

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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9 **Southside Economic Development Committee Meeting**

10 Wednesday, May 17, 2017

11 3:00 P.M.

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14 Appomattox County Community Center

15 Appomattox, Virginia

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1 **APPEARANCES:**

2 The Honorable Thomas C. Wright, Jr. – Chairman

3 The Honorable Edward Owens – Vice Chairman

4 The Honorable Kathy J. Byron

5 The Honorable James E. Edmunds, II

6 Ms. Mary Rae Carter

7 Mr. John Holland

8 The Honorable Daniel W. Marshall, III

9 The Honorable Donald W. Merricks

10 Mr. Robert Mills

11 The Honorable Frank M. Ruff

12 The Honorable William M. Stanley, Jr.

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1 **APPEARANCES: (cont'd)**

2 COMMISSION STAFF:

3 Mr. Evan Feinman – Executive Director

4 Mr. Christopher E. Piper – Deputy Director

5 Mr. Timothy S. Pfohl – Grants Director

6 Ms. Stephanie S. Kim – Director of Finance

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

9 Ms. Michele Faircloth – Grants Assistant, Southside Virginia

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

12 Ms. Jessica Stamper – Grants Assistant, Southwest Virginia

13 Ms. Stacey Richardson – Administration Supervisor

14 Mr. Jordan L. Butler – Public Relations Coordinator

15 COUNSEL FOR THE COMMISSION:

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

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1 DELEGATE WRIGHT: Good afternoon,
2 I'm going to call the meeting of the Southside Economic
3 Development Committee to order and I'll ask Evan to call the
4 roll.

5 MR. FEINMAN: Delegate Byron?

6 DELEGATE BYRON: Here.

7 MR. FEINMAN: Mr. Cannon?

8 MR. CANNON: (No response.)

9 MR. FEINMAN: Delegate Edmunds?

10 DELEGATE EDMUNDS: Here.

11 MR. FEINMAN: Ms. Carter?

12 MS. CARTER: Here.

13 MR. FEINMAN: Mr. Holland?

14 MR. HOLLAND: Here.

15 MR. FEINMAN: Delegate Marshall?

16 DELEGATE MARSHALL: Here.

17 MR. FEINMAN: Mr. Merricks?

18 MR. MERRICKS: Here.

19 MR. FEINMAN: Mr. Mills?

20 MR. MILLS: Here.

21 MR. FEINMAN: Mr. Owens?

22 MR. OWENS: Here.

23 MR. FEINMAN: Senator Ruff?

24 SENATOR RUFF: Here.

25 MR. FEINMAN: Senator Stanley?

1 SENATOR STANLEY: Here.

2 MR. FEINMAN: Delegate Wright?

3 DELEGATE WRIGHT: Here.

4 MR. FEINMAN: You have a quorum, Mr.
5 Chairman.

6 DELEGATE WRIGHT: Do I have a motion
7 for approval of the December 14, 2016 minutes? All right, a
8 motion has been made and seconded that we approve the
9 minutes. All those in favor say aye. (Ayes.) Opposed, no?
10 (No response.) The motion passes and the minutes are
11 approved.

12 I'll now ask Sarah to go through our
13 Southside grant proposals. If there's no objection, we'll go
14 through all of them and if anyone wants one taken out of the
15 block and we'll do so and go through the remaining ones. So
16 I'll ask Sarah to proceed.

17 MS. CAPP: Mr. Chairman and members
18 of the Committee, we received ten new funding requests for
19 the second round of the Southside Economic Development
20 Committee funds. So I'm going to run through these requests.

21 The first request is from Bedford County.
22 It's for site development in the New London Business and
23 Technology Center. The request is for \$250,000. The project
24 will create twelve new jobs with a \$250,000 investment and
25 four prospective tenants. This is expected to rise to fifty to

1 sixty jobs and more significant private investment from the
2 seven current prospects for a proposed multi-tenant facility on
3 this lot. This was originally submitted for over \$2 million but
4 it is revised and this is to help support site development costs
5 and that's the focus for this grant request. Bedford County
6 currently has \$89,516 available in their allocation, so any
7 award above this amount would need to be based upon
8 successful completion of the sale of the CAER facility involving
9 the sale to Liberty. We're recommending an award of
10 \$250,000 contingent upon an adequate balance being added
11 to the Bedford allocation.

12 MR. FEINMAN: They're closing on that
13 right now, later in the afternoon.

14 DELEGATE WRIGHT: Does everyone
15 understand the contingency that Sarah described?

16 MR. OWENS: How much will we get
17 back?

18 MR. FEINMAN: There will be two million
19 three hundred some thousand or more than adequate to cover
20 this.

21 DELEGATE WRIGHT: Go ahead Sarah.

22 MS. CAPP: The next project is
23 Brunswick County. This is the old high school remediation
24 project and they've requested \$125,000. This application has
25 been requested to be tabled and therefore the staff

1 recommends it be tabled. The estimated outcomes to this
2 project are unknown at this time. The county is working on
3 gathering that information.

4 The next project on the list is from the
5 Brunswick and Mecklenburg County allocations. This is for
6 the Mecklenburg Brunswick Regional Airport airfield
7 rehabilitation project requesting \$147,900. This is a \$7.6
8 million project that's primarily being supported with federal
9 funding. \$6.6 million from the Federal Aviation
10 Administration for two phases of renovation to the airport in
11 order to increase the capacity at the airport to accommodate
12 and that would allow accommodating larger jets. The
13 applicant makes the case that the need for the renovations is
14 due in large part to the increased traffic, the increased jet
15 traffic including to the Microsoft Data Center and they've given
16 pretty solid numbers on that. The increased traffic has gone
17 from 42 jets in 2014 to 86 in 2016. The projections for 2017
18 are projected to be at least 100. That's with projections of 108
19 jets in 2017 based on eighteen jets arriving in the first two
20 months. The Commission's funding policies have long
21 identified airports as a low funding priority given that they
22 typically have an indirect effect on economic revitalization.
23 However, when a project can demonstrate it can have
24 significant economic improvement or impact in the region, it is
25 something that is considered. This applicant has done a good

1 job of documenting its case. The applicant also provides a
2 documented case of a major technology employer increasing
3 usage of their facility necessitating a need for these
4 improvements.

5 DELEGATE WRIGHT: I'd like to make a
6 couple of points here. The funding requested here represents
7 five percent of the phase two costs and just two percent of the
8 overall costs. I think it's a very minimum request and
9 encouraging regional cooperation, I think this is a good
10 example of the counties working together and it's something
11 that currently exists but I think it's a good project for our
12 region. Thank you.

13 MS. CAPP: There are letters of support
14 from both of the counties that was submitted with the
15 application. Staff recommends an award of \$147,900 to be
16 split equally \$73,950 each between the Mecklenburg and
17 Brunswick County allocations.

18 The next group of projects were
19 submitted under the Campbell County allocation. The first
20 one is from the town of Altavista. This is \$172,644 request for
21 the town of Altavista Route 43 downtown gateway streetscape
22 project. The funds are requested to support the design and
23 engineering. \$133,392 allocated toward the overall
24 construction costs; that includes sidewalks, driveway aprons,
25 streetlights, curb and gutter, pedestrian signals, crosswalks,

1 landscaping traffic controls and so forth. Funds will be used
2 for total construction costs. The staff recognizes the merits of
3 this endeavor and seem very credible however streetscape
4 projects by their very nature do not have a direct economic
5 impact and as such are not a priority for Commission funding.
6 Therefore, staff recommends no award.

7 The next project on the list is from Centra
8 Health and this is a \$500,000 request. This request is to
9 support engineering costs for a road extension and water and
10 sewer line extension to a 48 acre site at the Wards Crossing
11 West development on the northern end of Campbell County
12 adjacent to the city of Lynchburg where Centra Health plans
13 to build a new medical facility. This application did not
14 present any economic development outcomes and job creation
15 and private capital investment and as a nonprofit organization
16 the medical facility is expected to be exempted from paying
17 local property taxes and equipment taxes. We were not able to
18 identify direct outcomes. Centra is a healthcare facility and
19 healthcare outcomes fall under Special Projects and staff
20 suggests the project could be a candidate for some
21 consideration under the Special Projects Committee and staff
22 suggests that Centra work with Campbell County utilities and
23 service authority to evaluate partnering on amendments to the
24 application for referral to the Commission's Special Projects
25 program for loan consideration. So staff recommends this

1 request be referred to Special Projects to be considered under
2 the programs objectives of healthcare outcomes and
3 potentially for a VRA loan.

4 DELEGATE WRIGHT: Are there any
5 questions and understand the staff recommendation? If no
6 further questions, we'll go on. I just want to make sure
7 everyone understands.

8 MS. CAPP: The next project, also under
9 the Campbell County allocation, is submitted by the
10 Development Authority of Campbell County and this is for the
11 Seneca Commerce Park Building requesting \$672,644 towards
12 the construction of a ten thousand square foot expandable
13 industrial building. This is to meet an inventory shortage and
14 demands by the prospect and those are demands in recent
15 years by the county. It is expected to create 25 new jobs and
16 the private investment is unknown at this time. The prospects
17 were from sectors including pharmaceutical, manufacturing,
18 construction industry and data call centers. The Commission
19 has invested previously and that was right at about \$1.2
20 million and some of those parks were usually the public
21 sewage system. This program falls within the Southside
22 funding priorities for engineering and utility infrastructure.
23 As I said, six previous grants from Southside Economic
24 Development program starting in 2003 have provided \$1.7
25 million toward engineering and infrastructure at Seneca

1 facility will result in an increase of three thousand visitors
2 after the first year of completion. This project is consistent
3 with the Southside program's funding priorities for
4 enhancement to tourism regional infrastructure that
5 demonstrates the ability to track measurable and reportable
6 visitor revenues from outside of the Tobacco Region. As to the
7 Patrick Henry Memorial Foundation, they have never received
8 funding from the Commission, a parallel would be the \$1.2
9 invested in Jefferson's Poplar Forest in Bedford County. Staff
10 recommends approval of a \$400,000 grant award. The
11 application included a letter of support from Charlotte County.

12 The next project on the list is from
13 Franklin County and the full balance of their allocation is
14 requested to support the Summit View Business Park Phase
15 One Development. The county has spent about \$11 million on
16 acquisition of a 550 acre property. In the first phase of
17 development, the estimated cost is \$8.2 million. There's
18 substantial leveraging on this project. There is a master plan
19 and there are two regions in the park. This project would
20 result in 5.5 acres. The Phase One project includes the
21 construction of the main access road into the park, grading of
22 the 5.5 acre building pad and a 24 acre building pad served
23 by roads, infrastructure and utilities and this is part of the
24 North Region. The county currently has a prospect for the 5.5
25 acre site. Staff recommends approval of a grant award of

1 occupancy. Staff recommends this project be referred to VRA
2 for loan consideration.

3 The next project on the list is Halifax
4 County IDA. This is a \$1,770,500 request for a new
5 manufacturing shell building in the Southern Virginia
6 Technology Park. This project is estimated to create fifty new
7 jobs and \$5 million private investment based on a to-be-
8 determined prospect. This would be for fifty percent of the
9 costs for constructing a 37,500 square foot building and that
10 would be expandable and this is for an advanced
11 manufacturing company. The need for this was based on an
12 analysis that the IDA did of their most promising prospect in
13 the last five years and that's the most common request for this
14 group was for a new or nearly new building, approximately
15 40,000 square feet and expandable to 100,000 square feet.
16 The IDA plans to construct the new building on 5.7 acres on
17 one of the lots graded near the entrance to the Southern
18 Virginia Technology Park visible from US Route 58. The staff
19 is supportive of the request and recommends approval of the
20 \$1,770,500 grant.

21 Mr. Chairman, that wraps up the new
22 applications.

23 DELEGATE WRIGHT: Thank you. We'll
24 take these first and come back for the other ones. The first
25 thing I'll ask is that is there anyone that wants to take any of

1 these out of the block, any grant applications out of the block?
2 If not, and I did have a request for a brief public comment on
3 number 3286. So please come forward.

4 MR. ARCHAMBEAULT: Mr. Chairman,
5 I'm Joe Archambeault, Centra Health's VP of facilities. I want
6 to start by thanking the Commission and the staff for their
7 work in reviewing our application and we appreciate the
8 opportunity to share a few more details about this project.

9 First, I think it's important to point out
10 that we're still in the very early planning stage for this site and
11 the future medical facility is to be located on this site. Centra
12 has a history of capital investment and job creation in
13 Southside. If you look at the past three years, we've invested
14 over \$74 million in new ambulatory medical centers in south
15 central and Southside Virginia that employ over 300 people. If
16 you look at our total employment in the Southside localities,
17 we employ 1500 people in that geography with an average
18 salary over \$45,000. At this point in the planning process,
19 we're not certain about the size or the scope of this particular
20 project to be built in Campbell County. If you look at our
21 numbers of a recent ambulatory projects, we've averaged
22 \$14.6 million capital investment with an average of sixty
23 people at each one of those projects.

24 So at this early stage of the game, we
25 understand the staff recommendation but we hope there will

1 be other opportunities for future funding as our plans develop
2 and we can provide more details about our investment and
3 number of jobs. Thank you all. I'll be glad to answer any
4 questions.

5 DELEGATE WRIGHT: Thank you. The
6 staff's recommendation is to refer this to Special Projects and
7 potentially for a VRA loan. The project was not tabled or
8 denied, just other considerations have to be considered. We
9 do appreciate you coming today and giving us your comments.
10 Thank you.

11 MR. ARCHAMBEAULT: Yes, sir, thank
12 you.

13 DELEGATE WRIGHT: At this time, I'll
14 entertain a motion on the staff recommendations.

15 MR. OWENS: Mr. Chairman, I move we
16 accept the staff recommendations.

17 MR. MERRICKS: Second.

18 DELEGATE WRIGHT: A motion has been
19 made and seconded that we accept the staff recommendations
20 on all items listed today. All those in favor say aye. (Ayes.)
21 Opposed? (No response.) The motion carries. The staff
22 recommendations are accepted.

23 There's one other item of business I
24 would ask Sarah if she will bring that to us.

25 MS. CAPP: There's one project under

1 other business. They're requesting a fifth year extension.
2 This was a grant award to Pittsylvania County for Project Tire
3 Facility construction. Grant number 2695. The \$1 million
4 grant was original awarded in May of 2013. Additional time is
5 needed. Pittsylvania County is the grantee on behalf of the
6 City of Danville and their joint regional industrial facility
7 authority. There still is an active prospect and a project is
8 expected to result in 112 new jobs with an average wage of
9 \$38,000, \$16 million private capital investment. The funding
10 from the Commission is approved to be used for ninety
11 percent of the construction of the prospects water, sewer and
12 rail spur needs. The staff recommends approval of a fifth year
13 extension through May 23rd, 2018.

14 SENATOR RUFF: Sarah, what's the
15 reason for the delay?

16 MS. CAPP: Greg Sides is here, I can
17 speak to what I know. It's my understanding part of the delay
18 having to do with financing for the construction and they were
19 looking at new market tax credits and they were delayed in
20 that process.

21 DELEGATE WRIGHT: Would you please
22 give us your name?

23 MR. SIDES: Thank you. I'm Greg Sides,
24 assistant county administrator for Pittsylvania County. That
25 is correct and that's our understanding. This is a very

1 complicated financing package we've tried to put together. It
2 is an international firm as well. We're encouraged because on
3 May the 22nd the financial advisors are going overseas to this
4 company and investigate the final details. So we're
5 encouraged we can get by this financial roadblock.

6 DELEGATE WRIGHT: Any further
7 questions from anyone?

8 DELEGATE MARSHALL: I move to
9 accept the staff recommendation.

10 MR. MILLS: Second.

11 DELEGATE WRIGHT: The motion has
12 been made and seconded that we accept the staff's
13 recommendation. All in favor say aye. (Ayes.) Opposed, no?
14 (No response.) The motion passes and the approval will be for
15 the fifth year extension.

16 Now, any further business to come before
17 the Committee? At this time, would anybody like to make any
18 public comment? Feel free to do so. If not, then we will stand
19 adjourned.

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21 PROCEEDINGS CONCLUDED.

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1 CERTIFICATE OF THE COURT REPORTER

2
3 I, Medford W. Howard, Registered Professional
4 Reporter and Notary Public for the State of Virginia at large,
5 do hereby certify that I was the court reporter who took down
6 and transcribed the proceedings of the **Tobacco Region**
7 **Revitalization Commission Southside Economic**
8 **Development Committee meeting when held on**
9 **Wednesday, May 17, 2017 at 3:00 p.m. at the Appomattox**
10 **County Community Center, Appomattox, Virginia.**

11 I further certify this is a true and accurate
12 transcript, to the best of my ability to hear and understand
13 the proceedings.

14 Given under my hand this 24th day of May,
15 2017.

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19 _____
20 Medford W. Howard

21 CCR #0313137