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TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501
Richmond, Virginia 23219

Special Projects Committee Meeting

Monday, January 6, 2020
2:30 o'clock p.m.

Homewood Suites by Hilton
700 East Main Street
Richmond, Virginia 23219

1 APPEARANCES:

2 The Honorable Daniel W. Marshall, III, Chairman

3 The Honorable Kathy J. Byron

4 The Honorable A. Benton Chafin, Jr.

5 Ms. Gretchen Clark

6 Mr. Joel Cunningham

7 Ms. Julianne D. Hensley

8 Mr. Robert Mills, Jr.

9 The Honorable Edward Owens

10 Mr. Robert Spiers

11

12 COMMISSION STAFF:

13 Mr. Evan Feinman, Executive Director

14 Mr. Tim Pfohl, Grants Program Director

15 Mr. Andy Sorrell, Deputy Director

16 Ms. Sarah K. Capps, Grants Program Administrator,

17 Southside Virginia

18 Ms. Michele Faircloth, Grants Assistant

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

20 Southwest Virginia

21 Ms. Jessica Stamper, Grants Assistant

22 Southwest Virginia

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1 COUNSEL FOR THE COMMISSION:

2 Ms. Elizabeth Myers
3 Assistant Attorney General
4 Richmond, Virginia 23219

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1 January 6, 2020

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DELEGATE MARSHALL: I'm going to call the Special
4 Projects Committee to order, and ask Evan to call the roll.

5

MR. FEINMAN: Delegate Marshall.

6

DELEGATE MARSHALL: Here.

7

MR. FEINMAN: Senator Carrico.

8

SENATOR CARRICO: (No response).

9

MR. FEINMAN: Mr. Ball.

10

MR. BALL: (No response).

11

MR. FEINMAN: Delegate Byron.

12

DELEGATE BYRON: Here.

13

MR. FEINMAN: Ms. Clark.

14

MS. CLARK: Here.

15

MR. FEINMAN: Senator Chafin.

16

SENATOR CHAFIN: Here.

17

MR. FEINMAN: Mr. Cunningham.

18

MR. CUNNINGHAM: Here.

19

MR. FEINMAN: Ms. Hensley.

20

MS. HENSLEY: Here.

21

MR. FEINMAN: Mr. Mills.

22

MR. MILLS: Here.

23

MR FEINMAN: Mr. Owens.

24

MR. OWENS: Here.

25

MR. FEINMAN: Mr. Spiers.

1 MR. SPIERS: Here.

2 MR. FEINMAN: You have a quorum.

3 DELEGATE MARSHALL: Thank you. Approval of the
4 6-6-19 minutes.

5 MR. OWENS: So moved.

6 MR. CUNNINGHAM: Second.

7 DELEGATE MARSHALL: Any questions on the minutes.
8 All those in favor, say aye. (Ayes). Opposed? (No response).
9 The minutes are approved. All right, thank you.

10 Evan, let's talk about the Megasite Policy Discussion.

11 MR. FEINMAN: In some ways, this will mirror the
12 discussion that we had regarding hemp in the last meeting. In
13 the last meeting for those that were here, we have a balance in
14 our Megasite fund that is not going to be adequate to build four
15 star accommodations for every corporate partner that we might
16 like on every single one of our sites. We wish it were, but it is
17 not.

18 What we've seen over the last couple of meetings of
19 this Committee is that folks that come before us with specific
20 Megasite requests that have occasionally been funded out of the
21 Megasite balance, other than the Committee balance. What the
22 Staff would like to do rather than simply reward someone who
23 has a need earlier on the calendar than someone else, is to notify
24 all of the counties that have Megasite sites, and I think Tim could
25 run down the whole list while he's walking past the microphone,

1 all of the official Megasite sites that we've designated, Tim.

2 MR. PFOHL: Starting in the East would be MAMaC in
3 Greenville, Emporia, then Berry Hill, then Danville, Pittsylvania,
4 Commonwealth Crossing in Martinsville, and in Southwest, you
5 have Progress Park in Wythe, Oak Park in Washington, and then
6 we have one in Carroll and Galax, Pathway Park.

7 MR. FEINMAN: So, Mr. Chairman, what we would like
8 to make sure that we are evaluating the relative value of the
9 grant for the Megasites or what investment would make the most
10 sense on a holistic basis. We don't want one site to come
11 forward and gobble up the significant portion of the remaining
12 balance for funding.

13 So, what we would encourage the Committee to do is
14 to set up a Megasite round probably with enough lead time for
15 them to develop their next proposal. I would suggest we do it in
16 the September, 2020 meeting, as opposed to the May, 2020
17 meeting to give the site owners time to come up with what their
18 needs will be in the next phases, and then we can evaluate them
19 all at once, recognizing that we'll probably get ten to eleven
20 million in requests for that three million balance, but it'll also
21 help to make sure we make good choices.

22 DELEGATE MARSHALL: Let's go to my part, Berry Hill,
23 3,500 acres, the largest tract in the state or maybe on the East
24 Coast. If you look at the map, there's a lot of different lots. One
25 of the problems with this is that they say they want to get a

1 grant for Lot Number 1, and then a business next year shows up
2 and they want to get Lot Number 3, then you've got to change
3 that and you're talking about sewer and utilities to them.

4 MR. FEINMAN: We try. The more information we
5 have, the better decision we can make, but I'm asking everyone
6 to come forward and say here's what we think our needs are
7 going to be in the next phase of construction to allow us at least
8 an opportunity for people that need that, that will have an
9 opportunity sooner or a need sooner, versus sites that may have
10 an opportunity so we can get more bang for our buck. That's the
11 idea.

12 What are the investments that are going to help bring
13 these things to the closest, to their maximum available?

14 DELEGATE MARSHALL: Getting back to this, if we go
15 to Site 1 and then somebody wants to go to Site 3, they can
16 come back to the Commission and ask to reallocate that money
17 to them?

18 MR. FEINMAN: Yes, Mr. Chairman, we can alter any
19 project that's ongoing, and if it's a minor alteration, we can
20 handle that at the staff level and we can do that. If it's like a
21 baseball park, we'd have to come back to you and say it's very
22 different, come make a decision.

23 The other thing to think about is we have the TROF
24 and the incentive funds that can be used for site improvement,
25 and especially if there's a live project. These are more in the

1 information of like baseline improvements to the site even
2 though that we don't have a live prospect going.

3 DELEGATE MARSHALL: Any questions from
4 Committee members?

5 MR. SPIERS: Yes, Mr. Chairman, will the study of
6 ranking the sites, will that play into this? Is that study coming
7 along or is data coming in on that?

8 MR. FEINMAN: Yes, Mr. Spiers. The CV is very close
9 to releasing what they're going to release, and the ability to see
10 kind of behind the curtain on some of those numbers. We'll
11 certainly be informed with our decision-making by the
12 comprehensive evaluation of all the sites in Virginia before we
13 come to any decision ahead of the September meeting.

14 MR. SPIERS: Will the improvements at the Megsites,
15 will they come out of the Megsite fund and not come out of
16 Special Projects, or is that what you're contemplating?

17 MR. FEINMAN: Yes, what we envision is to close out
18 the basic investments in the Megsites projects by spending the
19 last three million dollars on these kind of site improvements that
20 were originally allocated and then future sites come out of the
21 mainline Special Projects budget or when there's an active
22 prospect coming out of TROF, the prospect incentive fund, if
23 there was a project that was ready to go.

24 MR. OWENS: If the Megsite has a current balance,
25 how would that impact this?

1 MR. FEINMAN: We'd certainly take that into account.
2 We will put all the information in front of you and when we
3 evaluate it at the Staff level and say here's the total investment
4 we have, that's still going to go into this park, here's the
5 additional amount of money for X, Y, and Z, and we'll try to
6 gather as much information as we can from our partners at VDP
7 and from the civil engineering universe and try to figure out
8 exactly what we think the best bang for our buck is. I'm sure
9 every county that has, if they've got a park, they can come and
10 advocate for themselves, and we hope you guys will make some
11 calls.

12 MR. OWENS: If we have a Megasite that, say, has
13 two million dollars and they're building a pipeline going one way
14 and they come back and say, we've got to make a U-turn or a
15 hard or a hard right, will that impact the amount of funding we
16 give them, even if they don't have a prospect going forward?

17 MR. FEINMAN: Our view has always been that they
18 can do account, existing balances, when somebody asks us for
19 money, and if they, say, have \$800,000, we'd say why don't you
20 use that? And that certainly would go into our thinking as we
21 make Staff recommendations, and this information would be put
22 in front of you and then you all can make a decision or an
23 educated judgment if it were to come before you in the
24 Commission.

25 MR. OWENS: But if we've already given them a grant

1 to go straight ahead, but, you know, if they have a prospect to
2 the left instead of straight ahead, would we reallocate that
3 money or do both?

4 MR. FEINMAN: We've done that before and we can
5 certainly do it again. We wouldn't claw back a grant for no
6 reason, but if somebody has \$800,000 in their balance or site
7 development account and if they have an active prospect that
8 needs a waterline or whatever and we'd say use the money you
9 have first to do that project. That's always the most urgent way.
10 If there are still needs then and still funding available and we'd
11 have to consider that.

12 DELEGATE MARSHALL: Any other questions?

13 MS. CLARK: Do we have a clear decision-maker so
14 that the applicant will know how they rank, they know the other
15 parts and they can decide if they want to spend time putting this
16 application forward?

17 MR. FEINMAN: We can certainly come up with criteria
18 by which we would score it and publish that. There is by
19 necessity a certain amount of subjectivity in all of these. When
20 you look at the site evaluation criteria for the uses, that would be
21 the core method by which we would use to evaluate these things.
22 I think the most useful question is where will the fewest dollars
23 get the most potential employment benefit? Then you have to
24 balance that with regionalism, as well as the question of who has
25 the workforce ready to deal with this and who doesn't. All of that

1 needs to go in, which is why it's not, if it was just a math
2 problem, it would be a lot easier.

3 DELEGATE MARSHALL: Any further comments or
4 questions? Just FYI and to refresh memories, and that is when
5 we started the Megasites, I guess we didn't know what we didn't
6 know. And what we did not know is about the Corps of
7 Engineers and we went off down this road in building these
8 Megasites and the Corps of Engineers says fine, but we're not
9 going to give you a permit, and that took about four to five years
10 in some cases to actually get a permit. I think maybe at
11 Commonwealth Crossings is when we first encountered that, and
12 that's why you see some of these fund balances stretched out for
13 a number of years.

14 Let's go to Tim, do you need a motion?

15 MR. FEINMAN: We heard what you said, it's always
16 cleaner if we've got a motion to implement it, a motion that we
17 issue Megasite guidelines and an application deadline for the
18 Megasite rounds to be considered by this Committee in advance
19 of the September meeting.

20 DELEGATE MARSHALL: So, Megasite will be in
21 September, 2020, a meeting, prior to that the applications. Who
22 makes a motion?

23 MR. MILLS: I'll make that motion.

24 MR. OWENS: Second.

25 DELEGATE MARSHALL: Any discussion? All those in

1 favor, say aye. (Ayes). Opposed? (No response). Thank you.

2 Tim, 20 new proposals?

3 MR. PFOHL: Thank you, Mr. Chairman. The Staff
4 announced that the official year, the 2020 year Special Projects
5 competition with an October due date and new proposals, six of
6 which fall in the Regional Economic Development and two in the
7 Access to Healthcare category. We also included in the packet
8 two Regional Economic Development projects that were tabled
9 back in September, 2018.

10 If you'd like, I can go through and give you a brief
11 description, starting with Blue Ridge Public Television, requesting
12 \$460,000, for digital media content and delivery system, Sights,
13 Sounds, and Stories. They seek funding for three staff,
14 equipment, travel, online costs, to create edited video content of
15 stories from the Tobacco Region on arts and culture, agriculture,
16 education, politics and other topics, posting online.

17 The applicants have met with Commission Staff on
18 multiple occasions, and we conveyed to them this project did not
19 line up well with our strategic planning logic models, since there
20 are no direct measureable economic outcomes. What we mean
21 by that is that it's unclear what economic action video content
22 would lead to or take or how many viewers would see this and
23 act in some measureable economic manner, such as visiting the
24 region, or as the proposal suggests, starting a business in the
25 region.

1 Likewise, it is unclear how any resulting actions could
2 be tracked and attributed directly to the project. Sustainability
3 beyond a period of grant funding is also unclear.

4 Staff suggests the Committee should consider the
5 opportunity cost of using \$460,000 in this way and question
6 whether this proposed project is consistent with Commission
7 enabling legislation to revitalize the economy. And the Staff,
8 therefore, is recommending no award for Blue Ridge Public
9 Television.

10 The next one up is for the Town of Damascus,
11 Appalachian Trail Center of Damascus, a request for \$150,000.
12 The application requests additional funding to address larger than
13 anticipated construction costs of the Appalachian Trail Center
14 being developed in Damascus. The application had bids where
15 the minimum of \$150,000 crossed over original estimates. While
16 the third round was in December, due in early December, and
17 that was as a result of the increased square footage,
18 approximately 30 percent off of the training room and the
19 auxiliary room that would be used to highlight other AT
20 communities in the region.

21 The currently approved funding will allow construction
22 of the Appalachian Trail Center to move forward on a reduced
23 scale, but they have asked that the current request be
24 considered to allow the previously removed sections of the
25 project might be rebid. The applicant has asked that the current

1 request be considered to allow the previously removed sections
2 of the project to be rebid to explore the potential of completing
3 the project in its original form. The training room and exhibits
4 space are considered critical areas that would generate much of
5 the associated regional impact of the project. The project is
6 supported by DHCD/ARC, meshes solidly with other Commission-
7 supported outdoor recreation tourism efforts in Southwest
8 Virginia, and is strongly invested in by the Appalachian Trail
9 Conservancy, which will be the operator.

10 Staff is recommending an award of \$150,000.

11 The next one up is from Franklin County, Sewer
12 Extension for Summit View Business Park, requesting \$250,000.
13 This project will address obvious wastewater treatment capacity
14 limitations necessary for attracting additional new companies to
15 Franklin County's 550-acre Summit View Business Park, with
16 \$250,000 requested to support the \$845,000 estimated project
17 costs. The existing package treatment plant serving the Summit
18 View has a capacity of 20,000 gallons per day, of which 10,000
19 gallons per day is committed for two recently announced
20 companies that are constructing on the site. There's a third
21 prospect that has a need for an additional 20,000 gallons per
22 day, which would exceed the available capacity of the current
23 system.

24 I would note the project is eligible for Special Projects
25 funding consideration which historically has required financial

1 participation by at least two or three Tobacco Region localities,
2 and this is a purely Franklin County project. Based on the
3 County's allocation in the Southside Economic Development
4 Program be insufficient to cover the requested funding need,
5 that's always been an exception to multi-locality economic
6 building requirement. The information provided subsequently
7 since the application, but the primary focus of this project has
8 been addressing wastewater capacity for new companies locating
9 in the Summit View, which is the core objective of the
10 Commission, with more obvious new cash flow that would
11 support a recommendation for loan financing.

12 So, Staff is recommending an award of \$250,000.

13 Next up is Greensville County MAMaC Utility
14 Infrastructure, requesting \$861,631. This is one of the Megasites
15 we were just talking about. The request primarily serves the
16 Commission funding MAMaC Megasite, which is a regional partner
17 in Mecklenburg. The funds requested would go for cost overruns
18 for bids received on the Otterdam Road, Phase II widening, which
19 is \$450,000 of the request, and a sewer extension, which is
20 \$337,000. Projects are primarily funded by VDOT and
21 GoVirginia, respectively.

22 The proposal has also been revised to request an
23 additional \$75,000 matched equally by the county to allow
24 Columbia Gas to begin engineering a gas line to serve both
25 MAMaC and the County Industrial Park, where a current prospect

1 requires gas line to serve both MAMaC and the County's
2 Industrial Park, where a current prospect requires natural gas
3 service. This could potentially be funded out of the Megasite
4 balance of three million, it is suggested that those limited funds
5 be used to further advance the readiness of the nine sites funded
6 by the Megasite program.

7 The Staff is therefore supportive of \$75,000 to
8 support 50 percent of the \$150,000 cost to begin engineering
9 natural gas line. Engineering is estimated to have a six-to-eight
10 month timeline, which would greatly shorten the time to deliver
11 gas service to MAMaC and the current county industrial park
12 prospect. If, in fact, those services are needed. It is not known
13 at this time if the future MAMaC prospect would require a multi-
14 million dollar natural gas line, but making this small investment
15 in gas line engineering is a low risk and potentially critically
16 important step in shortening the timeline to deliver gas service
17 should it eventually be needed.

18 Staff recommends an award of \$75,000, and the
19 balance of the requested funds be submitted if the county
20 chooses to in the next fall round.

21 The next one up is the Mecklenburg County,
22 Expansion of the Civil Rights in Education Heritage Trail,
23 requesting \$70,000 to support 50 percent of the costs for this
24 priority project for the regional tourism marketing, previously
25 known as the Virginia's Retreat. This will allow expansion of the

1 Civil Rights in Education Heritage Trail. Serves 14 Tobacco
2 Region counties. Currently 41 existing sites and as part of that
3 driving tour, this would be expanded with 12 new sites. Grant
4 and matching funds would be used to support the costs to finish
5 design work on graphic panel inserts for roadside site viewing.
6 Costs and matching funds would be used to support costs to
7 finish design work on graphic panel inserts, costs for new site
8 markers, and fabrication of graphic panels and wayfinding signs,
9 new graphic panel inserts for existing sites to tie the entire trail
10 together and updates to existing sites, including addressing ADA
11 compliance issues.

12 Staff notes limited information is available for
13 assessing the economic impact of the trail, although it is a
14 marketing effort for the regional partnership. A revised detailed
15 budget was provided that allocates \$32,500 towards contracting
16 an economic impact study. The Staff notes that the Robert
17 Russa Moton Museum, a national landmark and part of the U.S.
18 Civil Rights Trail, therefore, the project meets the Commission's
19 criteria for supporting nationally recognized tourism destination.
20 The major aspect of this longstanding regional tourism
21 partnership that is lacking the periodic economic impact
22 assessment will be addressed by the impact study that is a
23 condition of this grant should you approve it.

24 Staff recommends an award of \$70,000, including
25 support for the economic impact study to be completed as a

1 condition of this grant.

2 Next one up is the Southwest Virginia Higher
3 Education Center Foundation, Virginia Rural Information
4 Technology Apprenticeship Pilot Program, requesting \$700,000.
5 Requesting funding to initiate a Pilot Program for paying entry-
6 level salaries for the first cohort of 12 IT apprentices, to be
7 employed and mentored by small rural IT businesses and
8 supported for an 18-month period.

9 The General Assembly and the Governor approved the
10 Rural IT Apprenticeship Grant Fund in the 2019 session under the
11 Code of Virginia. However, no state funding was approved in
12 2019 to initiate the program, which per Code is to be
13 administered by Southwest Higher Education Center and
14 available on a competitive basis to IT employers in the
15 Southwest, except Floyd County, the Southside cities of Danville
16 and Martinsville and four Western Virginia counties outside the
17 Commission Footprint.

18 Commission funds would be used in a cost-share
19 approach as an initial pilot in lieu of state funding to reimburse
20 participating employers for 70 percent of the proposed annual
21 salaries and benefits for the apprentices. Prior policies and
22 procedures for the state are being developed with assistance
23 from the Commonwealth Chief Workforce Development Officer.
24 Reconsideration of the state appropriation funding we feel should
25 be allowed to play out in the 2020 General Assembly prior to

1 making a decision by the Commission. This could be a message
2 that the Commission is willing to be a primary funder in future
3 years in non-Tobacco Region projects, which would be a costly
4 and ultimately unsustainable drain on future Commission
5 budgets.

6 Staff recommends the project be referred to the
7 Competitive Education in the Spring, pending the outcome of the
8 state biennium budget adopted in the 2020 session.

9 There were two projects tabled back in September of
10 2018, and the first one is Southwest Virginia Workforce
11 Development Board, originally submitted for \$377,000, now
12 reduced to \$114,620. This request is to benefit the Southwest
13 Virginia Certified Work Ready Communities. Fast-forward to
14 promote the National Career Readiness Certificate, NCRC, across
15 21 localities and submitted a couple of years ago to Special
16 Projects. This effort will result in recognition as ACT Certified
17 Work Ready Communities, modeled on a similar initiative in
18 Southern Virginia that was funded by the Education Committee
19 and resulted in national certification of several Southern Virginia
20 localities as work ready communities.

21 It was originally submitted to cover two Workforce
22 Development Board Regions in Southwest Virginia. The revised
23 request seeks funding to support only the Area 2 service area,
24 which is Mount Rogers and New River, serving nine Tobacco
25 localities and four non-Tobacco localities. The requested amount

1 has accordingly been reduced to \$114,620, a small percentage of
2 that would cover time for four current staff members, the
3 majority which would be various project costs, including
4 WorkKeys NCRC test fees for more than 1,500 Tobacco Region
5 residents, as well as software license fees for training and job
6 profiling, travel, outreach, supplies, and other related expenses.
7 They requested the application be revised to the New
8 River/Mount Rogers Workforce Development Board.

9 Staff feels this project would be better resubmitted as
10 a new proposal and better suited to the Spring, 2020 Competitive
11 Education Program. And where similar projects, such as the one
12 implemented in Southern Virginia were funded. A referral to the
13 Education Committee would provide the additional benefit of
14 allowing additional time for Staff to work with the applicant to
15 identify a more suitable match and to continue to refine the
16 budget. However, Staff recommends this project be resubmitted
17 as a new proposal, with revised applicant, budget and outcomes,
18 in the Spring, 2020 Competitive Education Round. So, in effect,
19 we're suggesting no action.

20 The second tabled project is the Edward Via Virginia
21 College of Osteopathic Medicine, request for \$180,000, for the
22 Railways to Healthways Project, Serving Southwest Virginia. This
23 was tabled in September of 2018. Commission funding of
24 \$60,000 per year for three years will be used to support the
25 VCOM faculty member to serve as the project program director

1 tasked with coordinating efforts with partner schools, as well as
2 collecting and reporting data to measure program effectiveness.

3 The budget also allocates \$24,600 to be used over
4 three years to supplement current career coach positions at
5 Southwest Virginia Community College and Bluefield College, in
6 order to expand the time that they are able to spend with
7 students, coaching them in healthcare careers, and it also
8 includes director’s travel and some program materials.

9 The Staff says while the objectives of the project and
10 project leader’s vision are commendable, this project results in
11 neither healthcare services to residents nor academic credentials
12 for students, so aligned with the Commission program metrics
13 are lacking. Directing limited Commission funds to career
14 coaching is a long-term investment that lacks sustainability, with
15 indirect outcomes that are difficult to reliably quantify.

16 Staff concedes that there is value in raising awareness
17 among K-12 students about career opportunities, such as
18 healthcare, and commends the project partners for working
19 toward a two-plus-two-plus graduate post-secondary education
20 pipeline, but remains focused on targeting the Commission’s
21 limited resources to projects that directly deliver healthcare
22 service to residents and supporting educational projects that
23 directly award healthcare workforce credentials to students
24 through the Education Program.

25 And Staff there recommends no award.

1 DELEGATE MARSHALL: Does any member of the
2 Committee have any questions about the requests?

3 UNIDENTIFIED: I have a question on the first one,
4 Blue Ridge Public Television.

5 DELEGATE MARSHALL: Let's take the ones that have
6 been approved and then we'll come back. All right, we'll get to
7 that, but any questions?

8 MR. FEINMAN: 3601, 3597, 3610, and 3589.

9 MS. CLARK: Can we pull 3610 from the block?

10 DELEGATE MARSHALL: Removing 3610 from the
11 block. So, that leaves 3601, 3597, and 3589. Any questions on
12 those?

13 MS. CLARK: I move we accept the Staff's
14 recommendation.

15 DELEGATE MARSHALL: Staff recommends 3601,
16 3597, and 3589. Do I have a second?

17 MR. OWENS: Second.

18 DELEGATE MARSHALL: Any discussion? All those in
19 favor, say aye. (Ayes). All right, that passes.

20 Now, let's go back to 3610. Anyone want to make a
21 motion on that?

22 MR. OWENS: I'll move approval.

23 UNIDENTIFIED: Second.

24 DELEGATE MARSHALL: Any discussion? All those
25 wishing to vote, say yes. (Ayes). Opposed?

1 MS. CLARK: Abstain.

2 DELEGATE MARSHALL: All right. Let's go back to
3 3602, the Blue Ridge Public Television.

4 DELEGATE MARSHALL: Do you have a question?

5 MS. HENSLEY: I think the motion may address the
6 question.

7 DELEGATE BYRON: I was going to make a motion
8 that we send it to Southwest Economic Development.

9 SENATOR CHAFIN: Second.

10 DELEGATE MARSHALL: We have a motion and a
11 second send it to Southwest Economic Development. Does that
12 answer your question?

13 MS. HENSLEY: It addresses it, yes.

14 DELEGATE MARSHALL: Any other questions about
15 that or discussion?

16 MR. PFOHL: The project as it's submitted here does
17 include Southern Virginia, so it would necessitate some revision.

18 DELEGATE MARSHALL: I have a motion to defer
19 3602, Southwest Economic Development. Got a second. All
20 those in favor, say aye. (Ayes). All right, that passes.

21 So, now, let's go to Access to Healthcare.

22 MR. FEINMAN: Mr. Chairman, we took no action on
23 3595 and 3334 and 3467.

24 MR. OWENS: I move that we take Staff's
25 recommendation on 3595 and 3334 and 3467.

1 DELEGATE MARSHALL: Do we have a second?

2 MR. CUNNINGHAM: I'll second.

3 DELEGATE MARSHALL: Any discussion? All those in
4 favor, say aye. (Ayes). Opposed? (No response).

5 MR. PFOHL: We're on page 42 now, two Access to
6 Healthcare requests for the metric for the program is increasing
7 and expanding access to healthcare for Tobacco Region
8 residents. The first request is from the University of Virginia,
9 requesting \$427,346, requested for Expanding Access to Cancer
10 and Healthcare Services. Since 2008, the Commission has
11 provided approximately \$4.9 million to support the expansion of
12 the Virginia healthcare services, including cancer screening and
13 prevention and telehealth services to the Tobacco Region,
14 primarily in Southwest Virginia. Of this amount, there are
15 currently two active grants with a total balance of approximately
16 \$765,000. The current request seeks funding to continue to
17 provide screening for breast and colorectal cancer, both of which
18 have been supported by previous Commission grants. A new
19 aspect of this request is \$100,000 to support the Health Wagon's
20 Move Mountains Medical Mission Clinic or M7, which will replace
21 the RAM Clinic that operated in the region for years, providing
22 dental and vision and general medical treatment.

23 Despite the unquestioned commitment to providing
24 much needed healthcare services to the Tobacco Region,
25 particularly in Southwest, and a clearly detailed budget,

1 activities, and outcomes, there does not appear to have been an
2 effort by UVA to assume any of the financial needs associated
3 with providing those services which have received Commission
4 support for over a decade.

5 Given the sizable balances on two current grants,
6 \$765,000, there does not appear to be a great urgency to fund
7 this plan for the next year, and year one activities could be
8 accommodated with budget revisions to those current grants.
9 Per the Committee's discussion at recent meetings, Staff has
10 been directed to begin shifting the focus of Special Projects
11 healthcare funding away from supporting the two cancer centers
12 at UVA and VCU after a decade of support that assisted the
13 centers due to state budget constraints at the start of the 2008
14 recession.

15 Based on all of the above, Staff recommends no
16 award.

17 The second one, Virginia Commonwealth University,
18 Implementing the Mobile Health Initiatives and Resources
19 Experts Program, \$2,151,642 requested.

20 The Massey Cancer Center at VCU has received nine
21 Commission grants for a total of \$8.88 million since 2008. This
22 current request seeks 99 percent of available Special Projects
23 balance that was published in the program guidelines. This
24 specifically seeks \$1.22 million for personnel, including \$272,000
25 for Richmond-based facility and staff, \$253,000 for contractual

1 travel and conferences, and two med. professionals, \$151,000
2 for supplies, materials, and \$256,000 for continuous rent and
3 office costs for two Tobacco Region cancer research and resource
4 centers located in Danville and Lawrenceville, and \$267,000 for
5 purchase of a mobile van, funding by year, breaks out to
6 \$890,000 in year one and \$630,000 in each of years two and
7 three.

8 The proposal is for initiatives, each requesting
9 \$538,000 for cancer screening and services, telehealth delivery,
10 navigation to cancer care, services, and tobacco cessation
11 services.

12 As stated in the FY19 Staff Report, after a decade of
13 outreach and education through two centers, there is now
14 definite data provided to indicate that cancer detection and
15 treatment rates have improved in the region. That hadn't been
16 presented. In grants over the past five years, the Commission
17 has only supported staffing and operating expenses for two
18 Tobacco Region CRRCs for a one-year continuation period, which
19 has been an average of \$533,000 per year, with admonition that
20 matching funds in future requests should be secured to fund half
21 of the centers.

22 To date, and as reflected in this proposal, Massey has
23 resisted funding any portion of Tobacco Commission Region
24 costs, relying 100 percent on the Commission support to staff
25 and operate those centers. Again, this same timeframe,

1 Massey's FY18 "Philanthropic Review" annual donor report cites
2 \$10.5 million of philanthropic giving, \$12.5 million of state
3 appropriations, and \$33.4 million of research grant funding. MCC
4 now seeks to continue Commission support of the Centers over
5 an additional three-year period, while also seeking additional
6 Richmond-based expenses, which have been relegated to the
7 matching fund categories in most recent grants.

8 Given the Commission's discussion and direction at its
9 two most recent meetings regarding phasing out support of the
10 two Virginia cancer centers, which was initiated as a response to
11 the 2008 recession, and in light of the current budget surplus, as
12 well as Massey's failure to secure adequate matching funds to
13 sustain the Centers and reduce the need for Commission support,
14 Staff feels it would be contrary to the Committee's direction to
15 recommend continuation of funding for even one additional year.
16 Staff, therefore, recommends no award.

17 DELEGATE MARSHALL: Any Committee members
18 have any questions? Does someone want to make a motion to
19 accept the Staff's recommendation?

20 MR. MILLS: I move we accept the Staff's
21 recommendation.

22 MR. OWENS: Second.

23 DELEGATE MARSHALL: Discussion? Hearing none, all
24 those in favor, say aye. (Ayes). Opposed? (No response).

25 MR. PFOHL: We have some other business. Sara

1 Williams will address those.

2 The first of the five extensions, the first request under
3 Other Business is Danville-Pittsylvania Regional Industrial
4 Facilities Authority, Grant 2264, for the Berry Hill Mega Park. A
5 \$2.7 million grant awarded back in January of 2011. The delay is
6 due in the last five or six years from the Corps of Engineers.
7 Recently, it was approved by the Corps of Engineers and this had
8 to do with the Connector Road and a \$1.7 million towards
9 engineering, environmental studies and ROW for the planned
10 \$138,000 AEP electronic transmission line with the breaker
11 substation.

12 The Highway 58 Corridor Development Fund for the
13 road design and construction and access to Berry Hill. The
14 project is reporting a right-of-way and engineering. Engineering
15 is underway. They've indicated they'd like an additional two
16 years, to January 11th, 2022, in order to complete the final
17 elements of the agreed-upon scope and deliverables for
18 infrastructure serving Berry Hill.

19 Staff recommends approval of an extension to January
20 11th, 2022.

21 The next extension for Southside is Liberty University,
22 Center for Medical and Health Sciences, Phase II, Request for a
23 Six Month Extension to July 8, 2020. Previously approved an
24 extension for a year to allow additional time. There were certain
25 contracts they entered into for certain equipment, and that

1 required 12 months for those contracts to be fulfilled, but it's
2 taking more time than we thought for those items to be
3 delivered. In early December, Liberty reported to Staff that
4 equipment deliveries for contracts entered into in February of
5 2019 would be delayed. The prosthetic models are made to
6 order from actual human body parts, requiring 12 months from
7 order to completion. So, in February of 2019, order date and
8 recognizing that they were being shipped from Germany, these
9 items are not expected to arrive at Liberty for acceptance and
10 final payment until April, 2020.

11 All the other equipment purchases supported by
12 Commission funds are on schedule to be completed by the end
13 date of January 8, 2020. So, the Staff recommends approval of
14 a six month extension until July 8, 2020.

15 The next extension is for Greenville County, Mid-
16 Atlantic Advanced Manufacturing Center, Grant 3010. This is a
17 request for a six year extension to May 21, 2021. This grant was
18 approved in May of 2015 to support acquisition of electric utility
19 and construction costs for Phase II, Otterdam Road Extension.

20 Staff indicated the award of the construction contract,
21 and it's going to be late December, but they're requesting an
22 additional full year extension to allow for any further
23 unanticipated delays related to the weather.

24 Staff recommends approval of a six year extension to
25 May 21, 2021.

1 The fourth extension is Danville-Pittsylvania Regional
2 Industrial Facility Authority, Number 3011, and that involves the
3 Berry Hill Megasite. This has to do with relocating the waterline
4 segment within the park, Phase II. It's for a seventh year
5 extension to May 21, 2022.

6 The waterline from North Carolina to Berry Hill, there
7 was a decision to reroute the waterline within the park. So, in
8 order to complete the waterline and that construction, they're
9 requesting a seventh year extension, to May 21, 2022. Staff
10 recommends that extension.

11 The next extension is for the Mid-Atlantic Broadband
12 Communities Corporation, Number 3088, of the Dynamic
13 Spectrum Wireless Broadband Access for Southern Virginia,
14 Phase I, requesting a fifth year extension to September 23rd,
15 2020. These are construction costs for six towers. This has to
16 do with capital costs and one of the towers is in Southern Halifax
17 County, that's for broadband services in the underserved area of
18 Halifax County. Mid-Atlantic Broadband has indicated there is a
19 need for that tower. They need that extension to construct the
20 tower.

21 Staff is recommending approval of a fifth year
22 extension to September 23rd, 2020.

23 The sixth or last is the A. L. Philpott Manufacturing
24 Extension Partnership, Number 3097, Commission Trade
25 Adjustment Assistance Program, requesting a fifth year

1 extension, and that request is September, 2020.

2 DELEGATE MARSHALL: Any questions on the
3 extensions that Sara just reported on?

4 MR. OWENS: You know, one of these is 11 years old.
5 Is there a sunset date or a drop-dead date on some of these?
6 Usually, you get three years for an extension and you start out.
7 Why are these extensions going on and on and on?

8 DELEGATE MARSHALL: As I mentioned before, a lot
9 of these delays started out or when we started these Megasite
10 projects, we thought we'd get help from the Corps of Engineers
11 and we didn't, and that's probably five or six years of these
12 particular ones today. The way I look at this is that if we start
13 not giving the extensions, then I think we send a signal to some
14 of these localities, let's get creative and see how we can spend
15 the money if we don't get an extension.

16 MR. OWENS: I'd beg to differ with you. They know
17 when they ask for an extension they'll get it. I think at some
18 point that enough is enough, and we've got to send a message.
19 Some people put in or get these grants approved and then sit on
20 it or just hold the money like a seventh extension and some say
21 be ready in two years, then it's two-and-a-half years. I want to
22 see the project is completed, but at some point you have to say
23 that's enough, finish it. And I'm at a point where I think we
24 should take it out of the block and use it somewhere else.

25 DELEGATE MARSHALL: You want to take it out of the

1 block? Any other comments?

2 MS. CLARK: I'd like to take 3010 out of the block,
3 Greenville County.

4 DELEGATE MARSHALL: Any other comments?
5 Anybody want to take something out of the block?

6 MR. OWENS: I'll go ahead and make a motion we
7 accept the Staff recommendations.

8 DELEGATE MARSHALL: Accept 3010. 3010 is out of
9 the block. Any more discussion?

10 We've just taken 3010 out.

11 MR. PFOHL: I don't think we did the last one.

12 MS. WILLIAMS: 3097, the Trade Adjustment
13 Assistance Program. The A. L. Philpott Manufacturing Extension
14 Partnership, and it calls for a fifth year extension. These folks
15 work with Tobacco Regional manufacturers. Commission funds
16 pay half of the company's costs, and the remainder of the funds
17 are paid through a federal program, Trade Investment Act, for
18 the Mid-Atlantic Trade Adjustment Assistance Corporation. They
19 need additional time to complete the outstanding contracts, and
20 this project expired in September, but the work has been
21 ongoing. So, I think we should table this until the Committee
22 can meet.

23 So, Staff recommends an extension through
24 September 20, 2020.

25 MS. CLARK: Where is this located? There's no

1 geographic reference.

2 MS. WILLIAMS: It's all through Southwest.
3 Manufacturing is anywhere within the Region, has the
4 opportunity to participate.

5 MS. HENSLEY: We don't know who's participating
6 right now?

7 MS. WILLIAMS: We know who they have contracts
8 with.

9 MS. HENSLEY: Well, I don't know if somebody or we
10 should abstain.

11 MR. PFOHL: We can ask the project leader.

12 MR. DONOHUE: I'm Bill Donohue, Executive Director.
13 We have two projects currently underway. We have one
14 company in Tazewell, and the other business, Conveyors, and we
15 currently have made some improvements.

16 DELEGATE MARSHALL: Any other questions?

17 MR. OWENS: I move we accept the Staff
18 recommendations on all of these except 3010.

19 MR. MILLS: Second.

20 DELEGATE MARSHALL: Discussion? The motion is to
21 accept these all except 3010.

22 MR. OWENS: That's right.

23 DELEGATE MARSHALL: Any other discussion? All
24 those in favor, say aye. (Ayes). Opposed? (No response).

25 All right. Do I have a motion on 3010?

1 MR. MILLS: I move and second the Staff
2 recommendation on 3010.

3 DELEGATE MARSHALL: We have a motion and then a
4 second on 3010. Any discussion? All those in favor, say aye.
5 (Ayes). Opposed? (No response).

6 MR. PFOHL: We are done, sir.

7 DELEGATE MARSHALL: Any public comment? Seeing
8 none, we are 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, Special Projects Committee Meeting**, when held on Monday, January 6, 2020, at 2:30 o'clock a.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 _____ day of January, 2020.

Medford W. Howard

CCR