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TOBACCO REGION REVITALIZATION COMMISSION

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701 East Franklin Street, Suite 501

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Richmond, Virginia 23219

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Southwest Economic Development Committee Meeting

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Friday, September 8, 2017

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Hotel Roanoke & Conference Center

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Roanoke, Virginia

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1 **APPEARANCES:**

- 2 The Honorable Charles W. Carrico, Sr., Chairman
3 The Honorable James W. Morefield, Vice Chairman
4 The Honorable A. Benton Chafin, Jr.
5 Ms. Mary Rae Carter
6 Ms. Becky Coleman
7 Ms. Cathy Lowe
8 Mr. Richard L. Sutherland
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10 The Honorable Terry G. Kilgore
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1 APPEARANCES: (cont'd)

2 COMMISSION STAFF:

³ Mr. Evan Feinman – Executive Director

4 Mr. Christopher E. Piper – Deputy Director

5 Mr. Timothy S. Pfohl – Grants Director

6 Ms. Stephanie S. Kim – Director of Finance

⁷ Ms. Sarah K. Capps – Grants Program Administrator,

8 Southside Virginia

⁹ Ms. Michele Faircloth – Grants Assistant, Southside Virginia

10 Ms. Sara G. Williams – Grants Program Administrator,

11 Southwest Virginia

12 Ms. Jessica Stamper – Grants Assistant, Southwest Virginia

13 Ms. Stacey Richardson – Administration Supervisor

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15 COUNSEL FOR THE COMMISSION:

¹⁶ Ms. Elizabeth Myers, Assistant Attorney General

17 Richmond, Virginia.

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1 SENATOR CARRICO: I want to call the
2 meeting of the Southwest Economic Development Committee
3 to order and ask Evan to call roll.

4 MR. FEINMAN: Senator Carrico?

5 SENATOR CARRICO: Here.

6 MR. FEINMAN: Senator Chafin?

7 SENATOR CHAFIN: Here.

8 MR. FEINMAN: Ms. Carter?

9 MS. CARTER: Here.

10 MR. FEINMAN: Ms. Coleman?

11 MS. COLEMAN: Here.

12 MR. FEINMAN: Ms. Lowe?

13 MS. LOWE: Here.

14 MR. FEINMAN: Mr. Montgomery?

15 MR. MONTGOMERY: [No response.]

16 MR. FEINMAN: Delegate Morefield?

17 DELEGATE MOREFIELD: Here.

18 MR. FEINMAN: Mr. Sutherland?

19 MR. SUTHERLAND: Here.

20 MR. FEINMAN: You have a quorum, Mr.
21 Chairman.

22 SENATOR CARRICO: I believe we have to
23 go into a closed meeting.

24 MS. COLEMAN: Mr. Chairman, I move
25 we go into a closed meeting in accordance with the Virginia

1 Freedom of Information Act section 2.2-2711A5 of the Code of
2 Virginia for the purpose of discussing a particular economic
3 development opportunity in Southwest Virginia.

4 SENATOR CARRICO: Is there a second
5 to the motion.

6 SENATOR CHAFIN: Second.

7 SENATOR CARRICO: There's a motion
8 and a second, all those in favor say aye. (Ayes.) All opposed?
9 (No response.) All right, we're in a closed session. I'd ask
10 everybody to step out for a moment.

11
12 NOTE: A CLOSED SESSION IS HELD; WHEREUPON, AT THE
13 CONCLUSION OF THE CLOSED SESSION, THE COMMITTEE
14 MEETING RESUMES IN OPEN SESSION, VIS:

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16 SENATOR CARRICO: Now, therefore, be
17 it resolved that the Committee hereby certifies that to the best
18 of each member's knowledge, that only public business
19 matters lawfully exempt from open meeting requirements
20 under the Act and only such public business matters as were
21 identified in the motion by which the closed meeting was
22 convened were heard, discussed or considered by the
23 Committee in that meeting. Would you call roll?

24 MR. FEINMAN: Yes. Senator Carrico?

25 SENATOR CARRICO: Yes.

1 MR. FEINMAN: Senator Chafin?

2 SENATOR CHAFIN: Yes.

3 MR. FEINMAN: Ms. Carter?

4 MS. CARTER: Yes.

5 MR. FEINMAN: Ms. Coleman?

6 MS. COLEMAN: Yes.

7 MR. FEINMAN: Ms. Lowe?

8 MS. LOWE: Yes.

9 MR. FEINMAN: Mr. Montgomery?

10 MR. MONTGOMERY: [No response.]

11 MR. FEINMAN: Delegate Morefield?

12 DELEGATE MOREFIELD: Yes.

13 MR. FEINMAN: Mr. Sutherland?

14 MR. SUTHERLAND: Yes.

15 MR. FEINMAN: The motion passes.

16 SENATOR CARRICO: Now, is there a

17 motion we return to open session?

18 SENATOR CHAFIN: Second.

19 SENATOR CARRICO: Somebody make a

20 motion on project transformer.

21 MS. CARTER: I move that the Southwest

22 Economic Development Committee authorize staff to negotiate

23 with project transformer and to offer for that project up to one

24 hundred percent of the remaining Southwest Economic

25 Development budget for 2017.

1 SENATOR CARRICO: Is there a second?
2
3 MR. SUTHERLAND: Second.
4 SENATOR CARRICO: All in favor say aye.

5 (Ayes.) Opposed? (No response.) The motion passes.

6 Moving back to our agenda, is there a
7 motion we approve the minutes of 5/17/17?

8 DELEGATE MOREFIELD: So moved.

9 MS. CARTER: Second.

10 SENATOR CARRICO: All in favor say aye.
11 (Ayes.) Opposed? (No response.) The minutes are approved.

12 Next on our agenda is the grant
13 application and staff recommendation. Tim hasn't quite
14 gotten here yet and Sara will do that and if you'll just move
15 through them as quickly as possible and if anyone on the
16 Committee would like to have more detailed information on
the project, we'll have Sara go into more detail.

17 MS. WILLIAMS: The first request is 3312
18 from the Town of Appalachia Powell River Trail and Park
19 Improvement requesting \$160,000. They're asking for some
20 shelters and restrooms and other amenities. The application
21 shows no outcomes in terms of jobs or revenues. Due to the
22 lack of job creation and verifiable tourism generated revenues,
23 this is primarily a local recreation amenity, which is
24 considered a low priority for the Commission's strategic plan
25 so the staff recommends no award.

1 DELEGATE KILGORE: I spoke to several
2 people about that. I think there is some other available funds
3 that Appalachia will be applying for that will probably fund
4 this project.

5 MS. WILLIAMS: Next we have #3307
6 Town of Big Stone Gap, Big Stone Gap Recreational
7 Improvement seeking \$500,000. They'd like to develop ball
8 fields for softball tournaments. In conversations with Tobacco
9 Commission staff and they indicated they'd be applying for
10 funding from DCR and that application showed promise in the
11 discussions with those folks. The application deadline was
12 missed, though, and they indicated they'd be seeking DCR
13 support for phase two but no information was provided about
14 the scope or cost. Staff recognizes that sports tourism is a
15 legitimate source of revenue for the localities. We were
16 concerned about setting a precedent funding these types of
17 projects, which have been historically declined. We suggest
18 they pursue DCR funding and the staff recommends no
19 award.

20 #3306 Bristol Virginia Public Schools,
21 Bristol Regional Career and Technical Center requesting
22 \$25,000. This is a feasibility study for a new career and
23 technical center. This project was submitted to the last
24 education round and declined in May of 2017 with issues
25 dealing with a lack of a match. Since that time, they've

1 worked to secure the match and getting matching funds from
2 the school system and Virginia Highlands and Bristol,
3 Tennessee public schools. Staff recommends that this is a
4 project better suited for the competitive education grant cycle
5 in the spring of 2018 and resubmitted then or actually
6 referred to the competitive education cycle.

7 #3191 Floyd County EDA, Floyd Regional
8 Commerce Center Phase II Development requesting \$420,696.
9 This project was submitted last year and tabled in September
10 2017 while the applicant pursues matching funds, the ARC
11 access group program. We learned from communications with
12 Floyd County and the ARC staff that that application is
13 looking very favorable and they're expecting an approval. Staff
14 is now recommending an award of \$420,696 contingent upon
15 ARC approval.

16 #3311 Town of Gate City Marketing
17 Analysis, \$25,000 requested. This project would be used to
18 conduct a marketing analysis for the Gate City Theater
19 project. The town is working with Lenowisco and three other
20 localities. It will analyze the use of other downtown properties
21 including the government building and the community center.
22 It was difficult to determine how much of that match is truly
23 focused on the theater. We wanted to note that several years
24 ago the Commission provided \$150,000 for A&E type of work,
25 a similar scope of work. Those grants later were transferred to

1 the Scott County EDA and we assume that information would
2 still be available. Those grants were previously provided to the
3 Southwest Virginia Community Foundation. We were
4 concerned about future requests for construction and there's
5 no way to predict what the scope of the construction budget
6 would be or other potential fundraising for that space. So
7 staff recommends no award.

8 #3308 Project Timberwolf, Grayson
9 County requesting \$150,000. This is to develop a site for the
10 location of a North Carolina business park, Project
11 Timberwolf. The county is also providing \$150,000 to get the
12 site ready for that. We understand the plan will be to provide
13 that property to the company as part of the county's incentive
14 package. The project received an offer of a \$50,000 TROF
15 offer. The staff was concerned about the project being gifted
16 to the company in order to protect the Commission's
17 investment. So the staff recommends an award of \$150,000
18 contingent upon the company providing a fifteen year right of
19 first refusal to the applicant.

20 #3313 Lenowisco Planning District
21 Commission DVTC Transformation Strategy requesting
22 \$20,000. The project would explore additional development
23 associated with serving the LMU College in Wise County for
24 veterinary medicine. This project was previously submitted to
25 the Agribusiness program and declined in January. The scope

1 of work was not provided and looks like bids will be sought
2 once the funding is in place. There is \$60,000 of ARC funding
3 that is committed for the project and the scope will be better
4 defined once the funding is in place. Without a clearly defined
5 scope of work, it is difficult to determine if the objectives of
6 this study will lead to outcomes consistent with the
7 Commission's strategic plan such as industrial development
8 rather than future commercial or residential development,
9 which is not a priority for Commission support and the staff
10 recommends no award.

The next project is the Ninth District Development Financing, Capitalization of Revolving Loan Fund for Ninth District Development #3190 requesting a million dollars. This is another project submitted to last year's Southwest Economic Development program and it was tabled. We understand they're seeking additional capital for this loan fund. In last year's recommendation it was pointed out that the Commission had previously provided \$2.4 million for small business lending to People, Inc. There were other programs, not this program specifically. In the most recent update we received just a few weeks ago, they had three projects totaling \$340,000 that having inquired about loan assistance since July of '17. No information was available about loans made or declined during the past year including those mentioned in the May 2017 update. At that time they give us a figure of a

1 little over a million dollars of requests. The applicants said
2 when funds are not available, they refer them to their other
3 loan programs or to other lenders but didn't have information
4 about the results of those referrals. This request is for forty
5 percent of the Committee's available funds and would impact
6 a limited number of businesses that have other financing
7 options and result in limited job creation so the staff
8 recommends no award.

9 #3200 Scott County Economic
10 Development Authority Riverside Development Phase III
11 requesting \$500,000. This was submitted to last year's
12 program and was tabled while the county pursued matching
13 funds for the project. They're going to submit to the upcoming
14 ARC deadline, which will be in October. The staff is of the
15 opinion that and we're recommending an award of \$500,000
16 contingent on committed dollar for dollar matching funds from
17 ARC and other sources.

18 Next is Southwest Regional Recreation
19 Authority, Spearhead Trails International Marketing and Trail
20 Sustainability #3304 requesting \$200,000. In May, the
21 Commission approved \$150,000 to fund several positions and
22 that was half of the request at the time and Spearhead would
23 come back and reapply for the remaining \$150,000 and that's
24 what the majority of this request is for to complete funding for
25 three positions, I believe. \$50,000 of the current request

1 would also for national and international marketing efforts. A
2 total of two and a half million for startup operating support to
3 establish the Spearhead Trails system. They have a \$200,000
4 loan request being evaluated by VRA to purchase equipment
5 to support the creation of a rental business. The positions
6 requested here will support that business. Staff is
7 recommending an award of \$200,000.

8 #3309, University of Virginia at Wise,
9 Oxbow Center for Technology & Innovation requesting
10 \$270,000. This would be used to replace the HVAC system at
11 the Oxbow Center and that was gifted to the college and that's
12 going to be used for an early stage cyber security company.
13 They're working with the Center for Innovative Technology
14 with the MACH 37 program. This project was also submitted
15 to last year's review Southwest Economic Development but
16 was declined due to issues defining the nature of the matching
17 funds. In this year's request, we saw a similar problem with it
18 and the match was mainly operating expenses and
19 Commission funds would be used up front and that was
20 problematic. We looked at the overall budget and there was
21 additional work needed to get the project ready for occupancy
22 and staff recommends an award of \$167,500 for no more than
23 fifty percent of the costs associated with upgrading the HVAC
24 system and other physical improvements to the building to
25 prepare it for occupancy.

Finally, we have #3305 William King Museum of Art Enhancing the Cultural Heritage Gallery to Maximize Visitor Experience requesting \$34,900. This project continues capital improvements for the museum and they are creating a new Appalachian culture gallery. These funds will be used to purchase artifacts and to update the lobby with some documentary film. Last year the Commission provided approximately \$60,000 grant to help create this new gallery. Matching funds are committed and the staff feels that the Commission support should be focused on the areas that would most likely lead to increased visitation such as artifacts and film rather than the costs associated with building upgrades related to the lobby renovation. Staff recommends an award of \$26,550 for artifacts acquisition and film production.

16 #3310 Wythe County Appalachia
17 Regional Exposition Center, Arena Construction Project
18 requesting \$2 million. This request for additional phase of
19 funding for the AREC seeks eighty percent of the available
20 Southwest Economic Development budget to construct a three
21 hundred by three hundred arena structure on a site that is
22 currently being graded. In 2015, this Committee provided
23 \$750,000 out of the county's \$3 million request for arena
24 construction. Grading of the site should be completed this
25 summer using the 2015 grant. The county's FY17 request for

1 \$750,000 for arena equipment was referred to the VRA in May
2 of 2017 for loan consideration. The application estimates
3 arena construction at just under \$6.5 million, a figure which
4 is not verified in the architectural information provided or by
5 competitive bids, which are expected to be advertised this
6 month. The county has indicated that it has authorized \$5
7 million for debt service for the project so construction
8 financing and required matching funds appear to be largely
9 committed, therefore the necessity of Commission funding is
10 debatable based on the county board chair's statement to the
11 Southwest Committee in 2015 that the county would develop
12 the project even if no Commission funds were awarded. The
13 project leaders have shared with staff and VRA their
14 impression they were promised additional grant funding
15 totaling \$3 million, which is clearly not anything staff or
16 commissioners could do in obligated future grant cycles.
17 Furthermore, when asked about the status of the VRA loan
18 review, the county indicated it had communicated to VRA that
19 not interested in borrowing additional money. It is beyond the
20 expertise of staff to assess the applicant's ability to take on
21 additional debt versus a grant match, which is the role of our
22 partners at VRA. In this case, having already been referred to
23 VRA by the Commission, it's staff's obligation per state code to
24 see that potential financing is fully examined. Given that the
25 county has declined to work with VRA and instead requesting

1 eighty percent of available funds, this request leaves few
2 options other than to recommend declining it in its entirety
3 until such time as the county agrees to work with VRA.
4 Depending on the outcome with VRA, it is also possible for the
5 county to apply to an Agribusiness cycle for agriculture
6 equipment for the center, such as holding pens and similar
7 equipment that has been funded at multiple agricultural
8 marketing centers. Staff recommends no award.

9 SENATOR CARRICO: Thank you, Sara,
10 an overview on what's on the grant list of projects. You can
11 see we have over \$5 million worth of requests and staff
12 recommends little over \$1.4 million expenditures. It looks like
13 a balance of \$1,010,000, a little over that. So now having
14 heard the overview, anyone like to go back to any of the grants
15 to discuss any of the recommendations?

16 DELEGATE KILGORE: On the
17 Spearhead Trails –

18 MS. WILLIAMS: Two and a half million to
19 date. That doesn't include this. This is for staff positions.

20 DELEGATE KILGORE: Have they given
21 you a timeline, we've had this with other groups.

22 MS. WILLIAMS: It's been clear from the
23 beginning this is a long process and a lot of it is dependent
24 upon how quickly they can open enough trail systems and get
25 it to a point where it's sustainable. These positions also

1 support that rental business, which they expect will bring in
2 quite a bit of revenue.

3 MR. FEINMAN: Right now you have to
4 have your own ATV or rent it somewhere else. So they're a
5 little limited as opposing just to show up and rent one from
6 them.

7 SENATOR CARRICO: Any further
8 questions?

9 DELEGATE KILGORE: I know there's a
10 representative from Big Stone here.

11 SENATOR CARRICO: I know on grant
12 #3307, some of us went out to go see what they're doing.

13 MR. LAWSON: I appreciate to tell you
14 something about the project. This is an economic
15 development project. I went back to my hometown in October
16 of last year and one of the things we brought up was #change
17 and we want to really get involved in this and not just talk
18 about things but actually get involved in these projects and do
19 something. In the partnership and our businesspeople,
20 something that kept coming up was travel ball and how
21 everybody in our area was traveling. We have thirteen teams
22 just in our area that are travel teams and we go to Tennessee
23 all the time, too. We started looking into how much was being
24 spent on this travel ball and we realized travel ball has
25 become its own industry and when you consider all the money

1 that's spent for various fees and lodging and so forth, it's a lot.
2 You have twelve players on each team and each one of those
3 teams brings an extra two and a half people with them. With
4 fifteen tournaments a year, that's like a half a million dollars
5 right there in economic development or economic impact.
6 Right now, we don't have the facility. We'd actually spill over
7 into Norton. This is going to be a regional impact, not just one
8 locality or just the town of Big Stone Gap.

9 DELEGATE KILGORE: Do you have
10 commitments?

11 MR. LAWSON: Yes, we have
12 commitments already from one foundation for \$300,000 and
13 Wilmont has pledged \$200,000 and that's money we have in
14 hand to start the project. We are going back to DCR, we're
15 going back to them to apply for some money from them. The
16 total cost for the project is right at a million with VDOT and
17 DCR and any help from the Tobacco Commission would be
18 greatly appreciated and that would really help us along. In
19 Southwest Virginia, we're sort of handcuffed a little bit getting
20 people into our towns. If we don't have the facilities on the
21 ground for people when they come in, then it's hard to get an
22 investor to come in and investors see activity going on, it will
23 certainly help. And even bringing other stuff in.

24 DELEGATE KILGORE: I know in some of
25 those towns these block parties and a lot of activity and the

1 visitor center.

2 MR. LAWSON: We've got to be able to
3 adapt and change. A young parent today participating in
4 travel ball, their schedule is made up for the whole summer.
5 They get a schedule from a coach that says we'll be here, here
6 and here on these different dates. If you haven't been around
7 travel ball, you don't understand exactly what this is. You can
8 decide as a parent whether you're going to Disney World or
9 Dollywood but when you're involved in travel ball, you'll know
10 exactly where you're going to be for the entire summer.

11 SENATOR CARRICO: You threw out the
12 number fifteen dollars per, are you accounting for the
13 overnight stays and restaurants?

14 MR. LAWSON: That's broken down
15 overnight stays and restaurants, gas.

SENATOR CARRICO: Well, in Kingsport,
how does that equate to Big Stone Gap's abilities?

18 MR. LAWSON: We think with our
19 location and we've got thirteen teams going into Kingsport now
20 and we'll draw from eastern Kentucky and Lee County and we
21 can draw from places outside our region. Maybe we don't get
22 all the way up to 75 but maybe fifty or something because not
23 having as much overnight stay. This is really a unique
24 situation to have this travel ball. We're connected to the
25 museum and the downtown and other museums and fishing

1 on the river and the RV park. You can park the car in one
2 space and when they're playing you have something to do all
3 day long. If the son's playing then mother and daughter can
4 do something else. On the east Tennessee side, you're sitting
5 out in the field in the sun but in Big Stone we have a lot of
6 culture going on.

7 SENATOR CARRICO: Any other
8 questions for Mr. Lawson? Thank you. Any further
9 discussion on the grants? Anything else you want to pull out
10 or discuss? I see Wythe County is here to speak about
11 application #3310. Anything else before we get to that? Tell
12 us where you are on this project.

13 WYTHE COUNTY: I'm Jerry ---,
14 Coordinator with Wythe County. I report that Wythe County
15 is seeking bids for the center and we're moving forward with
16 the project. I'm really excited about the potential impact this
17 is going to have for our region. We had the APEX meeting last
18 night, he runs tractor pulls and he was talking about bringing
19 in as many as twelve tractor pulls, twelve weekends out of the
20 year and that's just one facet of the entire entertainment
21 industry. This is a major economic development for Wythe
22 County and the project speaks for itself and located in the
23 panhandle of Virginia. Interstate 77 brings thousands of
24 people there each day. Unfortunately, that area is a, and by
25 the time you know it you're in North Carolina. This will help

1 us get people to stop and spend the night in Virginia and we
2 can pull people from Kentucky, Tennessee, North Carolina
3 and West Virginia and it will be an economic impact for all of
4 Southwest Virginia. This is just going to be a wonderful
5 project for everybody and I'll be glad to answer any questions.

6 MS. CARTER: How many grants have
7 you received from us?

8 MS. WILLIAMS: They received one in
9 2015 of \$750,000 and then a request last year and was
10 submitted to VRA, which nothing has been done on yet. It
11 was referred to VRA and they've received \$750,000 from us.

12 MS. CARTER: On a \$6.5 million project.

13 MS. COLEMAN: And you received money
14 from someone else?

15 WYTHE COUNTY: The county has
16 already borrowed \$5 million and this is a six and a half plus
17 million dollar project in addition to \$1.3 million the county
18 has spent money on purchasing the land, \$6.3 million but we
19 feel like the benefit this will have for Southwest Virginia and
20 not just to Wythe County but this is a Virginia project. We feel
21 the benefit this is going to bring to the Commonwealth. We
22 appreciate what you've already given us. This is a big project
23 and we're putting a, and we've certainly got skin in the game,
24 \$6.3 million of ourself in this.

25 SENATOR CARRICO: You're saying the

1 \$6.3 does not include the \$750,000?

2 WYTHE COUNTY: That's correct.

SENATOR CARRICO: Any questions?

4 MR. SUTHERLAND: The question is \$2
5 million to this Commission, would you consider less?

6 WYTHE COUNTY: We take what we can

7 get and I know everyone here is aware of the scope of this
8 project. It's a massive project and a massive undertaking.

⁹ Certainly more is better. We definitely don't want to be choosy
¹⁰ either.

11 SENATOR CARRICO: Do you have any
12 private investors, evidently it's going to cost more than the
13 \$6.3?

14 WYTHE COUNTY : The APEX authority
15 has hired a consulting firm and their job is making contact
16 and giving us an opportunity and they manage a facility like
17 with the Washington Redskins and other facilities like that
18 across the nation. That consulting group has been hired and
19 meeting with local individuals and even corporation on a
20 national level. We received three hundred plus thousand from
21 the AAU team and they pledged to purchase seats for the
22 arena. There's quite a bit of private interest in this project.

SENATOR CHAFIN: I read in the paper something about some enforcement action. Can you tell us what you perceive your potential liability is?

1 WYTHE COUNTY: Anybody that's been
2 involved in a construction project like this and regulations and
3 things of that nature are all part of the game when you build a
4 project this big. We met with DEQ and got the go ahead but
5 as far as the DEQ regulations go, that's not going to be a
6 problem as far as the construction.

7 SENATOR CARRICO: Any more
8 questions? Thank you.

9 WYTHE COUNTY: Thank you.

10 SENATOR CARRICO: We have the grants
11 before us.

12 MS. COLEMAN: I'd like to ask a
13 question, John, what about your riverside project?

14 MR. KILGORE: Grant #3200 that was
15 tabled last go around because of matching funds. I talked to
16 Sara about this. We have the Riverside side and we have no
17 other site available and 75% of those are available and
18 sometimes you're looking for a site that's already built. The
19 \$500,000 that is requested and I've had some conversations
20 today on this and I think over the next few months we'll get
21 that match working with Lenowisco through the ARC process.
22 We have some money that we found that we didn't spend on
23 the previous project and if we transfer, we'll have to go
24 through that process. So I've had two positive conversations
25 and VCEDA might be a loan, we might have to go that route.

1 MR. FEINMAN: In conversations with
2 Joe Anwal, and in looking at the whole state, a lack of good
3 saleable sites is the biggest thing holding us back right now.
4 Site development is a fair amount importance.

5 MS. CARTER: Access to that kind of a
6 site is very critical, something we should focus on.

7 MS. COLEMAN: It's a question of raising
8 the money and then do you have the site available.

9 MR. KILGORE: Then some conversations
10 I had a couple of hours ago and I'd be willing to come back in
11 January or whenever you're meeting next, I'll give you a status
12 report on where we are.

13 DELEGATE KILGORE: I think we're all
14 committed to the project. But it's a great location here. This
15 money or ARC, it's just got to all come together.

16 MR. KILGORE: It does help with ARC if
17 you have funds committed, Sara and Tim knows as well and
18 these funds might come quicker where we don't have to go to
19 the ARC process and the funds area already there according to
20 VAC and we have another project where funds were not used
21 with ARC so that could be transferred, probably around
22 \$200,000.

23 SENATOR CARRICO: Any further
24 questions?

25 MS. COLEMAN: The Lee County study.

1 MR. MILLER: I'm Mr. Miller with
2 Lenowisco.

3 MS. COLEMAN: What's the status in the
4 western end of the county?

5 MR. MILLER: The wastewater project, we
6 actually have \$13 million working with the U.S. Army Corps of
7 Engineers. As you know, the money is released as you spend
8 it and we have design and engineering right now and we've
9 been able to match that, an eighty/twenty match, maybe
10 seventy/thirty, but eighty/twenty we've been able to match
11 actually with money from the Virginia General Assembly with
12 the wastewater fund and you've been gracious enough to give
13 us that to use for projects like this. It's the biggest project in
14 Lee County in my 25 year career and by the time we're done
15 with everything, it will be anywhere from thirteen to seventeen
16 million dollars for that sewer project. When we came in the
17 first time, we didn't have the match and like Delegate Kilgore
18 said, which comes first. ARC did award sixty thousand for
19 that and then we came back with a twenty thousand dollar
20 request. In talking to Bill Shelton as of yesterday, we have
21 that number down to \$48,000. I think we'll probably be in
22 touch with staff to try to make that work. It's a wonderful
23 project.

SENATOR CARRICO: Any other questions? Hearing none, we have the grants that have been

1 presented to us. Is there a motion on any of the grants or do
2 you want to take them in a block?

3 MR. SUTHERLAND: I'd like to pull Wythe
4 County, 3310. We've heard from these folks and we've only
5 given them \$750,000 and you've heard from Mr. Kilgore you
6 might not need some project money right away. So I'd like to
7 make a motion if possible to possibly give them \$250,000 on
8 the Wythe County project.

9 SENATOR CARRICO: There's a motion
10 on grant 3310 to be funded in the amount of \$250,000. Is
11 there a second?

12 MS. COLEMAN: I'll second it for
13 discussion.

14 SENATOR CARRICO: There's a second
15 and that's for funding grant #3310 \$250,000. Any
16 discussion?

17 DELEGATE MOREFIELD: What's that
18 balance?

19 SENATOR CARRICO: One million, that's
20 if we leave a half million in Mr. Sutherland talked about that
21 wasn't ready at this time, #3200.

22 MS. COLEMAN: Does there need to be a
23 sufficient match?

24 MR. KILGORE: That could be a match
25 for ARC. It's going to take a million to do the project. If we get

1 to \$500,000 and then by going to ARC and the rest through
2 VCEDA. If we could get to VCEDA by September 19th to be
3 considered at the meeting. ARC might move faster than that.
4 Then by October 4th we may be able to not have to go through
5 that process according to the director.

6 SENATOR CHAFIN: John, if the
7 Committee makes an offer to commit to fund that project, will
8 that help you?

9 MR. KILGORE: That would help with the
10 application and get the money in place and you're working
11 towards September and you probably won't get started until
12 spring of next year. If the money is place and start
13 construction by the spring of next year, that would be great.

14 SENATOR CARRICO: Knowing there's
15 negotiations still going on with VBU and the possibility of
16 closure and if that happens and the money comes back to the
17 Commission, the motion we made for a hundred percent of the
18 money left will that include that money also?

19 MR. FEINMAN: That money would go to
20 Special Projects.

21 DELEGATE KILGORE: Can we get a
22 commitment from Special Projects?

23 MR. FEINMAN: You can refer it to
24 Special Projects, we can't do that here now.

25 DELEGATE KILGORE: If we have X

1 amount of dollars and takes so much to close it and ask
2 Special Projects for a figure up to \$500,000.

3 MR. FEINMAN: Special Projects is going
4 to be in on the project transformer matter, so I think that's
5 going to be another subject. They're here for the next meeting.

6 MS. CARTER: I think the \$250,000
7 request for Wythe County is very important and it's very
8 worthy and we've only given them \$750,000. They have
9 committed a considerable amount on their own and this is a
10 regional project considering tourism and bringing dollars in,
11 it's a regional project and I think it's been seconded.

12 SENATOR CARRICO: Any other
13 discussion on #3310. It's been moved and seconded that we
14 give them \$250,000. Any more discussion? If not, all those in
15 favor say aye. (Ayes.) Opposed? (No response.) That motion
16 passes.

17 Now we have all the other grants
18 excluding #3310. Any further discussion on any other grants?

19 SENATOR CHAFIN: I'd like to discuss
20 the Big Stone Gap request. That's grant #3307. We heard
21 from the town manager about the Big Stone Gap recreational
22 improvements and they're going to apply for DCR money, the
23 request is for a half million dollars. You heard from the town
24 manager that \$150,000 would get them started in the right
25 direction to get them to the DCR application project. The

1 Wilmont Foundation is already in. I think that given interest
2 and those that have already offered support, I'd make a
3 motion to give the project \$150,000.

4 SENATOR CARRICO: There's a motion
5 on the table for \$150,000 for Big Stone Gap, is there a
6 second?

7 MS. CARTER: Second.

8 SENATOR CARRICO: It's been moved
9 and seconded, any discussion? Hearing none, all those in
10 favor say aye. (Ayes.) Opposed? (No response.) Hearing
11 none, that's approved. We've taken #3307 and #3310 out of
12 the block. Any others you want to take out of the block before
13 we ask for a motion to approve the block? All right, is there a
14 motion on the block?

15 SENATOR CHAFIN: So moved.

16 SENATOR CARRICO: There's a motion
17 and a second that we approve the block, excluding #3307 and
18 #3310 that's already been motions made on. All in favor say
19 aye. (Ayes.) Opposed? (No response.) That concludes our
20 business other than?

21 MR. PFOHL: We have three requests for
22 extensions and that was emailed out a couple of days ago. We
23 have three extension requests #2549, grant #2729 and grant
24 #2739.

25 SENATOR CARRICO: Is there a motion

1 on those extensions? We have a motion and a second to
2 approve these extensions in the block that I've mentioned. It's
3 been moved and seconded. All those in favor say aye. (Ayes.)
4 Opposed? (No response.) That motion is approved.

5 Now moving on to public comment.

6 UNIDENTIFIED: I'm with the APEX
7 Authority. Thank you for your support. I'd encourage you to
8 stop by at any time to see all the great work that's being done.
9 Maybe a year from now, we can host your meeting there.

10 SENATOR CARRICO: Any other public
11 comment?

12 UNIDENTIFIED: Mr. Chairman and
13 Commission members, I just want you to know how much we
14 appreciate in Grayson County what you just did for us and
15 this is an industrial park that's been sitting there for a lot of
16 years that's going to blossom and we had a ribbon cutting a
17 few weeks ago and some of you were there and we're looking
18 forward to putting another project in that industrial park and
19 Grayson County is most appreciative.

20 SENATOR CARRICO: Anyone else? All
21 right, hearing none, we're adjourned.

22

23 PROCEEDINGS CONCLUDED.

24

25 CERTIFICATE OF THE COURT REPORTER

1

2 I, Medford W. Howard, Registered Professional
3 Reporter and Notary Public for the State of Virginia at large,
4 do hereby certify that I was the court reporter who took down
5 and transcribed the proceedings of the **Tobacco Region**
6 **Revitalization Commission Southwest Economic**
7 **Development Committee meeting when held on**
8 **Wednesday, September 8, 2017 at the Hotel Roanoke &**
9 **Conference Center, Roanoke, Virginia.**

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

13 Given under my hand this 29th day of
14 September, 2017.

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Medford W. Howard

CCR #0313137