

6 Mr. Christopher E. Piper, Deputy Executive Director

7 Mr. Timothy S. Pfohl, Grants Director

8 Ms. Stephanie S. Kim, Director of Finance

9 Ms. Sarah K. Capps, Grants Program Administrator,

10 Southside Virginia

11 Ms. Michele Faircloth, Grants Assistant,

12 Southside Virginia

13 Ms. Sara G. Williams, Grants Program Administrator,

14 Southwest Virginia

15 Ms. Jessica Stamper, Grants Assistant Southwest Virginia

16 Ms. Stacey Richardson, Administration Supervisor

17 Mr. Jordan L. Butler, Public Relations Coordinator

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19 COUNSEL FOR THE COMMISSION:

20 Ms. Elizabeth B. Myers, Assistant Attorney General

21 Richmond, Virginia 23219

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1 January 9, 2018

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3 DELEGATE KILGORE: All right. We're going
4 to go ahead and get started with the full commission.
5 Welcome to Richmond, everyone. If we could call the
6 roll.

7 MR. FEINMAN: Yes, sir, Mr. Chairman.
8 Ms. Myers.

9 MS. MYERS: Here.

10 MR. FEINMAN: Mr. Blevins.

11 MR. BLEVINS: Here.

12 MR. FEINMAN: Secretary Brown is not here.
13 Delegate Byron.

14 DELEGATE BYRON: Here.

15 MR. FEINMAN: Senator Carrico.

16 SENATOR CARRICO: Here.

17 MR. FEINMAN: Senator Chafin.

18 SENATOR CHAFIN: Here.

19 MR. FEINMAN: Ms. Clark.

20 MS. CLARK: Here.

21 MR. FEINMAN: Ms. Coleman.

22 MS. COLEMAN: Here.

23 MR. FEINMAN: Mr. Cunningham.

24 MR. CUNNINGHAM: Here.

25 MR. FEINMAN: Delegate Evans.

1 DELEGATE EVANS: Here.

2 MR. FEINMAN: Ms. Ehrhardt.

3 MS. EHRHARDT: Here.

4 MR. FEINMAN: Senator Gooden.

5 SENATOR GOODEN: Here.

6 MR. FEINMAN: Mr. Harris.

7 MR. HARRIS: Here.

8 MR. FEINMAN: Ms. Carter.

9 MS. CARTER: Here.

10 MR. FEINMAN: Ms. Hensley.

11 MS. HENSLEY: Here.

12 MR. FEINMAN: Delegate Kilgore.

13 DELEGATE KILGORE: Here.

14 MR. FEINMAN: Delegate Marshall.

15 DELEGATE MARSHALL: Here.

16 MR. FEINMAN: Mr. Mills.

17 MR. MILLS: Here.

18 MR. FEINMAN: Delegate Morefield.

19 DELEGATE KILGORE: He's here. I don't know
20 where he's at.

21 MR. FEINMAN: We'll mark him present.
22 Mr. Owens.

23 MR. OWENS: Here.

24 MR. FEINMAN: Ms. Ratliff.

25 MS. RATLIFF: Here.

1 MR. FEINMAN: Senator Ruff.
2 SENATOR RUFF: Here.
3 MR. FEINMAN: Mr. Shell.
4 MR. SHELL: Here.
5 MR. FEINMAN: Mr. Shelton.
6 MR. SHELTON: Here.
7 MR. FEINMAN: Mr. Spiers.
8 MR. SPIERS: Here.
9 MR. FEINMAN: Senator Stanley.
10 SENATOR STANLEY: I'm here, I'm here, I'm
11 here, I'm here.
12 MR. FEINMAN: Mr. Sutherland.
13 MR. SUTHERLAND: Here.
14 MR. FEINMAN: Delegate Wright.
15 MR. WRIGHT: Here.
16 MR. FEINMAN: Mr. Chairman, this is about
17 the most unusual meeting I've ever attended. You have
18 perfect -- well, but for Secretary Brown, you have
19 perfect attendance.
20 DELEGATE KILGORE: All right. Great. I
21 know we got some new members. I think if we start over
22 here and introduce ourselves. We'll start with
23 Mr. Cunningham over here.
24 MR. CUNNINGHAM: Yes, sir.
25 DELEGATE KILGORE: If you'll introduce

1 yourself.

2 MR. CUNNINGHAM: Yes, sir. Joel
3 Cunningham, Jr. I'm from Halifax County. I have some
4 mentors: James Edmondson, Ed Owens.

5 DELEGATE KILGORE: Oh, my God. I'm just
6 kidding you.

7 MR. CUNNINGHAM: I practice law there and
8 it's a pleasure to serve.

9 DELEGATE KILGORE: Welcome.

10 MR. CUNNINGHAM: Thank you.

11 DELEGATE KILGORE: I think you're next.

12 MS. CLARK: Gretchen Clark from Gretna,
13 Virginia, Pittsylvania County, so I'm glad to be here.

14 MR. EHRHARDT: Alexis Ehrhardt from the
15 City of Damler.

16 MR. SHELTON: I'm Walter Shelton, Jr. I go
17 by Buddy, my dad was Walter. Glad to be here.

18 MS. HENSLEY: Julie Hensley, Gate City,
19 Virginia, Scott County.

20 MS. RATLIFF: Hi, Sandy Ratliff. I'm from
21 Abingdon, Virginia. I'm with Virginia Community Capital
22 and I look forward to being part of the group.

23 MR. BLEVINS: Ed Blevins from Abingdon,
24 Washington County. I've spent my entire career in
25 agricultural lending and I am excited to be with the

1 group.

2 DELEGATE KILGORE: I think I've got
3 everybody. Welcome, the new members. I hope you enjoy
4 all this and it's -- you know, if you noticed yesterday,
5 a lot of the work gets done in the subcommittees. A lot
6 of it is not done here, we do a lot of -- all the
7 discussion so make sure that you take part in the
8 subcommittees because that's where a lot of the work is
9 going to get done. And for those of you-all who don't
10 have any subcommittees yet, Evan will be working on that
11 list and getting that out soon. So do I have a motion
12 that we approve the 9/20/17 minutes?

13 DELEGATE MARSHALL: Second.

14 DELEGATE KILGORE: All right. All those in
15 favor say aye (Ayes). Opposed? (No response). All
16 right. The executive committee, Honorable Frank Ruff, I
17 apologize yesterday for not getting back to that. I
18 think we had left it in your able hands.

19 SENATOR RUFF: Mr. Chairman, we surely
20 missed you at that.

21 DELEGATE KILGORE: I'm sure you did.

22 SENATOR RUFF: That little meeting that we
23 had.

24 DELEGATE KILGORE: I heard, I heard.

25 SENATOR RUFF: We had a couple of concerns

1 about some drop appeals and we took no action other than
2 to continue the process. We had a discussion about the
3 executive directors pay and I appointed the subcommittee
4 of Senator Chafin, Alexis, and Gretchen to review how we
5 should deal with that issue so that we do not get into
6 any fines that we should not be in. There was no
7 question about the quality of Evan's work, but the
8 question is: How do we not get in trouble in that
9 process?

10 The only action that needs to be voted on
11 is an update of the TROF Policy and I move that the
12 commission approve the committee's recommendation to
13 approve the updates to the TROF Policy. There should be
14 a copy somewhere on file.

15 Evan, if you want to give a brief
16 description or if Chris wanted to give a brief
17 description of it.

18 MR. FEINMAN: We can do it pretty quickly.
19 As the committee recalls -- or as the commission recalls
20 I should say now, we had -- okay, there are a couple of
21 new members here. TROF is our opportunity fund grants.
22 They are the only grants that are done on a rolling
23 basis entirely by staff. The commission sets policy
24 guidelines and we make those offerings out of cycle and
25 then report to you guys periodically about how things

1 have been going. The reason for that is that often a
2 project is moving, we only have these meetings three
3 times a year, we don't want to not put an incentive in
4 front of a company that's making a decision on a time
5 frame different from the meeting schedule of the
6 commission.

7 We've been making some changes to the
8 policy surrounding the Opportunity Fund Grants lately to
9 make sure that they were in keeping with the state of
10 business right now. That is a formula-driven program.
11 The capital investment job numbers and median wage along
12 with some multipliers for the relative economic distress
13 of the company -- of the locality in which the company
14 is located are the determining factors. And of late we
15 opened the doors to some smaller entities. And while
16 that has been good and we've been getting some very high
17 quality small- and medium-sized projects, there have
18 been some unintended consequences of that and so we
19 wanted to come behind and clean that up. And so what we
20 did there was maintain that requirement, clean up a
21 little language related to it, but also inserted some
22 policy language as you can see on page 3 related to
23 which are high priority and low priority projects.

24 And then the second piece is that we have
25 of late been offering zero interest loans of 50 percent

1 of the calculated grant amount for the TROF awards.
2 That's had good uptake and it's effectively zero risk
3 for the commission. And what we heard from our partners
4 at VEDP and some of the folks in the business community
5 is that being able to offer a larger zero interest loan
6 would make us even more attractive at the end of the
7 day. Virginia is a low incentive state, a bigger number
8 on the page helps us in competitive situations going
9 from a 50 percent of the calculated grant amount, which
10 with that loan is entirely clear. When the formula
11 spits out a grant award of say, \$100,000, today what
12 we've been offering people is a \$100,000 grant and a
13 \$50,000 zero interest loan. The change that the TROF
14 committee and the executive committees supports is a
15 movement to \$100,000 grant and \$100,000 loan.
16 Ultimately, it won't require a long-term expenditure any
17 greater than we were doing before, we get the grants
18 back, and this will allow us to use that tool better.

19 DELEGATE KILGORE: All right. Any other
20 questions on the changes in the TROF requirements?

21 MR. WRIGHT: I have a couple questions
22 here. On page 2 where it says, "TROF committee," it
23 says: "Previously established by the commission shall
24 continue with such membership, responsibilities, and
25 duties which are as set forth by the commission within

1 this policy," what is the membership? How is that
2 determined?

3 DELEGATE KILGORE: I think it is the chair,
4 the vice chair, and Evan and --

5 MR. FEINMAN: Well, I used --

6 DELEGATE KILGORE: Danny --

7 MR. FEINMAN: Yes, it's the three of you.

8 DELEGATE KILGORE: Yes.

9 MR. FEINMAN: Delegate Wright, as with all
10 other committees of the commission, the bylaws right now
11 allow the chair of the commission, Delegate Kilgore, to
12 determine membership of any committee. We keep the TROF
13 committee small so that it can be nimble and take action
14 in instances when we have to move fast. And so in this
15 instance right now when it's a large disbursement of
16 money, I can't do it on my own steam. We have to get
17 the TROF committee together. The smaller the number of
18 people on the TROF committee the more likely we are to
19 be able to get a quorum and make sure that we can
20 address the needs.

21 MR. WRIGHT: I think there was some change
22 in the membership several years ago and what had
23 previously been established. I just wanted to be sure
24 that there had been no further changes in who was on the
25 committee.

1 MR. FEINMAN: There are not.

2 MR. WRIGHT: And the other thing I will say
3 is to be consistent with my previous folks I'll note
4 this proposal here, I just personally feel like it's too
5 much responsibility given to the executive director,
6 although I have no complaint against the executive
7 director or anything he's done. That's the same thing I
8 stated before and I feel like it's a lot of money that's
9 been authorized for the commission. That's all I'm
10 going to say.

11 MR. OWENS: Mr. Chairman, can we get a
12 report on these TROF's from the full commission?

13 DELEGATE MARSHALL: It's an agenda.

14 DELEGATE KILGORE: You should get a update
15 by -- do they get an e-mail?

16 MR. FEINMAN: Only members of the TROF
17 committee get the running e-mails on a
18 project-by-project basis, but we do periodic updates to
19 the full commission on all TROF activity.

20 Chris, did you have one prepared for today?

21 MR. PIPER: I'm sorry, I do not. We
22 were --

23 DELEGATE KILGORE: What we'll do is we'll
24 try to get one out monthly or quarterly or at least
25 quarterly.

1 MR. FEINMAN: We can distribute that. You
2 know, we need to be a little careful with the TROF
3 reports only because they include proprietary and
4 confidential ongoing project information.

5 MR. OWENS: Do you redact that information?
6 Just have a project name?

7 MR. FEINMAN: Well, it might get a little
8 comical. If we redacted everything, there's not a heck
9 of a lot in there for you-all to see. As a general
10 rule, what we've done is give a report of projects after
11 announcement and so that way you can know what you've
12 done, but you don't know what you're about to do only
13 because -- and that's a requirement that the companies
14 put on us. We're signing a bunch of NDAs and entering
15 into confidential negotiations. And they won't do
16 business with us if they think we're putting out
17 information about -- you know, often their competitors
18 could determine -- they can see through some of our
19 project names and other sorts of things that you know
20 it's an automotive project in a certain space at a
21 certain time. So we have to be very cautious.

22 DELEGATE KILGORE: Frank, did you make a
23 motion?

24 Do I have a second to approve the changes
25 to the TROF from the executive committee? All those in

1 favor say aye. (Ayes). Opposed? (No response).

2 All right. Those conclude the actions of
3 the executive committee.

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PROCEEDINGS CONCLUDED

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CERTIFICATE OF COURT REPORTER

I, JUAN ORTEGA, do hereby certify that I, having been duly sworn, was the Court Reporter who took down and transcribed the proceedings of the Virginia Region Revitalization Commission, Full Commission Meeting, when held on Tuesday, January 9, 2018, at 10:00 a.m., at The Homewood Suites, Richmond, Virginia.

I further certify that the foregoing transcript is a true and accurate record, to the best of my ability.

Given under my hand this 9th day of February, 2018.

JUAN ORTEGA
COURT REPORTER