

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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9 **Special Projects Committee Meeting**

10 Wednesday, May 17, 2017

11 4:30 P.M.

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14 Appomattox County Community Center

15 Appomattox, Virginia

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1 **APPEARANCES:**

2 The Honorable Daniel W. Marshall, III, Chairman

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

4 The Honorable Kathy J. Byron

5 The Honorable A. Benton Chafin, Jr.

6 Ms. Mary Rae Carter

7 Mr. Robert Mills

8 The Honorable Edward Owens

9 Mr. Robert Spiers

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11 The Honorable Terry 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

14 Mr. Jordan L. Butler – Public Relations Coordinator

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16 COUNSEL FOR THE COMMISSION:

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

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1 DELEGATE MARSHALL: I'm going to call
2 the Special Projects Committee meeting to order and ask Evan
3 to call the roll.

4 MR. FEINMAN: Delegate Byron?

5 DELEGATE BYRON: Here.

6 MR. FEINMAN: Mr. Cannon?

7 MR. CANNON: (No response.)

8 MR. FEINMAN: Senator Carrico?

9 SENATOR CARRICO: Here.

10 MR. FEINMAN: Ms. Carter?

11 MS. CARTER: Here.

12 MR. FEINMAN: Senator Chafin?

13 SENATOR CHAFIN: Here.

14 MR. FEINMAN: Delegate Marshall?

15 DELEGATE MARSHALL: Here.

16 MR. FEINMAN: Mr. Mills?

17 MR. MILLS: Here.

18 MR. FEINMAN: Mr. Owens?

19 MR. OWENS: Here.

20 MR. FEINMAN: Mr. Spiers?

21 MR. SPIERS: Here.

22 MR. FEINMAN: You have a quorum, Mr.

23 Chairman.

24 DELEGATE MARSHALL: Thank you. Mr.

25 Cannon is on his honeymoon, that's why he's not here. Do I

1 have a motion to approve the minutes of September 20, 2016?

2 MR. MILLS: I move they be approved.

3 MR. OWENS: Second.

4 DELEGATE MARSHALL: We have a
5 motion and a second to approve the minutes, all those in favor
6 say aye. (Ayes.) Opposed, like sign? (No response.) The
7 minutes are approved. Tim, would you walk us through the
8 extensions and budget requests, please.

9 MR. PFOHL: Mr. Chairman and
10 members of the Committee, we have a couple of megasite
11 prospects that are requesting extensions and some re-
12 budgeting. We'll lead off with Blue Ridge Crossroads
13 Economic Development Authority. It's the Wildwood
14 Commerce Center on I77, bringing Carroll, Grayson and Galax
15 Counties. Specifically, they have bid water and sewer projects
16 and had a little bit of shortfall in funding from the second,
17 third and fourth grants that are listed there on that chart.
18 They're going to have some available funds under the first
19 grant as 2487, which was funded for engineering in Wildwood.
20 They're asking that about \$240,000 of that \$598,000 grant be
21 allowed to be moved into the water and sewer infrastructure
22 that has been bid and they do have some solid prices on that.
23 BRCEDA has worked to cut out some things like pump
24 station upgrades and they have a high volume water user.
25 Staff is recommending approval of the repurposing the

1 anticipated balance from grant 2487 to provide additional
2 funding needed for wastewater work.

3 DELEGATE MARSHALL: Any questions
4 from the Commission members? All right.

5 MR. PFOHL: Katherine Asbury is here.
6 She's the new director of BRCEDA, if you have any questions.

7 DELEGATE MARSHALL: Do you have
8 any other comments you'd like to make?

9 MS. ASBURY: No, I really don't have any
10 other comments.

11 DELEGATE MARSHALL: Would you
12 state your name on the record?

13 MS. ASBURY: Katherine Asbury,
14 Director of BRCEDA.

15 MR. PFOHL: The second megasite
16 extension and re-budgeting request is from the Smith County
17 IDA. The first grant listed there 2489 had some expenses that
18 were incurred after the January 2017 extension end date that
19 you previously approved. They're asking that those funds in
20 the amount of a few thousand dollars or so be allowed to be
21 reimbursed under a small extension. The majority of the
22 funds in those two grants 2489 and 2643, the county has
23 asked that you consider repurposing those funds for the
24 purchase and development of a new megasite that the county
25 IDA has identified. The staff has asked for some budget

1 projections of what it would cost to acquire and develop this
2 site. I think we generally have heard a message from you that
3 this late stage of the game in the megasite projects, we're not
4 prepared to start down a path of developing new megasites.
5 The staff suggests that if the two hundred acre property is
6 available in Southwest Virginia; that would be a strong
7 applicant for the Southwest Economic Development
8 Committee. Staff is recommending approval of an extension to
9 cover the January 10, 2017 through June 2017 time period to
10 allow reimbursement of final expenses under grant 2489,
11 then the balance of the two grants, 2489 and 2643 then be de-
12 obligated and returned to your Committee budget.

13 DELEGATE MARSHALL: Do we have any
14 questions?

15 MR. FEINMAN: Mr. Chairman, we put a
16 lot of money in megasites and the megasites are not worth
17 anything at all until they're developed. So while we continue
18 to have megasites, I believe it's the staff's intention not to start
19 down this road with new ones.

20 DELEGATE MARSHALL: Does anyone
21 from Smith County wish to speak?

22 DELEGATE KILGORE: What you're
23 saying is that we need to be aware and if we're going to put
24 \$200,000 into it and then if there's another ask later on, I see
25 what you're saying.

1 DELEGATE MARSHALL: We need a
2 motion to accept Blue Ridge, can we do that with one?

3 MR. PFOHL: Absolutely.

4 MR. OWENS: So moved.

5 DELEGATE MARSHALL: We have a
6 motion to accept the staff's recommendation.

7 MR. MILLS: Second.

8 DELEGATE MARSHALL: We have a
9 motion from Mr. Owens and a second, Mr. Mills. Any further
10 discussion? All those in favor say aye. (Ayes.) Opposed, no?
11 (No response.) All right. Other business?

12 MR. PFOHL: Future of the Piedmont was
13 the original loan grantee for the Southern Virginia Regional
14 Alliance. This was a \$200,000 grant approved in May of 2013
15 and this is the fifth year extension. There's been some
16 transition in staffing and we have a representative here today
17 and Linda is here. As you know, she had a previous role in
18 Southern Virginia. With that transition in staffing, there's an
19 \$81,000 balance that's available in that grant and the request
20 is for a fifth year extension, which staff is supportive of
21 through May 23, 2018 and what was approved under that
22 budget.

23 DELEGATE MARSHALL: Any questions?

24 MR. OWENS: I move we accept the staff
25 recommendation for the fifth year extension.

1 MR. MILLS: Second.

2 DELEGATE MARSHALL: We have a
3 motion and a second to accept the staff's recommendation.
4 Any discussion? All those in favor say aye. (Ayes.) Opposed,
5 like sign. (No response.) All right, the motion is passed.

6 Next is LENOWISCO.

7 MR. PFOHL: Yes, Mr. Chairman and
8 members of the Committee, you received Monday hopefully by
9 email a new funding request under the Special Projects
10 program. This is from the LENOWISCO Planning District
11 Committee, their regional marketing initiative, a request for
12 \$400,000 for a one year period to initiate marketing for a new
13 regional industrial facility authority that's in the process of
14 being established that will serve Dickenson, Lee, Norton, Scott
15 and Wise. The use of funds would be for direct investment,
16 marketing and recruitment. As many of you know, Joe Awal
17 is doing that through CCAM through funding from this
18 program. This would be to create a new organization,
19 additional people to be overseas, recruiting companies for the
20 region. This is a new request. The LENOWISCO folks got this
21 to us late Thursday afternoon and we haven't had a lot of time
22 to have dialog with them about the use of funds and the
23 commitment and matching funds and so forth. This is
24 something that's been in the works for a long time. The
25 LENOWISCO director has been meeting with a lot of folks and

1 in localities to establish this new regional industrial facility
2 authority. There was some funding movement within the
3 General Assembly but I was not an observer for that. I'll leave
4 that to those that were. So with that, we have a new out of
5 cycle funding request, \$400,000 with a current available
6 balance of approximately \$5.5 million.

7 I would note that staff has published a
8 July 20th due date for applications for the next round of
9 Special Projects, so this precedes that July due date and
10 September funding decisions under those applications.

11 DELEGATE KILGORE: This is part of
12 what we've been discussing. It's really the
13 LENOWISCO/Cumberland Plateau because LENOWISCO is
14 the one that's actually doing it so they've got to be quick. This
15 really involves marketing for the region and there's some
16 private matching funds of \$300,000 that's been pledged to
17 this marketing initiative. What we hope to do if this is
18 successful next year is look to Southwest to somehow to –

19 DELEGATE MARSHALL: Are you saying
20 you're not going to come back?

21 DELEGATE KILGORE: I don't think we
22 will.

23 DELEGATE MARSHALL: I see that –

24 DELEGATE KILGORE: I see you did.
25 When we heard the VEDP spoke at Wise last week in the

1 economic development meeting and the one thing he alluded
2 to and he said it two or three times, Virginia doesn't put
3 enough money into marketing and I was surprised at the
4 amount of money that the whole state puts in marketing like a
5 million dollars and other states are doing five to ten times
6 that. We're not getting a lot of leads in Southwest Virginia and
7 this is a way that we can start moving down that road.

8 DELEGATE MARSHALL: Any questions
9 or comments?

10 SENATOR CHAFIN: I'd echo what
11 Chairman Kilgore said. What we're hoping to do is in the
12 coalfield region, I represent all of the coal producing counties
13 and there are seven counties that are coal counties, two
14 planning districts, LENOWISCO Planning District Commission
15 and Cumberland Plateau Planning District Commission and
16 the city of Norton. I would like to echo what the Chairman
17 said and I hope the Committee will look favorably toward this.
18 I want to make a motion. I'd like the money to be used in all
19 seven counties as well as the city of Norton and administered
20 by both planning district commissions.

21 DELEGATE MARSHALL: Any other
22 questions?

23 MR. SPIERS: Mr. Chairman, I haven't
24 really looked at this and we've just had it for a couple of days.
25 I'm trying to understand how this complements our

1 marketing efforts or whether we're duplicating our efforts. I'd
2 like to have some more information on understanding how
3 this complements our marketing. I see some more money
4 coming in to help the marketing we're doing but I'd like to
5 know a little bit more about how this complements what we're
6 doing already.

7 DELEGATE MARSHALL: We currently
8 have Joe Awal who is living in the U.K. and he was involved
9 with marketing from CCAM and he originally was going to take
10 the whole footprint, will he change that now?

11 MR. FEINMAN: This will be
12 complementary for our current program. As I expressed to
13 you all in the weekly updates, I'm sure you've read them
14 religiously, we're looking at expanding that program because
15 it's borne true in a significant way. Joe Awal is in the U.K.
16 recruiting manufacturing companies. There's a lot of
17 economic factors. We certainly would not support putting a
18 second in the United Kingdom. Looking toward areas on the
19 globe where we might be able to attract different industries.
20 The tech industry has been strong and South Korea. All of
21 these have been discussed, places from which we might be
22 able to attract good folks as well as Europe. Joe said he's an
23 all Europe guy and by and large his contacts are in the U.K.
24 One other thing Frank had suggested, this arrived to us late in
25 the game so rather than merely approving a mixed dollar or

1 might say approve up to \$400,000 pending acquisition match
2 and a more complete budget that meets that expectation.

3 DELEGATE KILGORE: I would suggest
4 that, too.

5 MR. FEINMAN: We have to have a
6 match.

7 DELEGATE MARSHALL: Is the match
8 supposed to be dollar for dollar?

9 MR. FEINMAN: Yes.

10 MR. OWENS: What it says here the
11 match is \$300,000 or up to \$400,000.

12 DELEGATE KILGORE: That's what I was
13 asking staff about, the possibility to raise another \$100,000, I
14 think we can but I wanted to get it down on paper and it
15 would be good to have it in hand but we don't. I'd ask that it
16 be dollar for dollar. If we only have \$300,000, that's all we
17 get.

18 MR. OWENS: Does this come from
19 municipality or private sector?

20 DELEGATE KILGORE: We hope to get
21 that.

22 DELEGATE MARSHALL: Any other
23 questions? Is there anyone here that wants to speak to this?
24 All right, do you want to make that motion again, Senator
25 Chafin?

1 SENATOR CHAFIN: Chairman, I make a
2 motion that we approve up to \$400,000, subject to the
3 conditions Mr. Feinman mentioned; that those monies will be
4 used to market in the seven coalfield counties and the city of
5 Norton under the purview of the two planning district
6 commissions, Cumberland Planning District and
7 LENOWISCO.

8 DELEGATE MARSHALL: We have a
9 motion and a second, any discussion on the motion?

10 MS. COLEMAN: Under the purview of
11 the two planning commissions.

12 SENATOR CHAFIN: I believe the way we
13 looked at this marketing initiative was that we'd use those
14 organizational structures that exist there to work within those
15 organizations for the purpose of this market.

16 DELEGATE KILGORE: Do what they're
17 going to do to make sure of that and we don't want to violate
18 state laws for their request and proposals and things like that
19 through the planning commission and work with them.

20 MR. FEINMAN: Hopefully as we build
21 out our marketing and foreign direct investment program,
22 there will be multiple different places where these things
23 reside so everybody understands what we're marketing and
24 where we're marketing. There would be a fiscal agent that
25 would carry those contracts.

1 DELEGATE MARSHALL: So will the new
2 person live in the states or where?

3 DELEGATE KILGORE: For marketing, it
4 will be a team, more than one that would be over there, here.

5 MR. PFOHL: Mr. Chairman, I would
6 point out that as many of you from Southwest Virginia know,
7 there's been a longstanding organization called the Virginia
8 Coalfield Coalition that's constituted by these two planning
9 districts that work together for broadband employment and
10 certainly could be designated as the fiscal agent for these
11 funds. You've got an existing organization that's partnership
12 with the two PDCs.

13 MR. SPIERS: Mr. Chairman, do you see
14 this as a coordinated effort? I hear the motion you're going to
15 concentrate on that needs development and are the funds for
16 the whole footprint and you see this and you will coordinate
17 this marketing effort in the full package and the marketing
18 efforts that we already have?

19 MR. FEINMAN: We would certainly roll it
20 into and we talked to Joe Awal and we talked to a few people
21 about bringing in more people around the world. By
22 coordination, making sure that we don't have any overlap in
23 terms of their footprint or the different sectors that they're
24 coordinating. I believe this would be targeted specifically for
25 Southwest Virginia.

1 MR. OWENS: For clarity's sake, the
2 planning districts are LENOWISCO and Cumberland Plateau?

3 MR. FEINMAN: Yes.

4 MR. OWENS: And the fiscal agent is
5 going to be –

6 MR. PFOHL: Mr. Chairman, the way this
7 was drafted was envisioning the RIFA would be the target area
8 for this, which we're working on putting together. I think
9 they've made some progress and got a commitment from some
10 of the counties to do that. Certainly the RIFA could still exist
11 to develop properties like the project intersection, which in the
12 Southwest program was kind of the impetus for the
13 discussions. The Blue Ridge Crossroads Development
14 Authority, certainly the RIFA would be the owner of the
15 property that a site for recruitment of companies could be
16 recruited out of this.

17 DELEGATE MARSHALL: Any other
18 questions?

19 MS. COLEMAN: Could we have the
20 motion again?

21 MR. CHAFIN: The motion is that we
22 approve up to \$400,000 to be matched dollar for dollar with
23 the stipulation that Mr. Feinman give approval of staff and
24 that those monies be used to create a marketing initiative for
25 the two planning district commissions including the seven

1 coalfield counties and including the city of Norton, that those
2 monies be administered under the purview of the two
3 planning district commissions that are comprised of those
4 seven counties and the city of Norton, which is the
5 Cumberland Plateau Planning District Commission,
6 LENOWISCO Planning District Commission.

7 SENATOR CARRICO: I will second it or
8 third it.

9 DELEGATE MARSHALL: Any further
10 discussion? Hearing none, all those in favor say aye. (Ayes.)
11 Opposed? (No response.) That takes care of our business, I
12 believe.

13 MR. PFOHL: Yes.

14 DELEGATE MARSHALL: Anybody have
15 any public comment? Hearing none, we're adjourned.

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17 PROCEEDINGS CONCLUDED.

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1 CERTIFICATE OF THE COURT REPORTER

2
3 I, Medford W. Howard, Registered Professional
4 Reporter and Notary Public for the State of Virginia at large,
5 do hereby certify that I was the court reporter who took down
6 and transcribed the proceedings of the **Tobacco Region**
7 **Revitalization Commission Special Projects Committee**
8 **meeting when held on Wednesday, May 17, 2017 at 4:30**
9 **p.m. at the Appomattox County Community Center,**
10 **Appomattox, Virginia.**

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

14 Given under my hand this 28th day of May,
15 2017.

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19 _____
Medford W. Howard

20 CCR #0313137
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