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TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501
Richmond, Virginia 23219

Southwest Economic Development Committee Meeting

Wednesday, September 2nd, 2015
1:30 o'clock p.m.

Hotel Roanoke & Conference Center
Roanoke, Virginia

CRANE-SNEAD & ASSOCIATES, INC.
4914 Fitzhugh Avenue, Suite 203
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1 APPEARANCES:

2 The Honorable Charles W. Carrico, Sr., Vice Chairman

3 Ms. Rebecca Coleman

4 Ms. Mary Rae Carter

5 Special Advisor for Rural Partnerships

6 Mr. H. Ronnie Montgomery

7 The Honorable Will Morefield

8 The Honorable Ralph K. Smith

9 Mr. Richard Sutherland

10 The Honorable Terry G. Kilgore (by phone)

11

12 COMMISSION STAFF:

13 Mr. Evan Feinman, Executive Director

14 Mr. Ned Stephenson, Deputy Executive Director

15 Mr. Timothy S. Pfohl, Grants Program Administration Director

16 Ms. Sara G. Williams, Grants Program Administrator -

17 Southwest Virginia

18 Ms. Jessica Stamper, Grants Assistant

19 Southwest Virginia

20 Ms. Stacey Richardson, Executive Assistant

21

22 COUNSEL FOR THE COMMISSION:

23 Ms. Elizabeth Myers

24 Assistant Attorney General

25 Richmond, Virginia

1 September 2, 2015

2

3 SENATOR CARRICO: Good afternoon. I'm going to
4 call to order the meeting of the Southwest Economic
5 Development Committee. And I'll ask Mr. Feinman to call the
6 roll. Also, because of some time constraints and the group that's
7 here from LMU, we'll call on them first.

8 MR. FEINMAN: Let me call the roll. Senator Carrico.

9 SENATOR CARRICO: Here.

10 MR. FEINMAN: Ms. Coleman.

11 MS. COLEMAN: Here.

12 MR. FEINMAN: Secretary Jones.

13 MS. CARTER: Here.

14 MR. FEINMAN: Mr. Montgomery.

15 MR. MONTGOMERY: Here.

16 MR. FEINMAN: Delegate Morefield.

17 DELEGATE MOREFIELD: Here.

18 MR. FEINMAN: Senator Smith.

19 SENATOR SMITH: Here.

20 MR. FEINMAN: Mr. Sutherland.

21 MR. SUTHERLAND: Here.

22 SENATOR CARRICO: Number 3072, Lincoln Memorial
23 University. That's the Small Animal Clinical Skills Center, and I
24 know they've got some individuals here to speak. And we have
25 some time constraints and obligations, and we'll take that one up

1 out of order. And then we'll go down the schedule list. I'll let
2 you explain the grant, and then any questions from the
3 Committee that they have.

4 MR. FEINMAN: Lincoln Memorial has set up a
5 veterinary school in Lee County for the Small Animal Clinical
6 Skills and Large Animal Clinical Skills. They're already in
7 operation, I believe they took their first class for large animal in
8 that center the last couple of weeks. We've previously supported
9 this project with a \$3 million grant January 15. The Large Animal
10 Center received another \$1.1 million during the construction
11 period.

12 The current request was submitted out of cycle in
13 June. And the applicant was asked to provide an updated
14 application once the new online system was available while we
15 transitioned to a new application system, which is working out
16 fairly well. The request is for \$5,269,769, and if fully funded,
17 that would bring our total contribution up to \$8.2 million.
18 Communication from their team during the Staff review, it's
19 about \$8.1 million.

20 It's really unclear to us what remaining capital
21 expenditures there are for these folks. The issue we have with
22 the Staff recommendation is that we by policy do not reimburse
23 for expenses that have already been undertaken. All of this is a
24 very impactful project that's employing people and training
25 people in a profession that's needed to support industries in the

1 area. They're in some way a victim of the timing of their
2 proposal and their expenditures and their admirable desire to get
3 up and get open and operating of this school semester.

4 As a result of that policy and the fact they're already
5 up and running, we cannot recommend any funding for their
6 request.

7 SENATOR CARRICO: Does that complete your
8 introduction?

9 MR. FEINMAN: Yes, Senator.

10 SENATOR CARRICO: I want to note that Chairman
11 Kilgore is on the phone now joining the meeting. Are you there?

12 DELEGATE KILGORE: (By phone). I'm here.

13 SENATOR CARRICO: I believe that's you, I recognize
14 the voice. Is there anyone here from LMU? I know Jason
15 Johnson and Pete, if you want to step up and speak to us about
16 the project and where you are in it as far as what the concerns of
17 the Commission is as far as the project being completed and the
18 policy of the Commission not to fund projects that are already in
19 operation. If you would identify yourself.

20 MR. DeBUSK: I'm Pete DeBusk, I'm the Chairman of
21 LMU. This has been ongoing for quite some time, and I can't
22 begin to explain to you how successful that we've been, and it's
23 beyond what we expected. Taking our second year class, and
24 you always like to compare yourself to somebody, but we're
25 bigger than the University of Tennessee now with the school, and

1 we've been real aggressive as we go forward.

2 Let me back up just a moment. There's something
3 else wound into the LMU Veterinary Medicine School, and one of
4 the things we wanted to do in Southwest Virginia is to get a
5 better infrastructure so the county can develop. All the growth is
6 happening toward the Cumberland Gap and that area there. The
7 whole school has grown a great deal there and Tennessee and
8 it's grown tenfold for a period of about 15 years. We've been
9 moving very fast.

10 One of the things that we need is sewers in Western
11 Lee County. Through LENOWISCO, we worked with the Army
12 Corps of Engineers and we got an \$8 million grant, and we got
13 that going, but we have a problem. The problem is when you
14 start one of these projects up, you've got to have a way to put
15 some volume through it so you don't have the volume. It's all
16 right there together and all three states come together. You can
17 take a rock from LMU's property and hit two states, and it's just
18 sitting there.

19 Anyhow, we got other people in that area and LMU's
20 campus is right there. Jimmy Duncan, the Congressman from
21 our district, brought in the Army Corps of Engineers last week,
22 and we talked about the possibilities of what could be done to
23 support the Virginia facility. Remember, it's a watershed area to
24 them and there are no state lines. So, what we've done is come
25 to the conclusion that they're going to try to get an additional

1 grant and pull all the waste treatment out of this area into the
2 new facility, and that'll give us some cash flow, and you've got to
3 have it. It really helps that whole region, it really helps Lee
4 County, and makes this project very much alive, but this is very
5 important to Lee County. You know, it's pretty tough down there
6 these days with coal being gone and so many things happening
7 in that area and with a decreasing population and there's been
8 better times.

9 All in all, this thing has come together real well, and
10 we're staying with it, and we're used to winning, so we'll really
11 work this thing hard.

12 Now, I'm going to turn it over to Jason, he's got the
13 answers to your questions, I think.

14 SENATOR CARRICO: Jason, for the record, would you
15 state your full name and your position with LMU.

16 DR. JOHNSON: I'm Jason Johnson, I'm Medical
17 Director of LMU. I want to take a minute first of all to say thank
18 you for all of the support you all have given us on this project.
19 To sum it up best, we've moved so fast getting this thing going.
20 A long time ago, when this was a twinkle in our eye, we had a
21 submission before the Commission, Sara remembers, and Tim,
22 as well, and we were waiting on that letter of accreditation, and
23 we actually withdrew that, and if it were not for you, we wouldn't
24 be standing before you today asking for a method to basically
25 fund the buildings that we have.

1 So, from that going forward, we did, and we have two
2 classes over 200 students in an additional Master's program,
3 which we didn't anticipate, and they're already taking these
4 advanced classes and continuing to grow and getting bigger and
5 bigger. And we're really blessed in that regard.

6 Overall, I would encourage all of you to take a glance
7 at the project as a whole. I also want to take a minute to make
8 sure that it's clear about what match LMU is bringing forward. To
9 that end, I've placed a document in front of you along with a
10 picture timeline of the progress we've made and you can see
11 what we've built and built fast. That grant summary there is an
12 exhibit. It shows over 150 percent match on this project.

13 There are two simple goals that are before you today.
14 Goal number one is to encourage you to consider the whole
15 project and everything that LMU has put in. In that Appalachian
16 region, Lee County is the only distressed county coming up for
17 this fiscal year. The LMU administration and chairman of the
18 board and obviously being born and raised in Lee County that we
19 have an affinity for this project. We had a USDA loan to build
20 this whole thing in Tennessee, but for other reasons, we did it in
21 Virginia.

22 I stand before you today and one goal is to show this
23 is a resounding large match we're putting forward on this project
24 as a whole in the veterinarian project.

25 Number two, you can consider or any possible way

1 that you can help us, we cannot stop building this building,
2 it's an out of cycle submission, I submit. End of May or actually
3 June 1, and the letter was dated May 28th. I know it's out of
4 cycle. In fact, we had to keep going and keep building on this
5 project, and for the students, and we've had the accreditation.
6 So, this is going to continue to grow, and we're here to ask for
7 your help.

8 I hope I've met my goals, and any questions members
9 of the Commission might have, I'll be happy to answer them.

10 SENATOR CARRICO: We have some questions from
11 the Committee.

12 MS. CARTER: Mr. Johnson, I appreciate what you all
13 are doing in Lee County on this project and the investment. Can
14 you tell me what kind of financial impact this has had on Lee
15 County and how many employees and/or students you have from
16 the Tobacco Region?

17 DR. JOHNSON: As far as students, or your question
18 was students from the Tobacco Region, we do give preference for
19 students from the footprint. We're not getting a whole lot of
20 applicants, and I think at this point we have four from the
21 Tobacco footprint, and it may be five. If you'll allow me, I'll
22 follow up with a personal email and you can disseminate it or to
23 Evan on the metrics.

24 As far as employees, I guess we're up to 20 or so.
25 This building has more faculty and staff offices. Expanding in the

1 footprint, but the original grant, it was 26,000 square foot,
2 43,000, and it's got a 180-seat classroom in it. The number of
3 students, which I think is your last question, that are out there is
4 in excess of 200 out there every day.

5 MS. CARTER: What are the number of employees that
6 are from the Tobacco Region?

7 DR. JOHNSON: We've got quite a few Lee County
8 employees. I'll have to follow up with you on that metric if I can.

9 MS. CARTER: What is the impact, economic impact?

10 DR. JOHNSON: We submitted the economic impact
11 study at the very beginning, and it's bigger than what we had
12 originally anticipated, and we started very small and I don't have
13 a fresh economic impact study, but I can give you a little story
14 on that as far as things that are popping up. There's a food truck
15 up there and other things coming in there.

16 MS. CARTER: What sort of revenue does the county
17 get from having this, what do you pay in taxes?

18 DR. JOHNSON: We're nonprofit.

19 MR. DeBUSK: We're nonprofit, and everything in Lee
20 County, every available apartment, houses, everything is
21 completely taken by the students now and going up the road, as
22 well. Medical, anything to do with education is far more
23 impacted than just having a job and drawing a paycheck.

24 LMU right there without the school, we put \$560
25 million in circulation a year. This whole thing is growing down

1 there, and we've got a chance to help and we're doing that. We
2 can get you a piece of an impact study on it, and we can break
3 that out. There's a guy from Oklahoma that comes in and does
4 the impact study.

5 SENATOR CARRICO: Anyone else on the Committee
6 have any questions for LMU? All right, thank you.

7 We've heard the Staff's report. We've heard the
8 report from LMU on the basis of their matches, 154 percent at
9 this point in time, and we've heard the complication.

10 DELEGATE KILGORE: I think LMU, that situation, I
11 think the situation having to move forward and they had to move
12 forward and they couldn't wait, and they tried to put one in, et
13 cetera, but this is a big economic step for that area and an
14 economic drive or to Lee County, and with the announcement
15 that the Army Corps of Engineers and the sewer situation, I think
16 that's really going to help in that whole area up.

17 Needless to say, none of that would have happened
18 without the school being there.

19 MR. MONTGOMERY: Mr. Chairman, I might add about
20 that sewer project, that's 20 miles of sewer from Roselle, it's all
21 in Lee County, and that wouldn't have been there were it not for
22 the school. I believe the grant was 75 or 80 percent from the
23 Army Corps of Engineers.

24 DELEGATE MOREFIELD: I have a motion.

25 SENATOR CARRICO: Let me make sure everybody

1 understands what's before us and if there's any more questions
2 about the project, we can entertain those and then entertain a
3 motion.

4 MS. CARTER: I would like to make a comment to
5 make sure I understand this correctly. The request is more than
6 what the Committee has to disburse?

7 SENATOR CARRICO: Correct.

8 MS. CARTER: By having that request, that basically
9 makes them ineligible to receive anything, is that correct?

10 MR. PFOHL: The Staff's published guidelines for this
11 program that said any request for more than the Committee has
12 at its disposal will not receive a positive Staff recommendation.

13 That's about as far we can go without running into the
14 Commission's policy.

15 SENATOR CARRICO: It's more than what the
16 Committee has, that's one of the Staff recommendations.

17 The other one is a policy issue that it should not be for
18 retiring debt that's currently out there.

19 Any further questions?

20 DELEGATE MOREFIELD: Mr. Chairman, I move that
21 we refer this to the Executive Committee, and this will give LMU
22 the appropriate time to gather the data as far as economic
23 impact.

24 SENATOR CARRICO: We have a motion from
25 Delegate Morefield to move this project from Southwest to the

1 Executive Committee to review any further information from LMU
2 on the project and discuss the policy language and not retire
3 debts. Is there a second?

4 MR. MONTGOMERY: Second.

5 SENATOR CARRICO: Moved and seconded, all in
6 favor, say aye. (Ayes). All opposed? (No response).

7 Just so you're aware, when is the next Executive
8 Committee meeting?

9 MR. STEPHENSON: On the eve of the Commission
10 meeting, that would be 4:30 on the 22nd.

11 SENATOR CARRICO: The Executive Committee will
12 meet and discuss the issue at hand and the Staff's
13 recommendation.

14 DELEGATE KILGORE: Mr. Chairman, between then
15 and when we get together and get some more information from
16 LMU so we have it prior to the meeting some of the questions
17 that were asked today and we get that information, I think that
18 would be helpful.

19 Jason and Pete, just so you're aware, the questions
20 that were brought up in this meeting about how many students
21 from the footprint, how many employees you have from the
22 footprint, all those numbers, capital that's been invested, and
23 revenue coming from this project, needs to be available to us on
24 the 22nd. Thank you for coming.

25 Now, we'll go back to our scheduled program, the

1 agenda before us.

2 MR. FEINMEL: Thank you, Mr. Chairman. I'll say at
3 the outset that as of the prior Committee meeting, this
4 Committee has been asked for \$14,181,000 worth of funding out
5 of the pot that only has \$3.1 million. There's a bunch of worthy
6 proposals that did not receive a Staff recommendation, simply
7 the nature and the difficulty of finding a way to stretch these
8 dollars.

9 Project 3071. The Barter Foundation, Barter Theatre.
10 This project is to construct a new prop shop for the theater,
11 which will occupy a space that's been freed up by a prior
12 Commission-funded expansion of the facility. They expect that
13 as a result of this, the increased capacity and the costume shop
14 will allow them to expand their production and programming
15 capacity. They very carefully sequence their grant request to
16 maximize the use of space with our dollars in a way that allows
17 them to keep operating and does not place tremendous demands
18 on any given grant round.

19 They're a very well-established organization, and
20 they're a key element to the region's heritage and tourism
21 initiative. They've been recognized as the state theater of
22 Virginia and also the largest producing theater in the
23 Commonwealth, the largest producing professional theater in the
24 United States not located in an urban area. They are one of the
25 largest professional theaters in the Southeast with only the

1 Alliance Theatre in Atlanta being larger.

2 The Barter is a significant economic driver in the
3 region. The economic impact direct or indirect and spending by
4 theater patrons is over \$34 million. In 2012, they expanded
5 from there. This is a little hard to quantify because it's sort of
6 tough to what the incremental increase in their economic impact
7 would be. Even though they only got four new direct jobs
8 projected as a result of this project, it's important to note this
9 will significantly increase their capacity, and with 314 employees,
10 they're already one of the largest employers in the Town of
11 Abingdon and Washington County.

12 They've got matching funds submitted and were
13 raised as part of their ongoing Bridge to the Future Capital
14 Campaign. We considered it to be very consistent with our and
15 Virginia tourism's objectives and complement our prior funding
16 and a broader array of cultural tourism destinations.

17 We recommend an award of \$250,532 for no more
18 than half the costs associated with expanding and renovating the
19 costume shop.

20 SENATOR CARRICO: Anyone on the Committee have
21 a question? Moving on.

22 MR. FEINMAN: The Town of Big Stone Gap, Mutual
23 Pharmacy Complex Redevelopment. Number 3074.

24 This project entails the renovation of the former
25 Mutual Pharmacy property, a three-story masonry structure in

1 downtown Big Stone Gap. They want to make it a mixed-use
2 development. They're renovating the basement and the first
3 story, and that will produce retail and commercial and dining
4 space, and the upper story will result in six apartments. They
5 want to capitalize on the Big Stone Gap movie, and I'm told this
6 was featured prominently in this movie.

7 A preliminary architectural report shows that the total
8 renovation cost to be approximately \$1.2 million. Funding for
9 the project is committed from the Big Stone Gap RHA and the
10 Town and for the purchase of the building and two adjacent
11 parking lots. They received \$500,000 from ARC and intend to
12 request \$237,275 from the DHCD's Industrial Revitalization Fund.

13 The use of the space for retail/commercial and
14 housing uses falls within the Commission's Low Funding Priorities
15 in the Strategic Plan. The operating budget indicates that they'll
16 get a net operating income of \$13,000 generated from property
17 leases, suggesting that debt financing from other sources is a
18 viable option for this project.

19 We have helped fund the Town's new visitor's center,
20 which is located adjacent to the Mutual, and we don't think this
21 falls within our strategic goal. Staff recommends no further
22 funding or action on this project.

23 SENATOR CARRICO: Anyone on the Committee have
24 any questions? All right.

25 MR. FEINMAN: Project 3079. Birthplace of Country

1 Music.

2 The Birthplace of Country Music Museum is seeking,
3 and which opened in August of 2014, they are seeking to expand
4 their operations into a building located adjacent to the current
5 museum location. This is behind their building attached by one
6 wall. It was purchased by the Museum in May of '14, using
7 \$300,000 provided by The Master's Table Foundation.

8 We've given a number of previous grants, totaling
9 over \$4 million for the Birthplace Museum in 2004 and 2011.
10 The current project is estimated to have a total cost of \$5 million.
11 They're going to move all their Tennessee offices to Virginia, as
12 well as relocation of special exhibit space, which will enable them
13 to create an event space for rentals to outside groups. In
14 addition, educational space and archival space will be increased
15 and have the capacity for a radio station through expanded
16 studio space and recording studio.

17 This application projects the creation of six new jobs
18 and a baseline of 20. Pretty much relocation of all staff from
19 their current offices in Bristol, Tennessee. It's estimated 27,000
20 net new visitors will visit the museum during the first year,
21 resulting in 300,000 in new revenue for the museum.

22 The trouble we have is trying to figure out how a
23 project largely is characterized by moving office space actually
24 creates that net new change. They'll get new visitors on a year-
25 by-year basis. Additional funding is anticipated to be provided

1 for many of the same sources used to complete the current
2 museum space. It's very difficult for us to see how the Staff has
3 a problem relating how the proposed increase in visitation will be
4 a direct result of this project and not due to normal growth and
5 popularity for the museum. As a result, we suggest that they
6 pursue all the various other funding opportunities they have, and
7 we don't recommend any further action on this project.

8 SENATOR CARRICO: Any questions from the
9 Committee members, questions on Grant 3079? All right.

10 Moving on.

11 MR. FEINMAN: Project 3063. The Robert Preston
12 House and Surveying Museum.

13 We have supported this project with previous awards.
14 What they want to do is create the Robert Preston House and
15 Surveying Museum as a major tourist venue. This house is on
16 the National Register of Historic Places. It's an actual showcase.
17 They have asked for a prior grant of \$130,000 previously and a
18 \$75,000 grant in Phase 2. The Bristol Historical Association has
19 been successful in attracting support from new funding sources
20 since the 2012 award, and the current request would help
21 complete the work needed to open the house to the public.

22 An application was submitted in FY15, but was
23 declined. Some elements of the project have changed during the
24 past year, including a broadened scope with a new identity as a
25 Surveying Museum to offer STEM learning opportunities to local

1 schools. The BHA will collaborate with the Surveying and
2 Mapping Department at ETSU to offer these programs, but no
3 evidence was provided that an agreement with the University has
4 been formalized. That's a concern we have.

5 The surveying focus of the House's programming will
6 honor the role that Robert Preston played as a surveyor during
7 the settlement of the area and during the Westward Expansion.
8 The Preston House is also affiliated with the Virginia Wilderness
9 Trail and the Louis and Clark Eastern Legacy Trail, although no
10 formal partnership exists with either organization. Despite
11 actively pursuing a greater partnership with the Wilderness Road,
12 the BHA has not been successful due in large part to the loose
13 organizational structure in that role.

14 The Bristol Historical Association has worked very hard
15 on this project trying to pursue a line of outside sources.
16 Unfortunately, without really strong partnerships with other
17 nationally significant tourism initiatives, this project falls
18 dangerously close to being a local historical restoration project,
19 which is a low priority for the Commission's Strategic Plan. It's
20 worth noting that a surveying museum associated with Abraham
21 Lincoln, and all respects to Robert Preston, is a bigger draw, and
22 that went under. As I said, at this point, Staff recommends no
23 further action on this proposal.

24 SENATOR CARRICO: Any questions on Grant Number
25 3063?

1 MS. LADD: At what point would you like me to speak
2 to this?

3 SENATOR CARRICO: We'll hear comments at the end
4 of all the grant proposals and recommendations, and then if you
5 have some comments that you'd like to speak to about a specific
6 grant, you can come forward and speak to that and all comments
7 from the audience.

8 MR. FEINMAN: Project Number 3069. Passenger Rail
9 Expansion to Bristol, Virginia Regional Economic Development
10 Study.

11 This is a request to cover half of the funds and assess
12 the feasibility of standing Amtrak passenger service to Bristol.
13 The study will update existing data produced for the 2012
14 Virginia Statewide Rail Plan, which included this extension as
15 Phase III of the US 29 and US 460 and I-81 Passenger Service
16 Project, and a 2009 capacity study for proposed passenger train
17 service from Alexandria to Roanoke and Bristol. Amtrak
18 passenger service to Bristol was identified as an unfunded need
19 in the Virginia Rail Resource Allocation Plan. There is proposed
20 funding for future years.

21 This proposed study will provide direction for the City
22 as they proceed with planning activities necessary to obtain the
23 service. They've got to get this done before they can pursue the
24 project with the State. The City of Bristol has entered into an
25 MOU with the Town of Marion and Smyth County to pursue the

1 expansion of passenger rail service as an alliance. The Towns of
2 Wytheville, Pulaski, Abingdon, Christiansburg, Blacksburg, and
3 the City of Radford are expected to join the alliance.

4 While the study itself will not generate any
5 measurable economic impact, the transportation is generally a
6 low priority per the Commission's Strategic Plan, there is a
7 reasonable assumption that expanded passenger rail service will
8 have a positive effect on the area's economy by facilitating ease
9 of travel for both business travelers and tourists and on the
10 overall economy. People will ultimately wind up traveling
11 through or to Atlanta, and we think there'll be a number of other
12 Southeastern and Midwestern cities opening the Bristol region to
13 greater visitation. Increased passenger rail services will be
14 developed in almost every other part of the Commonwealth, and
15 the new expansion to Roanoke brings it a little closer.

16 We recommend an award of \$250,000 contingent
17 upon providing no more than 50 percent of contracted consulting
18 services required to complete the proposed scope of work.

19 SENATOR CARRICO: Any comments or questions on
20 Number 3069?

21 All right, moving on.

22 MR. FEINMAN: Project Number 3067. Carroll,
23 Grayson, Galax Regional Industrial Facility, The Wired Road
24 Connector Project.

25 This is a request for 4.25 miles of 144 strand fiber,

1 including engineering. This 4.25 miles of new fiber connecting
2 the existing Galax fiber infrastructure with the existing Carroll
3 County fiber infrastructure. This gap in the fiber backbone is the
4 primary piece of the regional network.

5 Supplemental information provided by the applicant
6 indicates that this proposed bill will make service available to 95
7 residences along Airport Road and to 38 commercial/industrial/
8 institutional businesses adjacent to the I-77 interchange at Exit
9 14, including the Carroll County Industrial Park. These
10 residences currently only have dial-up, DSL, and satellite, while
11 the businesses are largely served, but would have an additional
12 reliable service option. The applicant estimated that 30
13 businesses and institutions will sign up for service, but did not
14 estimate the residential take rate.

15 One of the significant benefits of the project will be
16 the ability to interconnect with the Hillsville/Carroll County
17 network that currently relies on wireless backhaul and provide a
18 wired backhaul solution. This will reportedly enable greater
19 usage of the network in terms of more subscribers using more
20 bandwidth.

21 As a publicly-owned, revenue-generating system, the
22 project aligns well with the Commission objectives of providing
23 greater connectivity to employers and residents and appears to
24 be a good candidate for credit analysis and a potential
25 Commission loan to accomplish this construction.

1 We recommend that it be sent to VRA for credit
2 analysis prior to a future Tobacco Commission decision on
3 providing a loan or loan/grant package. We're talking about the
4 ideally newly created loan fund.

5 SENATOR CARRICO: I think it would be beneficial to
6 everyone who was not at our last meeting to help them
7 understand what VRA is about.

8 MR. FEINMAN: The new enabling legislation that was
9 passed in the last General Assembly session among a number of
10 other things, permitted the Commission to establish a revolving
11 loan fund. We have partnered with Virginia Resources Authority
12 to perform a credit analysis and some of the administration of
13 that fund. What we're seeking in a short term is a number of
14 different potential fundees from that fund so we can begin to
15 experience what this loan program will look like. You'll have ad
16 hoc individual agreements with people to whom we give loans
17 over the fall and winter, and we'll use that as a learning
18 experience to figure out how this is going to work as we move
19 forward.

20 The first step on that is to send a given applicant so
21 they can perform a credit analysis on the applicant and to figure
22 out if they're eligible for the loan, and, if so, we can move
23 forward.

24 SENATOR CARRICO: Anyone on the Committee have
25 a question?

1 MR. MONTGOMERY: Are we paying VRA to do this?

2 MR. FEINMAN: Thus far, we haven't discussed that.
3 They have expressed an ability to either a low or no cost at the
4 outset, but once we begin moving more business through there, I
5 expect there to be some sort of an administrative fee, but that
6 will all have to be worked out, particularly if we get into loan
7 collection services, I'm sure they'll charge us for that. But we do
8 expect them to be reasonable.

9 MR. MONTGOMERY: Thank you.

10 SENATOR CARRICO: Any further questions? Move
11 on.

12 MR. FEINMAN: Project Number 3073. The Edith
13 Bolling Wilson Birthplace Foundation, Feasibility Study for
14 Possible Organizational Consolidation of Wytheville's Historic
15 Sites.

16 This request from a Wytheville-based non-profit seeks
17 further funding to conduct a feasibility study considering the
18 consolidation of the operating and programmatic functions of the
19 eight historic sites located within the Town of Wytheville.
20 Currently, five of the eight sites are managed by the Town, while
21 the remaining three are managed by a separate non-profit
22 organization, including the applicant. The applicant suggests
23 that this consolidation will result in greater operational and
24 programmatic efficiencies for the sites as they are able to
25 combine resources.

1 The Town did submit a letter of support committing
2 \$5,000 to the project, and it seems to Staff the feasibility study
3 of this nature should be led by the Town in conjunction with all
4 partner organizations, rather than by a single non-profit
5 associated with one of the sites. No firm has been selected, and
6 the total project cost is based on an estimate of the applicant.

7 The budget shows Commission funds paying 53
8 percent of the cost of the study. Matching funds are proposed
9 from the Town of Wytheville, \$5,000, and the Wythe-Bland
10 Foundation. The applicant has committed \$6,000 of in-kind
11 support to administer the grant award and proposed study. This
12 application references a strategic planning process that is
13 currently being conducted to assess regional historic and cultural
14 assets, funded by the Virginia Tourism Corporation.

15 It seems to us that this ongoing assessment that we
16 ought to hold off until the assessment has been completed prior
17 to any merger of individual sites. So, the Staff recommends no
18 further action on this proposal.

19 SENATOR CARRICO: Any questions from the
20 Committee about Grant 3073?

21 Next. 3072 has been heard, so we'll go to the next
22 one, 3077.

23 MR. FEINMAN: The Raven Theater and Coal Museum.
24 This is the second request from this non-profit for the
25 project in Western Tazewell County. The property was donated

1 to the non-profit, and they've done some site cleanup and repairs
2 using voluntary labor and donations. To date, they have
3 invested about \$167,000 to partially renovate the building,
4 including the installation of a new floor in the theater and ice
5 cream parlor, installation of a new roof for the ice cream parlor,
6 new roof trusses for the second floor, 200 theater seats have
7 been purchased, all windows have been replaced, installation of
8 new wiring and three-phase power, and a new awning, and
9 refurbished marquee have been installed.

10 There is also construction of new walls in the theater
11 and framing, electrical installation, and plumbing, the purchase
12 and installation of tile for all floors, and the purchase and
13 installation of HVAC, and an enlarged stage area, and the
14 construction of new ADA rest rooms, and the purchase of
15 furniture and equipment for the ice cream parlor.

16 They don't really tell us what other fundraisers have
17 been approached, including whether or not they've talked to
18 USDA or ARC. The plan does show that the revenue generated
19 will produce the ability to take on some debt. They did not
20 approach any debt lenders that have been considered.

21 The application lists ten new jobs with an anticipated
22 rate of \$8.50 per hour, and they project 9,000 visitors annually,
23 generating \$45,000 of revenue. No additional funds are shown
24 to be used during the duration of the current project.

25 The issue for us there is that they don't meet our new

1 1:1 match requirement. While they do state they seek to affiliate
2 with The Crooked Road, and this is sort of similar to the other
3 project we talked about earlier. It seems to be much more a
4 local community event and whether it has a broad appeal, it's
5 primarily a local community amenity, akin to a community center
6 rather than a tourist destination with broad appeal to visitors
7 from beyond the region. This is a good project, and they've done
8 good work, but it appears to be principally a project serving the
9 needs of a particular community and not economic development.
10 It really isn't aligned with our objectives.

11 As a result of the match issue and the non-alignment,
12 we don't recommend any further action on this project.

13 SENATOR CARRICO: Any questions? Hearing none,
14 3068.

15 MR. FEINMAN: Project 3068. Round the Mountain:
16 Southwest Virginia's Artisan Network, New Markets Development
17 Project.

18 This project will identify new paths to market for
19 Southwest Virginia artisan businesses, helping artisans, craft
20 venues, and help identify places to sell goods and their crafts.
21 Building upon successful development of the Artisan Trails of
22 Southwest Virginia system and sales of more than \$897,000 in
23 craft from the Heartwood shelves. They want to expand their
24 grown into new markets.

25 Previous grants to establish operations of the regional

1 non-profit total approximately \$338,242. This latest request
2 seeks to expand market opportunities and increase participation
3 between the communities of the 19-county region. Funds will be
4 used to hire consultants focused on identifying the strategies for
5 entering national wholesale markets for home furnishings, as well
6 as new distribution and sales outlets for their artisans. Looking
7 at ways to try to get into the home furnishings, and this can be
8 very lucrative as far as those markets are concerned. It's been
9 difficult so far. Things like Search Engine Optimization will
10 increase their presence on the internet and a way for small
11 vendors to reach across many lines. They expect at least 20 new
12 jobs after the first year, resulting in \$12,000 of increased
13 revenue.

14 Of the 19 counties that participate in Round the
15 Mountain, two are not in our region. They've only asked for 48
16 percent as opposed to a standard 50/50 match, and that's
17 because of a slight mismatch in the region. A challenge grant of
18 \$25,000 has been provided from DHCD, and \$2,370 of private
19 funds will be raised to cover costs not covered by the other
20 grants. Although the DHCD challenge grant proposes a straight
21 50/50 split of expenses.

22 We really don't anticipate any issue adjusting that to
23 make it match our requirements. This new focus for assessing
24 national markets has the potential to attract significant new
25 revenues to the regional artisans, and as such, aligns very well

1 with the Commission objectives. Therefore, the Staff
2 recommends an award of \$25,000.

3 SENATOR CARRICO: Any questions? Hearing none,
4 Grant 3075.

5 MR. FEINMAN: Grant 3075. Scott County Economic
6 Development Authority, Technology Park Access Improvements
7 Primary Data Center Site.

8 The Technology Trail Lane is a VDOT-maintained road
9 into the Scott County Regional Business and Technology Park in
10 Duffield. The proposed road upgrade would connect to the
11 current cul-de-sac at the Crooked Road Tech Center and end with
12 a new cul-de-sac, which would enhance the appeal of the sites
13 and the park as a whole.

14 These funds are requested to expand that road and
15 marking the data center site, and that could result in a 25
16 percent increase in prospect visits. An estimated 300 jobs
17 paying an average of \$31.35 per hour could be supported at this
18 location. Matching funds are not yet committed, but will be
19 requested from Scott County EDA and from the TVA. Assuming
20 they can get their match, the Staff recommends that an award of
21 \$146,000 to support no more than 50 percent of the total road
22 construction costs.

23 The real issue right now, and if it rains and it's on a
24 slope and it's difficult, it could be dangerous as far as access.

25 SENATOR CARRICO: Any questions?

1 All right, moving on to Grant Number 3062.

2 MR. FEINMAN: 3062. Scott County Telephone
3 Cooperative, a Broadband Initiative.

4 Scott County Telephone Cooperative is proposing to
5 build a Fiber-to-the-Premise Network, and that will pass 620
6 locations in Dickenson and Wise Counties. They're going to build
7 approximately 54 miles of backbone fiber and 47 miles of
8 distribution fiber in this network. This project will be capable of
9 one gig of bandwidth to each location served.

10 USDA's Rural Utility Service announced a \$2.1 million
11 grant for this project on July 24th to build 54 miles of mainline
12 fiber and 47 miles of distribution fiber. It does not appear that
13 the federal grant requires matching funds, but these requested
14 funds would allow them to serve more premises.

15 SCTC's application estimates a 50 percent take rate
16 for the premises served, which would translate to 310 residences
17 and four business taking service. There are three anchor
18 institutions in the project area, one is expected to take service.
19 The project aligns well with Commission objectives of providing
20 the broadband connectivity to unserved and underserved
21 customers, although it primarily serves residential users.

22 It's well matched with 75 percent of project costs
23 coming from the federal government and SCTC funds. It seeks
24 30 percent of the funds available in our current application cycle,
25 and it will be a revenue-generating project, so as with other

1 requests for large sums.

2 So, our recommendation proposal is that it be sent to
3 VRA for credit analysis prior to a future decision regarding a
4 potential loan.

5 SENATOR CARRICO: Any questions on Grant 3062?

6 All right, moving on to Grant 3078.

7 MR. FEINMAN: 3078. Smyth County Board of
8 Supervisors, Back of the Dragon Overlook.

9 The purpose of the Back of the Dragon Overlook is to
10 attract additional tourists to Smyth County. Every year, over
11 15,000 motorcyclists and car enthusiasts visit the Back of the
12 Dragon. The plan is to double that number in five years. Many
13 people stay at local hotels and bed and breakfasts. They're
14 asking for sufficient funds to cover 20 percent of the costs of
15 engineering, permitting, design and construction of a newly
16 renovated Back of the Dragon Overlook.

17 This is a very popular Overlook and very difficult to
18 quantify what the effect is and increased parking and
19 improvements would do in jobs created and a number of visitors.
20 Additionally, while we're very sensitive to the ideas, there is a
21 safety concern here.

22 It's the Staff's concern that the safety on the
23 highways is something that should be funded by other than the
24 Commission. Therefore, due to the lack of direct economic
25 impact and that information and VDOT funding, the Staff

1 recommends no further action.

2 SENATOR CARRICO: Any questions on 3078?

3 All right, moving on to 3066.

4 MR. FEINMAN: 3066 is Smyth-Washington Regional
5 Industrial Facilities Authority, Mid-Mountain Water System
6 Improvements Project.

7 This application was submitted for the project in FY15,
8 but was declined. Like the previous application, the current
9 application seeks funding for water system improvements that
10 will serve the Highlands Business Park. Additional information
11 provided in a 2011 PER notes that the improvements will also
12 serve the Exit 22 Industrial Park, The Smyth County Mega Site,
13 and thousands of residential and commercial and industrial users
14 in Washington and Smyth Counties.

15 This request is part of a two-phase project, totaling
16 \$2.4 million. Phase I improvements include the construction of
17 over 8,000 linear feet of new waterline and appurtenances using
18 \$1.1 million of a \$10 million USDA RD loan. This loan is
19 restricted for use to replace aging galvanized waterline and
20 cannot be used for pump stations, tanks, et cetera. Commission
21 funds will be used for Phase II improvements to the Lee Highway
22 and Wise Pump Stations.

23 The applicant plans to submit an application to ARC
24 for 50 percent of the costs, which will serve as the direct match
25 to the Commission request. The application notes that the daily

1 capacity of 100,000 gallons will be reserved for the Highlands
2 Business Park and that the current daily capacity of 15,000 is not
3 adequate to serve the needs of potential industries. The recently
4 location of the Qore Systems to the park, and they're using the
5 vast majority of the water there, although it's unclear how much
6 of the current capacity will be used.

7 Ultimately where Staff came down and because of the
8 potential for revenue for the purported VRA loan, they're not
9 currently oversubscribed and don't currently have a customer on
10 the hook. So, it's our view this is probably inadequate to move
11 on through the VRA.

12 SENATOR CARRICO: Any questions on 3066.

13 All right. Grant 3065.

14 MR. FEINMAN: 3065. Southwest Regional Recreation
15 Authority, Adventure Playground of the East: Maintaining
16 Successful Startup Momentum.

17 Since 2008, the Commission provided \$1.5 million for
18 startup personnel and operating support to establish the
19 Spearhead Trail System, and that's become a signature tourism
20 initiative in Southwest Virginia. A total of three trail systems
21 have been opened since 2013. Mountain View, near the Town of
22 Saint Paul, opened in June of 2013, and has resulted in
23 significant economic impact for the town as evidenced by a
24 variety of factors, including an increase in meals tax of over
25 \$20,000 in one fiscal year.

1 Additionally, over 5,000 rider permits have been sold
2 and the Town of Saint Paul and Wise County have reported that
3 at least ten businesses have been created or expanded as a
4 result of the system.

5 Reports show \$1.5 million of new private capital
6 investment has been generated, and over \$500,000 of private
7 capital investment has been documented in and around the Town
8 of Pocahontas in Tazewell County since the system opened.

9 The third system, Coal Canyon, in Buchanan County
10 opened in May of 2015. It's estimated that over 70 miles of
11 additional trails will be opened by the end of 2015. The Stone
12 Mountain Trail in Lee County will soon be complete, and the first
13 equestrian-only trail in Scott County will also open this year. A
14 15-mile expansion of the Pocahontas Trail, an additional 20 miles
15 on Coal Canyon, and a connection from Saint Paul to Coeburn
16 and possibly Dante, and a variety of other trails are all planned
17 to open and expand.

18 Their FY16 request seeks funding for two new
19 positions, Assistant Field Operations, and a part-time Project
20 Manager for three years, as well as 50 percent of existing staff
21 salaries. Some of that existing staff is currently supported under
22 Commission grants from us, but it does not appear to be any
23 overlap between the associated timeframes for using the funds.
24 Nearly \$400,000 of the total request is projected to be used in
25 year one of this three-year project. Support for years two and

1 three is limited to funding for the two new positions, and a small
2 amount each year for fuel for vehicles.

3 They're also requesting some additional equipment,
4 and that includes a bulldozer and a vending machine and an
5 excavator and a vehicle for the field operations position. They've
6 also requested funds for an economic impact study to measure
7 the regional effect of the system.

8 They project five new jobs with average salaries of
9 \$35,000, and an additional \$180,000 of ticket sales from a
10 baseline of \$20,000.

11 Matching funds are listed from a variety of sources,
12 including having the same ongoing VCEDA support for trail
13 construction, allocated and expected funding from the
14 Commonwealth, and support from the participating localities.
15 They continue to get funding from localities, and they claim 30
16 private business partners as permit vendors.

17 As the system continues to grow and approach self-
18 sufficiency, success is accruing in terms of private business
19 investment, ongoing local government support, and national
20 media attention that all translate into increased visitation and
21 economic activity across the region.

22 We recommend an award of \$450,000 reflecting the
23 exclusion of the year three salaries and the economic impact
24 study. They can come back to us, we don't have enough money
25 today to do too many large awards.

1 SENATOR CARRICO: Any questions on this project?

2 MR. FEINMAN: Project 3076. Town of Saint Paul,
3 Revitalizing the Willis Building.

4 They've requested funds to assist with the purchase of
5 basic features, furnishings, and equipment for the Willis Building
6 in downtown Saint Paul. The project is a partnership between
7 the Town and its private partner, CBH Saint Paul, LLC, and that'll
8 result in the renovation of 23,790 square-foot building for mixed
9 commercial uses, including a 33-room boutique hotel, five retail
10 spaces, a restaurant/dining room, outdoor dining space, and
11 rooftop deck and bar.

12 Additional funding for the project has been provided
13 through grants from ARC, the Industrial Revitalization Fund,
14 VCEDA has approved \$1 million in loan funds. The Town of Saint
15 Paul will provide \$100,000 for site, drainage, and parking lot
16 improvements. CBH Saint Paul, LLC will apply for state and
17 federal historic tax credits in the amount of \$1.6 million, and
18 contribute \$410,000 of their own capital as an investment in the
19 project. They plan to secure \$1.3 million from a private lender to
20 finance construction and start-up costs.

21 With the success of the Mountain View ATV Trail
22 project, in addition to the housing needs for long-term temporary
23 workers at the Virginia City Power Plant, there appears to be an
24 unmet demand for additional accommodations in the Town. That
25 need is likely seasonal, however, and the developer

1 acknowledges to us that the hotel market here is largely
2 unknown.

3 They anticipate 15 full-time and 23 part-time new jobs
4 predicted for the hotel, in addition to jobs created by the retail
5 tenants.

6 Hotels, by definition, attract visitor spending to the
7 region, and that aligns with our objectives. The retail
8 components of the space fall within the Commission's list of low
9 funding priorities. Similar hotel projects throughout the region
10 have been funded through the TROF Program.

11 We recommend the project be forwarded to VRA for
12 credit analysis.

13 SENATOR CARRICO: For the record, that was Grant
14 Number 3076. Any questions?

15 Moving on.

16 MR. FEINMAN: Grant 3070. The Virginia Heritage
17 Music Trail, The Crooked Road.

18 The Crooked Road is one of Southwest Virginia's most
19 recognized brands, reaching new audiences, and the new project
20 seeks to build on that brand and increase the knowledge and
21 interest in The Crooked Road, both in our region and outside.
22 The purpose of seeking greater recognition is to continue
23 increasing visitation to the region and increase the quality of life
24 that employers view as important to the long-term vitality of
25 their businesses.

1 Previously, the Commission supported The Crooked
2 Road to the tune of about \$1.4 million. This request seeks to
3 support to continue The Crooked Road Music Festival for its
4 second and third year. A portion of the FY14 award was used to
5 support the first year of the festival, which was held on June 12th
6 through 20th of 2015. The event offered nightly events across
7 the entire footprint of The Crooked Road and cross-promoted
8 other cultural tourism sites and events and participating
9 communities.

10 While participation varied from event to event, the
11 festival received significant regional, statewide, and national
12 media attention, and the applicant believes that the knowledge
13 gained during the first year is essential to the future success
14 during years two and three. They believe continued support for
15 years two and three will help to solidify the event and will use
16 requested funding for marketing consulting services, marketing,
17 and project coordination.

18 They're going to build a phone app, and that will help
19 the website, including other information. While some
20 Commission funds will be used for the 2017 festival, the majority
21 is focused on expenses leading up to the 2016 festival.

22 Funds are also requested for street pole banners for
23 participating localities and nine hand-made fiddles to be used as
24 a traveling display during the weeks leading up to the event, and
25 then auctioned to support the nine major venues they will

1 commemorate.

2 Additionally, grant funds will be used for the
3 production of a compilation CD using recordings from the 2015
4 festival. CDs will also be produced for the '16 and '17 festivals.
5 Activities not directly related to the festival, including metal
6 community signage and a print calendar, which will serve as a
7 source of revenue, major venue marketing assistance, and
8 marketing assistance for TCR Youth Music Festival are also
9 included in the requested budget.

10 They have \$762,183 of matching funds, including
11 funds from the Virginia Tourism, National Endowment for the
12 Arts, ARC, and private and local sources, although the majority
13 are not yet committed at this time. No baseline figures were
14 provided for the '15 festival; however, the application estimates
15 an increase of 10,000 new visitors as a result of this grant.

16 The applicant submitted a revised budget that
17 removes aspects of the original request that seemed less critical
18 and impactful, and therefore of lesser interest to Commission
19 staff. As a result, we recommend an award of \$397,083, based
20 on the revised budget, which focuses primarily on the festival.

21 SENATOR CARRICO: Any questions?

22 All right, moving on to Grant 3064.

23 MR. FEINMAN: 3064. Wythe County Appalachian
24 Regional Exposition Center.

25 These folks have been trying to build a Regional Expo

1 Center that will serve as the Commonwealth's premier civic
2 center for localities west of Roanoke, providing 3,000 permanent
3 seats, and an additional 2,000 portable chairs for concerts and
4 other entertainment events.

5 They've submitted several previous applications in
6 recent years for this project, including an application in FY15 that
7 was tabled. Since that application, a new site has been
8 identified, the third in the project's history, at Exit 77 on I-81.
9 The Expo Center will provide a venue for a variety of activities,
10 including livestock shows, rodeos, indoor soccer, travel shows,
11 motocross, concerts, and dozens of other events. AREC will also
12 include six outdoor soccer and youth football fields, a walking
13 track, an outdoor horse ring, as well as classrooms and training
14 facilities. A lot of these proposed uses is characterized as low
15 priorities under the Commission's Strategic Plan.

16 Phase I includes the construction of the 3,000-seat
17 arena, show grounds, outdoor soccer fields, and parking and
18 support facilities. Matching funds are shown from Wythe County,
19 which has an option to purchase the selected site for a price of
20 \$1.3 million. The application also lists \$1.7 million in
21 infrastructure improvements provided to the site by the County.

22 Communication with the applicant, Staff revealed that
23 this work was done over the past ten years to serve other
24 commercial operations located at this interstate exit. The timing
25 of this work makes it ineligible for a match of the project. They

1 only selected the site in the last couple of months. The Expo
2 Center pledged \$513,000 to support the venue's first year of
3 operations. Funding from the Wythe Bland Foundation will be
4 sought to build the outdoor soccer fields, which will also serve as
5 outdoor parking. \$300,000 of that amount may be used to fund
6 the A/E project, given that no other funds are shown for the
7 construction of the AREC, and the timing and use of the project's
8 matching funds makes them ineligible for consideration.

9 We don't believe they're eligible for consideration
10 because one of the requirements has not been met. The 1:1
11 match requirement to us appears to have not been met.

12 Ultimately, the failure to meet the match
13 requirements for this project could be great for the region, and
14 then the Staff recommends no further action on the project.

15 SENATOR CARRICO: Any questions on 3064?
16 Hearing none, these are the number of projects that you heard
17 earlier. There was more than a \$14 million request for the 18
18 projects that were submitted or were applied for. We currently
19 have a balance of \$3.1 million in the fund. The Staff's
20 recommendations total about \$1.5 million in appropriations. We
21 have several that didn't get funded during this process.

22 Right now, I'm going to ask for any comments from
23 the audience on any of the projects that were reported on. If
24 you have any comments you'd like to make, and I'll just go
25 ahead and go down through the order.

1 I know some of these have been recommended to be
2 funded, and if you don't want to comment, that's all right, too.

3 So, we'll start with Big Stone Gap, 3074. Anyone
4 have a comment they'd like to make on that? Hearing none.

5 3079, Birthplace of Country Music, request of \$1
6 million. No further action recommended. Anyone here wish to
7 speak on that. All right.

8 3063. The Robert Preston House and Surveying
9 Museum, Bristol Historical Association. Staff recommends no
10 further action. If you'll come up and go ahead and state your
11 name and who you're with and the grant you're speaking about.

12 MS. LADD: My name is Isabelle Ladd. I'm with the
13 Bristol Historical Association. The only reason I'm here is
14 because I lost the coin toss. The lady that was supposed to do
15 this left town, and that leaves me.

16 The first thing I'd like to address is the question, I
17 believe, concerning the Lincoln Museum of surveying was closed.
18 That was a big concern of ours. So, I called the director of that
19 museum, what the deal was, and he said it had absolutely
20 nothing to do with popularity of the museum itself. They had
21 taken out loans, large loans, I believe, in 2008, and at that time,
22 the bottom kind of fell out economically, and they were not able
23 to meet the sustainability that they thought they would. And
24 that was the reason for that.

25 They have been very helpful to us and not having an

1 agreement with East Tennessee State. This all happened in kind
2 of a hurry, as you all know, this process was shortened quite a
3 bit, and this was kind of a last minute thought. The people at
4 East Tennessee State and the Surveying Department are very
5 enthusiastic about this, and do want to do it.

6 Another point I'd like to make, this Louis and Clark
7 thing, and I don't know all of you who are Virginians and you're
8 aware, and I don't know what you call your legislative body, but
9 it was made clear that the Lewis and Clark Trail, the eastern
10 legacy portion of the Lewis and Clark Trail is a done deal and it
11 exists in the Commonwealth of Virginia. There is also a national
12 push, which is being held up in Congress to establish the Lewis
13 and Clark Trail easterly. It actually starts in Tennessee and goes
14 to Winchester, but right now it exists in the Commonwealth of
15 Virginia. That's a biggie for people who are historians and who
16 want to do all these many trails.

17 The third thing I'd like to say is that I'm not sure how
18 we came up with that interesting number. That would finish it
19 for us, to be able to open with that and do this. The STEM
20 possibilities, that is at this point the biggie in the United States
21 pushing STEM, Science, Technology, Engineering, Mathematics.
22 This surveying thing for children, it's amazing what they've told
23 us they can do as far as working with children. For instance, who
24 knows that 5,280 feet is a mile. You know the survey length is
25 66 feet, do you know this country was measured 666 feet at a

1 time? The Lewis and Clark thing to me is a biggie. William Clark
2 on November 12th, 1809 actually stopped at the existing Robert
3 Preston House and had breakfast there. All these surveyors were
4 big buddies. If anybody is familiar with the Virginia Land Grab,
5 that's so big with surveying, it's why Virginia is what it is and
6 why Tennessee is what it is.

7 Let me finish by saying that that \$90,000 would put
8 us on the road, but actually not put us on the road, it would
9 finish it, I should say. We'd be able to start and develop a
10 relationship with the Lewis and Clark people and in Botetourt
11 County, and that's the first time I've ever pronounced that
12 properly.

13 That would do it for us, and it's such a drop in the
14 bucket for the Tobacco Commission and such an enormous
15 amount for us. Thank you.

16 SENATOR CARRICO: Any questions for Ms. Ladd?

17 DELEGATE MOREFIELD: Could we go back to the
18 Birthplace of Country Music, I think there's someone wants to
19 speak.

20 SENATOR CARRICO: Yes. Please state your name.

21 MR. KIRKSEY: My name is Larry Kirksey, and thank
22 you very much for allowing me just a few moments to address
23 this Commission and ladies and gentlemen of the Commission
24 and of the staff, as well. I'm here on behalf of the Birthplace of
25 Country Music, of which I have the esteemed honor and privilege

1 of now serving as Chairman and President of the Board of
2 Directors.

3 It's a bit of a step away for me, having retired from
4 the bench three years ago, to now being served in this, a
5 volunteer capacity as Board of Directors and Board of Directors of
6 this organization. I find it to be an extreme honor and thrill and
7 enjoyable experience.

8 I'm here today just to thank you for the consideration
9 you've given us with this application. I thank the staff for their
10 efforts, as well, in going over that material as it has been
11 submitted to you. Hearing the Staff's recommendation for the
12 first time today, it's apparent to me and my fellow
13 representatives that are here, Leah Ross, the Executive Director,
14 as well as John Rainero, a member of the Board.

15 It's apparent to us that perhaps maybe some
16 clarification can be provided to the Staff, and provide the staff
17 with additional information to be more on target as to just where
18 we are in this project, as well as the anticipated financial impact
19 that we see from this. This project, as it has been under
20 consideration and how it is developed, is simply now awaiting,
21 the key being you all and unlocking that key to provide us with
22 the full funding that we have. We're poised to receive New
23 Market tax credit, as well as historic tax credit, all of which is
24 dependent upon other aspects of the funding form in place.

25 Once we have funding requested, it would open it up

1 just as is true of the museum that you all were so helpful with in
2 our prior funding request. And we think we've been very good
3 stewards of that money that was previously given by and to the
4 organization. We're very grateful for it, and I think we've tried to
5 be good stewards with that. The success of that is something
6 that exceeded our expectation for the success of the museum.

7 More importantly as we see it, this is a critical time for
8 us in this project. We've done our engineering study, and our
9 architectural studies are in place, and we're in Phase II of
10 requesting for a designation in July. Without the funding request
11 being honored, we fear we'll be back to square one, and we're on
12 a timeline, as well, from private donors to complete the project in
13 a certain timeline. This will impact adversely on that.

14 In addition, we see a more significant impact than has
15 been mentioned. We have a full host of employees that'll be
16 locating in Virginia that are not now here in Virginia, and we need
17 to make sure that that's in place. With all due respect, we would
18 like that opportunity to work more fully with Staff and request
19 that we be given some time to do so.

20 We're here and available for any questions. I'm very
21 grateful for your consideration.

22 SENATOR CARRICO: Any questions?

23 DELEGATE MOREFIELD: You mentioned earlier you're
24 on a timeframe right now, would you elaborate and tell us about
25 that.

1 MR. KIRKSEY: Yes. The building that's located
2 adjacent to the museum was spotted as potentially a building
3 that would be available to us for expansion with our programs.
4 Our programming has far exceeded our needs, and we saw the
5 space there near the museum, as well. We're receiving archives
6 practically on a weekly basis. The Tennessee Ernie Ford family,
7 for example, pea-picker, if you will, to some folks, his family has
8 identified us as primary archive of all of the materials of
9 Tennessee Ernie Ford. We don't have the space to archive that
10 material, and that's only one example of the types of information
11 that we're receiving.

12 We've got to protect it and preserve it, and we don't
13 have the space to do so. That's very time-sensitive, because we
14 have these materials and we're having to locate space away from
15 us, that's not very suitable, and we're having to adapt that space
16 for those materials. And as I said, that's only one example of the
17 archives demands that we have.

18 In addition, we have staff space that's necessary, and
19 I realize office space is not necessarily something of a priority
20 with the Commission. As we see the development of our
21 organization, we can bring our full staff into this location right
22 adjacent to this wonderful museum building, and a full staff is
23 more than 20, in addition to the six new jobs that would be
24 created, as well.

25 The donor that provided us with the funds for the

1 purchase of the building next door, Master's Table Foundation,
2 wants us to proceed and wants us to get this building done,
3 doesn't want it to just sit and not have something in it, or
4 happen. The agreement itself has a timeline with certain events
5 having to be met with a certain timeframe and we're required to
6 meet those, and we have to live up to not just the letter, but also
7 the faith and trust and intent that gives credence.

8 I trust I've responded to your question.

9 SENATOR CARRICO: Any further questions? All right,
10 thank you.

11 Moving on to Grant Number 3063, the Robert Preston
12 House, and we've already heard from Ms. Ladd.

13 Grant Number 3067, Carroll, Grayson, Galax, Regional
14 Industrial Facility. This is referred to VRA, and that's the reason
15 I wanted Evan to explain what would that be. Any comments or
16 questions about the VRA Program and how it's set up? If you do,
17 feel free to come up and ask.

18 MR. McFADDEN: Good afternoon, my name is Ken
19 McFadden. I serve on the Board of Directors for the Broadband
20 Authority. We appreciate the opportunity to submit our proposal,
21 and we also agree with the opportunity to have the credit
22 analyzed or analysis done through the VRA, and we think that
23 would be good for our operation. We have no objection to the
24 Staff recommendation.

25 SENATOR CARRICO: Thank you.

1 Next is the Edith Bolling Wilson Birthplace Foundation.
2 The Staff recommendation was that no further action to
3 consolidate the sites, certain ones are already managed by the
4 Town. Even though we have a letter of commitment from the
5 Town of Wytheville, there are still some discrepancies. Anyone
6 here that would like to speak to 3073, you're welcome to do so?

7 All right, moving on. 3072, we've already heard.

8 3077, Raven Theatre and Coal Museum. The
9 Commission Staff made no recommendation. No one here to
10 speak to 3077.

11 Next would be 3068. Round the Mountain:
12 Southwest Virginia's Artisan Network was approved for \$25,000.

13 Next is 3075. Scott County Economic Development
14 Authority for \$146,500. Anyone wish to speak to that?

15 Next is 3062. Scott County Telephone Cooperative,
16 requesting \$864,842, and recommended to the Virginia
17 Resources Authority, and sent there for vetting for credit
18 analysis. Anyone wish to speak?

19 All right. 3078. Smyth County Board of Supervisors.
20 This is dealing with the Back of the Dragon Overlook. They're on
21 Route 16. And the Staff's recommendation was no further
22 action. And VDOT needs to look at funding for the safety
23 functions.

24 MR. SIMPSON: Mr. Chairman, I'm Scott Simpson, I'm
25 the Assistant County Administrator of Smyth County, and I have

1 with me today Mr. Ron Thomason, our Director of Tourism. And
2 we also have a representative from Hungry Mother State Park,
3 adjacent property owner to the Overlook, and he may or may not
4 have any comments, but I wanted him to be here in case you
5 had any questions.

6 The Back of the Dragon Overlook of Smyth County is a
7 very important draw with both car enthusiasts and motorcyclists,
8 which generates a lot of traffic. Ron can give you an update and
9 little better figures as he deals with it every day, but I did want
10 to emphasize the Back of the Dragon where it begins in Smyth
11 County and Marion and it ends over in Tazewell. If you drive
12 Highway 16 across the mountain with any regularity, you
13 probably see the dragons painted in the roadway. It's a highly
14 traveled area.

15 Tourism has been tied into both counties, and the
16 safety of many of the participants is very important. We fully
17 agree VDOT has a stake in this, that's why we're asking for 20
18 percent of the project costs, a \$920,000 project, both to safety
19 and the Overlook. We have a pending application with VDOT for
20 80 percent of the project funds, and there are 21 programs. So,
21 VDOT would have a large stake in the project.

22 With that, I'll turn it over to Mr. Thomason.

23 SENATOR CARRICO: Before you go, the 80 percent
24 grant that you've applied for with VDOT, any indication that'll be
25 approved?

1 MR. SIMPSON: In our application, the preliminary
2 engineering report that was done for the Overlooks in both
3 Tazewell and Smyth County were done jointly in the actual
4 engineering report, and that was initiated by VDOT and funded
5 by VDOT. They've had a stake in this project for more than a
6 year, several years. Up to the current point, VDOT is still
7 working on coming up with solutions for some preliminary
8 designs and the safety on the top of the mountain. We're still
9 hopeful they're still on the project.

10 The applications are not officially due, and the cutoff is
11 November 1st, so they haven't closed their application period yet.

12 MR. THOMASON: I'm Ron Thomason, I'm the Director
13 of Tourism for Smyth County. I'd like to digress for just a
14 second. NAFTA didn't do Smyth County any favors because we
15 lost our textile industry, we lost our furniture industry, and
16 consequently, we lost a lot of jobs, and it had a tremendous
17 effect on Smyth County's economy.

18 What are we trying to do? We're trying to make or
19 figure out a way to rebuild the economy of Smyth County, and
20 we're making a lot of progress. This \$23 million to \$24 million
21 tourism industry in the State of Virginia is really an eye opener
22 for what it can do for communities if they buy into tourism and if
23 you have the assets. Smyth County has unbelievable assets for
24 outdoor recreation.

25 One of the things we decided to do in Tazewell County

1 was to start the issue of inviting motorcyclists to come and visit
2 our community, and it's unbelievable what this has done. If you
3 would have come to the Town of Marion three years ago, you
4 would have taken a gun and shot down the street and you
5 wouldn't have had anything but air. Today, we have over 90
6 percent occupancy in our buildings and what has driven this is
7 motorcycles.

8 The Back of the Dragon has had an unbelievable
9 impact on our economy. Just to give you a for instance, in 2014
10 and 15, the Town of Marion's tax receipts were up 15 percent,
11 and this is an amazing thing. We've only scratched the surface
12 of where we're going to go with our motorcycle initiative. But it
13 is driving economic development, as I was saying, it's amazing
14 what it's doing, and we just started. But it's not only healthy for
15 Smyth County and Tazewell County, these motorcycle people like
16 to ride for miles and miles, and it's benefitting all of Southwest
17 Virginia. And I hope you understand that this Overlook is
18 important to the Back of the Dragon, the motorcycle initiative.

19 Tourism is all about experience. If you have a great
20 experience, you'll come back and you'll do it again. And this is
21 the real key. We want to provide an experience for
22 motorcyclists, when he comes, he'll tell others about it, and you'll
23 get a multiplier effect and consequently we're going to drive
24 more traffic and we will drive more money into the economy.
25 That's why I hope you all can understand this is so important.

1 Now, don't get me wrong, but Scott said there are
2 safety issues, and you have safety issues because you've got to
3 consider the top of the mountain where the Overlook is, the
4 motorcycles get off. But even now, we have a tremendous
5 number of car clubs who are driving this same highway. And
6 you're right, there'll be an accident there sometimes, which is the
7 last thing we want. I know VDOT right now is looking at ways to
8 correct that into this project.

9 So I'm just asking you to please reconsider this
10 because one of the things that has occurred with all this
11 economic development and considering Bristol. Because of all of
12 this great traffic that we're generating, we just spent \$2 million.
13 The best motorcycle distribution system in the country. With
14 that, they have Eagle Rental, which is the largest motorcycle
15 rental business in the world. Their whole plan is and considering
16 marketing ability, they're going to bring in people from all over
17 the world, Bristol and Smyth County, and we're all going to
18 benefit from this. So, we are very interested in economic
19 development with this Overlook, and this Overlook will only give
20 them a great experience. That's what we want and that'll help
21 drive the economy.

22 Thank you all, and if you have any questions, I'll try to
23 answer them. Thank you.

24 SENATOR CARRICO: Anyone on the Committee have
25 any questions for Ron?

1 DELEGATE MOREFIELD: Sir, where do you get the 20
2 percent, the 20 percent figure, requesting 20 percent?

3 MR. PFOHL: That's the VDOT Transportation
4 Enhancement Program guidelines. They'll fund no more than 80
5 percent, and requires a 20 percent match, but not a federal
6 match.

7 DELEGATE MOREFIELD: The application deadline to
8 apply for that grant through VDOT, is that closed?

9 MR. THOMASON: November, that may be a Saturday.

10 MR. SIMPSON: But in the application, they want to
11 see, want you to know where the matching funds are or allocated
12 from.

13 DELEGATE MOREFIELD: According to their guidelines,
14 VDOT is saying you have to have that matching fund or if it's
15 already approved before they approve their money.

16 MR. SIMPSON: Correct.

17 DELEGATE MOREFIELD: Is there a representative, or
18 do you have a statement from VDOT, do you have anything
19 from --

20 MR. THOMASON: They're not going to approve
21 anything until they see we've matched this Tobacco Commission.

22 DELEGATE MOREFIELD: Have they insinuated they're
23 going to support this or not?

24 MR. THOMASON: We've had a number of meetings
25 with VDOT, and from every indication I've gotten, they're

1 definitely going to support it. One of the things I have here is
2 that last fall, Molly Ward, the secretary of Natural Resources, and
3 she came to Smyth County, and we got with her, and she
4 actually looked at the Overlook, and she wrote Commissioner
5 Kilpatrick a superb letter of support to do this. And she felt this
6 was definitely a big economic driver for Smyth County and our
7 area, so I'd like submit this into the record or the packet.

8 SENATOR CARRICO: I'm very familiar and I drive this
9 road a lot, and the safety issue, as you heard from the
10 Commission Staff, should be a big VDOT issue. Is there any way
11 you have to quantify how many more people would use the Back
12 of the Dragon if that Overlook was fixed? Any way to quantify
13 that?

14 MR. THOMASON: I don't think there's any way to
15 quantify it. As I said, it's an experience thing, and if it's used
16 now, and I think that, one of the things that occurs with tourists
17 when all these out-of-state people because we get requests from
18 every state in the Union, people wanting to come and ride the
19 Back of the Dragon. And to quantify that would be difficult, but I
20 can assure you that the experience has been so good that word
21 of mouth, and we're doing a tremendous amount of marketing
22 and marketing a program all over the United States. And
23 consequently, we're getting more and more traffic.

24 What's going to occur, Bill, is that the traffic increase
25 is probably going to create some safety issue unless we do

1 something to move it along where the Overlook is, and we have
2 to do something with that curve where the Overlook is. I don't
3 think there's any doubt that this beautiful Overlook will attract
4 more and more drivers, not only from this area, but from all
5 across the United States. It's just amazing how much interest
6 there is and how much traffic we're getting and how this can help
7 generate the tourism and help everyone.

8 If we didn't have this today, there are some things
9 that wouldn't be existing, because it is amazing that the number
10 of people who are staying in the General Francis Marion, this is
11 good for the area, very good, and we're just hoping that you can
12 help us.

13 SENATOR CARRICO: Are there any questions?

14 MS. COLEMAN: Mr. Chairman.

15 SENATOR CARRICO: Ms. Coleman.

16 MS. COLEMAN: Can you quantify in any fashion
17 growth and motorcycle tourism in Smyth County?

18 MR. THOMASON: The growth?

19 MS. COLEMAN: That would coincide with your
20 marketing?

21 MR. THOMASON: The only way I can tell you that as
22 far as the numbers, and I really can't give you a number. We've
23 opened about five or six new restaurants in the last three years,
24 and they're all doing well. The majority of that is traffic from
25 motorcycle riders. Tax receipts were up almost 15 percent last

1 year in Marion and for the first two months this year, they're
2 going the right way. All that's really driving our economy.

3 SENATOR CARRICO: Any other questions?

4 MR. CLARK: Good afternoon, my name is Nate Clark,
5 I'm the Park Manager of Hungry Mother State Park in Marion and
6 Smyth County. Ma'am, your question, I believe we've done
7 some traffic counts for motorcycles, and I believe VDOT has done
8 some traffic counts like motorcycles and the Memorial Day
9 weekend for the last two years.

10 MR. THOMASON: I have those numbers.

11 MR. CLARK: That may be some numbers we can
12 provide or Ron can provide you in reference to the increased
13 traffic.

14 MR. THOMASON: Over the Memorial Day weekend,
15 we had 900 motorcycles in three days that went from Tazewell to
16 Marion and over 3,000 automobiles in that same period of time.

17 MR. CLARK: That's a lot. The Back of the Dragon
18 goes through Hungry Mother State Park, and I see it every day.
19 Ron asked me to come today to speak very briefly on this and
20 just how Hungry Mother State Park supports this effort and is
21 cooperating with Smyth County tourism. This grant application
22 was submitted on behalf of Smyth County tourism. Because of
23 our cooperating efforts with Hungry Mother State Park Tourism, I
24 was just going to talk real quick.

25 The Back of the Dragon goes right through the State

1 Park, and we see the traffic every day. And in the summertime,
2 it's amazing the amount of people and vehicles and motorcycles
3 that we see traveling up and down Route 16. At the beginning of
4 the summer back in May, I started keeping track of license plates
5 from different states that I'd see using the park. It's a long
6 story, but I've got an eight-year-old kid that loves keeping track
7 of license plates, and I started doing the same thing. I counted
8 47 different states this summer alone that have been through
9 Hungry Mother State Park and using the State Park. They're all
10 going to Marion and all spending money in local establishments
11 in the Smyth County communities. When you talk about
12 marketing tourism, 41 out of 51, including D.C., that's pretty
13 impressive so far.

14 Our State Park, our attendance is about 250,000
15 every year, or actually between 250,000 and 300,000 people
16 that are using the park, maybe 60,000 as far as overnight
17 visitation, people stay in the campgrounds and the cabins, and
18 you've got 60,000-plus people coming in from outside the
19 community and bringing their money in and that's economic
20 development. It's a very big player.

21 The economic impact that Hungry Mother State Park
22 plays is estimated to be seven-and-a-half-million dollars a year.
23 State parks are truly economic engines for local communities.
24 Those people coming in the parks are spending money in the
25 local community, and all the economies, like gas stations and

1 grocery stores.

2 Ron asked me to come today to talk about what
3 Hungry Mother has done to support this effort. Secretary Ward
4 supports this effort. The Overlook is being used. It's a beautiful
5 area. And that needs to be improved. And there's a safety
6 issue, which we spoke about, and we understand, and VDOT is
7 supposed to address those issues. More than just safety issues
8 is the esthetic issues. At the top of the mountain, there's a lot of
9 graffiti on the guardrail. Some people have used it as a dumping
10 ground. It's being cleaned up and beautifying it, and a lot of that
11 will go away when that's all completed.

12 There are several different issues here. I guess that's
13 about all I can think of right now.

14 SENATOR CARRICO: All right. Any questions? Thank
15 you very much.

16 Any more questions or comments on Grant 3078?

17 Moving on, next, we have Grant 3066, which was the
18 Mid-Mountain Water System Improvements, and recommended
19 to be vetted by VRA.

20 MR. CORNETT: I'm Robbie Cornett, Washington
21 County Service Authority General Manager. We're very blessed
22 in Washington County with a number of projects moving forward
23 and growth and so forth that has occurred. With that growth,
24 that includes the consumption of water and waste water capacity.

25 A number of our systems, one of which is the Mid-

1 Mountain area, which is the application before you. For example,
2 the relocation of the Johnson Memorial Hospital and the
3 expansion of the jail, Emory and Henry College expanding most
4 recently 424 locating at the Highland Business Park. Our water
5 capacity in this area has risen, and that's a good thing. Now, we
6 have to replenish that capacity.

7 At the Highland Business Park, we have 100,000
8 gallons of wastewater capacity permanently reserved for use.
9 That's something we have developed recently. Also, the
10 Washington County Industrial Development Authority, and that's
11 permanently reserving water, wastewater capacity to use by our
12 Industrial Development Authority to try to attract incoming
13 businesses. It's not on a first-come, first-serve basis.

14 If the Tobacco Commission would look upon the
15 application favorably, it's the Service Authority's intention to
16 permanently reserve 100,000 gallons of water capacity for use
17 for the Smyth-Washington Industrial Facilities Authority to
18 promote and attract business and industry without worrying
19 about whether that capacity has been consumed or not. And I'll
20 add that in addition to any other remarks. Any questions or
21 comments, I'll be glad to answer.

22 SENATOR CARRICO: I just want you to be sure that
23 you know that the project was recommended to the VRA for a
24 credit analysis and legislation that was set up in order to be able
25 to create credit lines.

1 MR. CORNETT: Would this be a loan fund?

2 SENATOR CARRICO: Yes. All right, thank you.

3 Next is Grant Number 3065, Southwest Regional
4 Recreation Authority, that was approved, the request was 550,
5 and they were recommended to receive 450. Any other
6 comments?

7 Moving on, 3076, Town of Saint Paul. This was
8 recommended for VRA to be vetted. Any comments?

9 Next is 3070, which is Virginia's Heritage Music Trail,
10 The Crooked Road, asking for \$443,333, and they were granted
11 \$397,083, and that, of course, is being approved or
12 recommended to be approved. Anyone wanting comment on
13 that? All right.

14 The last one is 3064, which is the Wythe County
15 project, Appalachian Regional Exposition Center. A request of
16 \$3 million, which, as you're aware, the total overall is \$3.134
17 million, and after the recommendations, \$1.615 million left. Any
18 comments?

19 MR. REEVES: Yes, I'm Tim A. Reeves, Sr., and I'm
20 Chairman of the Wythe County Board of Supervisors.
21 Commission members and staff, thank you for giving us an
22 opportunity to speak. I know our grant was more than what you
23 have, and I respectfully request would you consider extending
24 that over a four-year period of time to cover the \$3 million, and
25 that would give us time to move forward with the project.

1 I'd like to tell you have we have purchased the land
2 for the facility in the corridor of Interstate 81 and 77 and right in
3 the heart of Wythe County, part of the corridor, Exit 77, 95-plus
4 acres, we purchased for \$1.3 million. That's closed, and we have
5 the deed, and it's our land.

6 The Board of Supervisors, this is the first application
7 that the Board or Wythe County actually submitted to the
8 Tobacco Commission for this project. We got behind this project
9 a couple of years ago and we know the impact it would have on
10 the region and on our community and surrounding communities
11 with the package we sent to you. You also have the letters of
12 support from the community, from the surrounding counties.

13 I'd like now to ask Mr. Farley to give you an overview
14 of just what this is going to be.

15 MR. FARLEY: Thank you, my name is Jeremy Farley,
16 Wythe County Manager, I'm from the Wythe County
17 Administrator's Office.

18 SENATOR CARRICO: Jeremy, before you do that,
19 when you give your overview, can you do what phases you'll be
20 in, in the next four years?

21 MR. FARLEY: I just want to address some of the
22 statements that have been brought up to provide a clear
23 presentation to fill in some gaps where there might be some
24 holes. We have been making an application one way or another
25 with this project several times. You can set your watch by the

1 trees changing in the fall and you'll hear about the Regional
2 Exposition Center each September. One thing about that is
3 we've been persistent because we believe in this project. We
4 have the backing from our Congressman and backing of several
5 County Administrators in our region. It's not just a Wythe
6 County project, this a regional project that several leaders
7 throughout the Ninth District, and they believe in it, and we have
8 letters of support.

9 Why do they believe in it? We're providing an
10 opportunity for entertainment, providing an opportunity for
11 economic development. This is not just investing in a facility, but
12 you're going to be investing in the whole region because hotels
13 will come to this site and restaurants will come from it and meal
14 taxes will be generated from it, but not just in Wythe County, but
15 in Bristol and Roanoke and people traveling.

16 Wythe County is located midway between Charleston,
17 West Virginia and Charlotte, North Carolina. This facility is
18 midway between Roanoke and Bristol. We're midway between
19 the Canadian line and the Florida line. We are ideally situated to
20 pinch the -- and that's exactly what this facility is aimed at doing.
21 Also, reaching into West Virginia and pulling people from West
22 Virginia and Tennessee and North Carolina.

23 Right now, so much of our money in Southwest
24 Virginia is going to Greenville to watch concerts or Tennessee.
25 Here in Southwest Virginia, we're the panhandle, and because of

1 that, five states are interested in getting that money, and that
2 should be spent in Virginia. And this facility can do just that.

3 I've got a four-year-old and six-year old daughter,
4 and they love soccer. And this new generation, soccer is where
5 it's at. Looking at the baseball tournament and how that was
6 such a boom back in the days, and soccer is now the way of the
7 future. And we're trying to be on the forefront of this with a
8 soccer field, and that'll bring in families every weekend who are
9 participating in this and spending their money and agriculture.
10 We believe in this.

11 The project has wholehearted support from everyone
12 in our region. We've just got a lot of support from other county
13 administrators who said we're going to write a letter of support
14 for this project because I believe in this project. It's unheard of
15 to get a county administrator who has his own application, and
16 he's going to write a letter of support because they realize that
17 money that's going to be spent here, it's not going to be just for
18 us, it's going to be for the benefit of the region.

19 The timing of the matching funds, this application has
20 been in this process for several years. If you look back 15 years
21 ago to Wythe County in the Comprehensive Plan, you're going to
22 find this project there. It might seem like the investment that
23 Wythe County has made, but we've been looking at this and
24 we've been hoping and we've been making application for this
25 and been investing in it for some time now.

1 The property has been planned 15 years ago, and the
2 Regional Exposition Center was right there. All three locations,
3 as I mentioned earlier, we've had three different locations. And
4 all three locations have been along the I-81/77 corridor. So,
5 each one of these locations would be served by this. This line
6 was made for economic development through Section 9, looking
7 at the timing of it, there's no definition that says this is the day
8 for timing, past this date, there's no matching funds.

9 These matching funds have been put toward this
10 project because we believe in economic development, and
11 economic development is at the center of this.

12 This will benefit the region and multiple studies at
13 Virginia Tech, UVA, Weldon Cooper have all done studies as part
14 of the feasibility and economic impact. And all of them are
15 saying this would be a gold mine for our area.

16 We believe in this project and so many others believe
17 in this project. Our proposal is to give us \$750,000 each year,
18 and that right there is what we're asking for over a four-year
19 period, and that gives us \$2 million, over a four-year period,
20 gives us \$3 million. From that, we can say all right, we have the
21 money coming in, and the county then can put the money up
22 themselves and making sure this project is funded, and the
23 timeframe listed in the grant. It's one of those deals where if we
24 know the money is coming in, the Board of Supervisors is not
25 afraid to invest in it and take the payback later.

1 I hope that answers your questions, and I'll be happy
2 to answer any other questions anyone may have.

3 SENATOR CARRICO: Anyone on the Committee have
4 any questions?

5 MS. CARTER: I have a question for the Committee
6 members. If I understand this correctly, our new 1:1 match is
7 being proposed, is that correct, that's not something that we
8 came up with?

9 SENATOR CARRICO: Correct.

10 MS. CARTER: I'm not sure we can work around that
11 because it appears that the 1:1 match is an issue here, as well.

12 SENATOR CARRICO: Is the 1:1 match based on the
13 \$3 million? If you look at 750, would the match be there? Just
14 to clarify, if we were to approve 750, that's a year-to-year basis.
15 We cannot guarantee 750 each year, we have to do it year after
16 year, we can't commit to previous, just can't commit like that.

17 My question, I guess, would be back to Ms. Carter, is
18 750 a 1:1 match, or what is that based on?

19 MS. PFOHL: You may recall back in May the Executive
20 Committee had a lengthy conversation about the new code
21 requirements, which at that time had been approved by the
22 General Assembly and were about to take effect July 1st. There
23 was a lot of conversation about how far back do you go to
24 counter-match, how do you value land that is contributed to a
25 project?

1 I think our issue is the County proposing this, that
2 they put in utilities to serve this exit, which has a number of gas
3 stations and truck stops at it a decade ago. Why would we
4 consider that a match for this project? If we're going to go down
5 that avenue then, the Water Treatment Plant they built a few
6 years ago, is that a match, as well, even though it serves the
7 entire County?

8 I think what we want to focus on here is that the
9 County's recent purchase of the property at \$1.3 million. If
10 that's supported by an appraisal, it would probably be considered
11 a valid match for this project. The current market value of the
12 property that's being put up to construct a project is something
13 that was discussed extensively by the Executive Committee in
14 May as being a valid match. Road construction, utility
15 construction done years ago, then where do you draw the line on
16 that?

17 SENATOR CARRICO: To get to your answer, is it a 1:1
18 match? The basis, I guess, today is if we were to move forward
19 the \$750,000 request, is there appraisal enough to stand for the
20 purchase of the property, the 750? I don't know if we can
21 answer that.

22 MS. CARTER: I thought the 1:1 match was a dollar-
23 for-dollar, 25 percent in-kind, that would not be considered in-
24 kind?

25 MR. PFOHL: That depends on how do you define in-

1 kind. We have looked into that. I think there is a very legitimate
2 current market value for the land, whether you call that donated
3 in-kind or not. I think that might be a matter of semantics, but it
4 is a true capital asset that's brought to the project, and I think
5 that's up to how the Committee wants to define it.

6 MS. CARTER: Has the Committee defined it?

7 SENATOR CARRICO: They haven't met, this is the
8 first time we've met.

9 MS. CARTER: The Commission, we talked about it in
10 May.

11 MR. PFOHL: The Executive Committee seemed to be
12 of a consensus that current appraised value of property would be
13 a legitimate match. Whether they defined it as donated in-kind
14 or a cash match, I don't think we have as clear an answer on
15 that.

16 MS. CARTER: Should we ask counsel for a
17 clarification?

18 MS. MYERS: My recommendation would be to using
19 the general definition of what in-kind means, and it is not defined
20 in the code or looking under Webster's, if you'll give me a
21 moment, but a less than 50 percent match may be approved by
22 two-thirds of the Commission.

23 MR. PFOHL: The staff does a lot of research on trying
24 to see how other foundations and government agencies define
25 in-kind, it's somewhat out over the board. One of the definitions

1 we found was, and we looked at the IRS code, as well, in terms
2 of what the IRS recognizes as donated services. A frequent
3 definition is any assets that are provided at no cost to the
4 project, that would otherwise have to be purchased with cash is
5 an in-kind donation.

6 If you go with that definition, the land that the County
7 is providing is donated in-kind, but they did purchase it, so I
8 would lean towards, and they spent actual cash money on
9 purchasing this land within the timeframe of their application. I
10 would think that in all reasonableness, I would interpret that as
11 being a cash contribution.

12 MR. FEINMAN: Another wise reasonable definition,
13 donation of something that could otherwise be used for
14 productive purposes by the donating entity. So, the person that
15 goes and spends money on this project, that's an in-kind
16 donation, and land bought that something that the County didn't
17 previously have, that seems more like a cash contribution.

18 MS. CARTER: That's good to know for all of our
19 projects.

20 MR. FARLEY: Mr. Hale would like to speak.

21 MR. HALE: Addressing infrastructure.

22 SENATOR CARRICO: Would you identify yourself.

23 MR. HALE: I'm Joe Hale, representing a district that's
24 involved here. The infrastructure question is something that for
25 the last 20 years, that Wythe County has been a leader in

1 producing water and sewer up and down the 81 corridor. That's
2 been a long-time goal, and almost achievable. The waterline
3 from the new preparation plant was part of the big plans.

4 When the question comes up, we looked at multiple
5 sites, and we've been very frugal in trying to buy the land as
6 cheap as we could. And I think everybody applauds that.
7 Certain things that developed in recent times that made this
8 property be available at what I believe is a very bargain price.
9 The water line being there is an asset to the property. There are
10 other things that are going to have to be done to that line, the
11 County is going to do it.

12 This facility by code and by life-safety code has to be
13 sprinkle, and I'm real glad that water line is there, and I'm glad
14 we have a reliable water source. Because of pressure, we
15 shouldn't have to buy anything to make the sprinkler system
16 work. Those are in-kind things, and it's there, and it wouldn't be
17 without the waterline.

18 As the County goes forward and Ms. Carter's question
19 about in-kind, the County paid for the Weldon Cooper Study,
20 which those people are not cheap, he didn't list that as in-kind,
21 as far as I know. The Association paid for the Tech Study, and
22 led to us getting down the road, as you all mentioned, and now I
23 think we finally got the premium site. This is like the orphan
24 that's been at the orphanage for a long time. Everybody loves
25 the project when you talk about it, but leave the orphan standing

1 on the porch when it comes time to leave. Thank you.

2 SENATOR CARRICO: Let me see if Delegate Kilgore is
3 on the line, I understand he's hung up. I know he was,
4 according to him, land does count as part of the match.

5 MS. CARTER: Mr. Hale, in July of this year, a bill
6 came into effect with the Tobacco Commission that changes
7 somewhat the way that we can look at a 1:1 match, and it's a
8 requirement you have a 1:1 match up to 25 percent. That's in-
9 kind dollar-for-dollar match. We're trying to sift through that and
10 figure out what is a dollar-for-dollar match, what is an in-kind
11 match, we just want to make sure we do things properly, and
12 that's what my question was.

13 MR. HALE: There's a million things we look at with
14 this payout project, this is roughly \$5 million, and we believe we
15 will deliver that project. We can't piecemeal this, we can't do it
16 in little bites. And it's got to be open. So when people visit
17 there, they'll say this is a real facility, we want to come back.
18 We've got to go forward with building the thing, and all we're
19 asking here is from the Commission, to help us get it started.
20 We, as the County and Authority can build it.

21 SENATOR CARRICO: Senator Smith.

22 SENATOR SMITH: I think most everyone in the room
23 understands where this is located and its uniqueness in the fact
24 that there's not many places in the Commonwealth or in the
25 country where a lesser populated area that's served by two

1 interstate systems. I've watched you go through the process and
2 you tried to negotiate the purchase of one, and you wanted to
3 get the maximum for your project and you found something that,
4 this I-81/I-77, which is a unique area that I don't think is
5 replicated anywhere else in the Commonwealth. Businesses
6 have seen the advantage to locate in that corridor, hotels and
7 truck stops and gas stations chose that area. They understand
8 the value of this unique site.

9 What is lacking for many miles around, the meeting
10 place or convention center or expo center or whatever you want
11 to call it. My question is, obviously, we don't have \$3 million to
12 hand you, but someone mentioned \$750,000. Can you get to
13 the next phase if we can get to the \$750,000?

14 MR. REEVES: Yes, sir, we have to go forward and
15 build the project. We can't start and wait five years down the
16 road to be totally finished. When we start it, we're going to
17 finish it.

18 SENATOR SMITH: So, the answer is yes, you can do
19 that?

20 MR. REEVES: Yes.

21 SENATOR SMITH: Thank you.

22 SENATOR CARRICO: Any further questions? Mr.
23 Sutherland.

24 MR. SUTHERLAND: Mr. Reeves, do you know what
25 the price on this property is that the County appraised it?

1 MR. REEVES: No, I don't know. It's more than what
2 we actually paid for it.

3 MR. SUTHERLAND: Mr. Chairman, just to comment.
4 Ten acres of land over in Washington County right by 81, ten
5 acres cost more than what they paid for it, ten acres is more
6 than what they paid for this 90-plus acres. You all definitely got
7 a good buy for the land.

8 MR. REEVES: I can tell you what the actual price was
9 before we negotiated, \$2.5 million, I think.

10 SENATOR CARRICO: Any other questions?

11 MS. COLEMAN: Just so I'm clear, \$750,000 now with
12 no guarantee that would follow in subsequent years would be
13 sufficient to get you where you need to be, to start building?

14 MR. REEVES: Yes, we're going to have to move
15 forward. The \$750,000 from the Commission, we're going to
16 have to put money with that and move forward. We can't use
17 that little bit of money and finish the whole project. We feel that
18 the project or when we start, we'll have to borrow the money or
19 come up with the money somehow and finish the project before
20 we can open it up, because we feel that, because if we had to do
21 pieces of it for a ten-year period, it just won't work.

22 MR. MONTGOMERY: If we don't fund anything, are
23 you still going to do the project?

24 MR. REEVES: Yes.

25 SENATOR CARRICO: Any further questions? All right,

1 thank you. We've had an opportunity for everyone to speak on
2 the projects that we have and the recommendations. We've had
3 a lot of discussion on several of these projects. And now comes
4 time for a motion. Do you want to take them in a block or add
5 anything for projects on the list that weren't funded? How do
6 you want to move forward?

7 SENATOR SMITH: If now would be the appropriate
8 time regarding Project 3064. I move we fund that with
9 \$750,000.

10 SENATOR CARRICO: There's a motion on 3064 to
11 fund a portion with \$750,000, which will reduce the available
12 amount of \$1.615019.

13 MR. SUTHERLAND: I'll second that motion.

14 SENATOR CARRICO: It's been moved and seconded.
15 All in favor, say aye. (Ayes). Opposed? (No response). All
16 right.

17 Now, we have a remaining balance of a little over
18 \$1 million.

19 DELEGATE MOREFIELD: Mr. Chairman.

20 SENATOR CARRICO: Delegate Morefield.

21 DELEGATE MOREFIELD: Mr. Chairman, going back to
22 Request Number 3079, Birthplace of Country Music. And this is a
23 question for Staff. The million dollars requested for a \$5 million
24 capital investment, 20 jobs created, does this qualify for a TROF
25 grant?

1 MR. PFOHL: For a TROF grant, I don't believe it's a
2 taxable property. Are you tax exempt? If it would not be a
3 taxable real estate investment, it wouldn't qualify or wouldn't
4 meet the TROF million dollar taxable private capital investment
5 threshold. It would fall outside the program guidelines for TROF.

6 SENATOR CARRICO: Any further questions?

7 MR. PFOHL: Mr. Chairman, just so the Committee is
8 aware in Other Business, you have previous grant proposals that
9 the Committee has tabled twice in the last two years and also
10 seeks a balance of their original request in the amount of \$1.8
11 million. On top of your 18 projects that were submitted in July
12 for \$14 million, you've still got one that you previously tabled.

13 SENATOR CARRICO: The Scott County EDA?

14 MR. PFOHL: Yes.

15 SENATOR CARRICO: Should we discuss that in other
16 business prior to the recommendations?

17 MR. PFOHL: However you want to handle it.

18 SENATOR CARRICO: Any further questions about the
19 Birthplace? Mr. Trivette.

20 MR. TRIVETTE: Mr. Chairman, and Delegate
21 Morefield, I just wanted to clarify in answer to the taxable
22 question, the nature of their building. Pursuant to state statute,
23 I'm Andrew Trivette, City Manager, City of Bristol. Under state
24 statute, City Council has the authority to allow a property to fall
25 under tax exempt after request is made, and that was the case

1 here, and it may be semantics, but ultimately city council could
2 have decided to tax it if they chose.

3 SENATOR CARRICO: Do you want a further
4 clarification?

5 DELEGATE MOREFIELD: Just to be clear, they can?

6 MR. TRIVETTE: They can submit an application to City
7 Council to determine nontaxable, but, again, that's at the
8 discretion of the City Council. I just wanted to make that clear.
9 And it may be semantics, but certainly it could be if the
10 Birthplace decided the grant is more important than the tax
11 exemption.

12 DELEGATE MOREFIELD: When does the TROFF
13 Committee meet next?

14 MR. PFOHL: I don't believe they're currently
15 scheduled to meet.

16 DELEGATE MOREFIELD: Technically if the City of
17 Bristol deems the property taxable, then this would be eligible for
18 TROF?

19 MR. PFOH: I think that's a question for whether the
20 Birthplace wants to pay real estate taxes every year, which is the
21 objective of the TROF Program in exchange for a one-time grant,
22 and I'm not sure they want to go there.

23 MR. TRIVETTE: That would be their choice to decide
24 that. What would happen in order to reach their million dollar
25 request, the TROF award, which is associated with the formula of

1 job creation and capital investment and the supplement from the
2 Southwest Economic Development. By converting it to TROF,
3 you get the guarantee for job creation and capital investment.

4 MR. MOREFIELD: Thank you, trying to help.

5 SENATOR CARRICO: Any further questions? Any
6 further motions on any of the projects?

7 MR. MOREFIELD: Request 3066, I'm sorry, 3078. I
8 request we add that to the block. The grant with the stipulation
9 that VDOT will award 80 percent of the funding for the project.

10 SENATOR CARRICO: There's a motion to add
11 \$184,000 to Grant Number 3078 with the stipulation that the 80
12 percent VDOT grant be matched. Is there a second?

13 MR. MONTGOMERY: I'll second it. Makes me want to
14 go out and buy a motorcycle.

15 SENATOR CARRICO: Mr. Montgomery, if you drive
16 that road, you'll have that motorcycle. It's been moved and
17 seconded. All in favor, say aye. (Ayes). All opposed? (No
18 response).

19 Any further recommendations? Now, no other
20 comments there, if you'll look under Other Business, we do have
21 the Grant Request 2756, we need to act upon, which is
22 \$1,810,000 for the Scott County EDA, Secure Mountain, that was
23 previously tabled since the last meeting. Would Staff give us a
24 brief overview of how the process is going.

25 MR. PFOHL: Very quickly because this may be familiar

1 to many of you, and representatives from both the County EDA,
2 the private owner of the site, are here to answer any more
3 detailed questions. The application was submitted in 2014,
4 Special Projects Committee, and then transferred to your
5 committee. In January of 2014, this Committee offered a partial
6 award of \$300,000, which was combined with the \$160,000
7 TROF, which was the formula generated amount under TROF. A
8 total of \$460,000 was obligated under a TROF agreement with a
9 company through the Scott County EDA.

10 The company is continuing to be hopeful for grant
11 funding for the balance of their request, which that balance right
12 now is \$1.81 million. They have communicated to us
13 consistently that the needs for the physical development of the
14 site, and first and foremost need is to construct a second access
15 into the underground mine site for a cost of \$930,000 to bring
16 power down into the mine and so forth. That is what they're
17 hopeful for.

18 We had a conference call with the EDA director and
19 the company last Friday. As with most folks, they're hopeful for
20 grant funds, and we talked about the VRA loan opportunity,
21 because obviously this is a revenue-generating site for the
22 company where we are.

23 SENATOR CARRICO: Anyone from the EDA would like
24 to speak?

25 MR. JOHN KILGORE: John Kilgore, with the Scott

1 County EDA, along with George Foresman, with Secure Mountain.
2 He'll tell you about the project.

3 SENATOR CARRICO: George, before you talk about
4 the project, I don't know if you were in here when the VRA
5 concept was explained.

6 MR. FORESMAN: I was, Mr. Chairman.

7 SENATOR CARRICO: With that in mind, I'd like to
8 hear from you and what your position is.

9 MR. FORESMAN: Mr. Chairman, thank you, and by
10 way of a quick recap, and I'll do this in three minutes. This is a
11 144-acre aboveground, 22-acre cavernous underground site.
12 We're in the process of transitioning into Underground
13 Technology Park. Technically, in Virginia, most communities
14 have created their own industrial parks and their own technology
15 parks a mile and a half away from us in Scott County.

16 The unique feature of this Underground Technology
17 Park really necessitated a public private partnership between
18 Scott County EDA, as well as Secure Mountain. There'll be a
19 series of standalone technology facilities in this Underground
20 Technology Park.

21 Three quick points that I think are relevant to this.
22 Number one, we're appreciative of the fact that this Committee
23 provided the initial round of funding and commitment of support
24 in 2014, through the period of 2014 and into 2015. We
25 continued with the site preparation activities, both aboveground,

1 and more importantly, underground.

2 I would offer to the Committee a couple of data points
3 for your consideration. The first of those is that the site is
4 currently being evaluated for its first government tenant and
5 being evaluated by a government entity, Mr. Pfohl knows who
6 the government entity is, and I won't disclose it in open session
7 for a variety of reasons, and it can be held under Economic
8 Development restrictions.

9 What I would say is that that government client
10 created a little bit of a curveball for us, so we put an additional
11 proposal in, in December of 2014, and then they came back in
12 June of this year and told us they wanted a new proposal which
13 would take into account the movement of about 35 people out of
14 the Washington, D.C. region into Scott County. They created a
15 little bit of a challenge for us, and we can tell you we're going to
16 have at least 28 full-time employees earning in excess of a
17 million dollar aggregate payroll yearly. The U.S. Government
18 would put roughly 32 employees over the course of the next
19 seven years if they choose to accept the site, and they will have
20 an aggregate payroll among those individuals a little over \$3.2
21 million. So, roughly three times what we're going to pay or what
22 anybody would be paying over the high end of technology
23 support down there. This is good for the region.

24 The second data point, we have a commercial client in
25 the site back in the middle part of the year, and kind of a good

1 news, bad news story, having a commercial client in the site.
2 They are still under consideration for bringing the first
3 commercial operation to the site. As a result of their trip to Scott
4 County, they're on the precipice of making a very significant
5 development and a very significant infusion of cash and jobs into
6 the Scott County region, Southwest Virginia.

7 No deal is done until the ink is on the paper, and I get
8 it and I understand that, but considering this unique site with the
9 offering that is both sustainable and secure and the technology
10 market is already having spinoff benefits. We continue to believe
11 in the project, and we certainly would be appreciative of any
12 additional support that the Tobacco Commission could bring to
13 us.

14 Over the course of this project and over the next eight
15 years, we're projecting a minimum of \$40 million of private
16 investment in the Underground Technology Park. I think that's
17 on the very low end, but we've estimated on the conservative
18 side. We also estimate on the conservative side from the job
19 creation standpoint of 28 jobs directly connected to the
20 Technology Park. As with this one federal client, we propose site
21 in the Underground Technology Park and they like the site, but
22 they asked us to re-propose it, given the fact they might bring an
23 additional 32 people with them. We're committing to the
24 numbers we're committing to in terms of direct employment, but
25 as was evidence with this government client, even some of our

1 discussions with the commercial sector clients, I think there'll be
2 a direct corollary spinoff from a job creation standpoint, but I
3 can't sit up here with a study to quantify it for you who each
4 commercial client and each government client is.

5 Mr. Chairman, with that, I'll answer any questions you
6 might have, and I want to be judicious about the use of your
7 time.

8 SENATOR CARRICO: You really don't have a client at
9 this time, you're in the negotiations.

10 MR. FORESMAN: We are in negotiations.

11 SENATOR CARRICO: Tim, I do assume that this one
12 was TROF, this one would qualify for TROF?

13 MR. PFOHL: It has already received the TROF, and
14 they're in a TROF performance period right now. Is the question
15 whether the additional jobs --

16 SENATOR CARRICO: That is the question and --

17 MR. PFOHL: That would depend on the employer
18 being willing to sign a performance agreement guaranteeing the
19 job creation.

20 SENATOR CARRICO: Just for the Committee's
21 understanding, right now with the add-ons, we're standing at
22 \$681,000. All right. Any questions?

23 All right, we have all the grants in a block -- with the
24 fact that this one we just heard about the Secure Mountain site,
25 tabled from the last meeting, and we need to take action if we're

1 going to move forward or close it out. Is there a motion?

2 MR. MONTGOMERY: I make a motion we remove it
3 from the table to this Committee to reactivate the agreement.

4 SENATOR CARRICO: Do you want to take it off the
5 table and bring it back into the Committee for funding or close it
6 out?

7 MR. MONTGOMERY: What was your question
8 originally?

9 SENATOR CARRICO: Right now, it's on the table from
10 the last meeting. We either have to take action on it or close out
11 the project. In that case, they'd have to reapply or however
12 much money is left in the 618 you'd want to put towards it. Is
13 there any recommendation? No recommendation --

14 MR. FEINMAN: A procedural question. A second to
15 get it on the table. No action taken, it stays on the table. Our
16 counsel is consulting Robert's Rules.

17 SENATOR CARRICO: That happens in the General
18 Assembly.

19 MS. MYERS: By the bylaws, you operate by Robert's
20 Rules.

21 MR. FEINMAN: There's relatively little operational
22 difference other than our having to re-review and they're having
23 to resubmit, so leaving it on the table would mean, couldn't be
24 acted on before the next meeting. So, if it's the sense of the
25 Committee, we could certainly close it out and then they reapply

1 at a future date.

2 SENATOR SMITH: Mr. Chairman, as I understand it,
3 rather than leaving it tabled, I'd make that motion.

4 SENATOR CARRICO: So, you move that we close it
5 out, the grant that is proposed at this point?

6 SENATOR SMITH: Yes.

7 SENATOR CARRICO: There's a motion on the table to
8 close out the grant made by Senator Smith. Is there a second?

9 MR. SUTHERLAND: Second.

10 SENATOR CARRICO: It's been moved and seconded
11 by Mr. Sutherland. All in favor, say aye. (Ayes). Opposed?

12 MS. COLEMAN: No.

13 SENATOR CARRICO: The grant has been closed.

14 Now, we go back to the grants we have gone through.
15 Grant Number 3071, \$250,532, the Barter Theatre; Grant
16 Number 3069, City of Bristol, \$250,000 for Passenger Rail; 3068,
17 Round the Mountain, Southwest Virginia; Artisan Network,
18 \$25,000; 3075, \$146,500, Scott County Economic Development
19 Park; Grant Number 3078, Smyth County Board of Supervisors,
20 Back of the Dragon, \$184,000; 3065, Southwest Regional
21 Recreation Authority, \$450,000; Grant Number 3070, Virginia's
22 Heritage Music Trail, The Crooked Road, \$397,083, and 3064,
23 Wythe County Exposition Center, \$750,000.

24 SENATOR SMITH: Mr. Chairman, I move they would
25 be approved in a block.

1 SENATOR CARRICO: There's a motion to approve
2 these in a block. Mary Rae.

3 MS. CARTER: One question. What about the ones
4 that Staff recommended for VRA?

5 MR. FEINMAN: After we approve the dollars.

6 SENATOR CARRICO: We want to approve the dollars
7 and then come back. It's been moved, is there a second?

8 MR. MONTGOMERY: I'll second it.

9 SENATOR CARRICO: It's been moved and seconded
10 that we make these approvals in a block. All in favor, say aye.
11 (Ayes). All opposed? (No response).

12 All right, those have been approved.

13 3074, 3079, 3063, not approved to any further action.

14 3067, vetted by VRA.

15 3073, no further action.

16 3072, no further action. 3072 has been moved to the
17 Executive Committee.

18 3077, no further action.

19 3062, VRA for vetting.

20 3066, VRA for vetting.

21 3076, VRA for vetting.

22 Is there a motion to --

23 MR. FEINMAN: One procedural note. Delegate
24 Morefield's motion earlier to move LMU to the Executive
25 Committee not part of the block.

1 SENATOR CARRICO: Then 3072 will come out of the
2 block. It's already been acted on.

3 SENATOR SMITH: I move that we approve these
4 actions.

5 SENATOR CARRICO: Senator Smith moves we
6 approve these actions.

7 MR. SUTHERLAND: Seconded.

8 SENATOR CARRICO: It's been moved and seconded
9 by Mr. Sutherland. All in favor, say aye. (Ayes). Opposed? (No
10 response).

11 The last point of action is on the back of your packet,
12 page 18, you'll see grants that have surpassed their original
13 three-year project period. The Staff recommendations and no
14 further extension are listed. We can remove from the block the
15 Staff's recommendations for this group of grants, I can take it up
16 as a motion. Any comments?

17 MR. JOHN KILGORE: Scott County EDA. We have one
18 there, 3075, I'm looking at the wrong page, 2440, build out at
19 Crooked Road Tech Center. I'd ask that you all consider that.
20 We'll work to spend that money by the end of this year. One of
21 the clients said they were coming and then they said they
22 weren't and coming again, but if you'd give me until the end of
23 the year, I'll close that out one way or another.

24 SENATOR CARRICO: You're asking to extend until 12-
25 31-15?

1 MR. JOHN KILGORE: Or until your next meeting.
2 Usually, you meet in January.

3 MR. PFOHL: If we have these projects coming back
4 from VRA, depending on how the loan pool is capitalized, you
5 may need to revisit and see the VRA results.

6 SENATOR CARRICO: That's undetermined.

7 MR. PFOHL: We don't know for sure yet.

8 MR. JOHN KILGORE: In January, you know or you
9 usually meet in Richmond, I would know by then. I'll let the
10 Staff know.

11 SENATOR CARRICO: So your question is until the end
12 of the year. Is there a motion?

13 MS. COLEMAN: So moved.

14 SENATOR CARRICO: Ms. Coleman moves we extend
15 that until the end of the year. We've got a motion and a second.
16 All in favor, say aye. (Ayes). Opposed? (No response).

17 MR. JOHN KILGORE: Thank you.

18 SENATOR CARRICO: Any further comments on any of
19 these recommendations? Is there a motion to take them in a
20 block as recommended by Staff?

21 DELEGATE MOREFIELD: So moved.

22 SENATOR CARRICO: It's been moved by Delegate
23 Morefield.

24 SENATOR SMITH: Second.

25 SENATOR CARRICO: Seconded by Senator Smith, as

1 recommended by the Staff. All in favor, say aye. (Ayes). All
2 opposed? (No response).

3 I think that concludes our meeting, and I do apologize
4 it's taken so long.

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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 **Tobacco Region Revitalization Commission, Southwest Economic Development Committee Meeting**, when held on Wednesday, September 2, 2015, at 1:30 o'clock p.m., at the Hotel Roanoke & Conference Center, Roanoke, 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 _____ day of September, 2015.

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

MY COMMISSION EXPIRES: October 31, 2018.