TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501

Richmond, Virginia 23219

Research and Development Committee Meeting

Tuesday, September 19, 2017

4:00 o'clock p.m.

The Crossroads Institute

Galax, Virginia

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APPEARANCES:

The Honorable Kathy J. Byron, Chairman
The Honorable James W. Morefield, Vice Chairman
The Honorable Charles W. Carrico, Sr.
Ms. Mary Rae Carter
Ms. Rebecca Coleman
Ms. Kathy Lowe
The Honorable Daniel W. Marshall, III
Mr. A. Dale Moore
The Honorable Edward Owens
The Honorable Frank M. Ruff

COMMISSION STAFF:

Mr. Evan Feinman, Executive Director
Mr. Christopher E. Piper. Deputy Executive Director
Mr. Timothy S. Pfohl, Grants Director
Ms. Stephanie S. Kim, Director of Finance
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

COMMISSION STAFF *(Continued)*:

Ms. Stacey Richardson, Administrative Supervisor

COUNSEL FOR THE COMMISSION:

Ms. Elizabeth B. Myers, Assistant Attorney General
Richmond, Virginia 23219

September 19, 2017

DELEGATE BYRON: Good afternoon, I'm going to call the Research and Development Committee Meeting to order.

Evan, would you call the roll.

MR. FEINMAN: Yes, Madam Chairman.

Delegate Byron.

DELEGATE BYRON: Here.

MR. FEINMAN: Senator Carrico.

SENATOR CARRICO: Here.

MR. FEINMAN: Ms. Coleman.

MS. COLEMAN: Here.

MR. FEINMAN: Ms. Carter.

MS. CARTER: Here.

MR. FEINMAN: Ms. Lowe.

MS. LOWE: Here.

MR. FEINMAN: Delegate Marshall.

DELEGATE MARSHALL: Here.

MR. FEINMAN: Mr. Moore.

MR. MOORE: Here.

MR. FEINMAN: Delegate Morefield.

DELEGATE MOREFIELD: Here.

MR. FEINMAN: Mr. Owens.

MR. OWENS: Here.

MR. FEINMAN: Senator Ruff.

SENATOR RUFF: Here.

MR. FEINMAN: You have a quorum.

DELEGATE BYRON: I hope everyone has read the minutes of our last meeting. That's 5-17-17. I have a motion.

MR. OWENS: Second.

DELEGATE BYRON: I have a motion and a second. All those in favor, say aye? (Ayes.) Opposed? (No response.) The minutes are approved.

Evan, do you want to start us out?

We're not dealing with Broadband, we're going back to four other R&D projects we spoke about previously. SBIR funding.

MR. FEINMAN: That's correct, Madam Chairwoman. And, actually, I'll turn this over to Tim to discuss the SBIR funding request before the Committee.

MR. PFOHL: The Commission received three new Research and Development grants, and there was an August 3rd due date. There's a request for nearly $4.5 million out of the available $12.8 million balance. Stephanie's financial information is in the back of your book, and that shows an R&D Committee balance of $22.8 million. And you recall in May, you set aside $10 million of that for Broadband/Last Mile projects, and those we'll be accepting in November and reporting to you in January. That leaves $12.8 million for R&D projects.

One continuation request, and that's something we've

been doing over the last couple of years. And projects or companies that received funding in one previous round of support from your Committee, and that's the Danville Project. Our first two requests for SBIR Phase Two projects. The two requests are both from Region 2000, the CAER. We put out a call for projects that had successfully completed SBIR, Phase One, proof of concept and either procured or pursuing Federal SBIR Phase Two funding. And then we would consider a request to provide supplemental matching costs. The SBIR has no match requirement.

The first one up is a continuation request, City of Danville, Number 3337, just under $2 million for an Improved Natural Non-Nutritive Sweetener Research and Development. The private beneficiary company, Engineered Biopharmaceutical, or eBio, and they received one of the earliest Commission R&D grants in May of 2011 and concluded its project to test process for creating dry powdered pharmaceuticals in 2014.

The company continues to maintain a presence in the Dan River Business and Development Center, but this is a one-year request for operating expenses to use its patented technology to develop and test commercial-scale processes to improve the flavor profile of Stevia, which is a natural non-nutritive sweetener in wide use as a low-calorie sugar substitute across the food and beverage industry. eBio has used its own resources, proof of concept validated in professional taste tests

and provided a very clear description of the research with assistance from two beverage industry senior executives.

The proposal provides a very clear description of the research steps to be accomplished, including further product refinement, process development, and commercial viability and scale-up. Commission funds would pay for 100 percent of the salaries, wages, and benefits for 22 chemical engineers, scientists, and technicians to be hired for the project. And that's a $1.2 million component of their request for a one-year period.

They're also requesting from the Commission some $448,000 for equipment, supplies, and operating costs, and so forth. Private matching funds committed by the company will pay for equipment, and that's about a million dollars; operating costs, $617,000; consulting and testing services, $265,000.

Staff suggests that a more appropriate approach is to equally share the cost of new Tobacco Region positions with the company and its investors, which would result in a reduction of personnel funding by almost $629,000.

Commercialization in 2019 and beyond is envisioned as 30 additional jobs and private investment of $5 million in plant and equipment at a site that the company is working with the City of Danville on. A number of factors make this a compelling proposal, included eBio success with its first grant and its ongoing presence in Danville, an advisory team that consists of C-suite level beverage executives, proof of concept validated by

professional panels independently. Potentially enormous global market and significant job creation and private capital investment in both the research and commercialization phases.

A very thorough business plan notes several substantial hurdles that must be overcome to reach commercialization, including both the technological process, competition, the economics of production costs, and acceptance by both producers and consumers, but this appears to be a technology and team that seems capable of resolving any barriers to market. They're trying to address the bitterness and the after taste when you have the Stevia, and that's the path they're pursuing.

The Staff recommendation award of $1,370,979, with funding for new positions to be shared equally by the Commission and the company. We gave the company and the City of Danville a heads-up on this, the recommendation last week when it was published, and they're here to answer any questions.

DELEGATE BYRON: When did we award the first round in 2011?

MR. PFOHL: Just shy of $3 million. We had a higher cap on the earliest R&D grants.

DELEGATE BYRON: For full disclosure, I don't notice that at all; however, I was intrigued by what they were attempting to do. Are you working with the maker of Stevia?

Can you explain that and what your product is.

MR. SAHI: I'm Carl Sahi, CEO of BioPharmaceuticals, or eBio. We are particle people. When we first came to the grant, we were seeking funds to develop a dry powder technology to enhance the delivery of pharmaceuticals and also the veterinary market. We look at individual molecules, and I'm not trying to bore you. We look at the individual molecules and how you present the molecules to the body to accomplish what we need to do. If you orient the molecules in the appropriate fashion and deliver them in the appropriate fashion, you minimize the amount of drug that is required because you are orienting the molecules to perform most accurately.

We had an opportunity to look at this market and in the pharmaceutical area because we had the beverage and food industry and particularly the beverage industry, a large beverage company in Atlanta approached us to what we can do with our technology through their portfolio of beverages. Unrelated to Stevia, which is regular sugar products, we started going down that path with what we could do with our technology in the beverage area.

So, what we do with Stevia, the Stevia molecule is a sizeable molecule, it has one portion of the molecule very sweet and very similar to glucose, which is part of sucrose, and then it has a very bitter part of the molecule, which will react with the bitter receptors on your tongue, so you get the sweetness and

then the bitterness, and depending on your kinetics, some people are sensitive to this and other people, and what we do is we orient the molecule so only the sweet part of the molecule will be exposed to the receptors on the surface on the tongue. So, there's no physical way with their part of the molecule to interact with any of the receptors.

The Stevia market is very large, and everyone in the beverage industry wants to have a Stevia product, and there's a number of products on the market today. The big guys have been unsuccessful in really perfecting it, and you're looking at a level of very high precision on having that sweetness, and that's the area we're going after. Instead of having a Stevia-sweetened beverage where you normally had molecules to enhance the sweetness, we're going with a hundred percent Stevia, a natural product, and we're going after the full-bodied beverage. And people like at Pepsi are trying to promote it.

As Tim mentioned, our advisors from Coca Cola, and we had one man who was president of Coke Enterprises, and we recently added two new people were executives with Pepsi. Our market is looking at the full body of the beverage market and having that very precise Stevia orientation.

DELEGATE BYRON: Any questions?

SENATOR RUFF: You're working with the big boys. Are they putting any money in this research?

MR. SAHI: That's correct, the individuals, not the

corporation. We did not want to partner with a large beverage company at this point, so the individuals that are X-large beverage are the investors.

SENATOR RUFF: Just for the sake of argument, is there any possibility that working along the same lines as other companies?

MR. SAHI: The individuals that we're working with --

SENATOR RUFF: Corporations?

MR. SAHI: Yes, the corporations. The basic competitor to this, or Coke is a great example. They came out with about a year ago, first in Europe and then here, half Stevia and half Sucrose, and that has not turned out to be a big successful project, because they haven't been able to eliminate the bitterness that we talked about. They're looking at other solutions, and one of them is making natural Stevia or making the molecule of Stevia instead of harvesting it as a natural product, make it as a synthetic product.

The issue is that they can get to the same molecule, and then the problem is it's no longer a natural sweetener. So, that is one of the areas that these large companies are working on. One of these large companies asked us, and they asked us to work on this project.

SENATOR RUFF: Thank you.

DELGATE BYRON: Any other questions? I have a Stevia in the Raw, Stevia is Stevia.

MR. SAHI: It's a leaf extract, and Stevia in the Raw, if you look at the ingredients, you'll see they have other substances in addition to Stevia.

DELEGATE BYRON: There is no patent just on Stevia?

MR. SAHI: There is no patent on Stevia. Our patent is on how we orient the Stevia molecules. It not only works with beverages, but also works through other products. It's how you modify the Stevia for presentation, but from a natural product, number one, you're not allowed to go to the natural product. Companies like Stevia in the Raw, they'll have a formulation, they'll cut the Stevia with some other sweeteners to get the total package. The reason why they add other substances to the Stevia is because with a hundred percent Stevia, then it would be bitter.

DELEGATE BYRON: Thank you.

MS. LOWE: Were there two grants already?

MR. PFOHL: No, that was a project area. Their one and only grant was 2011, and wrapped it up in a three-year project, 2014.

MS. LOWE: The company is located where?

MR. PFOHL: Danville.

DELEGATE MARSHALL: Thanks for being here, sir. Tell us about is it a product or when you change something, or is a product you will sell?

MR. SAHI: Yes, what we hope to do, we want to

manufacture the Stevia sweets that are in Danville. We have in the proposal that we want to have the ability to make a product and add various flavors to, but that's not our main business. Our main business is to make the Stevia a product and ship it to other companies that do the final bottling of soda or other soft drinks and even food products. We're looking at a very rapid development project and scaling up very quickly and want to get the Stevia product out into the marketplace.

DELEGATE MARSHALL: If you get to the point where you're doing manufacturing, what timeframe are we looking at? And when you say scale up, how big is big?

MR. SAHI: When we talk about scale up, we're talking about how many gallons per hour or how many gallons per day can we produce. If you take Coca-Cola, they sell over a billion cans of soda a day. That's just one of their products. To meet the demands of the market, we have the ability to make our Stevia product right now liquid, the issue is how do we ship truckloads of this liquid substance to the bottlers. This is where we're using our dry-powdered technology and convert it into a dry powder so we can ship it to other places.

To answer your question, and if you go back to the liquid side, twenty to fifty thousand gallons per day, and that's just the tip of the iceberg and the quantity we would need to satisfy a growing market. We would not be doing it as an incubator.

DELEGATE BYRON: The 22 chemical engineers, are they to be hired, are they going to be in Danville?

MR. SAHI: The answer is yes and yes. Basically, in our pharmaceutical business are the research and development type of scientists. With our previous project, we hired or brought in a number of engineers on the scale-up. And this project with Stevia is a big chemical engineering development project as opposed to an R&D project. How can you make this consistently in large quantities, so they would be in Danville.

DELEGATE BYRON: Thank you.

MR. PFHOL: Shifting gears into our first two SBIR projects. Do you recall the Commission had a long relationship with the Virginia Economic Development Partnership the first half dozen years of this program? That was a very expensive and lengthy process. The Committee met a year ago and decided to use the SBIR, the federal agencies, and there are several small business innovation and research programs. If the companies are successful demonstrating proof of concept, the Phase One SBIR and come back to SBIR for Phase Two commercialization funding, and that's something we're looking to piggy-back on, so to speak.

Both of these are from Region 2000 Research Institute, which operates the Center for Advanced Engineering and Research in Bedford. The first one is Request Number 3336 for $2 million, maximum grant amount is requested for the per

the program guidelines. This is for Advanced Coatings to Enable Next Generation Products. The proposed beneficiary is Charlottesville-based DVTI, which seeks funds to develop a fourth generation directed vapor deposition coater that greatly expands the capacity of the earlier generations in response to international customer demand. DVTI has exclusive worldwide licenses to UVA-developed technologies for coating applications for metallic and non-metallic fibers. They have an extensive suite of intellectual property, and a long and successful track record of translating SBIR Phase One proof of concept into Phase Two funding.

The Company has disclosed that the bulk, if not all, of its currently approved SBIR Phase Two research will continue to be conducted in Charlottesville. Those SBIRs were submitted and approved prior to the company's knowledge of our funding availability. That research will provide intellectual foundation for the Tobacco Region based-design and development that will result in the new higher-volume coater being based at a site in one of the five Tobacco Region localities currently under consideration.

It further states that more than $4 million of matching funds will be spent in the Footprint when the coater is completed. Commission funds are requested specifically for the following: $1 million for contractual equipment design and testing services, technician training, and so forth, with several Tobacco Region

entities, including the Institute for Advanced Learning Research in Danville, New College Institute in Martinsville, and the Chemquest Coating Institute in South Boston.

The request also involves $400,000 for salaries, wages, and benefits for a three-year period, $200,000 for equipment, operations rent, and utilities, $200,000, and so forth.

The request indicates 16 new Tobacco Region jobs in the research phase, averaging more than $60,000 in salaries and wages and private capital investment of $3 million. The commercialization phase outcomes indicate 43 production jobs, averaging $47,000, with an additional $3 million of private investment.

Given that the company's roster of clients for which it has conducted SBIR and corporate-funded research include several federal agencies, military branches, and Fortune 100 aerospace and equipment manufacturers, and the confidential attachments indicate strong demand from global customers for a variety of coatings applications. There appears to be a high likelihood of successful commercialization. It should be noted that while this is not necessarily attracting SBIR funds to the Footprint, it has the benefit of potentially attracting significant job creation and investment to the Tobacco Region as a direct result of substantial SBIR-funded research that can be commercialized for an extensive array of large international manufacturing customers.

Staff recommends an award of $2 million.

MR. BAILEY: I'm Bob Bailey, Executive Director of the CAER. We have the folks here.

DELEGATE MARSHALL: Tell us about this.

UNIDENTIFIED: Would you imagine a very thin piece of plastic and thin piece of wire that gets coated with something. One of our customers is asking us to coat steel fiber with aluminum. And another customer is asking us to coat plastic copper and it has electromagnetic interference. These two particular examples got my interest. The volume has become stagnant. The product here of coating fibers and selling them to some other entity, that's the short answer.

DELEGATE MARSHALL: The product line could be anything.

UNIDENTIFEID: Yes, you sit in your car and your seat gets warm, that's an application for the steel. You've got cable running through an airplane, and there's 338 miles of cable in one airplane. We can take that polymer-based new wire that's now conductive and reduce the weight by 60 percent. It's the aerospace interest or there's a lot of application.

DELEGATE MARSHALL: After research, do you think the commercialization would be in the coating?

UNIDENTIFIED: Yes. Our intention is to take these funds and what I call DVD, fourth-generation coating, and designed to produce thousands of feet per minute of various

products. The research coating we have in Charlottesville today on its best day is about a hundred feet a minute, and we're going to use that as a testing platform in designing a new piece of equipment that is rather substantial in size and built inside the building that we choose. And if you all are kind enough to make the award, this will be in the Footprint.

DELEGATE MARSHALL: So, Michael, are you going to build a new piece of equipment?

UNIDENTIFIED: We'll actually contract out the design work with these funds, and then we will arrange and finance the building with the piece of equipment. That'll more than likely be done with a program manager on our side but somewhere else. Symptomatic builds very interesting pieces of equipment, and we're talking with them. And we're looking at all our options at this point. Yes, someone else will have to build the machine.

DELEGATE BYRON: Any other questions?

MS. LOWE: This company is currently located in Charlottesville?

UNIDENTIFIED: Yes, DVTI, Vapor Technologies has been in Charlottesville since 2000, and it's been a research company the whole time, an SBIR powerhouse. Over 30 million in SBIR funds. This technology is an outgrowth of an earlier version.

MS. LOWE: When do you expect the jobs to be created?

UNIDENTIFIED: We haven't set on a site location yet, and we're looking at several different sites. Relatively quickly, some folks will come on board. Most will be contractors in the beginning. We're going to locate the design in the Footprint, and we haven't really settled on that yet. And we're meeting with the Dan River Development Center folks, and that's real close. That team will bring people from North Carolina and Central Virginia.

The jobs themselves will all be housed in the Footprint. We'll go from 16 up pretty quickly. I know you want a number, but I can't give you one exactly. Right now, the schedule is 20 months R&D phase.

DELEGATE BYRON: Thank you very much.

MR. PFOHL: The third and final SBIR project, also from Region 2000 Research Institute, Number 3338, Screening System for Age-Related Macular Degeneration. The proposed private beneficiary company is also Charlottesville-based iHealthScreen, Incorporated. The company reports it has successfully completed an SBIR Phase One from National Institute of Health, proving the concept for three software products to use retinal image analysis to more accurately detect the progression of early-stage indictors for eventual onset of age-related macular degeneration. iHealthScreen will apply in January of 2018 for a $1.3 million SBIR Phase Two to further develop two screening and analysis software products. SBIR funds would pay for the salaries of the company's Charlottesville-

based principal, a contracted New York faculty collaborator, and to hire three programmers, their workbase location would be in the Tobacco Region. Commission funds would be used to further develop a telemedicine application that is currently offered through an Amazon platform. The telemed platform for secure patent-data transfer, would be further refined with Tobacco Commission support into a platform independent, highly-scalable, and fully functional AMD screening system capable of serving clinics in rural areas.

Commission funds are requested for a hundred percent of the costs to hire two additional programmers for three years, $440,000 total salaries and benefits, as well as $25,000 of computer equipment and $10,000 for project management. The request indicates a site in Bedford, Campbell, or Appomattox will be selected, and will eventually be staffed with ten high-skilled jobs.

The outcomes stated for the research phase are five jobs, and that'll be the three SBIR-funded, and two Commission-funded positions, and $120,000 of private capital investment. While commercialization phase outcomes state ten jobs and $120,000 investment. There was a statement in the proposal that caught our eye, and that said, "Following this we aim to establish a grading center at Denver to analyze retinal images," and that reference of Denver was meant to be Danville.

The request further states a goal that within five years

the site will be staffed by at least 20 scientists, programmers, image graders, and additional justification was provided for those numbers during commercialization. The attached business plan identifies a number of competing technologies currently being offered, and purports to have a lower cost solution using less expensive cameras that rural clinics could afford. Commercialization is not described in full detail, stating only that partners and licensees, including Venture Capital, are being sought, which creates some concern about the likelihood of commercialization occurring to any extent in the Tobacco Region.

The company has submitted several provisional and non-provisional patents for their technologies. This is a relatively modest R&D request, and Staff is not in any way questioning the validity of these technologies, there are concerns about the mobility and portability of software programming jobs in the research phase, and these jobs could be performed from anywhere and conducted over the internet in the likelihood of commercialization and long-term commitment and job creation and significant private capital investment in the region.

Matching funds are dependent on SBIR approval, so should SBIR Phase Two be approved and a more tangible commitment to long-term job creation and investment in the region occur, Staff believes this could be a candidate for reconsideration in the Spring of 2018. Staff recommends this request be tabled.

MR. BAILEY: We certainly understand Staff's recommendation, and I'd like to explain the reason in waiting until January to submit it, was based on advice and guidance they were getting from the NIA and had to do with the decision on this grant.

In explaining what the Tobacco Commission funds will do, it will allow this telemedicine platform and a broader picture of what they're developing. NIH, if there's no grant here, the decision of this group derives how he writes that January proposal. I'd like to ask that you at least consider let him respond to that today and understand where the recommendation comes from and the basis. The January submittal date was driven by this process and how they write the proposal.

MR. BHUIYAN: I've been in the area for 12 years. We need this for the system and we've spent millions of dollars and with the commercialization, this would be a good product. The macular degeneration of the retina, when you read and write, you have to focus in that area. The problem is that you have to have capital, of course, to move forward, but with the proper funding, we can really do wonderful things and this affects everyone. And the funding idea behind all of this, and we want to take all this information and we have to, of course, do the research, and, of course, we are always concerned about the individual patient.

When I first approached NIH, there's too much here, we can only do so much, and, of course, telemedicine was discussed, and we had at least $50,000 to invest in telemedicine. We have this telemedicine, this system, and we concentrate on macular degeneration, and we can repair it, six months to three years, macular degeneration. And based on the information, this is much needed. We're very excited about the telemedicine aspect, and we can offer the appropriate care. So, I thank you for your consideration.

MR. BAILEY: While they will be putting in their Phase Two in January, they have received three supplemental awards for Phase One as a sign in NIH, providing additional funding for Phase One.

The last comment I will make, and I certainly understand the Staff's operation and concern, but that affordability also makes it easy for them to locate in the Footprint, as well. We would prefer and request some kind of action so they have some guidance about Phase Two, and we're glad to answer any questions.

DELEGATE BYRON: Thank you. Do you want a motion on the first one?

DELEGATE MARSHALL: Then, Madam Chair, I'll make a motion of Project 3337, City of Danville, $1,370,979; then, the second one, Project 3336, Region 2000, advanced coatings, for $2 million.

MR. OWENS: Second.

DELEGATE BYRON: Thank you. All in favor of those two motions, say aye. (Ayes). Opposed? (No response). The motion is carried.

MR. PFOHL: We have a number of other business proposals. We have a grantee who has asked if their project funding be reduced, and this is under Other Business, and this is Grant 3209, which was approved a year ago for $1 million. The VTT and the LLC, Virginia Tech Transportation Economic Development, Incorporated. The VTT, LLC is a private company operating the GCAPS Tire and Research Center at VIR, and is solely owned by Virginia Tech Transportation and Economic Development, Incorporated, which is a 501C3, that serves as the eligible applicant entity for this project that you approved a year ago.

The Research Center is located at VIR. This began in 2010, with a $5 million award, which was to purchase tire testing equipment that still forms the core of its research offerings to car, truck, and tire manufacturers. A significant new market opportunity and added research capability would be testing for manufacturers of motorcycle tires and motorcycle race teams, as well as adding surface replication, modeling, and wet testing for GCAPS' existing car and truck manufacturing clients.

The original approval for this grant was to purchase the multimillion dollar piece of equipment described in the

Executive Summary. The public private funding partnership for that expense did not materialize and GCAPS has worked on designing and testing its own enhancements to the piece of equipment that we funded the initial $5 million grant and using local businesses to machine parts and equipment for the LTRe machine. They have not drawn down any of their grant money to date, and their testing concepts for adding components to the electronics with the equipment that we funded with our original grant.

So, the revised use of Commission funds, $500,000 in total, so they're requesting the grant be reduced half, for a total of $500,000. There's a total expense of $800,000 that would be shared with a private tire manufacturer. VTT provided a very thorough research plan and list of needed equipment, and this is expected to result in six new jobs. The estimated additional revenue figures, but the request is leveraged at a two-to-one match, once funds are committed by the partner tire manufacturer for equipment and site improvements.

GCAPS is committing $500,000 toward the cost of employing five to seven new research engineers and technicians. Ultimately, the request is likely to produce several well-paying new jobs and significant economic impact in the region for the foreseeable future.

Staff recommends approval of the reduced award of $500,000, down from the original $1 million, and the revised use

of funds to develop equipment and electronics that will accomplish the previously approved objective of motorcycle testing, while adding significant new testing capabilities for existing customers. Grant Number 3209.

DELEGATE BYRON: Any questions? All right.

MR. PFOHL: We have three others that are simply asking for a fifth-year extension, Bland County Economic Development Authority for the Underground Mine Wireless Communication, Tracking and Atmospheric Monitoring System. Staff recommends approval of a fifth-year extension until December 31, 2017 to allow time for AMR to process final payments and to complete grant close-out activities.

The next one is Southwest Virginia Higher Education Center Foundation, Excavation Damage Prevention Devices, Grant Number 2698. In the Phase One B and 1-A funding, they're winding down the 1-A portion, and the Staff recommends approval of a fifth-year extension until September 30, 2018 and affirmation that the remaining $750,000 for Phase 1-B is available for the project.

The last extension is Southwest Virginia Higher Education Center Foundation, LiteSheet: Energy-efficient and Lower-Cost LED Lights, Number 2699. And Staff recommends approval of a fifth-year extension through March 1st, 2018. That's all we have.

DELEGATE BYRON: Any questions.

DELEGATE MARSHALL: Number 3209, I move to take that out of the block.

DELEGATE BYRON: Yes.

DELEGATE MARSHALL: I move that we --

DELEGATE BYRON: We have a motion. Do we have a second? All right, we've got a second.

DELEGATE BYRON: I move we accept the Staff's recommendations.

MR. OWEN: I'll second.

DELEGATE MARSHALL: I move that we accept 2698 and 2699.

MR. OWENS: Second.

DELEGATE BYRON: All in favor, say aye. (Ayes). Opposed? (No response).

Do you have a motion for 2697?

SENATOR RUFF: I move that we agree with Staff's recommendation.

MR. OWENS: Second.

DELEGATE BYRON: What about 2697?

DELEGATE MARSHALL: 3209.

DELEGATE BYRON: The motion is to accept Staff's recommendation for 3209. All those in favor, say aye. (Ayes). Opposed? (No response). And there's one abstention.

SENATOR RUFF: Can we return to 3338, which the Staff recommended tabling it, and I move we table that and

instruct Staff to work with the applicant so there's no question in January.

DELEGATE BYRON: All in favor, say aye. (Ayes). Opposed? (No response). All right.

That completes our work. Is there any public comment? Seeing no one, we are concluded. Thank you.

PROCEEDINGS CONCLUDED.

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 Region Revitalization Commission, Research and Development Committee Meeting,** when held on Tuesday, September 19, 2017, at 4:00 o'clock p.m., at The Crossroads Institute, Galax, 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 _____ of October, 2017.

_____

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

MY COMMISSION EXPIRES: October 31, 2018.