

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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7 **Southern Virginia Committee Meeting**

8 Monday, September 28, 2020

9 9:00 o'clock a.m.

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12 *(Electronic Conference Call Meeting)*

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1     APPEARANCES:

2     The Honorable Edward Owens, Chairman

3     Mr. Robert Mills, Jr., Vice Chairman

4     The Honorable Lashrecse D. Aird

5     Ms. Gayle F. Barts

6     The Honorable James E. Edmunds, II

7     Dr. Alexis I. Ehrhardt

8     The Honorable Franklin Harris

9     The Honorable L. Louise Lucas

10    The Honorable Joseph D. Morrissey

11    Mr. Cecil E. Shell

12    Mr. Buddy Shelton

13    Mr. Robert H. Spiers, Jr.

14    The Honorable Roslyn C. Tyler

15

16    COMMISSION STAFF:

17    Mr. Evan Feinman, Executive Director

18    Mr. Andy Sorrell, Deputy Executive Director

19    Mr. Michael F. Kaestner, Grants Program Director

20    Ms. Stephanie S. Kim, Director of Finance

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

22        Southside Virginia

23    Ms. Michele Faircloth, Grants Assistant

24        Southside Virginia

25    Mr. Jordan Butler, Public Relations Coordinator

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COUNSEL FOR THE COMMISSION:

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

1 September 28, 2020

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3 MR. FEINMAN: Good morning, I want to inform you  
4 all that our committees will be meeting individually. While the  
5 Chair of the Commission, Delegate Kilgore, has the authority to  
6 appoint leadership to each of the committees, he has agreed with  
7 Staff that what we really wanted to do is to make sure that folks  
8 that are leading each of the committees was really interested in  
9 taking it on. So, we're going to get into some elections and  
10 some roll calls.

11 First, I want to welcome everybody to this meeting of  
12 the Southern Virginia Committee and turn it over to Andy, our  
13 Deputy Director, to give you a quick rundown of how the remote  
14 meeting will work.

15 MR. SORRELL: Certainly, thank you, Evan.

16 First of all, I just wanted to read from some prepared  
17 wording about our electronic meeting, and that is due to the  
18 Governor's declared state of emergency, the meeting of the  
19 Southern Virginia Committee without quorum with the public  
20 body being physically present in one location. The nature of this  
21 pandemic makes it impractical to assemble a quorum in a single  
22 location and because of the nature of emergency, it makes it  
23 unsafe.

24 In addition, the purpose of the meeting is to discuss  
25 and transact business that requires us to do this to continue the

1 operation of the Commission. Public notice of the meeting was  
2 provided contemporaneously with the recording of the meeting,  
3 as well as minutes, will be posted on the Commission's website  
4 as soon as practical. Other meeting materials were provided.  
5 The meeting is being recorded, and participants will be unmuted  
6 at the beginning of the meeting. If there is repeated disruption,  
7 you need to be removed from the meeting.

8 Public comment will be provided at the end of the  
9 meeting, as I mentioned. If a member of the public desires to  
10 address the Commission, please reserve your questions until this  
11 portion of the meeting. The moderator will ask if there's  
12 comments from the public, and you can make your comments  
13 during the public comment section. You can use the raise-your-  
14 hand feature or the chat box, or just speak up during public  
15 comments.

16 At the time of your public comments, please state  
17 your full name and your location and organization you might  
18 represent, if any. Please keep your comments to two minutes.  
19 Thank you.

20 MR. FEINMAN: Thank you very much, Andy. We've  
21 got a lot of folks here. We're going to try to get a lot of work  
22 done. Any one person can make it impossible for all the rest of  
23 us to do our job, so please be disciplined about staying muted  
24 when you're not speaking. You can unmute yourself, star 6, or  
25 the feature on your own device. Thank you very much.

1 At this point, I will call the roll.  
2 Delegate Aird.  
3 DELEGATE AIRD: Present.  
4 MR. FEINMAN: Ms. Barts.  
5 MS. BARTS: Present.  
6 MR. FEINMAN: Delegate Edmunds.  
7 DELEGATE EDMUNDS: Here.  
8 MR. FEINMAN: Dr. Ehrhardt.  
9 DR. EHRHARDT: Here.  
10 MR. FEINMAN: Mr. Harris.  
11 UNIDENTIFIED: Yes, can you hear me?  
12 MR. FEINMAN: Yes. Mr. Harris.  
13 MR. HARRIS: Here.  
14 MR. FEINMAN: Senator Lucas.  
15 SENATOR LUCAS: Here.  
16 MR. FEINMAN: Mr. Mills.  
17 MR. MILLS: Here.  
18 MR. FEINMAN: Mr. Owens.  
19 MR. OWENS: Here.  
20 MR. FEINMAN: Senator Morrissey.  
21 SENATOR MORRISSEY: Here.  
22 MR. FEINMAN: Mr. Shell.  
23 MR. SHELL: Here.  
24 MR. FEINMAN: Mr. Shelton.  
25 MR. SHELTON: Here.

1 MR. FEINMAN: Mr. Spiers.

2 MR. SPIERS: Present.

3 MR. FEINMAN: Delegate Tyler.

4 DELEGATE TYLER: Here.

5 MR. FEINMAN: Secretary Ring.

6 SECRETARY RING: (No response).

7 UNIDENTIFIED: Here for Secretary Ring.

8 MR. FEINMAN: Thank you. We have a quorum. At  
9 this time, ordinarily, I would turn it over to our Chair, but we  
10 currently do not have a Chair for Southern Virginia Committee.  
11 So, at this time, the floor is open for any nominations for Chair of  
12 the Committee.

13 UNIDENTIFIED: For Chair.

14 MR. FEINMAN: Please identify yourself if you're dialed  
15 in so we can get you on the record.

16 UNIDENTIFIED: Can anybody hear me, this is Louise  
17 Lucas.

18 MR. FEINMAN: Yes, Senator Lucas, I hear you.

19 SENATOR LUCAS: I was having difficulty getting in. I  
20 wanted to nominate Ed Owens, or did I hear his nomination?

21 MR. FEINMAN: He has been nominated, but I'm sure  
22 he welcomes your support, Senator.

23 SENATOR LUCAS: Okay, thank you.

24 UNIDENTIFIED: I move the nominations be closed.

25 MR. HARRIS: Frank Harris, second that.

1 MR. FEINMAN: It's been properly moved and  
2 seconded. Any discussion? All right, hearing none, all those in  
3 favor of closing the nominations, say aye. (Ayes). All right, that  
4 motion carries.

5 We have one nominee before us for Chair of the  
6 Southern Virginia Committee, Ed Owens. At this point, would the  
7 Chair accept a motion for a request that the Chair of the  
8 Commission assign Edward Owens as the Chair of the Southern  
9 Virginia Committee?

10 UNIDENTIFIED: So moved.

11 UNIDENTIFIED: Second.

12 MR. FEINMAN: All those in favor? (Ayes). Any  
13 opposed? (No response). All right, the motion carries  
14 unanimously.

15 We don't have Chairman Kilgore here. I believe the  
16 Committee is interested, as indicated, its interest in you as Chair  
17 of the Committee, and I'm happy to turn it over to you moving  
18 forward.

19 The next order of business on the agenda, nomination  
20 for Vice Chair.

21 MR. OWENS: Do I have a motion for Vice Chair?

22 UNIDENTIFIED: I nominate Robert Mills as Vice Chair.

23 MR. OWENS: Any other nominations?

24 UNIDENTIFIED: I move the nomination be closed.

25 UNIDENTIFIED: Would you repeat the nomination?

1 MR. OWENS: To second the nomination. All those in  
2 favor, signify by saying aye. (Ayes). Those opposed? The ayes  
3 have it. The nomination is closed. Mr. Robert Mills is nominated.  
4 All those in favor say. (Ayes). Opposed? (No response). The  
5 ayes have it. Mr. Mills is the Vice Chair of the Committee.

6 Before we go any further, I'd like to take a moment  
7 with the Committee for all your help and confidence in me and  
8 look forward in working with you.

9 Before we even approve the minutes, I note that the  
10 new members, many of you are, I don't know if you remember  
11 me and my wife, I think I met you before. I've known him for  
12 years. And say hi, by the way.

13 UNIDENTIFIED: Okay, I will.

14 MR. OWENS: And, Senator Lucas, I've known you for  
15 years.

16 SENATOR LUCAS: At least.

17 MR. OWENS: And, Mr. Morrissey, I mentioned you.  
18 Any questions you had on me, so I welcome you, and I welcome  
19 all of you, I welcome everybody.

20 Then at this time, did I miss any new people?

21 MR. FEINMAN: I don't believe so, Mr. Chairman.

22 MR. OWENS: At this time, we have a motion to  
23 approve the minutes, June 22<sup>nd</sup>, 2020 minutes.

24 UNIDENTIFIED: I'll second the motion.

25 MR. OWENS: It's been moved and properly seconded

1 we approve the minutes of June 22<sup>nd</sup>, 2020. Are there any  
2 corrections? All those in favor, signify by saying aye. (Ayes).  
3 Anybody opposed? (No response). The ayes have it. The  
4 minutes are approved.

5 Maybe there's 40, 50 people online. Then at this  
6 time, Sarah Capps will come forward with the Southern Virginia  
7 funding applications.

8 MS. CAPPS: Good morning, Mr. Chairman, and  
9 members of the Committee. As you can see, we've got a pretty  
10 healthy agenda for today's meeting, so I'll try to move through it  
11 as quickly as I can. And if anybody has questions, we certainly  
12 welcome your questions and further dialogue.

13 You'll notice on the summary charges, the applications  
14 that were received, it was 12 applications. One of those was  
15 withdrawn, and the request is for a regional application. And so  
16 there are 10 requests that will be considered for funding from the  
17 available county allocation. This is an old system where the  
18 Southside Economic Development Committee was distributed  
19 based on the impact on the lack of tobacco production, but  
20 funding for the Southside Program was distributed by percentage  
21 to the counties in the Southern Virginia region, as well as to the  
22 City of Danville. Danville also received an allocation. If you look  
23 on the chart, there is a column for available allocation balance,  
24 and the award recommendation today cannot exceed those  
25 amounts.

1           There is one correction that I'll draw attention to on  
2 that chart for Project 3658. Pittsylvania County, the agency  
3 loan, the Staff recommendation for that should be for a loan up  
4 to \$4.5 million, and we'll cover that when we get into the details  
5 for that project. The total funding recommendation in this round,  
6 \$7,352,178. With that loan, the majority, as well as the second  
7 recommendation, the majority of those recommendations are for  
8 loan funding of \$4.5 million, \$4.5 for loan and \$2.4 million.

9           At this point, I'll dive into the project. The first one on  
10 our list is under the Bedford County allocation for the Jefferson's  
11 Poplar Forest. The allocation in Bedford is \$103,468. The  
12 request for this project, the funding will be used for construction  
13 for a new entrance road, which is a national tourist destination,  
14 and the new access road will give access to the original  
15 plantation.

16           The project is expected to result in an increase of  
17 8,000 visitors annually to the property, and an increase of  
18 \$144,000 in increased revenue from ticket sales, as well as the  
19 tourism impact, and \$100,000 revenue for Bedford County. The  
20 economic outcomes were based on, these were reported by  
21 Mangum Economics. Support was given to Poplar Forest in the  
22 past, and it does now meet environmental criteria for tourist  
23 destination and to track visitors and track their spending from  
24 outside the area.

25           We do have active grants at this time, which also

1 supports the road construction. And that grant will be discussed  
2 later in today's agenda for an extension. The A&E road estimates  
3 for the construction, just over \$4 million, and the corporation has  
4 about \$3.5 million of that, and they are in active dialogue with  
5 donors that are expected to fill the current gap in funding that's  
6 needed and bids for the project that went out in April came in  
7 over budget. And they have revised the construction plans to  
8 reduce the overall scope. And their rebidding is underway at this  
9 time. The Corporation Board has voted to go back out for bids.

10 Staff is recommending approval of a \$103,468 grant  
11 award for road construction.

12 The next project on the list under the Campbell  
13 County allocation for the Town of Altavista, Grant Request 3665,  
14 for the Altavista Innovation, Accelerator and Co-working Space.  
15 This project is intended to transform the old vacant fire station in  
16 a central location in downtown Altavista to serve three primary  
17 functions: a business incubator, a business accelerator, and a  
18 co-working space. The project is under study, and the feasibility  
19 of things that'll go with the application. And Altavista has  
20 forwarded to us for the study they have received, as well.

21 The project is well leveraged with \$325,000 matching  
22 contribution, and includes \$25,000 from DHCD with a feasibility  
23 study, \$104,000 cash match by the town for construction, then  
24 \$200,000 from the town to support construction costs, as well as  
25 \$100,000 from USDA, Rural Business Enterprise Program, to

1 support the furnishings and for the facility.

2 One observation in the review process is that the  
3 timeline and a completion date of their five-year operational plan  
4 and for development and implementation of the marketing team  
5 and recruitment plan, and that month was after construction  
6 would be completed.

7 Staff suggested the draft plans be developed prior to  
8 the award for the construction contract, acknowledging that this  
9 document will help inform the final decision related to the design  
10 of the facility.

11 Staff recommends approval of the \$184,306 grant  
12 subject to the following conditions: Number 1, a favorable  
13 determination in the final feasibility study; number 2, preparation  
14 and submission of an operational plan, and a marketing and  
15 recruitment plan to the Tobacco Commission Staff for review and  
16 approval, prior to award of a construction contract. Those are  
17 the recommendations on the Town of Altavista.

18 MR. OWENS: Anybody have any questions? All right,  
19 thank you.

20 MS. CAPPS: The next request is submitted from the  
21 Halifax County allocation. This is a \$19,000 grant request by the  
22 South Boston-Halifax County Museum of Fine Arts and History.  
23 This is for the Crossing of the Dan Exhibit Relocation. This  
24 exhibit highlights a Revolutionary War event. The exhibit has a  
25 permanent location at The Prizery building in South Boston, since

1 it was fabricated in 2008. That building recently sold, which  
2 caused the reason for it to be relocated. The applicant indicates  
3 that this is based on an increase of 530 visitors annually to the  
4 region.

5 The applicant has done a good job of articulating their  
6 basis and belief in the number of visitors from outside the region  
7 has increased or will increase based on the location of the  
8 museum. That's as a result of a dedicated effort and increased  
9 accessibility and greater capacity, will accommodate a larger  
10 number of visitors.

11 We thought the argument was reasonable. However,  
12 concerns about setting a precedent in Southside for funding an  
13 existing exhibit at local art and history museums and question  
14 the ability of the project a measureable increase of visitors  
15 spending in the Tobacco Region.

16 So, we are recommending no award. And the  
17 recommendation is an historic exhibit does not meet the  
18 Commission's criteria for being a national or international  
19 destination with the ability to attract a measurable increase to  
20 visitors and visitor spending from outside the Tobacco Region.  
21 And, therefore, Staff recommends no award.

22 Next project is the Martinsville-Henry County  
23 Economic Development Corporation. The request is for the  
24 Patriot Centre Industrial Park Water and Sewer Line Extensions.  
25 We received a request for \$302,217 of funding. And that was

1 subsequently reduced to \$302,217.

2 The reason for the requested amount being changed  
3 had to do with clarification by Staff. And the question was the  
4 amount of in-kind contributions from the project. This request is  
5 to support the extension of the waterlines and sewer lines, four-  
6 inch waterlines and aging sewer lines to serve two lots, 4 and 9  
7 at the Patriot Centre Industrial Park. Lot 4 already has a graded  
8 side, and has VEP certification as a business-ready site, and  
9 certifies that a food processing site. Lot Number 9 also has an  
10 existing graded pad.

11 The other lots are estimated to create 25 to 100 jobs,  
12 depending on what company locates there and private capital  
13 investment is between \$2.5 to \$10 million. When projects result  
14 in revenue, Staff takes that into consideration for a loan rather  
15 than a grant. In this case, it's considered speculative in  
16 development.

17 VRA evaluates water and sewer lines based on the  
18 ability of the Service Authority to consider the costs for the  
19 additional construction.

20 Staff is recommending consideration to extend a loan  
21 to the applicant of up to \$417,161, and that's the total amount  
22 available in the county allocation to be used for construction of  
23 the project at the Virginia Resources Authority's ten-year, local  
24 government/ moral obligation rate of 1.5 percent, with payments  
25 held in forbearance for up to five years or until an end user

1 locates at one of the lots, whichever occurs first, at which point  
2 the applicant must repay the loan within five years.

3 MR. OWENS: Any questions about that?

4 MS. CAPPS: The next request is from Nottoway  
5 County for the Southside Gasification Project, \$750,000 of grant  
6 funds were requested to support 100 percent of the capital costs  
7 for establishing a new privately owned biochar-processing  
8 business in Nottoway County, using switchgrass grown on the  
9 farmland, as well as wood waste from a local wood mill.

10 The Staff requested a business plan and that would  
11 present a plan that would hire between three to five people per  
12 shift for the project. Estimated outcomes were listed as a total of  
13 15 new jobs and \$750,000 private capital investment.

14 The county would own the facility and the beneficiary  
15 of the request or beneficiary of the grant would be a company,  
16 Westery Environmental Fuels, which is a partnership between  
17 Langseth Engineering and FDC Enterprises. FDC Enterprises  
18 already operates a switchgrass processing facility in the county  
19 that provides fuel for the Piedmont Geriatrics Hospital.

20 The Tobacco Commission would have originally  
21 supported that facility for the switchgrass processing. The cost  
22 estimates that were included in the proposal were provided by  
23 the engineering firm which was identified as the contractor for  
24 the project. The basis for the cost of the two shell buildings and  
25 processing equipment were not provided, which is something

1 that is required for Tobacco Commission funding. Most  
2 concerning with the proposal was not identifying costs to satisfy  
3 the one-to-one match requirement for a Commission grant to be  
4 awarded. And the majority of the match that was proffered was  
5 in kind.

6           Given that a private business is the primary  
7 beneficiary of this request and new jobs creation and capital  
8 investment, there's little evidence of the Agribusiness outcomes  
9 and the applicant hasn't identified significant matching funds.  
10 This proposal is not being recommended for funding, hence, no  
11 award.

12           The next project is under the Patrick County  
13 allocation. The Economic Development Authority of Patrick  
14 County for creation of a Business Development Center.  
15 \$336,412.50 is requested to support approximately 50 percent of  
16 the estimated \$673,275 costs to acquire and renovate a 16,000  
17 square foot blighted commercial property in the Town of Stuart.  
18 The property on its main floor, two separate units, 4,000 square  
19 foot each, and a basement level that could accommodate two  
20 2,000 square foot units. It is hoped that the renovated facility  
21 will help to reverse the trends that they see in the Town of Stuart  
22 for increasing the high vacancy rates that they see and a  
23 declining workforce.

24           Final buildout of the available facility is identified as  
25 being contingent upon approval of the grant funding and

1 finalizing the community partnership. The applicant has  
2 identified a number of possible uses for the different spaces.

3 Staff recognizes and supports the business support  
4 and development interests as a primary strategy and focus for  
5 creating economic opportunities for Patrick County and in the  
6 Town of Stuart. However, we did have some concerns about the  
7 readiness of the project. There's a question of determining who  
8 would manage the business development activity and a market  
9 assessment to gauge interest by individuals or businesses for  
10 locating to and utilizing the space and identifying the types of  
11 businesses for leasing space. The operating budget submitted  
12 was very preliminary due to this uncertainty. And there remains  
13 significant unknowns related to the nature and amount of  
14 potential project expense. We are aware there are some known  
15 water damage from a fire that need to be addressed, and a  
16 drainage issue.

17 Recognizing that this project's goal is meritorious and  
18 may yield practical job creation strategies for this community,  
19 Staff recommends approval of a \$25,000 grant award to further  
20 study the facility, determine its highest and best uses, and  
21 assess the feasibility of those uses. So, essentially, we're  
22 recommending a feasibility study to evaluate this project further.

23 The next project on the list, the first project for  
24 consideration from the Pittsylvania County allocation is an  
25 Appalachian Power AEP loan to relocate transmission line at

1 Southern Virginia Megasite. This megasite is also referred to as  
2 Berry Hill, and located on the west side of Danville at the North  
3 Carolina border. It's the largest industrial park or could be in  
4 Virginia, and fifth largest on the East Coast, over 2,000 acres.  
5 The Commission has invested heavily in the site based on its  
6 ability to attract a major employer to the region.

7 This request is specifically for relocation of 4,000  
8 linear feet of 69 kilovolt electric transmission line that transects  
9 the main Southern Virginia Megasite involving two companies.  
10 Relocation of the electric line is the priority in order for the site to  
11 be received as a megasite from Quest Site Solutions, which was  
12 previously the McCallum Sweeney megasite location. The site for  
13 reference, has existing infrastructure and it has new roads and  
14 natural gas, a main rail line, and the water capacity is provided in  
15 sewer and electric service. It's being heavily marketed right  
16 now, and there's an announcement that could result in a \$5  
17 million capital investment and bringing 10,000 jobs to the region.  
18 That's an indication of the scope and a possibility of economic  
19 transformation that could result from this property.

20 The applicant presents the terms for the Tobacco  
21 Commission's supposed loan as a ten-year, no-interest loan that  
22 would be repaid as a balloon payment only after AEP secured a  
23 load credit tenant that would locate to the park. The proposed  
24 loan would be guaranteed by both Pittsylvania County and City of  
25 Danville, with repayment by the localities if a tenant was not

1 secured within ten years. The applicant further notes that AEP is  
2 not willing to pay interest on the loan, and that was indicated in  
3 the application. We did receive a revised cost estimate, and  
4 estimated the cost would be \$4.1 million from the agent for  
5 contractual services.

6 Staff recommends extending a loan to the applicant of  
7 up to \$4.5 million for relocation of the AEP transmission line at  
8 the Virginia Resources Authority's ten-year, local  
9 government/moral obligation rate of 1.5 percent, with payments  
10 held in forbearance for up to five years or until an end user  
11 locates at the site, whichever comes first, at which point the  
12 applicant must repay the loan within five years.

13 MR. OWENS: Are there any questions about that?  
14 That would be paid back to the Commission, is that correct?

15 MS. CAPPS: Yes.

16 MR. OWENS: That money would go back in  
17 Pittsylvania's allocation, or how does that work?

18 MS. CAPPS: Yes, the money would go back to the  
19 Pittsylvania County allocation for grants awarded in this grant  
20 cycle, which is the way we've handled grants or loans and how  
21 we handle the Southside allocation. In the future, starting in  
22 2021, any grants or loans awarded in '21 or later, those loans  
23 would not come back into the allocation.

24 MR. FEINMAN: They wouldn't come back to the  
25 Commission, they would come back to the General, yes.

1 MS. CAPP: The next request, we have two  
2 applications for the same project. One is from the Pittsylvania  
3 County allocation, and one from the Danville City allocation.  
4 Danville, \$742,875 is requested from Danville's allocation. And  
5 \$1,262,201 from the Pittsylvania County allocation. This is to  
6 support the grading of a 50-acre pad at the Southern Virginia  
7 Multimodal Park, the former Burlington Industries site, in the  
8 Town of Hurt, on the northern end of Pittsylvania County.

9 This request is made to meet the needs of an active  
10 prospect, Project Wahoo, with a first phase of development  
11 expected to result in 100 new jobs, with a \$37,000 average  
12 salary, and \$40 million private capital investment.

13 The Southern Virginia Multimodal park is currently a  
14 private loan by the Hurt Partners and the Staunton River  
15 Regional Industrial Facility Authority would purchase and own the  
16 property prior to any investment in site development. RIFA is  
17 under an option agreement and -- for the 800-park is currently  
18 underway, and they have completed due diligence on the 50-acre  
19 site, including a Phase I environmental site assessment with no  
20 areas of concern, and that is to accommodate the 50-acre pad.  
21 The location of Burlington's previous distribution previously  
22 accommodated a 300,000 square foot building. The needs of this  
23 prospect are they'll require at least three-to-four hundred  
24 thousand feet, plus parking, et cetera.

25 The reason this park is being considered by this

1 prospect is because of a unique asset. This property includes a  
2 grandfathered water withdrawal permit for one million gallons  
3 per day from the Staunton River. The site also has its own water  
4 treatment plan. The prospect requires a water source for  
5 nonchlorinated potable water for their business operation and  
6 manufacturing. We did receive additional information from the  
7 project budget. The current budget is \$4.3 million, and this  
8 includes the \$3.2 million construction estimate, as well as the  
9 acquisition costs, 74 acres, which is about 1.1.

10 Staff understands that the current prospect is drawn  
11 to the site because of the grandfathered water source. Absent  
12 the unique requirements of this prospect, Staff otherwise would  
13 not recommend investing in the sites that are not within existing  
14 publicly-owned regional business parks. However, given this  
15 particular prospect's unique requirements, Staff recommends  
16 awarding a grant contingent on Project Wahoo's location at this  
17 site.

18 The Staff recommendation is for approval of the  
19 combined \$2,005,076 grant request, and that's \$742,875 from  
20 Danville's allocation and \$1,262,201 from the Pittsylvania County  
21 allocation, contingent on Project Wahoo's location at this site,  
22 Southern Virginia Multimodal Park. Staff further recommends  
23 that the grant agreement provide for either repayment of the  
24 grant if funds are paid before Project Wahoo acquires this site  
25 and Project Wahoo fails to locate at the site, or withholding all

1 reimbursements until Project Wahoo locates at this site.

2 We have one more out of our first ten under the  
3 Prince Edward County allocation. A request from the County for  
4 the Business Park Access Road, a full balance of Prince Edward's  
5 allocation is \$117,167, and it's requested to support a portion of  
6 the estimated cost for construction of a 1,500-foot access road.  
7 The last cost estimate, the last one received was just over \$2  
8 million.

9 This access road would provide access to four parcels  
10 that total 43 acres. Matching funds for this project include a  
11 \$650,000 award from VDOT Access Road Funds, that was  
12 approved January of this year.

13 The Commission also has three other grants that total  
14 \$571,000, that are also committed to support this access road  
15 construction. The first one that was approved was a Special  
16 Projects grant. There'll be more on that at the end of today's  
17 meeting.

18 The current match contribution for this project  
19 between the County and VDOT is more than double the  
20 commitment from the Commission. The match requirement is  
21 more than satisfied on all of the grants.

22 Staff recommends approval of an \$117,167 grant  
23 award to support construction costs.

24 So, Mr. Chairman, those are the ten new requests that  
25 are specific under the allocation.

1 MR. OWENS: The Staff's recommendation, do we  
2 have a motion, do you want to do it in a block or individually?

3 MR. FEINMAN: Mr. Chairman, I believe doing things  
4 in a block is simply the most efficient. I do know there's some  
5 conversation ahead of the meeting. Folks from Danville and  
6 Pittsylvania would like to speak to the Staff recommendation on  
7 their projects. There's probably a crowded room there from the  
8 folks that are going to speak about that.

9 DR. EHRHARDT: Kevin, I'd like to recommend that we  
10 pull 3658 from the block and 59 and 60 from the block.

11 MR. OWENS: What was that again?

12 DR. EHRHARDT: I'd like to have a recommendation  
13 that we pull 3658, 59, and 60 from the block.

14 MR. OWENS: Okay. Any other recommendation you  
15 want pulled from the block, any other projects?

16 DR. EHRHARDT: I'm not aware of any others.

17 MR. OWENS: We'll pull them out of the block and  
18 come back and deal with 3658, 3659, and 3660, 3663.

19 MR. SIMMONS: I have a quick question. Will there be  
20 an opportunity for each county to comment on their application,  
21 or when would be the appropriate time?

22 MR. OWENS: Now.

23 MR. SIMMONS: Now would be?

24 MR. OWENS: Yes.

25 MR. SIMMONS: Thank you. My name Bryce

1 Simmons. I'm the Economic Development Director for Patrick  
2 County. First off, I'd like to say thank you to the Commission for  
3 accepting a review and application on behalf of Patrick County  
4 Economic Development Authority. At this time, we have a net  
5 from the amount of our allocation. This is the first application  
6 that Patrick County and the Economic Development Authority has  
7 made to the Southern Virginia Program in a number of years. I'd  
8 just like to state a couple of comments with regard to the Staff  
9 recommendation that has been made.

10 Currently, the Economic Development Authority of  
11 Patrick County has an option to purchase the property that is in  
12 question for our Business Development Center, and we are ready  
13 to move on that project. This project will be extremely important  
14 to our broadband efforts.

15 The Mid Atlantic Broadband fiber runs to the adjacent  
16 sides of the property that we are evaluating. Since the  
17 application deadline, there has been an increased need for space  
18 dedicated to these development services as the Patrick Henry  
19 Community College was successful in receiving funds for their  
20 build-to-scale program and the Virginia Tech Rental Homestead is  
21 beginning an entrepreneurship training program that the EDA is  
22 participating in.

23 While I understand that there are concerns with the project  
24 readiness, as stated in the Staff recommendation, without  
25 ownership of a facility to perform business development

1 functions, I believe that a feasibility study would likely go  
2 unused. I formally ask the Commission to reconsider the Staff  
3 recommendation and to consider purchase of the facility and  
4 additional conditional architectural engineering study to develop  
5 this facility that we have identified. Thank you.

6 MR. FEINMAN: The position that the County is in that,  
7 you know, we need type spaces being proposed for development  
8 right now and it's not entirely clear to us that it's going to lead to  
9 job creation or business development commensurate with the  
10 amount of funds that are being requested. So, rather than  
11 undertake a purchase of a very large facility with the use not  
12 necessarily, we don't have confidence that it would be successful.  
13 We propose, as we said, working with the and helping to work up  
14 a study with the end result of the highest and best facility is prior  
15 to the Commission supporting them and public purchase of a  
16 very, very large facility with a future that's somewhat uncertain.

17 MR. OWENS: Anyone else want to speak to any of the  
18 other proposed funding?

19 SENATOR MORRISSEY: Mr. Chairman, with respect to  
20 what Evan just said is the \$25,000, is that covering all the  
21 studies, my first question. My second question, in your  
22 estimation does that \$25,000 suffice for the setting?

23 MR. FEINMAN: Mr. Chairman, if I may, you can dial  
24 up or down the detail and the quality of the study that you want  
25 to undertake. It's certainly true that there are consultants that

1 would be happy to perform a more expensive study where we lay  
2 out additional funds. A \$25,000 to \$50,000 feasibility study and  
3 a large building in the central business district certainly would be  
4 more advantageous and should be considered in determining  
5 what the best use of the property would be.

6 SENATOR MORRISSEY: Mr. Chairman, follow-up  
7 question. The \$25,000 Staff recommendation, that study, is that  
8 an indication, since you're making that award or willing to make  
9 that award, and you think it's a viable project, do you intend to  
10 support it in the future?

11 MR. FEINMAN: Mr. Chairman, responding to Senator  
12 Morrissey, we have some co-working spaces are going ultimately  
13 to be viable in all the communities that are pursuing them right  
14 now. I look back and see the number of incubation stations that  
15 were purchased across rural Virginia over the last couple of  
16 decades. It seems a bit of a fad, I also considered the fact that  
17 Richmond, with a metro area of about 1.4 million people, has not  
18 really been able to maintain more than three co-working spaces  
19 at a time, one of which is very heavily capitalized by Capital One.  
20 That said, until and unless the broadband situation is solved,  
21 there is an additional incentive for co-working spaces in rural  
22 areas because of a lack of available broadband at folks'  
23 residences.

24 I think what we want to see is how well aligned  
25 community needs are aligned with potential users of this specific

1 facility. I wouldn't want to prejudge why that study shows or  
2 what's the best use of this facility is until someone believes in  
3 taking time to figure out what the specifics of this property lends  
4 itself to, particularly in the context of the communities.

5 That's why I think it's always advisable to get as much  
6 information in the door as you can before you allocate a half  
7 million dollars, taking title to the properties.

8 UNIDENTIFIED: May I make a comment?

9 MR. OWENS: Yes.

10 UNIDENTIFIED: Sir, with regard to or what Evan is  
11 saying, Mr. Feinman, my concern is going to be the top grant  
12 that we're talking about. The EDA has moved forward with the  
13 option agreement with the anticipation that this application would  
14 be for a development project, and I do believe that if we, as an  
15 organization, are forced to step back or basically step back,  
16 that'll definitely put this project in detriment.

17 DELEGATE AIRD: Mr. Chairman.

18 MR. OWENS: Yes.

19 DELEGATE AIRD: I have a question for Bryce.

20 Because of projects at the time, ultimately the \$25,000 grant for  
21 the study and the award that either -- --

22 UNIDENTIFIED: Ultimately as part of the small  
23 balance, the initiative that after the County applied for a further  
24 Tobacco Commission, we definitely have been advised that a  
25 need for space to address the declining population, job, and

1 entrepreneurship initiative. Like I said through the small  
2 initiative that was going through the Tobacco Commission, be  
3 partnered with the Chamber of Commerce, the Town of Stuart,  
4 and we did identify that there was absolutely a need for the  
5 facility that we're trying to develop. So, I won't say that there  
6 has not been an evaluation, because there has. It's just, or I feel  
7 like this, the request and the funding for a study is taking a step  
8 back from --

9 MR. OWENS: Delegate Aird.

10 DELEGATE AIRD: A question for Evan. If the locality,  
11 if they feel they have conducted a satisfactory evaluation and  
12 have information that has not resulted in a Staff recommendation  
13 to fund at the level requested, can you clarify why we would  
14 consider allocating a \$25,000 grant for a study that we don't  
15 want to conduct based on something of that nature already?

16 MR. FEINMAN: Sure, Delegate Aird. Staff has  
17 indicated what we would like to see is rather an internal process,  
18 community stakeholders, an outside independent observer  
19 indicating what they, and having taken the opportunity to look at  
20 comparable community facilities, what they believe would be the  
21 highest and best use of the property would be something Staff  
22 would find more persuasive.

23 We took a hard look at all the information the  
24 community provided us in terms of the use of this building. I  
25 have no concerns about the community's ability to deliver what

1 they're promising in terms of a facility. I think it would wind up  
2 being a nice building that was attractively put together. Our  
3 concern is whether the ultimate uses and benefit that is  
4 commensurate with the expense that would be asked for by the  
5 Commission.

6 So, we were not persuaded by what we saw. At the  
7 outset, I think we would be persuaded if an independent third  
8 party were to concur with the town and provide some  
9 documentation that would state that. And that's why we would  
10 recommend the third party study. But at this point, if the  
11 community is not interested in that, we'll continue to work with  
12 them on whatever outcome of this request should determine and  
13 that, whatever we can do to support their efforts in growing their  
14 economy.

15 MR. OWENS: Mr. Simmons, is that concerning the  
16 argument that you would have or do you have to move right  
17 now?

18 MR. SIMMONS: Is there a compelling argument, we  
19 are struggling as a community. Taking this job as the Economic  
20 Development Director for the County, I recognize that in the next  
21 five years, 60 percent of our workforce is going to be either  
22 ineligible to work at retirement age. I'm a firm believer that the  
23 time to act is now.

24 Coming from a professional engineering background, I  
25 understand the need for studies to evaluate a facility that is --

1       However, this is not a speculative prospect, this is defined need  
2       of the community.

3                   DELEGATE EDMUNDS: Sometimes just having some  
4       growth can spur a lot of interest in a town or county and  
5       certainly increase morale. I recognize what he's up against, and  
6       I would propose perhaps that rather than to fund the full 50  
7       percent, this would be a friendly amendment, maybe propose 25  
8       percent of the cost of \$168,000. The County -- is a buy-in, and  
9       certainly they wouldn't fund it if they didn't think it was a viable  
10      project, and I would so move that.

11                  MR. OWENS: What I was thinking first of all, we don't  
12      have to consider anything different than the -- and you can  
13      consider outside of the --

14                  UNIDENTIFIED: I would like to move to take 3664.

15                  DELEGATE AIRD: I didn't hear a second to the  
16      motion, so before taking it out of the block, there needs to be  
17      a second because the motion needs to be seconded.

18                  MR. OWENS: I didn't hear the last part of the motion.  
19      Do we have a second? The motion wasn't seconded.

20                  DELEGATE AIRD: The motion isn't properly before us,  
21      so taking something out of the block, is there even a desire to  
22      entertain, and that would be a second.

23                  MR. OWENS: Okay.

24                  DELEGATE EDMUNDS: I'll withdraw the motion, the  
25      25 percent, but I do keep the motion, 3664, out of the block.

1 MR. OWENS: Is there a second to take it out of the  
2 block?

3 MR. MILLS: Second.

4 MR. OWENS: Who was that?

5 MR. MILLS: Robert Mills.

6 MR. OWENS: All right, we'll take that one out of the  
7 block, also. Let's get back to Projects 3668, 3665, 3667, 3361,  
8 3660, and 3669 in a block. Do I hear a motion to approve?

9 DELEGATE AIRD: Mr. Chairman, would you accept the  
10 Staff recommendation for out of, in the block?

11 MR. OWENS: Is there a second?

12 MR. MILLS: Robert Mills, second.

13 MR. OWENS: Any other questions? Discussion? All  
14 those in favor to be voted in a block, say aye. (Ayes). Any  
15 opposed? The ayes have it. So, the recommendation is to  
16 approve those approved in a block. 3664.

17 UNIDENTIFIED: Mr. Chairman, I move that we offer a  
18 grant of \$168,000 to the Patrick County Business Development  
19 Center.

20 MR. OWENS: Is there a second? Hearing none, we're  
21 going to vote on the Staff recommendations with the --  
22 \$25,000 --

23 DELEGATE AIRD: I think that was my question. I  
24 wanted to clarify why we were allocating the \$25,000 to a  
25 property that does not have a desire to conduct a study. I think

1 we have a responsibility to -- so I'm hoping Mr. Bryce Simmons  
2 is really clear about should this grant be allocated, are they going  
3 to, or would they prefer not to have it?

4 MR. SIMMONS: Thank you. I'm not the person to  
5 turn away funding. If it is the Commission's will and desire to  
6 fund a feasibility study for a business development center in  
7 Patrick County, I would appreciate that and would definitely  
8 move forward with that allocation. I guess my intent with the  
9 application was for the actual development of the property that  
10 we at the EDA would be able to use as a marketing and state  
11 that we desperately need. Currently, we do not have any space  
12 that can be used for job growth either direct or indirect. And  
13 that has always been the hope of the project is to move forward  
14 with an actual project rather than step back and take a feasibility  
15 study. But like I say, if it is the desire for the Commission to  
16 fund that, I would not say no.

17 UNIDENTIFIED: Thank you, Mr. Chairman, if you or  
18 Evan, the study is done, would the Commission be the agency  
19 that selects the people to conduct the study, or will it go to  
20 Patrick County to hire someone?

21 MS. CAPPs: Mr. Chairman, may I? The feasibility  
22 study would be contracted by the DEA. Some additional  
23 information, I would like to share that is relevant discussion. The  
24 feasibility study is a standard process that is used by DHCD with  
25 projects like this one. The DHCD, main street coordinator, I just

1 provided a list of the Commission Staff of potential consultants  
2 who could perform this type of work that is needed for this  
3 project.

4 We're very interested in scheduling a call with Bryson,  
5 the DEA chair, that includes the others to demonstrate and share  
6 some information that can help advance the project. That  
7 discussion, also the discussion we had with DHCD also included  
8 the possibility for Groundsville (sp.) Grant Funding that could  
9 help with some of the A&E work, the final A&E work that was  
10 budgeted in this project, as well as some other work.

11 So, there could ultimately be a more positive outcome, EDA  
12 funded, and depending on how quickly things can move forward.  
13 We are planning to take Southside applications again in  
14 approximately February with a meeting or decisions in May. And  
15 I think that fits.

16 I will also add that, this project does have a lot of  
17 potential for Patrick County, and there's no doubt in my mind  
18 about that. We did receive a notification from Patrick Henry  
19 Community College on Friday that they had been successful in  
20 getting Federal funding to expand their Idea Center, referred to  
21 as the Idea Center, in Martinsville to the Patrick County location.

22 So, we'll look forward if the Committee chooses to  
23 follow the Staff recommendation and look forward to working  
24 with Bryce to move quickly and to advance --

25 MR OWENS: Okay, if you've got something you want

1 to say, did that answer your question?

2 DELEGATE AIRD: Thank you, Mr. Chairman, yes. I'm  
3 happy to move to accept the Staff recommendation for Project  
4 3664.

5 MR. OWENS: That's a motion, do I hear a second?

6 UNIDENTIFIED: Second.

7 MR. OWENS: All those in favor, signify by saying aye.  
8 (Ayes). Opposed? (No response). The ayes have it.

9 Now, Recommendations 3668, 3659, and 3663. We  
10 took it out of the block to consider.

11 UNIDENTIFIED: Yes, Mr. Chairman. I think our team,  
12 Pittsylvania County has some comments they'd like to offer  
13 related to those three projects.

14 MR. FEINMAN: Mr. Chairman, it may be simpler.  
15 There are three project numbers, but there's really kind of two  
16 projects in front of you. So, we should sort of consider 3658,  
17 3659 as the same project. So, everybody can be clear, rather  
18 the 3659 and 63, to keep it straight, those are -- piece of  
19 property.

20 MR. OWENS: Is there somebody from Pittsylvania  
21 County who wishes to speak?

22 MR. FEINMAN: Six, because Danville --

23 UNIDENTIFIED: I think they're trying to get their  
24 sound.

25 MR. OWENS: Okay.

1 MR. FEINMAN: Can we manually unmute Danville,  
2 Pittsylvania, the conference room with people in it?

3 MR. OWENS: Do we have a Danville, Pittsylvania  
4 County?

5  
6 NOTE: At this point, communications difficulty.

7  
8 MR. SORRELL: How we got there, but --

9 MR. OWENS: Go right ahead.

10 MR. FEINMAN: I would suggest somebody from the  
11 Pittsylvania, Danville team just respond on the call-in, versus  
12 trying to do video, that might work and maybe you can mute  
13 yourselves from the data.

14 Mr. Chairman, while we're waiting, they're dialing in,  
15 let me update the Committee on the substance of the  
16 conversations that we've had with the Danville Pittsylvania  
17 people, and that may save us some time.

18 In response to the AEP Project 3658, the  
19 conversations we've had and while Staff remains comfortable  
20 with the recommendations we have made, Staff is of the view  
21 that we ought to offer and we're willing to entertain the County's  
22 request that it be a ten-year term at the 1.5 percent interest.  
23 The county would prefer that that interest be a one-time  
24 application event as opposed to a 1.5 percent annual rate.

25 Staff is of the view that it should remain an annual

1 rate and that that loan only be payable either at ten years in the  
2 absence of a loan-bearing tenant, appearing upon the location of  
3 a loan using tenant on the facility. So, the primary disagreement  
4 between the Staff recommendation and what the County would  
5 prefer goes to the question of that tax rate given the -- interest,  
6 not entertain interest, so the interest cost would be borne by the  
7 County should the facility not, or should no facility locate in the  
8 area in the next decade.

9 UNIDENTIFIED: Okay, we've got a Twenty-First  
10 Century all kinds of audiovisual equipment that's not foolproof  
11 and I apologize for the delay there.

12 Matt Rowe is representing Economic Development for  
13 Pittsylvania County. I believe the Executive Director was not  
14 concerned, but just really, what it is that we see in actuality with  
15 regard to clients looking at the site and obviously also being a  
16 liability as far as the loan and coordinated directly with the folks  
17 at ACP. We have shared our comments with the Executive  
18 Director and, of course, we're always very thankful and  
19 appreciative as far as the due diligence that the Tobacco  
20 Commission Staff conducts when reviewing these types of  
21 requests or applications.

22 The request would be to look at this over a ten-year  
23 period or ten-year term as far as balloon payments initiate and,  
24 frankly, I think this body probably better than anyone as far as  
25 types of projects that look the most, they're all megaprojects

1 which take considerable time to work themselves out.

2 Then the other consideration is the 1.5 percent. The  
3 community understands that the Tobacco Commission needs to  
4 have a return on its investment. So, we would respectfully  
5 request potentially that that 1.5 percent payment be capped  
6 either as far as the beginning of the Year Five onward or being  
7 capped at \$150,000. You do the math as far as, or say, for  
8 example, we get to Year Nine and we have a client that gets on  
9 the site, then at the end of the day, that would be an interest  
10 rate payment year over year, totaling more than \$300,000.

11 Anybody knows and understands that a long-term  
12 proposition, and we've just now gotten a site really thanks to  
13 your help to the point of where it is very marketable and we're  
14 having a lot of success as far as with every large manufacturing  
15 project in the U.S. that's looking for 100 acres or more coming to  
16 the site and looked at the site, and having been able to prove to  
17 clients that we do have the workforce once again due to the  
18 investments from the locality and the Commission to serve those  
19 jobs. So, that's our respectful request, and we'll certainly try to  
20 answer any questions that you may have. I apologize again as  
21 far as the technical difficulties.

22 MR. OWENS: Anybody have any questions for the  
23 Danville, Pittsylvania County people and their project?

24 SENATOR MORRISSEY: May I suggest that after five  
25 years the interest be capped at 1.5 percent, is that correct or

1 not?

2 MR. ROWE: That's correct. That way, it could be --  
3 from the community, Mr. Morrissey, where at the end of the day  
4 we certainly want to work with the Commission and to have  
5 some form of a compromise if that's agreeable with the  
6 Commission.

7 SENATOR MORRISSEY: Follow-up question. Evan,  
8 what's the procedure when you say, is it for the life of the loan or  
9 is it traditional to renegotiate after a number of years, in this  
10 case, five years?

11 MR. FEINMAN: Mr. Chairman and Senator, in general,  
12 we look for our loans to be as simple as possible. I see  
13 Stephanie, the Finance Director on video, it certainly makes her  
14 life a lot easier to have a straightforward answer to get on a loan.  
15 We are or one of the things that we pride ourselves on though is  
16 our ability to be flexible for the needs of a specific project. In  
17 this instance, we are showing a fair amount of that flexibility;  
18 however, while also honoring the principle that the Commission  
19 when it extends a loan does not disadvantage its own financial  
20 position by giving up the purchasing power of that cash over  
21 time.

22 SENATOR MORRISSEY: Mr. Chairman.

23 MR. OWENS: Yes.

24 SENATOR MORRISSEY: Just to comment, this is the  
25 first year I've sat on the Commission, so it's a learning curve, but

1 in this particular case, they're getting all the loans and  
2 allocations made, this is a large \$6,252,000, 79 percent of the  
3 money is being allocated. It seems to me that 1.5 percent over  
4 the life of the loan is reasonable and given that we're allocating  
5 80 percent of available dollars to this project and unless I heard  
6 something contrary from the Staff about the efficacy of  
7 renegotiating after five years, it strikes me as something that we  
8 would not want to do.

9 MR. OWENS: Okay. Somebody else had something  
10 to say?

11 UNIDENTIFIED: Mr. Chairman, if I may, the County is  
12 more concerned with having the flexibility of the ten-year period  
13 or rather the five years, and it's something obviously as was  
14 stated the interest payment and as far as the loan itself being  
15 repaid, go back into the Southside allocation as far as for the  
16 benefit of the community, the last cycle of that being the case.  
17 With that being the case, I think folks would be, willing certainly  
18 understandable, as far as to do the 1.5 over ten years, but for  
19 us, in order to make this work or, frankly, for the return on  
20 investment and the Commission, we would need to have the  
21 flexibility of a ten-year period, as has been discussed with Staff.

22 SENATOR MORRISSEY: Matt, you mentioned earlier  
23 \$100,000 or \$150,000, and you share, what were those numbers  
24 again, what was that figure for?

25 MR. ROWE: Sure, Senator Morrissey. At the end of

1 the day if we were to put the client at Year Nine, and say on the  
2 \$5 million, a four-and-a-half million dollar loan at 1.5 percent  
3 year over year, that equals approximately \$300,000 as far as  
4 additional payments, 348. So, the \$150,000 would cut that  
5 payment liability in half and, then, of course, the county tax rate  
6 for equipment of at least \$50 million investment.

7 MR. FEINMAN: Mr. Chairman, if I may. Senator  
8 Morrissey, the numbers that Matt was putting out there, if the  
9 loan remains in forbearance longer in time and interest accrues  
10 at the time it would go up, the County would certainly like to --  
11 could pay for straightforward reasons. I will tell that our new  
12 members, some of the strongest economic development in the  
13 Footprint is sitting at that conference table right there. And I  
14 believe the additional information and the additional interest rate  
15 that is accruing, they will work very hard to get it --

16 UNIDENTIFIED: Six million two hundred and sixty-  
17 two thousand.

18 SENATOR MORRISSY: Evan, can you?

19 MR. FEINMAN: I can, Senator.

20 SENATOR MORRISSEY: Is it just interest or principal  
21 and interest?

22 MR. FEINMAN: Interest would accrue while the loan  
23 was in forbearance, and then upon, we'll say they'd have five  
24 years or a tenant arriving. Pittsylvania County has requested  
25 that we extend that to ten years or upon the tenant arriving.

1 Staff has no particular interest in that as long as or no particular  
2 problem with that provided interest continues to accrue so we do  
3 not lose the purchasing power of those funds. So, that, I would  
4 leave that up to the Committee one way or the other.

5 Upon the tenant arriving or the time period being five  
6 years or ten years, we would enter into a repayment plan with  
7 the County.

8 SENATOR MORRISSEY: Let me see if I can get this  
9 straight. Six million two hundred and sixty-two thousand  
10 combined loans, and if interest is deferred on that, at 1.5 percent  
11 for the first five years, and if I heard you correctly, you're willing  
12 to extend that an additional five years while they procure a  
13 tenant. Is that right?

14 MR. FEINMAN: They wouldn't be paying interest or  
15 principal, it would look more like a student loan, frankly. Interest  
16 would be capitalized as years went by during when we determine  
17 the forbearance period. The County is getting tax revenues in  
18 and somebody pays the AT for power -- the loan would become  
19 due.

20 SENATOR MORRISSEY: I understand that. Matt?

21 MR. ROWE: Yes, sir.

22 SENATOR MORRISSEY: It sounds like a good deal to  
23 me, I'd jump all over that.

24 MR. ROWE: Sir, we take that into consideration.

25 MS. KIM: The four-and-a-half million dollar loan.

1 MR. OWENS: Pay interest on interest have not paid.

2 MR. FIENMAN: Yes, the interest would be added to  
3 principal year after year.

4 MR. OWENS: All right.

5 DR. EHRHARDT: May I ask Matt a question?

6 MR. OWENS: Yes.

7 DR. EHRHARDT: Matt, I know there are some  
8 concerns here. Frankly, is this doable?

9 MR. ROWE: At the end of the day and if we get a  
10 tenant on the site, it's certainly doable. As you know very well  
11 from living in this community, it is a matter of when, that strong,  
12 of course, you know, with that being the case, the 1.5 percent is  
13 certainly understandable and makes business sense for the  
14 return on investment for the Commission.

15 The thing that I think that would cause heartburn is  
16 because once again this is not going as far as investment, it's  
17 going directly to an asset. Obviously, the company, but at the  
18 end of the day, the heartburn would be the community if you  
19 have to pay this back and then paying interest on top of it.

20 So, I think the question would be, obviously, if we get  
21 somebody on the site, 1.5 percent interest payment is good. I  
22 think if we don't get anyone on the site in those ten years, which  
23 frankly would be a very large disappointment and I probably  
24 wouldn't be here. But it would be one of those deals where the  
25 community wouldn't want to make that repayment with no

1 interest.

2 DR. EHRHARDT: Thank you.

3 SENATOR MORRISSEY: Mr. Chairman, page 14 says  
4 that the Staff recommended a loan up to \$4.5 million and are --  
5 people that have up to \$5 million. So, which is it, \$5 million or  
6 \$4.5, that's my first question?

7 MR. FEINMAN: \$4.5. That was from a previous  
8 reiteration, I apologize making it --

9 SENATOR MORRISSEY: I think that threw people off  
10 somewhat when I said \$6,252,000 would be reduced by a half of  
11 a million. Thank you.

12 MR. OWENS: Any further questions? Do I hear a  
13 motion? How do you want to handle this?

14 DR. EHRHARDT: I have a question probably for Evan.  
15 Do we have any previous instances of re-evaluating or sort of  
16 thinking after the five years as far as how the prospect stands,  
17 obviously hoping there is a tenant, but is there any --

18 MR. FEINMAN: Mr. Chairman, Dr. Ehrhardt, there is,  
19 the Commission has in the past re-negotiated agreements and  
20 obligations, you know, outside of reaching a contract, the  
21 Commission can make a decision to change any agreements they  
22 have made previously and what I would say is the safest and  
23 most approach, one that honors the request that the City or  
24 County brought before us, would be to accept the Staff  
25 recommendation with a modification that the County has ten

1 years rather than five to get a tenant. I think that's the widest  
2 approach of these funds and still accomplishes all site investment  
3 and is to some extent speculative. We need a conversation with  
4 each other to discuss the propriety between now and then.

5 I'm of the view and our view of site investments are  
6 worthwhile investments for the region.

7 DR. EHRHARDT: I appreciate your modification, and  
8 as we move forward structurally, we should consider these types  
9 of modifications. So, I would support that.

10 MR. OWENS: Is there a motion to approve with the  
11 modification?

12 DR. EHRHARDT: I'll make that motion.

13 MR. OWENS: It's been moved.

14 UNIDENTIFIED: I'll second.

15 MR. OWENS: It's been moved and properly seconded.  
16 Any other discussion? Hearing none, the motion is to approve  
17 the loan with the modification, take it to ten years. All those in  
18 favor, say aye. (Ayes). Those opposed, for or against?

19 UNIDENTIFIED: For.

20 MR. OWENS: Okay. Seconded by Senator Lucas.  
21 The ayes have it.

22 The next is to approve the two grants, one for  
23 Pittsylvania County and one for Danville. Pittsylvania County,  
24 would you like to speak to that?

25 UNIDENTIFIED: We would, Mr. Chairman. I have the

1 City of Danville in the room with us, as well. The only comment  
2 regarding the, we do have a letter from, as far as for a site,  
3 Commonwealth of Virginia, so we're working directly with the  
4 State on the final details of this business for the client. The  
5 investment is well in excess of \$40 million, and 100 jobs well  
6 suited for this particular spot or property.

7 Our only request is to have the flexibility of working  
8 with Staff on the conditions of the grant. What we mean by that  
9 when you get into trenches and do these types of transactions,  
10 as an old mentor of mine used to tell me, financials always have  
11 to. So, as the company's financials and so forth.

12 We want to make sure we have the flexibility of  
13 meeting the terms of that financial institution while at the same  
14 time assuring that the community and the Commission are  
15 secured. We've had in-depth conversations with Staff, and  
16 anyone knows that and knows Pittsylvania County, we always  
17 require securitization before we move forward. Probably be a  
18 letter of credit or deed of trust on the equipment, depending on  
19 how the company wishes to finance. That would really be our  
20 only thought -- to have that flexibility to work with the client.

21 MR. FEINMAN: We'd be very happy to work with the  
22 County. These numbers can move as the project develops. And  
23 we want to be clear that we will hold the County to the project  
24 locating and being substantially similar in scope and size to  
25 what's been discussed, but we agree it would be premature to fit

1 specific job numbers with specific capital number at this point.

2 We can give the Committee assurance that the Staff  
3 will land on some metrics as soon as the company has got a very  
4 clear vision of exactly how many people it's going to employ,  
5 exactly what wage, and how much their capital investment is  
6 going to be.

7 MR. OWENS: Okay, thank you. For Project 3659 and  
8 3663. Do I have a motion?

9 MR. MILLS: Robert Mills, so moved.

10 DR. EHRHARDT: Second.

11 MR. OWENS: Robert Mills moved and Dr. Ehrhardt  
12 second.

13 UNIDENTIFIED: Second.

14 MR. OWENS: 3659, 3663, all in favor, signify by  
15 saying aye. (Ayes). Opposed? (No response). The ayes have  
16 it.

17 MS. CAPP: The other business, we have a couple of  
18 more applications. We're on page 17 of the handout. We had  
19 two projects, one from Charlotte County, that was referred to the  
20 Southside Economic Development Committee, and one project  
21 from the Town of Halifax that was tabled by the Full Commission.  
22 We need to discuss these projects.

23 I'll start with Charlotte County, request for \$585,000,  
24 for the Shaw Carpet Building Renovation. This application was  
25 submitted in 2019 through the Commission's Agribusiness

1 Program and referred to Southside Economic Development  
2 Committee. This is for renovation for the former Shaw Carpet  
3 Building in Keysville in order to accommodate a hemp-processing  
4 facility.

5 In preparing for this meeting, requested confirmation  
6 from the IDA of their interest in the project being reconsidered  
7 for funding and for any updates and additional information to be  
8 provided. We did not receive a response. There were  
9 deficiencies with the original application, still remain, including a  
10 lack of detailed renovation costs, failure to seek matching funds  
11 from DHCD's Industrial and Revitalization Funding Program, and  
12 the absence of a meaningful business plan for the hemp-  
13 processing operation.

14 The Commission did provide a special round in the  
15 Agribusiness Program for the hemp-processing operation. The  
16 Commission, or our recommendation on this project and the  
17 Commission made funding available for a specific round of  
18 applications to meet the needs of the region associated with the  
19 industrial hemp industry.

20 Staff believes that those needs have been or can be  
21 met by projects that have been completed or are underway.  
22 Staff recommends no award for this project.

23 MR. OWENS: Is there anybody here from Charlotte  
24 County who wants to speak to this? Hearing none.

25 MS. CAPPS: The next project, the Town of Halifax, for

1 the Halifax War Memorial Heritage Tourism Site Enhancement  
2 Project, \$179,000 requested. Submitted in 2019 and considered  
3 by the Southside Committee Meeting last September.

4 This project did not receive a Staff recommendation.  
5 Tabled by the Committee and reconsidered in January. The  
6 Committee did not make a recommendation at that time, and it  
7 was tabled by the Full Commission. That's why it's back on the  
8 agenda today.

9 This request was seeking funding for street lighting  
10 and signage and landscaping to compliment VDOT funding  
11 related to improvements in the town. The outcome measures for  
12 this project pertains to tourism outcome and limit our investment  
13 in tourism projects, destinations that would attract visitors from  
14 outside the area. And in this case, the Town tried to make the  
15 argument for the War Memorial and the Historic District  
16 downtown Halifax, as well as the Courthouse to attract visitors.

17 Staff remains strongly committed to keeping Economic  
18 Development funds focused on tourism, destinations of national  
19 and international importance and interest to out-of-region  
20 visitors. Streetscape improvements are an enormously  
21 expensive proposition that have been funded for decades by  
22 VDOT, with local government matching funds.

23 Staff believes that maintenance improvements of  
24 public rights-of-way, such as streets and sidewalks, is a  
25 responsibility of those agencies and localities, and the

1 Commission should not fund those projects.

2 That being said, given the fact that the Committee  
3 had previously recommended no award, the Full Commission  
4 recommended that the project be tabled, and the Staff has never  
5 recommended funding of this project.

6 Staff strongly reiterates its opposition to using  
7 Commission resources for streetscape improvements as violating  
8 long-established practice and stated policy. Furthermore, the  
9 project has largely been completed with other funds. Staff  
10 continues to recommend no award.

11 Anyone here from the Town of Halifax who wishes to  
12 speak?

13 MR. GILLIAM: Mr. Chairman, I am Dexter Gilliam, I  
14 am the Mayor, can you hear me okay?

15 MR. OWENS: Yes.

16 MR. GILLIAM: Thank you very much. We certainly  
17 understand and appreciate the input from the Staff, long-term  
18 knowledge of the Staff. As far as the Town is concerned, as  
19 many may know, the Town of Halifax has gone through a very  
20 difficult time the last couple of years with regards to a  
21 tremendous construction project that involves our courthouse.  
22 Pretty much, it has created a situation where most individuals  
23 simply do not want to visit the town because of the mess, if you  
24 would, that has surrounded the courthouse project.

25 So, when I was elected, three of the things I wanted

1 to focus on, to focus the town on, had to do with traffic and  
2 parking, which is a long-term problem for the town and with  
3 development in general.

4 Thirdly, the beautification as other towns. We had  
5 numerous nice residential areas, and the business area has been  
6 significantly impacted. For many of you, as you probably know,  
7 Route 501 is our main street, which has created challenges.  
8 We're working with a group of citizens with regard to revitalizing  
9 and beautifying the downtown area. And one of the things that  
10 we're trying to do, is work with VDOT. And one of the things that  
11 we've accomplished, as Ms. Capps mentioned, is within the Town  
12 to try to help with the traffic that passes through it. These funds  
13 and the signage costs of what we're working on with regards and  
14 in conjunction with our parking problem, which we're working  
15 with an outside consultant on, is estimated to be, if I'm not  
16 mistaken, somewhere in the \$70,000, \$75,000 range.

17 So, we don't have those kinds of funds. Our budget,  
18 we're small, but we would ask for the Commission, and we're  
19 right in the heart of the Tobacco district. Halifax County has  
20 been known as one of the largest tobacco-producing counties in  
21 the world, not just in the Commonwealth of Virginia. I pass that  
22 along for what it's worth, and I thank you for your time this  
23 morning, and I thank you for your consideration. That's all I  
24 have, Mr. Chairman.

25 UNIDENTIFIED: Thank you for being on, Mayor. I

1 know you had a very busy schedule this morning. I just wanted  
2 to thank the members of the Committee for, and I know there  
3 are some new members here. As Ms. Capps mentioned, last  
4 year, the Southside Economic Development Committee did table  
5 and request some additional information to be provided by the  
6 Town. We did for the January meeting furnish Staff an update  
7 and, more specifically, about the status of the project. We have  
8 a unique opportunity to utilize Tobacco funds, again, not for  
9 paving our streets, but this is specific to signage which ties into  
10 -- the Downtown Central Business District.

11 We would include, also, significant sites national, like  
12 Poplar Forest, and that's connected to Halifax, Thomas  
13 Jefferson's Master Brick Maker, the courthouse. We're also  
14 making an effort to tie in some marketing and the Heritage Trail  
15 and the Museum, and I think the Civil War Trail, also exploring  
16 ideas to also capture significant events that took place during the  
17 American Revolution Southern Campaign, which is the turning  
18 point for independence for the country.

19 I do have additional information that I have provided  
20 for the status of that, to the Tobacco Staff. Thank you.

21 MR. OWENS: Let's start off, anybody else? Let's start  
22 off with Project 3591, do I hear a motion?

23 MR. SHELL: I move we follow the Staff  
24 recommendation.

25 MR. OWENS: Is there a second?

1 UNIDENTIFIED: Second.

2 MR. OWENS: There's a motion and a second that we  
3 follow the Staff recommendation on 3591. All those in favor,  
4 signify by saying aye. (Ayes). Any opposed? (No response).  
5 The ayes have it.

6 Now, 3581.

7 DELEGATE EDMUNDS: Mr. Chairman, we actually  
8 funded Project 3668, which was also for a parkway construction  
9 for Historic, and for the reasons stated by the maker, especially,  
10 I think this Halifax project is viable. I would move to grant  
11 \$179,000 to the Town of Halifax.

12 MR. OWENS: You heard the motion. Do I have a  
13 second?

14 UNIDENTIFIED: Second.

15 MR. OWENS: We have a motion and properly  
16 seconded for \$179,000 for Project Number 3581.

17 DELEGATE AIRD: Mr. Chairman, can I request a roll  
18 call vote?

19 MR. OWENS: You can.

20 MR. FEINMAN: To the motion.

21 MR. OWENS: -- --

22 MR. FEINMAN: A motion has been made and  
23 seconded. We can't have discussion on the motion.

24 MR. OWENS: You've already got to the point where  
25 we vote.

1 MR. FEINMAN: Thank you, Mr. Chairman. Members  
2 of the Committee, I'm often in the tough position of having to tell  
3 you all that a project is a good project, one that we hope and  
4 look forward to seeing happen, but not properly before the  
5 Commission.

6 If, in this instant, the Commission of funding, which  
7 was originally streetscaping improvements, but is now signage  
8 and improved street lights and other amenities, essentially a  
9 community restoration project for community development.  
10 Every other town, city in the Footprint will be before us asking for  
11 similar funding. This is not the kind of project that the  
12 Commission's strategic planning contemplates funding, nor is it  
13 the sort of program, the sort of project that the program  
14 guidelines, that the Southern Virginia program contemplates.

15 This is a project that has managed to keep its head  
16 above water a couple of times without receiving funding in the  
17 past. Staff is very firmly of the view that this is not a project the  
18 Commission should undertake funding.

19 MS. MYERS: If I could add something. This is --  
20 remind all members that the Commission is statutorily to abide  
21 by its Strategic Plan. This is not really within the plan -- I just  
22 wanted to remind you there is that statutory requirement.

23 DELEGATE AIRD: If it's possible, this project does  
24 not adhere to our statutory requirement and consider our  
25 Strategic Plan, how can we consider a motion to approve for such

1 project?

2 MS. MYERS: That is directed to me?

3 DELEGATE AIRD: Yes.

4 MS. MYERS: I think the Commission can consider any  
5 motion that a member would like to put forward, just pointing  
6 out to the members and voting on that motion, the statutory  
7 requirement to abide by your Strategic Plan. Does that answer  
8 your question?

9 DELEGATE AIRD: Should the Commission entertain a  
10 motion that would put us in conflict with our statutory obligation?

11 MR. MORRISSEY: I think the motion can be made  
12 with that restriction. And it says the street improvements are  
13 helpful, sounds like not only, it's a deviation, the Commission's  
14 streetscape improvements, but from what I've heard today, it's  
15 not been done before. And I can assure you that if we were to  
16 do this, every locality is now going to make funding requests to  
17 improve streetscape, particularly those that are adjacent to the  
18 site, and the Commission will be inundated.

19 So, I guess the motion is, and I'm going to be voting  
20 against it for that reason.

21 MR. OWENS: Okay.

22 MR. SPIERS: Mr. Chairman, I seconded the motion  
23 because as previously mentioned we have budgeted for historical  
24 sites, helping with tourism with many of the funds. This is a very  
25 modest request and amount, request for an area that needs help

1 and connected to a tourist site. The biggest question I have is  
2 that the project has changed quite a bit since it was first put in.

3 But Staff has normally been very flexible, and we  
4 mentioned today we're flexible in helping areas that needed help  
5 and development mainly because I think it's a very modest  
6 request for an area that's been devastated economically for the  
7 reason that I did second it. I'm a little bit surprised that all of a  
8 sudden against the statutory requirement of the Committee. I  
9 was not fully aware of that, but that's the reason I seconded it  
10 and put it to the Committee. Thank you.

11 MR. OWENS: Okay. Any other discussion? All right,  
12 Mr. Feinman.

13 MR. FEINMAN: Yes, sir, Mr. Chairman. Roll call.

14 MR. OWENS: Before you do that, are you saying you  
15 can't do it based on the Strategic Plan?

16 MS. MYERS: To you all and Staff, as to what is under  
17 your Strategic menu, I just wanted to make everyone aware it is  
18 nothing more than a guidance document that needs to be abided  
19 by.

20 MR. OWENS: On page 3, the Committee, we didn't do  
21 what we were supposed to do this morning.

22 MR. FEINMAN: We made a recommendation and  
23 Chairman Kilgore has indicated that he is interested in hearing  
24 prior to --

25 MR. OWENS: Okay, roll call.

1 MR. FEINMAN: Delegate Aird.  
2 DELEGATE AIRD: Nay.  
3 MR. FEINMAN: Ms. Barts.  
4 MS. BARTS: Yes.  
5 MR. FEINMAN: Delegate Edmunds.  
6 DELEGATE EDMUNDS: Yes.  
7 MR. FEINMAN: Ms. Ehrhardt.  
8 DR. EHRHARDT: No.  
9 MR. FEINMAN: Mr. Harris.  
10 MR. HARRIS: No.  
11 MR. FEINMAN: Senator Lucas.  
12 SENATOR LUCAS: No.  
13 MR. FEINMAN: Mr. Mills.  
14 MR. MILLS: No.  
15 MR. FEINMAN: Senator Morrissey.  
16 SENATOR MORRISSEY: No.  
17 MR. FEINMAN: Mr. Shell.  
18 MR. SHELL: No.  
19 MR. FEINMAN: Mr. Shelton?  
20 MR. SHELTON: No.  
21 MR. FEINMAN: Mr. Spiers.  
22 MR. SPIERS: Yes.  
23 MR. FEINMAN: Delegate Tyler.  
24 DELEGATE TYLER: No.  
25 MR. FEINMAN: The motion fails, Mr. Chairman.

1 MR. OWENS: Okay. Back to Sarah.

2 MR. KAESTNER: Good morning, members of the  
3 Southern Virginia Committee. I'm Mike Kaestner, your relatively  
4 new Grants Program Director. I'm new to the Commission, was  
5 hired back in May, look forward to working with you all.

6 This allocation to the Virginia Health Care Foundation,  
7 3670, is a little bit unusual relative to some of the other  
8 applications that you considered today. This project covers the  
9 entire Tobacco Commission Footprint.

10 For a little bit of background, the Health Care  
11 Foundation is completing its existing \$500,000 grant awarded in  
12 2018 through the Commission Special Projects Committee in  
13 June when the Commission offered its new Strategic Plan.

14 One of the things that occurred in connection with that  
15 was the restructuring of the Commission's committees and the  
16 Special Projects Committee does not exist anymore. That was  
17 the committee that helped the Footprint-wide initiative.

18 And now, and Evan can jump in on this, the general  
19 thinking is that from time to time, we expect to receive  
20 application for projects that will cover the entire Footprint.  
21 However, we're just going to make a judgment call whether it's a  
22 project that for -- Southwest Virginia, often determined by  
23 where the overwhelming share of the amount of our grant would  
24 be spent.

25 In this case, I mentioned the initial grant was for

1 \$500,000. This request is for \$371,546 in the Southern Virginia  
2 portion of the Footprint. That's why it's in front of you today.  
3 After the Committee acts on it today, the Southwest  
4 Commissioners will have an opportunity to weigh in on the merits  
5 and learn more about the application when it's in front of them.

6 Evan, is that a fair summary?

7 MR. FEINMAN: Just to clarify, when a project is  
8 planning to operate in the Footprint, what we will do is put it  
9 before the Full Commission.

10 MR. KAESTNER: Now that you've got into the  
11 substance of this application, the Virginia Health Care Foundation  
12 and its application for \$371,546, the monies would be used to  
13 hire five outreach workers to help residents sign up for Medicaid  
14 payments and other Federal health insurance programs. Three  
15 of the staffers would be in the Southern Virginia region, and two  
16 would be working in the Southwest region.

17 These will be based, or the Health Care Foundation  
18 has lined up nonprofits in the respective regions that will  
19 effectively serve as hosts for the employees. Each of the  
20 outreach workers would expect to enroll all new residents of the  
21 Tobacco Region in the respective areas annually. Total and  
22 annually of over 1,600 residents and signed up over the life of a  
23 two-year project, 3,250.

24 Because of the economic disruption caused by COVID,  
25 the Health Care Foundation invited some very interesting and

1 alarming data, and bear in mind, this was data that was provided  
2 in July and the figures could be worse.

3 Understand that over 75,000 residents of the region  
4 have lost their job and of those more than 45,000, I believe who  
5 have lost their health insurance. And of those, almost 26,000  
6 may be eligible for Medicaid coverage. That's really the target  
7 audience that the Health Care Foundation is seeking, to reach  
8 through this initiative.

9 As a consequence of COVID, health care facilities in  
10 the region have experienced dropping reimbursements and in  
11 Martinsville, reported losing \$3 million --

12 On the other side of the coin, an analysis performed  
13 by Chmura Economics indicated that for each new enrollee in  
14 Medicaid, approximately \$60,000 or \$6,000 of new Medicaid  
15 spending will occur in the Tobacco Region. So, with an influx of  
16 that type of free money, tax dollars are being left on the table,  
17 could add up to a total of more than \$9 million, \$9.75 million  
18 being brought to the region annually during the two years of this  
19 initiative.

20 Although the Commission does no longer fund health  
21 care, we view this as a meaningful exception, and this is not  
22 strictly a health care project in and of itself, and instead is an  
23 effort, number one, to support residents of the region, and, two,  
24 health care facilities in the region, generating an additional client  
25 base.

1           The Tobacco Commission’s funding policy was  
2 approved in connection with the Strategic Plan back in June. This  
3 funding policy simply recommended providing ongoing operating  
4 support beyond three years. When the current grant for the two-  
5 year project, this is for two additional years, we were concerned  
6 about a precedent that this would set. In response, the Health  
7 Care Foundation told us two things. First, this has been  
8 characterized that ongoing should be under the new grant is a  
9 different campaign substantively than what was performed under  
10 the existing grant.

11           The second is that the Staff recommendation reduced  
12 funding in the second year of this new grant with an eye towards  
13 encouraging the Health Care Foundation’s working with our  
14 partners in the region and the project to continue long-term  
15 without Commission resources. The Health Care Foundation  
16 submitted its application, and they received a \$65,000 grant to  
17 assist in market, a different target population that they’ll be  
18 seeking to target as to what they were targeting under the  
19 existing grant.

20           With that, Staff recommends approval of 100 percent  
21 of the Health Care Foundation’s grant request for Year One, with  
22 a 50 percent match requirement and funding 50 percent of the  
23 grant request for Year Two with a 75 percent match requirement,  
24 for a total grant award of \$280,160.25.

25           With that, I’ll be happy to answer any questions that

1 you or other members may have.

2 MR. OWENS: Anyone have any questions about this  
3 application? Hearing none, do I hear a motion?

4 UNIDENTIFIED: So moved.

5 DR. EHRHARDT: Second.

6 MR. OWENS: It's been moved and properly seconded  
7 that we accept Staff recommendations, Any other discussion?  
8 Hearing none, all those in favor, say aye. (Ayes). Any opposed?  
9 (No response). The ayes have it.

10 We're running over time.

11 MS. CAPPAS: We're now on page 20, we have three  
12 projects, and these are all Economic Development grants, and  
13 they are extension requests, required extensions of the VDOT  
14 matching funds that are associated with the project.

15 The first request is from the Town of Brodnax, the  
16 Brodnax Depot Renovation Project Number 2975. A \$121,030  
17 grant, grant award from January of 2015. This is to convert the  
18 old railroad depot into a trailhead for users on the Tobacco  
19 Heritage Trail. The project was bid and came in over budget.  
20 The architects had to go back on the design. The project  
21 administrators are now waiting for VDOT to approve the current  
22 design for the project and allow them to go back out for  
23 rebidding and schedule to be completed by the end of 2021.

24 Staff recommends approval of a one year extension to  
25 January 12, 2022. That's number one.

1                   Number two is the Town of Alberta, the Tobacco  
2 Heritage Trail, Alberta to Danielstown, Phase I. This is one you  
3 may be familiar with. It was on the agenda in May and in June.  
4 This grant was awarded in May of 2016 to support two outcomes.

5                   One was design engineering of a 5.2 mile trail  
6 segment. And the other was for construction of six-tenths of a  
7 mile section coming in much higher than anticipated for the Town  
8 of Alberta. The current request on the Administrator of the  
9 Southside Planning District on behalf of the Town of Alberta and  
10 are requesting an extension until September 30, 2021 and  
11 requesting a budget adjustment for the Tobacco Commission  
12 funding and construction of the six-tenths of a mile trail permit  
13 and to use local matching funds instead of A&E fees associated  
14 with the design and engineering for the 5.2 mile section of trail,  
15 that would be for the Roanoke River Rails to Trails standard as  
16 matching funds. Therefore, both outcomes of the original grant  
17 would be accomplished.

18                   Staff recommends approval of the budget revision and  
19 extension to September 30, 2021 contingent on the grantee  
20 completing design engineering of the 5.2 mile section of trail to  
21 the Roanoke River Rails to Trails standard or other standard  
22 approved by the Commission Staff prior to the Commission's  
23 release of any further grant funds.

24                   Those are the first extensions if you want to vote on  
25 those. The next one is a little more complicated.

1 MR. OWENS: You've heard the recommendation of  
2 the Staff. Any questions?

3 MR. HARRIS: I move the approval of the  
4 recommendation.

5 MR. SHELL: Second.

6 MR. OWENS: It's been moved and properly seconded.  
7 Any further discussion? Hearing none, all in favor, signify by  
8 saying aye. (Ayes). All opposed? (No response).

9 MS. CAPPS: Mike is going to discuss the next project.

10 MR. KAESTNER: Mr. Chairman, members of the  
11 Commission. I realize the time and I'm going to be very quick.  
12 If you have questions, don't be shy.

13 The next grant is 3352. This is a very uncontroversial  
14 request and would like to thank the County for taking such an  
15 approach. The original application was for \$1.5 million, a grant  
16 that Pittsylvania County was going to use, and they would  
17 engage their own contractor. And the end result would have a  
18 40,000 square foot building at Cane Creek.

19 The County has worked with an identified developer  
20 that could build 100,000 square foot building. And with a  
21 combination of financing, the Commission and the developer  
22 would like to restructure this grant as a loan. So, they are  
23 requesting to convert the \$1.5 million grant to a \$1.15 million  
24 loan. Of that \$1.15 million, \$400,000 of it would be forgiven  
25 upon substantial conclusion of the 100,000 square foot building.

1           Once the development is sold or either at the five-  
2 year term, the County would repay the balance of \$750,000 in  
3 payments, zero percent interest.

4           The Staff recommendation derives that summarizes  
5 that transaction. Do you have any questions or do you want me  
6 to read it?

7           DELEGATE AIRD: I noted on the recommendation  
8 that there's a further recommendation authorizing the Committee  
9 as necessary, so I just wanted to clarify what additional action  
10 would be required.

11           MR. KAESTNER: Mr. Chairman, that's an excellent  
12 question. In this case, I believe the existing grant, Number  
13 3352, that previously was approved was awarded with restrictive  
14 funds. In this case, I'm not sure whether we'd be able to use  
15 unrestricted funds. An example of one action that might be  
16 necessary.

17           MR. OWENS: Mr. Morrissey.

18           SENATOR MORRISSEY: Help me through, several  
19 years ago, the Commission approved a \$1.5 million grant to  
20 Pittsylvania County, correct?

21           MR. KAESTNER: Correct.

22           SENATOR MORRISSEY: If I understand the report,  
23 the County has requested that that grant does not have to be  
24 repaid and wants it turned into a loan, albeit another -- is that  
25 right?

1 MR. KAESTNER: It is.

2 SENATOR MORRISSEY: Why did the County that is  
3 given money say you know what, a loan, I've got to pay back?  
4 I'm sure there's a reason for it, can you give me the details?

5 MR. KAESTNER: Sure. And Matt Rowe, I think he still  
6 remains on the line. In short, as Staff mentioned earlier, in the  
7 last waning days, if the \$750,000 request or if the loan is repaid  
8 and if that's approved, that would go back to Pittsylvania  
9 County's allocation, could be used another day for future  
10 projects. So, Mr. Rowe, and I'm sure there are some other  
11 benefits that may accrue, I think that's the primary motivation  
12 for the County. We'd ask to have this change.

13 MR. OWENS: Mr. Rowe. We're running behind  
14 here.

15 MR. FEINMAN: If we can forego from hearing from  
16 them, Mr. Chairman.

17 MR. OWENS: You heard the recommendation. Do I  
18 have a motion?

19 UNIDENTIFIED: So moved.

20 UNIDENTIFIED: Second.

21 MR. OWENS: Moved and properly seconded. Any  
22 other discussion? Hearing none, all those in favor, signify by  
23 saying aye. (Ayes).

24 MR. MORRISSEY: Mr. Chairman, would you record me  
25 as abstaining from this vote?

1 MR. OWENS: All right, one abstention, Mr. Morrissey.

2 MR. SORRELL: Who is the motion made by and  
3 seconded?

4 MR. OWENS: Ms. Clark made the motion, and Mr.  
5 Harris seconded it, Frank Harris, okay.

6 Go ahead, Sarah.

7 MS. CAPPS: The last two items before the Southern  
8 Virginia Committee, two grants that were awarded funding from  
9 the Special Projects Committee require extension. Both of these  
10 you're familiar with, supporting them through new applications.  
11 The reason they're before you is because we don't have a Special  
12 Projects Committee.

13 The first one is The Corporation for Jefferson's Poplar  
14 Forest. This was a half million dollar Special Projects grant to  
15 support the road construction costs. At that time, it was \$2.5  
16 million. This was primarily to do with the permitting process, and  
17 this corridor unavoidably cut, and this had to do with a stream,  
18 and that required permits by the Corps of Engineers. And they  
19 also ran into problems with the storm water design.

20 The permitting issues are now resolved, and the  
21 project is proceeding. Staff recommends approval of a two-year  
22 extension until September 23, 2022.

23 The next project is Prince Edward County Industrial  
24 Access Road, Grant Number 3089. They're requesting a two-  
25 year extension to May 21<sup>st</sup>, 2022. This is the largest of the three

1 currently active grants to support the access road. Originally, it  
2 was 328. This had to do with changes in staffing at the County  
3 and an oversight for the VDOT funds, as I mentioned earlier  
4 today. The County has secured the VDOT access road. The  
5 County has also started to work with a new A&E firm in order to  
6 advance the project. The revised schedule includes construction  
7 being completed by October of 2021.

8 Staff supports a two-year extension in case there are  
9 any other further unanticipated delays related to the permit or  
10 anything related to COVID.

11 Staff recommends approval of a two-year extension,  
12 May 21, 2022.

13 MR. OWENS: You heard the Staff recommendation.  
14 Any questions or comments?

15 Do I have a motion to extend this project? Do I have  
16 a second? All those in favor, signify by saying aye. (Ayes).  
17 Opposed? (No response).

18 Now, we have 3089, you heard the Staff  
19 recommendation. Do I have a motion?

20 UNIDENTIFIED: Motion.

21 MR. OWENS: A second?

22 MR. HARRIS: Yes.

23 MR. OWENS: Any other discussion? No. All those in  
24 favor, say aye. (Ayes). Opposed, no? (No response). The  
25 motion is approved.

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Thereupon, the Committee is in adjournment.

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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, Southern Virginia Committee Meeting**, when held on Monday, September 28, 2020, at 9:00 o'clock a.m.

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 October, 2020.

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Medford W. Howard  
CCR