

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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8 **Full Commission Meeting**

9 Tuesday, January 8, 2019

10 10:00 o'clock a.m.

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 Homewood Suites

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 Richmond, Virginia 23219

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1 **APPEARANCES:**

2 The Honorable Terry G. Kilgore, Chairman
3 The Honorable Frank M. Ruff, Vice Chairman
4 The Honorable Brian Ball
5 Ms. Gayle F. Barts
6 Mr. Ed Bevins
7 The Honorable Kathy J. Byron
8 The Honorable Charles W. Carrico, Sr.
9 The Honorable A. Benton Chafin, Jr.
10 Ms. Gretchen Clark
11 Ms. Becky Coleman
12 Mr. Joel Cunningham, Jr.
13 The Honorable James E. Edmunds, II
14 Dr. Alexis I. Ehrhardt
15 The Honorable Franklin D. Harris
16 Ms. Jennings
17 The Honorable Daniel W. Marshall, III
18 Mr. Robert Mills, Jr.
19 The Honorable James W. (Will) Morefield
20 The Honorable Edward Owens
21 Ms. Sandy Ratliff
22 Mr. Cecil E. Shell
23 Mr. Buddy Shelton
24 Mr. Robert Spiers
25 The Honorable William M. Stanley, Jr.

1 **APPEARANCES** *(Continued)*

2 Mr. Richard L. Sutherland
3 The Honorable Thomas C. Wright

4

5 **COMMISSION STAFF:**

6 Mr. Evan Feinman, Executive Director

7 Mr. Andy Sorrell, Deputy Director

8 Mr. Timothy S. Pfohl, Grants Director

9 Ms. Stephanie Kim, Director of Finance

10 Ms. Sarah K. Capps, Grants Program Administrator -

11 Southside Virginia

12 Ms. Michele Faircloth, Grants Assistant

13 Southside Virginia

14 Ms. Jessica Stamper, Grants Assistant -

15 Southwest Virginia

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17 **COUNSEL FOR THE COMMISSION:**

18 Ms. Elizabeth B. Myers, Assistant Attorney General

19 Richmond, Virginia 23219

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1 January 8, 2019

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3 DELEGATE KILGORE: Good morning, everyone, I'm
4 going to call the Full Commission meeting to order, and I'll ask
5 Evan if he'll call roll.

6 MR. FEINMAN: Secretary Ball.

7 SECRETARY BALL: Here.

8 MR. FEINMAN: Ms. Barts.

9 MS. BARTS: Here.

10 MR. FEINMAN: Mr. Blevins.

11 MR. BLEVINS: Here.

12 MR. FEINMAN: Delegate Byron.

13 DELEGATE BYRON: Here.

14 MR. FEINMAN: Senator Carrico.

15 SENATOR CARRICO: Here.

16 MR. FEINMAN: Senator Chafin.

17 SENATOR CHAFIN: Here.

18 MR. FEINMAN: Ms. Clark.

19 MS. CLARK: Here.

20 MR. FEINMAN: Ms. Coleman.

21 MS. COLEMAN: Here.

22 MR. FEINMAN: Mr. Cunningham.

23 MR. CUNNINGHAM: Here.

24 MR. FEINMAN: Delegate Edmunds.

25 DELEGATE EDMUNDS: Here.

1 MR. FEINMAN: Ms. Ehrhardt.
2 DR. EHRHARDT: Here.
3 MR. FEINMAN: Mr. Harris.
4 MR. HARRIS: Here.
5 MR. FEINMAN: Ms. Hensley.
6 MS. HENSLEY: (No response).
7 MR. FEINMAN: Delegate Kilgore.
8 DELEGATE KILGORE: Here.
9 MR. FEINMAN: Ms. Jennings.
10 MS. JENNINGS: Here.
11 MR. FEINMAN: Delegate Marshall.
12 DELEGATE MARSHALL: Here.
13 MR. FEINMAN: Mr. Mills.
14 MR. MILLS: Here.
15 MR. FEINMAN: Delegate Morefield.
16 DELEGATE MOREFIELD: Here.
17 MR. FEINMAN: Mr. Owens.
18 MR. OWENS: Here.
19 MR. FEINMAN: Ms. Ratliff.
20 MS. RATLIFF: Here.
21 MR. FEINMAN: Secretary Ring.
22 SECRETARY RING: (No response.)
23 MR. FEINMAN: Senator Ruff.
24 SENATOR RUFF: Here.
25 MR. FEINMAN: Mr. Shell.

1 MR. SHELL: Here.

2 MR. FEINMAN: Mr. Shelton.

3 MR. SHELTON: Here.

4 MR. FEINMAN: Mr. Spiers.

5 MR. SPIERS: Here.

6 MR. FEINMAN: Senator Stanley.

7 SENATOR STANLEY: Here.

8 MR. FEINMAN: Mr. Sutherland.

9 MR. SUTHERLAND: Here.

10 MR. FEINMAN: Delegate Wright.

11 DELEGATE WRIGHT: Here.

12 MR. FEINMAN: You have a quorum, Mr. Chairman.

13 DELEGATE KILGORE: Thank you, Evan.

14 I understand one of our staff has a birthday, Sarah
15 Capps.

16 MS. CAPPS: Michele's birthday was yesterday.

17 DELEGATE KILGORE: Well, we'll just have to say
18 happy birthday to both of you. You all are at the age around the
19 twentieth anniversary of the Commission. Happy birthday to all
20 of you.

21 MS. PATTERSON: Mr. Chairman, last night at the
22 anniversary, the director recognized the Staff, and Stacey wasn't
23 there, but her hand was in all the arrangements last night and up
24 until a couple of days ago was very involved, Stacey Richardson,
25 I'm speaking of, she's down with some illness. And I'd ask the

1 Commission members to keep her in their thoughts and prayers,
2 and we'll send her a card from the Commission, and I have them
3 right here, if you'd like to sign.

4 MR. FEINMAN: We'll be happy to pass along any
5 notes, cards, or anything you'd like to send her. We have a card
6 that all the staff will be sending her. If you'd like to sign a card,
7 we have that.

8 DELEGATE BYRON: Can we send flowers on behalf of
9 all the members. The director can do what he wants, but can we
10 do it from the members?

11 MR. FEINMAN: You'd have to use your own funds,
12 and I know we want to give her the privacy to recover. I think
13 that's a good overture, but while she's in recovery, the best thing
14 to do is keep her in your thoughts and prayers.

15 DELEGATE KILGORE: All right. Do we have a motion
16 to approve the 9-19 minutes?

17 MR. SHELTON: So moved.

18 DELEGATE KILGORE. We have a motion and a second
19 to approve the minutes. All those in favor, say aye. (Ayes).
20 Opposed? (No response). The minutes are approved.

21 Next up is Agribusiness Committee.

22 MR. SPIERS: Thank you, Mr. Chairman. The
23 Agribusiness Committee met yesterday and we had a robust
24 discussion for a couple of hours. I would move that the
25 Commission accept the Agribusiness Committee's

1 recommendation that the Commission approve 13 projects,
2 totaling \$2,226,117.75 for the following Agribusiness grants as
3 described on pages 6 through 22 of your Commission book.

4 DELEGATE KILGORE: What we'd like to do is that any
5 of you look at those, the ones we recommended, and I think
6 there were several additions.

7 MR. SPIERS: Grant 3493 was approved for
8 \$75,538.50.

9 Grant 3368, Blue Ridge Plateau Initiative was
10 approved for \$500,000, conditioned that only the design costs be
11 available for reimbursement until complete project financing is
12 available.

13 3486, Campbell County, approved for \$426,000, with
14 recommendation that allows for the addition of a new practice for
15 vegetable handling and production equipment. And there were a
16 couple of other conditions added, a few minor changes, but the
17 Staff is aware of on that.

18 3491, Cumberland County EDA, and that was for the
19 hemp exchange, that was tabled.

20 3499, Dan River Business Development Center was
21 tabled on the gap certification pending changes in legislation that
22 could permit application to be funded at a later date with Staff
23 assistance in seeking all other possible funding sources.

24 Grant 3490, Halifax County, \$20,000, conditioned
25 upon submittal of all necessary study documentation to be

1 submitted to Staff for approval. That's for the development of
2 the hemp market.

3 3496, Town of Hillsville Farmers Market, \$152,500,
4 recommended for approval.

5 3492, Institute for Advanced Learning and Research,
6 for the ISO Certified Analytical Testing Facility to support
7 agriculture, \$395,105 to support equipment, items as found in
8 revised requests and excluding consumable supplies and
9 materials. That was reduced somewhat.

10 3494, Lee County Livestock Association,
11 recommended approval of \$151,667.

12 3498, Mount Rogers Christmas Tree Growers
13 Association, approved \$19,575.25, conditioned upon adequate
14 controls being implemented to avoid conflict of interest
15 concerns.

16 3488, Nottoway County, that was not approved.

17 3371, Russell County Board of Supervisors, for the
18 cannery, \$131,420.

19 3370, Russell County Fair Association, \$17,500,
20 conditioned upon transfer of remainder of funding requests, and
21 that's approval for meat processing recommended to be
22 transferred to Southwest, \$230,000, to the Southwest Economic
23 Development Committee.

24 Grant 3497, Scott County Career and Technical
25 Center, that was tabled with recommendation that project be

1 referred to the Education Committee.

2 Grant 3495, Southern Virginia Food Hub, \$62,000
3 recommended.

4 Grant 3500, Virginia Tech, Gap Vegetable Producers,
5 \$74,812.

6 3489, Wythe County, multi-purpose agriculture and
7 event building, that's a recommendation for a loan of \$200,000
8 or a grant of \$200,000.

9 That would be the recommendations from the
10 Agribusiness, for the total of \$2,226,117.75.

11 MR. PFOHL: I think Chairman Spiers inadvertently
12 moved the comma for the advanced learning number, that's
13 395,105.

14 DELEGATE KILGORE: Anybody want any of these
15 taken out of the block?

16 UNIDENTIFIED: 3486.

17 DELEGATE KILGORE: 3486, Campbell County.

18 Anybody else need anything taken out of the block?
19 Any questions for any of these grants and for those of you in the
20 audience, there was robust discussion yesterday on all of these
21 grants. Do we have a motion to approve the block, minus 3486?
22 It's been moved and seconded. All those in favor, say aye.
23 (Ayes). Opposed? (No response). All right, that motion carries.

24 3486, Campbell County, do I have a motion, Mr.
25 Spiers?

1 MR. SPIERS: Yes, we have a motion, and I would
2 clarify there were some changes to the wording concerning who
3 would be eligible. In other words, if you had a previous
4 recipient, whether you'd be eligible to re-apply.

5 3486 for \$426,000.

6 DELEGATE KILGORE: And you so move, Mr. Spiers?

7 MR. SPIERS: I so move.

8 DELEGATE KILGORE: Any discussion? All those in
9 favor, say aye. (Ayes). Opposed? (No response). That motion
10 carries, and we have two abstentions.

11 MR. SPIERS: We had one other additional extension,
12 3102, Southern Virginia Vineyard Development and Expansion, to
13 support Virginia's wine industry in Pittsylvania County, as
14 described on page 22 of your Commission book. That's a request
15 for an extension until December 31, 2020.

16 DELEGATE KILGORE: Do you so move?

17 MR. SPIERS: I so move.

18 DR. EHRHARDT: Second.

19 DELEGATE KILGORE: I have a motion and a second
20 to extend Grant 3102. All those in favor, say aye. (Ayes).
21 Opposed? (No response). That motion carries.

22 Is that your report?

23 MR. SPIERS: It is, sir.

24 DELEGATE KIILGORE: Thank you very much.

25 Delegate Marshall, Business Support Committee.

1 DELEGATE MARSHALL: Mr. Chairman, I'm going to
2 turn it over to Andy to give us kind of a, just what happened.

3 MR. SORRELL: Good morning. The Business Support
4 Committee discussed a Small Business Entrepreneurship Support
5 Program where they would work with GENEDGE to help develop a
6 path to commercialization and allow small businesses to work
7 with GENEDGE, and this would be a total of \$50,000, \$5,000 per
8 small business, where they basically would allow that small
9 business, and they would work through the GENEDGE process
10 while at the same time receiving mentorship help from the
11 business members. It would be run as a small business
12 entrepreneurship program and eligible for small businesses
13 within the Footprint and a competitive application process and
14 run in a manner similar to how the Commission runs other grant
15 programs. A business plan that applicants would complete and
16 the Committee would meet and select a number of applicants to
17 work into the program. When selected, they work within the
18 GENEDGE process like other grantees have done and have a
19 mentor/mentee relationship with an assigned commissioner from
20 the Business Support Committee.

21 There were some other points that the Committee
22 discussed in terms of providing guidance on the potential
23 application and the type of business we might want to work with,
24 such as businesses selling products that are outside the
25 Footprint, that would bring outside capital into the Footprint, and

1 businesses operating above the prevailing wage of the area. And
2 it's something that as far as the companies that you might want
3 to look at, and looking at as an example, like The Launch Place in
4 Danville, that could give us some guidance on what might be a
5 good company that would potentially be eligible for this type of
6 support.

7 The Committee provided some guidance to the Staff
8 to develop an application and timeframe that would permit a pre-
9 application period that would open this spring, February to March
10 timeframe, with a pre-application period from March to April, and
11 we would look to potentially allowing up to 20 applicants to
12 present in front of the Business Support Committee, and then the
13 Committee would select no more than ten applicants, six from
14 Southside, six from Southwest. Then we'd look at the paperwork
15 once the selection is made, and then this summer get into the
16 GENEDGE process, in addition to the mentorship with the
17 presentation in the fall of 2019.

18 DELEGATE MARSHALL: A couple of things we also
19 heard, I think is a good idea, is that if you have somebody you
20 know or some business that would meet this criteria, please get
21 that information to Staff. We only have four on this committee,
22 so if you would like to be added to the committee, two or three
23 extra people, so please get in touch with Evan.

24 DELEGATE MARSHALL: We don't have a motion.

25 MR. SORRELL: No, but as a result of the

1 recommendation, we want to make sure that the companies that
2 are selected, we keep them in the pipeline and provide them with
3 resources and build them up to our next application round or get
4 them over to other resources that would help them establish
5 their business.

6 DELEGATE KILGORE: Thank you for your hard work
7 on this. Let's make sure we get this information out to the
8 communities and get it out to those small businesses that could
9 benefit. And it's great to have a program, but people have to
10 know about it. So, let's get it out there, and thank you all.

11 Now, Education Committee, Frank.

12 SENATOR RUFF: Mr. Feinman, there's a letter in your
13 Commission book.

14 DELEGATE KILGORE: It says: Dear Education
15 Committee Members, and that's on page 4, and it's a letter from
16 Evan, and that's about it for Education.

17 All right, let's move on to R&D.

18 DELEGATE BYRON: R&D met, and we had a pre-
19 application round and discussed applications that are going to be
20 coming before the Committee in May. I think it's important to
21 know we have quite a bit of interest and we discussed this about
22 broadband because we're starting to see great progress being
23 done in our communities and not that that's not happening in
24 Southwest, but it's a little bit more challenging in the Southwest
25 area.

1 I would remind everyone during the last meeting we
2 had prior to this, we awarded a round of grants and they went to
3 the Southside area, so the Committee made a commitment that
4 we were going to heavily prioritize Southwest in the next round
5 and some of the applications are still coming in and some were
6 incomplete last time. We did recommend that the money that is
7 coming in on the BVU settlement and they're making payments
8 to the Commission, we talked about that on a recommendation
9 to the Executive Committee that those funds, instead of going
10 back into the general fund, that maybe we re-route them
11 designated for Southwest Cable, and that was recommended to
12 the Executive Committee.

13 The only thing we had to vote on and we
14 recommended a project request from Shentel Broadband
15 Expansion, Project Number 3387, and that the Commission
16 accept the R&D Committee's recommendation to permit a project
17 area switch from Vera to Susie Alice for Project Number 3387. A
18 very small project.

19 MR. PFOHL: Forty-five thousand.

20 DELEGATE BYRON: The Committee move we accept
21 that recommendation to allow that change. I so move.

22 DELEGATE KILGORE: We have a motion and a
23 second. Any further discussion?

24 MS. CLARK: These are just guidelines?

25 DELEGATE BYRON: The other is a recommendation.

1 DELEGATE KILGORE: Just one. Any further
2 discussion? We have a motion and a second. Any further
3 discussion? All those in favor, say aye. (Ayes). Opposed? (No
4 response). That motion passes.

5 DELEGATE BYRON: That completes my report.

6 DELEGATE KILGORE: Delegate Wright, Southside.

7 DELEGATE WRIGHT: Mr. Chairman, the Southside
8 Committee met, on page 29, two grants. I move that the
9 Commission accept the Southside Economic Development
10 Committee's recommendation for Project Number 3470, New
11 London Shell Building Project, Bedford County, to grant an
12 additional \$71,025 in funding to the original amount award of
13 \$1,300,502, for a total revised grant award of \$1,371,512, as
14 described on page 29 of your Commission book. I so move.
15 That's due to an increase in the bid for construction.

16 DELEGATE KILGORE: We have a motion, and I see
17 we've got a second. Any further discussion, any discussion,
18 3470? If not, all those in favor, say aye. (Ayes). Opposed? (No
19 response). That motion carries.

20 Delegate Wright.

21 DELEGATE WRIGHT: The next one is 3504. I move
22 that the Commission accept the Southside Economic
23 Development Committee's recommendation to grant \$6,250 for
24 Project Number 3504, Three Brothers Access Road Project,
25 Sussex County, as described by Staff. That's on page 29.

1 MR. OWENS: Second.

2 DELEGATE KILGORE: We have a motion and a
3 second. Any further discussion? All those in favor, say aye.
4 (Ayes). Opposed? (No response). That motion carries.

5 Delegate Wright.

6 MR. PFOHL: That was 3504.

7 DELEGATE WRIGHT: Other business found on page
8 29 and 30, Town of Broadnax. I move that the Commission
9 accept the Southside Economic Development Committee's
10 recommendation to grant an extension request to January 12,
11 2021 for Project Number 2975, the Broadnax Depot Renovation
12 Project in the Town of Broadnax, as described in your books
13 on page 29 and 30. I so move. We've got a motion and a
14 second.

15 MR. OWENS: Second.

16 DELEGATE KILGORE: Any further discussion? All
17 those in favor of that extension, say aye. (Ayes). Opposed?
18 (No response). That motion passes.

19 MS. CLARK: Abstain.

20 DELEGATE WRIGHT: That's my report.

21 DELEGATE KILGORE: Senator Carrico.

22 SENATOR CARRICO: Thank you, Delegate Kilgore.
23 The Southwest Committee met a few minutes ago, on page 32 of
24 your book. That's an extension for Grant Number 2841, the
25 Virginia Coalfield 4G Wireless Project, and the extension would be

1 through January 7, 2020. I so move.

2 SENATOR CHAFIN: Second.

3 DELEGATE KILGORE: We have a motion and a
4 second. Any discussion? All those in favor, say aye. (Ayes).
5 Opposed? (No response). That passes.

6 SENATOR CARRICO: The second item was a loan
7 request, and I move that the Commission accept the Southwest
8 Economic Development Committee's recommendation for Project
9 Number 3503, Mountain Top Timber Electric Service Installation
10 Project for Scott County, EDA, to provide an additional \$113,000
11 in the form of a loan balance from the Southwest Economic
12 Development Committee's funds to the existing TROF loan for
13 Project Number 3428, as described on page 32 of your book.
14 That's the loan request.

15 SENATOR CHAFIN: Second.

16 DELEGATE KILGORE: It's in addition to the loan
17 already outstanding.

18 SENATOR CARRICO: Yes, from the TROF.

19 DELEGATE KILGORE: All those in favor, say aye.
20 (Ayes). Opposed? (No response). That motion carries.

21 SENATOR CARRICO: Last is an item the Southwest
22 Committee took up, a transfer from Agriculture, and the
23 Commission heard testimony on the Russell County Fair Project.
24 It was a motion for Grant Number 3370, \$230,00, and I so
25 move.

1 SENATOR CHAFIN: Second.

2 DELEGATE KILGORE: That's for \$230,000. I've got a
3 motion and a second. Any discussion?

4 SENATOR CHAFIN: Mr. Chairman, it's 16 out of 20
5 years, and most recently last week, very impressive.

6 DELEGATE KILGORE: All right, we've got a motion
7 and a second. All those in favor, say aye. (Ayes). Opposed?

8 MS. COLEMAN: No.

9 DELEGATE KILGORE: That's approved.

10 SENATOR CARRICO: That completes my report.

11 DELEGATE KILGORE: Delegate Marshall, Special
12 Projects.

13 DELEGATE MARSHALL: Our committee met this
14 morning. Look on page 33. You'll see the agenda. On megasite
15 grant extensions, we had three, and I move the Commission
16 accept the Special Projects Committee's recommendation for
17 Project 2491, Berry Hill Megapark Site Development, Lot 1 in
18 Danville-Pittsylvania Regional Industrial Facility Authority, to
19 grant an extension through June 30, 2020, as described on page
20 34 in your Commission book. And I so move.

21 DELEGATE KILGORE: Any discussion? All those in
22 favor, say aye. (Ayes). Opposed? (No response) That motion
23 carries. One abstention.

24 DELEGATE MARSHALL: I move the Commission
25 accept the Special Projects Committee's recommendation for

1 Project Number 2641, Berry Hill Megapark, Phase I, Sanitary
2 Sewer, Danville-Pittsylvania Regional Industrial Facility Authority,
3 to grant an extension through March 1, 2020, as described on
4 page 34 in your book.

5 MR. MILLS: Second.

6 DELEGATE KILGORE: Any discussion? All those in
7 favor of that extension, say aye. (Ayes). Opposed? (No
8 response). Two abstentions.

9 DELEGATE MARSHALL: I move that the Commission
10 accept the Special Projects Committee's recommendation for
11 Project Number 3011, Berry Hill Megapark Water System
12 Improvements, Danville-Pittsylvania Regional Industrial Facility
13 Authority, to grant an extension through March 1, 2020, as
14 described on page 34 in your book. So moved.

15 MR. MILLS: Second.

16 DELEGATE KILGORE: Any discussion? We've got a
17 motion and a second. All those in favor, say aye. (Ayes).
18 Opposed? (No response). That motion carries.

19 DELEGATE MARSHALL: I move that the Commission
20 accept the Special Projects Committee's recommendation to
21 transfer to the Executive Committee consideration of a funding
22 request for electrical system upgrades by American Electric
23 Power Company in the Commonwealth Crossing Industrial Park in
24 Henry County for the Press Glass Project.

25 MR. MILLS: Second.

1 DELEGATE KILGORE: Any discussion? All those in
2 favor sending that request to the Executive Committee, say aye.
3 (Ayes). Opposed? (No response). That passes.

4 DELEGATE MARSHALL: I move the Special Projects
5 Committee accept the recommendation for Project 2580, Liberty
6 University Center for Medical and Health Sciences, Phase II, for a
7 grant extension through the January 2020 Commission meeting
8 and to utilize the remaining \$2,488,414.80 in grant funding, as
9 described in the proposed expenditure plan dated November 12,
10 2018, and as found on pages 38 through 42 of your Commission
11 book. And I so move.

12 MR. MILLS: Second.

13 DELEGATE KILGORE: Any discussion on that?

14 DELEGATE BYRON: I just want to be sure that we put
15 enough in that recommendation that allows the flexibility to
16 approve the items to train these students, that that goes back to
17 the original intent of training doctors. Is there any question
18 about that, but we're going to have a different review of those
19 items that is already budgeted.

20 MR. FEINMAN: We hear the will of the Committee.

21 DELEGATE MARSHALL: Any questions?

22 MS. COLEMAN: Request for excellence of this medical
23 school will be an ongoing moving target, and I believe if projects
24 are identified, that'll improve the quality of the school, the school
25 should come to the Commission and we should favorably review

1 what they're asking for. But I think the money should come back
2 to the Commission.

3 DELEGATE KILGORE: Any other comments? All right,
4 are you ready to vote? All those in favor, say aye. (Ayes).
5 Opposed? Two nos.

6 DELEGATE MARSHALL: That's my report.

7 DELEGATE KILGORE: Next is the TROF Committee.
8 The TROF Committee met yesterday, and we had a robust
9 discussion about some changes in the TROF and about the way
10 we go about doing business.

11 SENATOR RUFF: The first motion is I move the
12 Commission accept the TROF Committee's recommendation to
13 grant a fifth-year extension through December 31, 2019 for
14 Grant Number 2990, Hardide Coatings, Incorporated in Henry
15 County. I so move.

16 DELEGATE KILGORE: All right. We have a motion
17 and a second on that extension. Any further discussion? And
18 that's for Grant Number 2990. Any further discussion? All those
19 in favor, say aye. (Ayes). Opposed? (No response). That
20 motion carries.

21 SENATOR RUFF: Mr. Chairman, the second is a
22 transfer of funding from Southwest, and I move that the
23 Commission accept the transfer of \$113,000 from the Southwest
24 Economic Development Committee Budget, Project Number
25 3503, to the TROF Committee Budget, for Project Number 3428,

1 Mountain Top Timber Products, LLC, Scott County EDA, to be
2 added to the existing TROF loan. And I so move.

3 DELEGATE KILGORE: That's your motion to accept
4 the transfer. I have a motion and a second. Any further
5 discussion? All those in favor, say aye. (Ayes). Opposed? (No
6 response). That carries.

7 SENATOR RUFF: We have a regular practice to
8 change rules of the TROF if need be, and we were concerned
9 about giving these to companies that were paying less than the
10 prevailing wage. We felt that was not the best use of our funds,
11 because we're trying to raise the economics of the region. So,
12 there's a motion to change the formula, and I'll say the Staff did
13 an excellent job in re-analyzing this information and determined
14 how best to change it.

15 DELEGATE KILGORE: They went through 16 different
16 numerical.

17 MR. FEINMAN: We ran 20 projects through 16
18 different scenarios.

19 SENATOR RUFF: I move the Commission accept the
20 TROF Committee's recommendation to amend the Tobacco
21 Region Opportunity Fund TROF Formula as follows: Remove the
22 number of jobs indirect from model or indirectly created from the
23 model, and remove the CapEx premium and we were giving extra
24 points for capital investment that didn't really help the equation.
25 And, number three, revise prevailing average wage premium to

1 be linear when average annual wages exceed and exponentially
2 when they do not.

3 MR. FEINMAN: It was previously linear all the way, so
4 it declined at a steady rate, and we were below the prevailing
5 average wage. Now, it continues to ascend at a steady rate and
6 above the prevailing average wage. But rather than it being
7 linear, it's parabolic now. The further below the average wage
8 you get, the sharper your decline in payment is. The same
9 distance below leads to a larger cut.

10 DELEGATE MARSHALL: If you read our website from
11 the TROF fund, it says part of TROF is to create new jobs that
12 pay more than the prevailing wage.

13 DELEGATE MARSHALL: Senator Ruff made a motion
14 to adopt those three. Any further discussion?

15 DELEGATE BYRON: Are you familiar with what
16 changes we're doing here?

17 UNIDENTIFIED: I saw them this morning for the first
18 time.

19 DELEGATE BYRON: Where did they come from?

20 DELEGATE KILGORE: We had a robust discussion with
21 Evan and the Staff, and they did a great job with this
22 presentation and the slide show and some of the formulas that
23 have been used and how like if you created X number of jobs and
24 we looked at those top formulas, and basically what Staff had
25 brought forth, and I think it's a good way to move forward so

1 that we can first get better jobs or better opportunity for our
2 region, and, second, that we have an idea, so we know what
3 they're going to get. I think it's a win-win for us.

4 DELEGATE BYRON: I would never question the Staff,
5 but I would like to comment that I'd like to see, and we know
6 TROF is important to the Commission, and three members of the
7 Commission make those decisions, and I'm trusting your
8 judgment in times we need to test this and get the opinions of
9 the Secretary of Commerce and Trade and VEDP would like to
10 have some input. That doesn't do any harm.

11 DELEGATE KILGORE: One of the possible changes to
12 make our TROF monies available at the end, so we decided not to
13 do that. Some of these companies want to have our money
14 upfront and the Secretary's money is sort of at the end. We
15 decided not to change it.

16 DELEGATE MARSHALL: Application came from
17 Danville, and if you did the math, they were paying above the
18 prevailing wage, and I don't think that's what we are about. And
19 with the economy as strong as it is and where we are as far as
20 the Tobacco Commission, I think we need to do a little cherry-
21 picking here, at least paying the prevailing wage or at least move
22 to what the state average is and not try to lower it. If you don't
23 have a job, then any job is better than no job, but I think that's
24 the type of thing that started this discussion.

25 DELEGATE KILGORE: I have a motion and a

1 second. All those in favor, say aye. (Ayes). Opposed? (No
2 response).

3 SENATOR RUFF: One more issue, and that is to
4 amend the TROF policy. I move the Commission accept the
5 TROF Committee's recommendation to amend the Tobacco
6 Region Opportunity Fund policy and restrict TROF grant awards
7 only to projects that provide above the average annual prevailing
8 wage in a locality and not loans, they can still apply for loans, but
9 if we give a grant, it has to be above the prevailing wage.

10 DELEGATE KILGORE: That's what we got into the
11 discussion on, but we believe that's the best move with the
12 limited amount of money we have. We want to give grants to
13 projects that can help the region, not those below the prevailing
14 rate. We have a motion and a second All those in favor, say
15 aye. (Ayes). Opposed? (No response). That motion carries.

16 SENATOR RUFF: That completes the Committee's
17 work.

18 DELEGATE WRIGHT: In the Agribusiness yesterday, I
19 voted no for three proposals, and I cast a no on 3370, 3371, and
20 3489, and all passed.

21 DELEGATE KILGORE: You want to be consistent.

22 MR. FEINMAN: That's being recorded.

23 DELEGATE KILGORE: Do we have other business,
24 Evan? We have an update from Deputy Director Sorrell
25 regarding the TROF activity.

1 MR. SORRELL: I'll be quick. Page 54, these are
2 confidential, and some of these have not been announced, we
3 won't get into specifics. Fifteen have been approved since July
4 1st of this year, promising over 1,500 jobs and investment of
5 \$166 million. The approved grant amounts are 5.3 and in loans
6 about 3.8 million. We've had in FY18 and FY19 to date at a total
7 of 47 approved, promising over 3,600 jobs, over 3.2 million.
8 Grant amounts 13.2 million, and loans 8.27 million. There's been
9 a significant uptake in loans in the last fiscal year, 2019 to date.
10 In FY18, we had 3.88 million, excuse me, 4.3 million in FY18,
11 and 3.8 million so far in FY19. And you can see there's a
12 significant uptake in that in the furthest-most column of this
13 spreadsheet I'm referring to.

14 Because of the interest in TROF and the TROF
15 program, we transferred \$5 million from the Megasite Prospect
16 Incentive Fund in December, and this was for the Commission's
17 approval in September, and that was re-upped at that point.

18 DELEGATE BYRON: Are these ones you've mentioned
19 awarded, and I know you're making a commitment sometimes in
20 the process of negotiating. These are not all given out already,
21 are they?

22 MR. SORRELL: Correct, a number of them are in the
23 process.

24 DELEGATE BYRON: But money isn't actually given
25 out?

1 MR. SORRELL: A number of them are still being
2 worked through, and I'd have to go back and double-check the
3 numbers, the ones that have actually been given out and the
4 ones approved.

5 DELEGATE BYRON: You're basing numbers on and
6 some big figures on, or that may be just hanging out there.

7 MR. FEINMAN: One difference here is these are
8 approved awards, it's not a locality going fishing and saying I'm
9 going to talk to this business and what size are we talking about.
10 If somebody has a commitment from a certain employer for a
11 certain CapEx and a job creation number. It's not always true
12 that we have disbursed the money. These are real projects that
13 the locality anticipates landing in the locality.

14 DELEGATE KILGORE: Any other questions on the
15 update? Anything else, Andy?

16 MR. SORRELL: No.

17 MR. FEINMAN: Mr. Chairman, I just wanted to, there
18 were no motions from the Education Committee, but I need to
19 brief some activity on the Education Committee and really two
20 big changes. There has been a switch from a forgivable loan in
21 our scholarships to loan repayment. Recognizing that a number
22 of lenders for higher education and loan funding is available and
23 rather than originate another loan and undertake on the
24 Commission's part, we will simply help defray the costs of the
25 student loans for our scholarship recipients.

1 Additionally, we will be piloting a program of talent
2 attraction, and we will be delivering the program guidelines to
3 the Commission in May. We were operating in part at the wrong
4 end down the pipeline. If the goal of the Commission
5 Scholarship Program for highly educated people in the Footprint,
6 and rather than spending money sending folks to school, we'll
7 begin to offer to repay loans who have the skills and talent that
8 we need in the region and have a requirement that recipients of
9 this loan repayment has to be specifically engaged.

10 What we will wind up doing is a little bit like a
11 scholarship application. Students who graduate with credentials
12 or in-demand occupations in the Footprint will apply via letter
13 their commitment to one of any number of civic engagement
14 opportunities, coaching high school football or the rotary or sit on
15 a charitable board, a volunteer firefighter. There's a number of
16 ways people can be civically involved.

17 The other thing we're going to do is narrow our focus
18 on those folks. Rather than spread small dollars that will cross
19 many people where you don't really influence the people, but will
20 focus on a smaller number of people and a significant increase of
21 funding, perhaps as much as \$12,000 a year, which should
22 change somebody's decision-making. This should be an
23 incentive. We have to figure out the actual amount of money,
24 change some behavior, and cause them to locate where they
25 might not have otherwise, because we need these people in the

1 Footprint. It's only an incentive, if it helps change behavior. And
2 this is an effort to better target that program. The program
3 guidelines will be before you in May.

4 DELEGATE WRIGHT: Mr. Chairman, I will note that at
5 the committee meeting we had a lot of discussion about it, and
6 my recollection was there was some concern about this whole
7 idea, and I think the emphasis should be on attracting industry,
8 bringing people for those industries, rather than paying off
9 student loan debt for people that don't live in the Footprint. I
10 don't think that's a very good idea or that we should be involved
11 in it. I don't think the Tobacco Commission should be involved in
12 civic engineering operations. I think there's enough needs in the
13 these communities before we start paying off people and their
14 student debt and to have them come into the area when they
15 don't have roots. But I just want that point to be made.

16 DELEGATE KILGORE: Any other comments?

17 MR. FEINMAN: If you're offering a scholarship, you're
18 paying debt on the front end as opposed to the back end, but
19 we'll see.

20 DELEGATE KILGORE: All right, make sure you turn in
21 your expense sheet to the Staff.

22 MR. FEINMAN: You must complete the training in
23 order to serve on the board, it's a video, and you must turn in
24 your financial disclosure.

25 DELEGATE KILGORE: All right, if there's no further

1 business, is there any public comment? Hearing none, we're
2 adjourned.

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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, Full Commission Meeting**, when held on Tuesday, January 8, 2019, at 10:00 o'clock a.m., at the Homewood Suites, Richmond, Virginia 23219.

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 January, 2019.

Medford W. Howard
CCR