

1                   **TOBACCO REGION REVITALIZATION COMMISSION**

2                                   701 East Franklin Street, Suite 501

3                                   Richmond, Virginia 23219

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8                   **Southwest Economic Development Committee Meeting**

9                                   Monday, January 6, 2020

10                                  4:15 o'clock p.m.

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                                  Homewood Suites by Hilton

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                                  700 East Main Street

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                                  Richmond, Virginia 23219

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1     APPEARANCES:

2     The Honorable Charles W. Carrico, Sr., Chairman  
3     The Honorable A. Benton Chafin, Jr., Vice-Chairman  
4     Ms. Rebecca Coleman  
5     The Honorable James W. (Will) Morefield  
6     Ms. Sandy Ratliff

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8     COMMISSION STAFF:

9     Mr. Evan Feinman, Executive Director  
10    Mr. Andy Sorrell, Deputy Director  
11    Ms. Stephanie S. Kim, Director of Finance  
12    Tim Pfohl, Grants Program Director  
13    Ms. Sara Williams, Grants Program Administrator  
14        Southwest Virginia  
15    Ms. Michele Faircloth, Grants Assistant  
16        Southwest Virginia  
17    Ms. Sarah Capps, Grants Program Administrator  
18        Southside Virginia  
19    Ms. Jessica Stamper, Grants Assistant  
20        Southwest Virginia

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22    COUNSEL FOR THE COMMISSION:

23    Ms. Elizabeth B. Myers  
24        Assistant Attorney General  
25        Richmond, Virginia 23219

1 January 6, 2020

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3 SENATOR CARRICO: Welcome, everybody. I'll call to  
4 order the Southwest Economic Development Committee  
5 meeting, and, Evan, if you'll call the roll.

6 MR. FEINMAN: Senator Carrico.

7 SENATOR CARRICO: Here.

8 MR. FEINMAN: Senator Chafin.

9 SENATOR CHAFIN: Here.

10 SENATOR CARRICO: Secretary Ball.

11 SECRETARY BALL: (No response).

12 MR. FEINMAN: Mr. Blevins.

13 MR. BLEVINS: (No response).

14 MR. FEINMAN: Ms. Coleman.

15 MS. COLEMAN: Here.

16 MR. FEINMAN: Delegate Morefield.

17 DELEGATE MOREFIELD: Here.

18 MR. FEINMAN: Ms. Ratliff.

19 MS. RATLIFF: Here.

20 MR. FEINMAN: Mr. Sutherland.

21 MR. SUTHERLAND: (No response).

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

23 SENATOR CARRICO: Thank you. Can I get approval  
24 of the minutes from October 9<sup>th</sup>, 2019. Is there a motion on the  
25 minutes?

1 SENATOR CHAFIN: So moved.

2 SENATOR CARRICO: I have a motion and a second on  
3 the minutes. All in favor of the minutes from October 9, 2019,  
4 say aye. (Ayes) Opposed? (No response). The minutes are  
5 approved.

6 Now, do we have a report on the proposals on page  
7 28?

8 MS. WILLIAMS: I do. These are the two projects that  
9 were tabled after the last meeting. There is a balance of  
10 \$805,541 available to address these proposals.

11 The first one is 3569, the Town of Saint Paul, Phase II,  
12 and that is the Lyric Theater Project, requesting \$349,600. The  
13 request is to support Phase II of a total, \$3.4 million total  
14 renovation costs. And that's a project to renovate the Lyric  
15 Theater in the Town of Saint Paul. The proposal was tabled in  
16 part because of the large amount of funding needed to complete  
17 Phase II, and there's a large amount still outstanding.

18 Recently this project did receive a \$400,000 IRS  
19 award from DHCD. If Commission funds are approved, that  
20 would put the project at 87 percent of what is needed for Phase  
21 II. They have plans to approach the foundation to get the  
22 balance of that money. For Phase III, they're looking at Tax  
23 Credits Foundation.

24 So, Staff recommends a grant award of \$349,600,  
25 contingent on commitment of funds required to complete Phase

1 II construction.

2 SENATOR CARRICO: Any questions?

3 MR. FEINMAN: Mr. Chairman, I'll only say that part of  
4 these funds will be used to develop that needed space. We  
5 looked at this at a Commission meeting in Saint Paul. There  
6 wasn't a room like this, but if this project gets completed, you  
7 know there's always a question will it solve one of the problems.

8 MS. WILLIAMS: The second proposal is Number 3571,  
9 University of Virginia, and that's UVa-Wise Southwest FOURsight.  
10 There's been a lot of discussions with the applicant on this  
11 project since the time of application, especially since October.  
12 The application you saw in October requested just over a million  
13 dollars for UVa-Wise to partner with a Northern Virginia  
14 cybersecurity firm, called FOURsight, to offer an 11-month  
15 project period that helped nontechnology graduates to learn  
16 about cybersecurity, get their credentials, and complete a four-  
17 month cybersecurity apprenticeship program. This program  
18 would develop a program that would focus on cybersecurity,  
19 internship with 25 students each year. The budget submitted to  
20 Staff in December of 2019 had a substantial reduction in funding,  
21 resulting in the current request of \$482,292, with slightly more  
22 than half of that amount being used to contract with FOUR18  
23 Intelligence Corp. This program will help students' financial  
24 support while they are completing the apprenticeship program  
25 with local companies.

1           About half of that amount is allocated to UVa-Wise for  
2 personnel and equipment, \$112,000 for tuition and stipends.  
3 Two hundred and thirty-three of that amount goes to UVa-Wise.

4           Matching funds, \$482,292 will be provided by FOUR18  
5 for an income sharing agreement. This is a program where  
6 impact investors that enter into the income sharing agreement  
7 with the student in exchange for a limited share of the  
8 individual's future income above a minimum threshold. Basically,  
9 they're funding for a student's educational needs.

10           Staff recommends this request be referred to the  
11 Competitive Education Program for consideration in Spring, 2020.  
12 We felt the objectives of this program did align better with the  
13 Education Committee and most suitable for that program. And  
14 we're recommending that referral.

15           SENATOR CARRICO: Anyone on the Committee have  
16 any questions? Anyone in the audience that wishes to speak?

17           UNIDENTIFIED: Thank you, Senator, I certainly  
18 appreciate speaking. I'm involved in the Economic Development  
19 at UVa-Wise, and I have with me the founder. I want to thank  
20 you so much for considering and hearing our application, and I  
21 appreciate the Tobacco Commission Staff for all of their help.  
22 This is an important time for this project, and we see it as a very  
23 important economic development project for Southwest Virginia.  
24 And we've had many conversations with our investors and the  
25 time is now for this project.

1           From what we've heard, the Tobacco Commission has  
2 already invested and we're very thankful for all of the help you've  
3 given, but where we're headed is important and what you've  
4 done is very important to help us.

5           In this particular program, we're actually going to be  
6 bringing in professionals in their fields and any programs that  
7 would be forthcoming and others that have helped, as well. And  
8 then we're going into marketing so we can connect with the right  
9 folks.

10           We've had great partners and we've worked with them  
11 for the last couple of years and I am really impressed with the  
12 progress they've made. And we've had many contacts with even  
13 Eastern Kentucky and Louisiana. It's not only just an educational  
14 project, but we've had a lot of technical assistance and we're  
15 trying to get relationships with various people and we're really  
16 trying very hard to enhance Southwest Virginia and its citizens  
17 with this project.

18           I must say that I really believe this is important for  
19 our entire region. And as I said, we've had contacts with Eastern  
20 Kentucky and Louisiana, and I think some of the investment  
21 numbers that are contained in the application, and that's very  
22 important for what that's bringing to the project and the  
23 relationships with the various government agencies.

24           We certainly would appreciate any consideration that  
25 you might give us for this project. I understand the timing and

1 looking at a delay until May. Happy to entertain any questions  
2 that you might have.

3 SENATOR CARRICO: Anyone have any questions? All  
4 right, thank you.

5 MR. FEINMAN: You had one project referred to you in  
6 earlier meetings. That's on page 34. Application Number 3602,  
7 Blue Ridge Public Television.

8 SENATOR CARRICO: This is a \$460,000 request, Blue  
9 Ridge Public Television.

10 MR. FEINMAN: Yes, sir. You've got your information  
11 packet.

12 DELEGATE MOREFIELD: I believe there's an  
13 amendment.

14 MR. PFOHL: While those are being passed out, I'll  
15 give you a quick summary. This project was submitted to the  
16 Special Projects Program in October seeking funding for staff,  
17 equipment, travel, to create edited video content to also involve  
18 on-line costs to create edited video content of stories from the  
19 Tobacco Region on arts and culture, agriculture, education,  
20 politics, and other topics for posting online. Matching funds  
21 would come largely from the applicant and a proposed \$150,000  
22 ARC grant application, as well as \$50,000 request to the  
23 Newman's Own Foundation.

24 We've been unclear what economic action or actually  
25 how many viewers would see all this and have some

1       measurable economic manner, such as visiting the region and  
2       starting a business in the region. It's unclear how any resulting  
3       actions could be tracked or attributed directly to this. And we  
4       had concerns about future funding sustainability.

5                 SENATOR CARRICO: Are you saying this revised  
6       amount of 325?

7                 MR. PFHOL: No, we're not saying that. That just got  
8       handed to us.

9                 SENATOR CARRICO: Any questions or comments?

10                MR. ANDERSON: I'm Will Anderson, I'm President and  
11       CEO of Blue Ridge PBS, and we have our Director of Education  
12       here. What we've done is we've actually modified the budget to  
13       be a Southwest project, so we've excluded the Southside portion  
14       of it. It's a digital platform delivery system, the contents that is  
15       created.

16                So, you're looking at 250 within a course of a three-  
17       year project, 250 profiles of businesses and industry, things  
18       happening within the region, delivered within 24 hours, seven  
19       days a week. And it's also available in modular form and can be  
20       extracted by any other media.

21                It's a glorious marketing tool, telling the story of  
22       Southwest Virginia, like it's never been done before.

23                UNIDENTIFIED: We talk about economic development  
24       a lot and being able to tell the story of the people and being able  
25       to hear them, not only with our own community, but nationally

1 and internationally in a way we can bring people to the region.  
2 We live in a beautiful part of Virginia, and be able to go out and  
3 share that in the spring and summer and early fall. And people  
4 create a weekend destination place to come and visit the  
5 beautiful locations that we have and spend their hard-earned  
6 dollars. And then more people want to come and see it and visit.  
7 These stories will live on forever.

8 When you talk about sustainability, people will be able  
9 to continue to visit and share all that information. It's not a one  
10 and done.

11 The other thing is we have a contingency. So, we will  
12 go ahead and match this money. And we're just a staff of 16  
13 people.

14 SENATOR CARRICO: Would you please state your  
15 name.

16 MS. MARTIN: I'm Rose Martin and I'm the Director of  
17 Education.

18 SENATOR CARRICO: One question, and it says value  
19 of the project over the next three years will approximate \$2.5  
20 million. What do you base those numbers on?

21 MR. ANDERSON: If you take an average of the profile  
22 and five minutes at a \$2,000 finished minute and look at 250  
23 profiles over the next three years, that's the industry standard,  
24 \$2,000 a minute, and the value, including the broadcast time.

25 MR. FEINMAN: Do you all have \$805,541 in your

1 budget the fiscal year and you've got three projects before you  
2 totaling \$1,156,292. So, the very short version is Staff  
3 recommends you do one of the three max, or you only do two.

4 MS. RATLIFF: I had a question. I noticed in your  
5 budget it's showing two positions, are those based in far  
6 Southwest Virginia or in Roanoke?

7 MR. ANDERSON: One is based in Roanoke, traveling  
8 twice a week in Southwest, and one will be a contract employee  
9 within the region, depending on whether quality of their work  
10 matches industry standards.

11 MS. RATLIFF: My next question about contractual  
12 services, I know in far Southwest we have some pretty talented  
13 videographers. Any portion of this that you're going to have  
14 special recommendations to far Southwest for those contractual  
15 services?

16 MR. ANDERSON: Yes. I can use one for one story, so  
17 the answer is yes, because they know the story.

18 SENATOR CARRICO: Any other questions?

19 MR. FEINMAN: That's until July.

20 SENATOR CARRICO: Anyone else on the Committee  
21 have any comment?

22 DELEGATE MOREFIELD: I'd like to support funding  
23 this project, the revised application. We have a number of  
24 organizations and efforts that are making every effort to promote  
25 and market Southwest Virginia. I recently had an opportunity to

1 work with one at Virginia Tech. Those of us serving in public  
2 office know the cost of advertising is extremely expensive. I  
3 think what they're offering is certainly something we will see a  
4 return on. We talk about trying to market the region, and  
5 they're looking at covering a number of programs, not only  
6 through the Tobacco Commission, but other Economic  
7 Development agencies. I think this is something we should  
8 support. I think three or four years from now seeing some real  
9 benefits.

10 SENATOR CARRICO: Your recommendation would be  
11 325?

12 DELEGATE MOREFIELD: Yes. My recommendation is  
13 for Item Number 3602 to approve funding of \$325,000.

14 MS. COLEMAN: Are you taking these separately or in  
15 a block?

16 SENATOR CARRICO: Is there a second to that  
17 motion, we only have two projects?

18 SENATOR CHAFIN: I'll second it.

19 SENATOR CARRICO: There's a motion and a second  
20 to accept Project Number 3602 in the amount of \$325,000, and  
21 it's been seconded.

22 MR FEINMAN: If I might offer an amendment, given  
23 the fact that we have not had a chance to review this plan and  
24 the performance agreement milestone. It sounds like they said  
25 they're going to produce a certain number of pieces of video, and

1 we need you all to do that.

2 MR. ANDERSON: We can do that.

3 SENATOR CARRICO: With that amended motion.

4 MR. MOREFIELD: I have a motion to accept the  
5 agreement, an agreement with the Staff to accept certain  
6 guidelines and milestones on their production.

7 MR. CARRICO: Is there a second on that? All right,  
8 we have a second. All in favor, say aye. (Ayes). All opposed?  
9 (No response). All right.

10 Next is 3569, Town of Saint Paul, the Lyric Project,  
11 Phase II, in the amount of \$349,600, recommended by Staff. Is  
12 there a motion?

13 SENATOR CHAFIN: So moved.

14 SENATOR CARRICO: It's been moved and seconded  
15 we accept Project Number 3569. In favor, say aye. (Ayes).  
16 Opposed? (No response). It's the Staff recommendation that  
17 this be referred to the Education Committee to be considered in  
18 the Spring. Is there a motion on the recommendation?

19 SENATOR CHAFIN: I move that we accept the Staff's  
20 recommendation.

21 SENATOR CARRICO: Is there a second? We do not  
22 have a second. Is there any other motion?

23 MS. COLEMAN: I'll second the motion.

24 SENATOR CARRICO: We're back to the Staff  
25 recommendation we refer this to the Education Committee to be

1 considered in the Spring. Moved and seconded. All in favor, say  
2 aye. (Ayes). Opposed? (No response).

3 MR. FEINMAN: Then that's it other than public  
4 comments.

5 SENATOR CARRICO: That concludes our business for  
6 Southwest Economic Development Committee.

7 Any public comment? (No response).

8 SENATOR CHAFIN: I just want to encourage all of the  
9 Commissioners invited to the reception and join me wishing our  
10 Chairman a good retirement. He's done a good job, great job as  
11 Chairman of the Southwest Committee, speaking of Senator  
12 Carrico.

13 He's been my colleague for these past five years that I  
14 have served, and I have enjoyed working with him serving side  
15 by side with him. He is a man that was made for public service.  
16 He has a service heart, I've seen it and witnessed it, and I  
17 appreciate that. And I know everyone here appreciates that and  
18 look forward to welcoming him to retirement, although I think  
19 other ideas, I don't think that's the end of him, I think he's got  
20 other ideas and other business that he'll be working through the  
21 future. Certainly, he has well earned his retirement for 18 years  
22 in the General Assembly. (Applause).

23 SENATOR CARRICO: With that, we're 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, Southwest Economic Development Committee Meeting**, when held on Monday, January 6, 2020, at 4:15 o'clock p.m., at the Homewood Suites by Hilton, 700 East Main Street, 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 15<sup>th</sup> day of January, 2020.

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Medford W. Howard  
CCR