

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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8 **Southwest Virginia Committee Meeting**

9 Monday, September 28, 2020

10 11:00 o'clock a.m.

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14 (Electronic Conference Call Meeting)

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1 APPEARANCES:

2 The Honorable Lashrecse D. Aird

3 Mr. Ed Blevins

4 The Honorable A. Benton Chafin

5 Ms. Gretchen Clark

6 Ms. Rebecca Coleman

7 The Honorable John Edwards

8 Ms. Julie Hensley

9 The Honorable Chris L. Hurst

10 The Honorable Terry G. Kilgore

11 The Honorable Sam Rasoul

12 Ms. Sandy Ratliff

13

14 COMMISSION STAFF:

15 Mr. Evan Feinman, Executive Director

16 Mr. Andy Sorrell, Deputy Director

17 Mr. Michael Kaestner, Grants Program Administration Director

18 Ms. Stephanie S. Kim, Director of Finance

19 Ms. Sara G. Williams, Grants Program Administrator

20 Southwest Virginia

21 Ms. Jessica Stamper, Grants Assistant

22 Southwest Virginia

23 Mr. Jordan Butler, Public Relations Coordinator

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1 COUNSEL FOR THE COMMISSION:

2 Ms. Elizabeth B. Myers

3 Assistant Attorney General

4 Richmond, Virginia 23219

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1 September 28, 2020

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3 MR. FEINMAN: All right. It's 11:00 o'clock on our
4 agenda, and we're ready for the Southwest Virginia Committee
5 meeting. And I'll turn it over to Andy Sorrell, our Deputy
6 Director, to speak a little bit to the protocols of the digital
7 meeting.

8 MR. SORRELL: All right, thank you, Evan.

9 Good morning, everyone. We need to read into the
10 record and we need to inform you some of the ground rules for
11 this virtual meeting. Due to the Governor's stated emergency,
12 the meeting of the Southwest Virginia Committee is being held
13 electronically without a quorum of the public body assembled in
14 one location. The nature of this COVID-19 pandemic makes it
15 impractical and unsafe to assemble a quorum in a single location.

16 In addition, the purpose of the meeting is to discuss
17 and transact business that is required to continue the operations
18 of the Commission. Public notice of this meeting complies
19 contemporaneously with the notice provided the Commission
20 members, and a recording of this meeting, as well as minutes,
21 shall be posted on the Commission's website as soon as practical
22 after the conclusion of the meeting.

23 The agenda of the meeting material can be found on
24 the Commission's website, and there'll also be an opportunity for
25 public comment. Along with a couple of ground rules, the

1 meetings will all be recorded. All participants are unmuted at the
2 beginning of the meeting, and participants will be returned to
3 mute if background noise or if a disruption occurs. If that
4 happens repeatedly, we will need to mute the meeting.

5 Public comments will be provided at the end of the
6 meeting. And if someone desires to address the Commission,
7 please reserve your questions until that portion of the meeting.
8 And we will ask for comments from the public at that time. And
9 you can use the raise-your-hands feature in the comment, in the
10 chat box or just speak up.

11 At the time of public comment, please state your
12 name, your full name, your location, and the organization you
13 may represent. Please keep the comments to two minutes each.
14 And if you're on the telephone and you need to mute yourself or
15 unmute yourself, you can hit star 6.

16 MR. FEINMAN: Thank you very much, Andy. At this
17 time, the Committee will seek nominees for its new officers.
18 First, I'll call the roll, and then we will seek nominees.

19 Delegate Aird.

20 DELEGATE AIRD: Present.

21 MR. FEINMAN: Mr. Blevins.

22 MR. BLEVINS: Here.

23 MR. FEINMAN: Senator Chafin.

24 SENATOR CHAFIN: Here.

25 MR. FEINMAN: Ms. Clark.

1 MS. CLARK: Here.

2 MR. FEINMAN: Ms. Coleman.

3 MS. COLEMAN: Here.

4 MR. FEINMAN: Senator Edwards.

5 SENATOR EDWARDS: Here.

6 MR. FEINMAN: Ms. Hensley.

7 MS. HENLSEY: Present.

8 MR. FEINMAN: Delegate Hurst.

9 DELEGATE HURST: Present.

10 MR. FEINMAN: Ms. Jennings or Secretary Layne.

11 MS. JENNINGS or SECRETARY LAYNE: (No response).

12 MR. FEINMAN: Delegate Rasoul.

13 DELEGATE RASOUL: Present.

14 MR. FEINMAN: Ms. Ratliff.

15 MS. RATLIFF: Here.

16 MR. FEINMAN: Delegate Kilgore.

17 DELEGATE KILGORE: Here.

18 MR. FEINMAN: We have a quorum.

19 At this point, the floor is open.

20 SENATOR EDWARDS: Mr. Director, I would like to

21 nominate Chris Hurst as Chair of the Committee.

22 UNIDENTIFIED: That's a second to my motion.

23 MR. FEINMAN: The motion is seconded.

24 DELEGATE AIRD: Mr. Director, is it proper to make a

25 motion to close the nomination?

1 MR. FEINMAN: There's a motion on the floor to close
2 the nomination. Is there a second?

3 MS. HENSLEY: Second.

4 MR. FEINMAN: That's seconded by Julie Hensley. All
5 those in favor, say aye. (Ayes). The motion carries. Any
6 opposed? Thank you. The motion carries. There's only one
7 nominee.

8 Do I hear a motion to ask Delegate Hurst to be the
9 Chair of the Southwest Virginia Committee?

10 SENATOR EDWARDS: Mr. Director, move to accept
11 that nomination by affirmation.

12 UNIDENTIFIED: Second.

13 MR. FEINMAN: It's been moved and seconded. All
14 those in favor, say aye. (Aye). Opposed? (No response).
15 Hearing none, Delegate Hurst, you are the Chair Elect. The
16 Chairman of the Commission will ratify all that at the conclusion
17 of the meeting. You are the Chair Elect of the Committee. And I
18 turn over to you for the election of a Vice Chair and the rest of
19 the Committee's business.

20 DELEGATE HURST: Thank you, and members of the
21 Southwest Committee, all right. So, now, we're working on the
22 election of a Vice Chair for this Committee. Do we have any
23 motion for a nomination? So, people are really itching to take
24 this position here. So, I'll ask the Director, what has the
25 Commission traditionally done in this case?

1 MR. FEINMAN: It remains the prerogative of the
2 Commission Chair to fill the seats. So, if a person does not
3 volunteer, a person will be chosen.

4 DELEGATE KILGORE: You go ahead and appoint
5 someone. That would be the thing to do.

6 DELEGATE HURST: All right, well, how about this. I
7 will appoint Julie Hensley to that position of Vice Chair for the
8 Southwest Committee. If it's in my prerogative. And with that
9 appointment, I don't believe we need to take that to a vote
10 unless we want to confirm it, Evan?

11 UNIDENTIFIED: Mr. Chairman, I move to confirm that
12 appointment.

13 DELEGATE HURST: I have a second from Delegate
14 Aird. All those in favor, say aye. (Ayes). Any opposed? (No
15 response).

16 So, Julie, wonderful, glad you are the Vice Chair here
17 for the Southwest Committee.

18 Let's move along first to the approval of the minutes
19 that have been published on the website, Revitalized VA.org.
20 Those minutes were from quite a while ago, during this wonderful
21 year of 2020, from January 6th, 2020. And those meeting
22 minutes have been published on the website, so they are before
23 the Committee for your review.

24 Do we have a motion to accept the minutes?

25 DELEGATE KILGORE: So moved.

1 MS. RATLIFF: Second.

2 DELEGATE HURST: We have a motion, and Sandy
3 seconded the motion. All those in favor of accepting the meeting
4 minutes, say aye. (Ayes). All those opposed? (No response).
5 Okay, wonderful, the meeting minutes have been approved.

6 Moving on to extensions and modifications of existing
7 active grants, and for that, we have Sara Williams.

8 Sara, I'll turn it over to you, thank you.

9 MS. WILLIAMS: Thank you. Good morning. We do
10 have several extensions and modifications to get through very
11 quickly this morning. So, I'll start with just a little bit of
12 background on the extension policy, and I think that'll help move
13 the projects along, but we can discuss them individually.

14 The projects that are being considered this morning
15 require a fifth-year or beyond extension. All grants are approved
16 for three years. However, a fourth-year extension can be granted
17 at the discretion of the Executive Director, but anything for a fifth
18 year or longer must be presented here. So, that's what we will
19 be doing today.

20 When we determined if a project should be
21 recommended for an extension, we looked at factors such as, has
22 fundraising been completed, and is the project under contract,
23 those types of factors that help us determine how likely it is that
24 the project will be able to be complete or substantially complete
25 within the proposed extension period. So, again, you will see

1 those factors reflected throughout the document that was
2 published ahead of this meeting.

3 So, with that said, unless there are any questions, we
4 will jump right in and try to get through this list as quickly as we
5 can, understanding that we don't have a whole lot of time.

6 The first project is Number 3185, Appalachian Agency
7 for Senior Citizens, the Falls Mills Adult Day Care Center,
8 approved for \$250,000 in September of 2016, and the full grant
9 balance is available. This is a project that Staff did not originally
10 recommend, is to construct an adult day care facility, which we
11 thought was essentially a social services project and did not align
12 well with the Commission's funding priority. However, it was
13 approved for funding, construction is underway, and began in
14 March, and is expected to be complete in December. The
15 Commission funds are to be used at the end of the project. It's a
16 \$2.2 million total construction project, and our funding will be
17 used last.

18 So, Staff respects the Commission's previous decision
19 and recommends approval of an extension through January 31st,
20 2021.

21 Next, we have a budget revision and an extension for
22 Grant Number 3071. This is The Barter Foundation, Expanding
23 the Production Capacity of Barter Theatre, Phase 2. It was
24 approved for \$250,532 in September of 2015. And the full
25 balance is available.

1 The Barter Theatre has been hit especially hard with
2 the COVID-19 pandemic. There's no clear time line for when
3 they will be able to resume their normal operations and offer
4 performances at their theater here in Abingdon. As a result of
5 this, they had to furlough over 90 of their employees, and they're
6 not producing plays or not able to generate revenue.

7 So, the theater quickly began to look for alternative
8 locations that they could offer live theater, and quickly settled on
9 the long-closed Moonlight Theater, also here in Abingdon, and
10 have been able to lease that facility and are offering
11 performances there.

12 The ARC Appalachian Regional Commission has also
13 provided \$500,000 for the original project. They have approved
14 a budget revision, which allowed Barter to use those funds for
15 administrative and operating expenses associated with The
16 Barter and Moonlight Theater.

17 They have asked, they, being Barter Theatre, have
18 asked that the Commission also approve a repurpose of our
19 funds for the same reason. Thirty employees have already been
20 brought back, and they are doing their best to generate revenue.
21 This is not something, operating expenses are not something
22 that the Commission will typically see as a priority for our funds,
23 but given the unique situation that The Barter is in, along with
24 Barter's prominence as the state theater of Virginia and a role as
25 a major economic driver, we felt it was appropriate to allow an

1 exception in this case.

2 Staff is recommending the approval of, one, a budget
3 revision to permit the full grant amount to be used for operating
4 support related to Barter Theatre's response to the COVID-19
5 pandemic, and, two, extending the grant period through
6 September 30, 2021.

7 DELEGATE RASOUL: Mr. Chair, maybe this is a
8 question for Evan, if still on with us, these are, question for Evan.
9 These are certainly extraordinary times, and I know many of us
10 have a deep tie and respect for a lot of the work that is done by
11 The Barter Theatre and by similar entities, and just in this
12 extraordinary exception that I think is being proposed here. I
13 worry about the slippery slope when you get into operating funds
14 to plug certain holes.

15 My question does not have to do so much with The
16 Barter Theatre as it has to do with the precedent that we are
17 setting and also what is happening across some of the other
18 committees as we're trying to stay true to our mission, but
19 maybe be empathetic to the current financial crisis.

20 MR. FEINMAN: Mr. Chairman, if I may. Delegate
21 Rasoul, it is not against policy to support operating expenses.
22 We do not in general support operating expenses for an entity
23 that has been in operation for this long. Often we support
24 operating expenses with an expectation, it's a new enterprise,
25 and our support for operational expenses will decline when the

1 enterprise is able to sustainably maintain its own operations.

2 Merely a special case, we have not seen a lot of other
3 requests for modification of existing grants to support expenses.
4 We further recognize that this is a unique grantee, The Barter
5 Theatre is a lynchpin for the tourist economy for the greater
6 region and to the extent that we're able, want to make sure
7 we're capable of supporting them with existing allocation funds.

8 DELEGATE HURST: Any other discussion on this
9 particular revision? And I'll just throw my two cents in there. I
10 think what Delegate Rasoul was saying is very well taken of The
11 Barter Theatre's unique role. For me, actually looking at it
12 without knowing too much about the application for, having
13 experience in nonprofit theater production, I would have had a
14 lot more questions about that than trying to fulfill the mission we
15 have of trying to be an aid to economic engines of our
16 communities. And The Barter Theatre is one, and the Performing
17 Arts Institutions have been uniquely hit, maybe not uniquely, but
18 hit in ways that only a few other industries really have been
19 impacted and maybe one of those industries that will have a very
20 difficult time returning to normal operations with a degree of
21 normalcy, is a return for the rest of us.

22 I think it's a very interesting conversation to have, but
23 I ultimately still support the Staff recommendation, but want to
24 hear from anybody else before Sara continues. If anybody else
25 wants to chime in on this.

1 DELEGATE RASOUL: Mr. Chair, again, I think this is a
2 really good exercise that we're going through, and I don't think
3 this will be the last time that we're going to need to help with the
4 current crisis. As you well know, Mr. Chairman, with our
5 appropriations, it'll take us a year and a half or two years to
6 financially recover. So, I think setting a precedent is good here,
7 and something that I would love to hear from Staff.

8 Not to rehash it today for this specific case, but in the
9 future, what expectation that we have of the entities who are
10 trying to, are they maximizing other funds that are available to
11 the PPP Program? We just heard appropriations essentially, and
12 I don't want to say complaining, but the Staff was saying there
13 are \$70 million out there for small businesses, and we've only
14 given a million and a half of it, because we haven't given it out
15 fast enough to a different small business loan venue.

16 I hope, as the Staff progresses through this, that one
17 hurdle that we think about in the future have they gone through
18 and done all the due diligence to try to maximize a lot of the
19 support as we are considering trying to invest in obviously a very
20 worthwhile cause with The Barter Theatre.

21 DELEGATE HURST: Do you have any information
22 about what The Barter Theatre has tried to do to access other,
23 or, Evan, access other forms of assistance?

24 MS. WILLIAMS: Yes, I have had some conversations
25 with Barter about that. Their primary interest was in getting live

1 theater going again and finding a facility that would allow them
2 to do what they do, and considering revenue. I don't know if
3 they've listened to the, to the other, and that sort of thing. I do
4 know that this came about during discussions with ARC, and it's
5 important that our funds also be modified, because our funds are
6 directly related to the ARC funds, and ARC funds are directly
7 related to our funds, and they serve as match for each other.

8 It's sort of one of those cases where both groups have
9 to approve this in order for it to work for them. That was also a
10 special consideration. And this, we will continue to talk to Barter
11 and to find out what they're doing. It does look like that they are
12 generating revenue now, but they are doing those, at Moonlight
13 performances. If anyone is in the area and wants to come down,
14 I've said often it's the one thing I won't be sad to see end as a
15 result of the pandemic. But I think it was a really creative idea
16 to continue to offer live theater and to give families and visitors
17 something to actually go and see.

18 MR. FEINMAN: Mr. Chairman, just to further address
19 Delegate Rasoul's question. We always encourage all applicants
20 and grantees to seek all other sources of funding for which they
21 are or may be eligible. We need to support those requests to the
22 greatest extent we can.

23 MR. EDWARDS: John Edwards here. I had to step
24 out. What's the difference between the Staff's request and what
25 Delegate Rasoul was talking about?

1 DELEGATE HURST: In our packet, there are Staff
2 recommendations based on their presentation. Better go
3 through these unless people have questions and stipulations.
4 We'll need approval for revisions to the grant awarded or
5 extensions. I imagine that we can probably accept the Staff
6 recommendations as a block when Sara is finished unless there is
7 a departure that the Committee wants to make on the Staff
8 recommendations.

9 On the Barter Theatre, Delegate Rasoul was just
10 bringing up a point precedent that we're setting. What I would
11 say as to that is maybe having some type of written-down policy
12 exemption or permission or any that might be operations during
13 this time or things that we might not do just trying to respond to
14 what I think is an opportunity for the Tobacco Commission to
15 help during the COVID-19 process. Maybe that's a conversation
16 for the Committee at a different time. So, that's what we're
17 doing right now, Senator Edwards.

18 There are Staff recommendations on every one of
19 these grants that I would imagine we're going to have to adopt.
20 But I would let Sara read through all of them first hoping that we
21 will accept all of the Staff recommendations or any changes to
22 what we want to do, that we can rate those at the appropriate
23 time.

24 With that said, Sara, if you just want to continue on to
25 the next one. We want to be respectful of folks' time.

1 MS. WILLIAMS: Thank you. Next is 3196, Birthplace
2 of Country Music for the Birthplace of Country Music Museum and
3 WBCM Expansion. They were approved for \$250,000 in
4 September of 2016, and the full balance is available. This grant
5 is just with renovations to The Annex, which is a building directly
6 adjacent to the BCMA Museum. The Commission provided
7 \$250,000, also to assist with Phase 1, which is complete.

8 At the time of application for the Phase 3 application,
9 it appeared that the majority of funds needed to complete the
10 project were in place. They were to come from a variety of
11 Federal, State, and New Market Tax Credits, which were the
12 majority of the matching funds that were required.

13 The estimated cost of Phases 2 and 3 at the time of
14 the application was \$3.65 million. The most recent annual report
15 and conversations we've had with staff indicates that they did not
16 use tax credits for Phase 1 and there does not appear to be a
17 plan for using them for Phases 2 or 3, which results in a large
18 fund-raising gap that must be overcome.

19 They have received \$175,000 challenge grant from
20 The Cabell Foundation. This grant requires a three-to-one
21 match, which must be met by December 20, 2021. They also
22 have a \$600,000 grant request, Industrial Revitalization Funds
23 for DHCD, that request is currently pending. However, even if
24 those fund-raising efforts are successful, there will still be a
25 significant gap to get to full funding for Phases 2 and 3. Staff

1 did not feel it was likely that this could be accomplished by
2 December 2021.

3 It appears that the applicant approached TRRC
4 prematurely and will not be in a position to properly utilize
5 Commission resources for several more years. Staff believes
6 that the most prudent decision at this time is to close the grant
7 and allow the grantee to reapply once its financial needs become
8 clearer. Therefore, Staff recommends no additional extension for
9 this project.

10 DELEGATE HURST: Sara, do you have any
11 information from them why they didn't use those tax credits?
12 Did they have commitments when they originally got the grant
13 and then spent those commitments before they said they would,
14 because they didn't tax credit?

15 MS. WILLIAMS: I have asked that question, but they
16 were not able to provide an answer. The grant report does not
17 address these, I knew they have a new fund development person
18 on staff, and when I spoke to him, I did ask him and asked that
19 that information be provided, but so far, I cannot tell you why
20 they chose not to use those. Tax credits were a huge piece of
21 the funding for the original construction for the Museum, so they
22 are quite familiar with that process.

23 Moving on, we have Number 3198, Friends of
24 Southwest Virginia, Building Appalachian Spring: Growing the
25 Economy of Southwest Virginia through Developing Outdoor

1 Recreation Destinations. This was originally a \$500,000 grant
2 approved in September of 2016. There is a balance of
3 \$356,336.21 remaining.

4 The balance of this grant is allocated for two
5 construction projects, and the first is the Damascus Trail Center
6 construction project, which is expected to be completed in
7 October of 2020. The second is the High Knob Destination
8 Center Site Plan and Building Design project, which is well
9 underway. The first draft of the schematic design has been
10 received, and revisions are expected in mid-October.

11 Staff recommends approval of an extension through
12 September 30, 2021.

13 Number 3202, Historic Crab Orchard Museum and
14 Pioneer Park, Capital Expansion Phase III - Design, Approved for
15 \$50,000 in September of 2016. There is a balance of \$45,200
16 remaining. The Staff awarded this grant to assist with up to 50
17 percent of design services that would result in construction
18 documents necessary for further capital improvement projects at
19 the Museum.

20 At the time of approval, it appeared that all matching
21 funds were in place from both Tazewell County and the Museum
22 itself, that funds were in place necessary to complete the full
23 scope of the design work that was presented in the application.
24 However, only the schematic design phase has been completed,
25 it was recently completed just within the past month. No answer

1 was provided for why that decision was made to not proceed with
2 the full scope of the design.

3 The Museum has said that they would like to move on
4 to architectural design for just the bathroom expansion.
5 However, due to the cash flow issues that we have experienced
6 over the life of this grant, so far, it's really not clear that this
7 could be accomplished within a reasonable timeline.

8 Ultimately, because the grantee has provided no clear
9 reason for why the project could not have been completed within
10 the past four years, and there is little evidence that an additional
11 extension would result in a different outcome, Staff recommends
12 no additional extension.

13 Number 2729, Lee County IDA, Constitutional Oaks
14 Access Road Development, Approved for \$60,000 in September
15 of 2013. There is a balance of \$42,704.30.

16 This grant was approved for no more than 90 percent
17 of the cost of the basic engineering work needed to construct an
18 access road serving the Constitutional Oaks Industrial Park. That
19 90 percent reflects the age of this grant, and that this was before
20 the Commission required a one-to-one match. At that time, the
21 Commission could fund up to 90 percent of the project.

22 Modifications to the pending design have been
23 required because of a very positive development for
24 Constitutional Oaks Park. Over the past year, they were able to
25 sell the shell building to an industry who will be moving in there,

1 and this requires additional modifications to the design of the
2 access road. The engineer is working with the design firm to get
3 these received and approved. Once the design is complete, it will
4 be applying to VDOT for industrial access road funds.

5 Staff recommends approval of an extension through
6 September 30, 2021.

7 Number 3078, Smyth County Board of Supervisors,
8 Smyth County's Back of the Dragon Overlook, Approved for
9 \$184,000 in September of 2015. There is a \$161,210 balance.
10 This grant was approved to support 20 percent of the cost of
11 engineering, permitting design and construction of the Back of
12 the Dragon Overlook in Smyth County.

13 VDOT is funding the remaining 80 percent. The VDOT
14 funding is part of the reason that this project has been delayed,
15 but well underway now, construction on the Overlook has begun
16 and expected to be completed within 120 days.

17 Staff recommends approval of an extension through
18 September 30, 2021.

19 DELEGATE HURST: Has the Commission ever looked
20 at Back of the Dragon and what type of potential revenue we
21 could get, that's economically, nationally, and internationally?

22 MS. WILLIAMS: Yes, we have supported the Back of
23 the Dragon through a couple of projects. We don't have a lot of
24 time here, but I will say that we worked with a project in
25 Tazewell County, and we may be seeing additional projects

1 related to Back of the Dragon. It is something we are aware of
2 and the Economic Impact Report, and I think we'll continue to
3 hear from Back of the Dragon and other projects.

4 DELEGATE HURST: For those that are unaware, it's a
5 very popular motorcycle riding area road in Virginia, and many
6 thousands of people ride through the area each and every year.

7 MS. WILLIAMS: Next we have 3187, Southwest
8 Virginia Community College. The Southwest Virginia Regional
9 Cybersecurity Initiative, Approved for \$258,790 in September of
10 2016. There is \$118,006.79 balance. This was to support a
11 regional initiative with the applicant, Southwest Community
12 College, Mountain Empire Community College, and UVA-Wise to
13 develop a regional cybersecurity workforce.

14 The original grant supported the establishment of
15 security labs at the colleges, as well as certification assistance for
16 the students. Spent most of the year working with the grantee
17 on some budget revisions, and ultimately, we have determined
18 that those revisions are within the scope of the project and could
19 be approved by our Executive Director. However, an extension is
20 still needed. We had sufficient time to complete the project.
21 Southwest Community College indicates that it can be by
22 Summer of 2021.

23 And Staff recommends an extension through
24 September 30, 2021.

25 DELEGATE HURST: Evan, what's our rule on

1 broadband, is there internet down there or a cybersecurity
2 curriculum or security clearances? Does any of that factor in and
3 would they be able to have it if they needed it additionally,
4 besides just getting a program constructed?

5 MR. FEINMAN: In places where the instruction will
6 occur, yes, in the place where every student might be accessing
7 the program remotely, I couldn't say for sure, but I would be
8 surprised if every student had the program remotely and had
9 access to get residential broadband service.

10 DELEGATE HURST: Is there a need for that because
11 of the types of certificates we're giving out? I know that as we
12 look at things like server space down in Southwest, thinking
13 about trying to get security clearances and things like that,
14 shouldn't that be certificate, same kind of things, or whether you
15 can just -- for that?

16 MR. FEINMAN: As long as every student where they
17 can access the internet reliably from their home or get to a place
18 where they have a solid connection, and then help them pursue
19 the certificate. More broadly I, and I know that you share the
20 Governor's goal of getting universal broadband coverage
21 throughout the state and we'll set that problem aside.

22 DELEGATE HURST: Thank you. Sara.

23 MS. WILLIAMS: Number 2904, Southwest Regional
24 Recreation Authority, Adventure Playground - Expanding the
25 Regional Footprint of Economic Impact, Number 2904, Approved

1 for \$435,000 in September of '14. It has a balance of
2 \$93,204.42.

3 These funds are allocated to the construction of a
4 horse trail in Scott County. For many years, the project was
5 delayed because of law suits involving landowners. It appears
6 that construction can begin, and they now have been asked by
7 DEQ to comply with some additional DEQ requirements, that are
8 working with DEQ to make sure they can comply with the
9 requirements. However, it looks like work can begin soon and
10 can be completed within the extension period.

11 Staff recommends approval of an extension through
12 September 30, 2021.

13 Next is 3212, Southwest Virginia Higher Education
14 Center Foundation, Micronic Technologies Water Field Pilot
15 Program to Support Commercialization, Phase 2. Approved for
16 \$1,000,000 in September of 2016. A balance remains of
17 \$124,879.71.

18 This project was approved through the Commission's
19 Research and Development Program, and approved to help
20 Micronic Technologies develop a new water treatment
21 technology. The Phase 2 part has moved a little more slowly
22 than we would have liked due to some issues with fundraising
23 and multiple location changes.

24 However, limited progress has been made. The
25 balance of the grant is allocated for a contract that Micronics had

1 with Genedge Alliance to facilitate the development of the ME-2
2 Pre-Production Unit. The work to be done under that contract
3 was delayed a little bit due to COVID and some issues with
4 vendors and a lot of closures. However, the work began again in
5 July, 2021. They believe it can be complete within an additional
6 six months.

7 Staff recommends an extension through May 31,
8 2021.

9 DELEGATE HURST: For new members, such as
10 myself, can you explain what the heck they do and why it would
11 be successful for the region?

12 MS. WILLIAMS: They're developing a new water
13 treatment technology. I'm not good at explaining all the
14 scientific terms that go into this, but, basically, their
15 technology can dramatically clean all types of materials out of
16 water.

17 Phase 2 was supposed to help them scale their unit
18 into something that could be commercialized. They did have to
19 do some work to really determine which industry their product is
20 most suited for. Again, Genedge Alliance worked with them to
21 help them identify what those might be and to just tweak that
22 technology a little bit. And that is what that ME-2 contract that's
23 been referred to is to help get a unit in place and a supplier
24 network that would help build those units. And if Evan or Mike
25 have more information would like to jump in.

1 MR. FEINMAN: I'm happy to jump in. This is a
2 project that was funded under the Commission's R&D program,
3 and that was a program that was in the process of spinning down
4 when I first arrived at the Commission in 2015, and that's a
5 swing-down I started. I do think this was an instance of the
6 Commission over-investing in projects relative to the economic
7 benefits, however, a contract made is a contract that needs to be
8 honored.

9 Here we are in the waning days of our Micronic. They
10 do have a need for technology that effectively makes waves from
11 water without the need to use reusable filters. It has to do with
12 a very carefully calibrated and spaced centrifuge effectively,
13 wherein trying to get out, make them spin more slowly or more
14 quickly, to spin the stuff out and have water emerge. There does
15 seem to be a market opening for them, and so we're optimistic
16 that there will be a commercial, private sector entity at the
17 conclusion of all of this.

18 DELEGATE HURST: Thank you, Evan.

19 MS. WILLIAMS: Finally, we have Number 2739,
20 Virginia's Heritage Music Trail: The Crooked Road, Expanding the
21 Crooked Road Brand, Approved for \$208,000 in September of
22 2013. There is a balance of \$49,525.64.

23 The balance of this grant has been allocated for the
24 construction of additional wayside exhibits, and a portion of
25 which have involved updating the existing kiosk touchscreens.

1 This project was not active for many years. However,
2 there is a new director on board at The Crooked Road, and in
3 speaking to her, she did feel that the touchscreen replacements
4 and upgrades could be accomplished very quickly.

5 She also thought that rather than constructing new
6 physical waysides, which, again, has been delayed for many
7 years, that they could quickly work, develop an app that would
8 essentially create a digital wayside, which may be especially
9 important in the COVID pandemic era that we're in. It would
10 provide business with all the types of information they might
11 have otherwise gotten at the physical wayside, but also just have
12 the added benefits that people that are familiar with apps and
13 can get a great deal of information from those apps.

14 Staff recommends an extension through May 31,
15 2021, pending the Executive Director's approval of a budget
16 revision to allow the balance of the grant not needed for
17 touchscreen updates to be used for app development.

18 That completes the report of extensions and
19 amendments for Southwest.

20 DELEGATE HURST: Mr. Director, am I correct we
21 need to make a motion for extensions?

22 MR. FEINMAN: Yes, Mr. Chairman, for efficiency sake,
23 the Committee can approve any or all of the Staff
24 recommendations in a block and offer members the opportunity
25 to remove anything from the block that they need to for

1 purposes of an extension or further discussion.

2 DELEGATE HURST: Let's try to get everybody out of
3 here with a little bit of time for lunch before the next Committee
4 meeting.

5 Anybody have any comments or discussion about any
6 of the items before? What I'd like to do is take up in a block
7 those which are just merely extensions of existing grants, and
8 then we can look at the ones individually where we do, where we
9 are making some more policy kind of changes, if that's all right.

10 So, any discussion on any of the individual items?

11 SENATOR EDWARDS: Mr. Chairman, John Edwards
12 here. Not on any particular item, but maybe Staff can explain
13 and bring me up to date. Where are we in terms of money for
14 broadband, Tobacco Commission money for broadband, where
15 are we on that? Maybe Evan can explain it.

16 MR. FEINMAN: Sure, Senator. So, there was not a
17 grant round for the Southwest Committee, so this was merely
18 the existing new, or existing projects that needed modification
19 action by the Committee. We did not accept proposals for or
20 take any action on funding for broadband. Both the Southern
21 and the Southwest Committees can hear broadband projects, and
22 given that the Southwest Committee is accepting new funding
23 proposals with a deadline of August 8th, I believe, Sara, or, sorry,
24 October 8th.

25 I have been in dialogue and I expect some Southwest

1 folks, IT, to put forward a funding proposal to us for action. You
2 all would see we're taking applications ending October 8th. Staff
3 works between then and January, and you guys would see, we
4 would take action, Senator, at the January meeting.

5 SENATOR EDWARDS: To summarize, by the 8th of
6 October, and then we'll meet the first part of January, is that
7 right?

8 MR. FEINMAN: This was in the nature of more
9 housekeeping business before this Committee, for this meeting.

10 SENATOR EDWARDS: Thank you.

11 DELEGATE HURST: Any other discussion on individual
12 items? Hearing none, let's go ahead. Can someone make a
13 motion for me to adopt in block the items for additional
14 extensions, those items, I'll read them off for you. 3185, 3198,
15 2729, 3078, 3187, 2904, 3212, 2739. Those are the ones we're
16 doing an extension for.

17 MS. COLEMAN: I so move, Mr. Chairman.

18 DELEGATE HURST: We have a motion to adopt the
19 recommendations, changes, extensions, revisions to those items.
20 Is there a second?

21 MS. RATLIFF: Second.

22 DELEGATE HURST: We have a motion that has been
23 made, and seconded, to adopt the aforementioned motion. All
24 those in favor, say aye. (Ayes). All opposed? (No response).
25 All right.

1 So, what do we have remaining? First, we have The
2 Barter Foundation, 3071, moving to the Moonlight Theater, and
3 having the, in order to have parody with the matching funds of
4 ARC and to also help them making this administrative or
5 personnel cost. So, there's a budget revision to the permit, two
6 permits, full grant amounts used for operational support, and
7 extending that until September 30, 2021. Is there a motion on
8 the floor to change pursuant to Staff recommendation?

9 SENATOR EDWARDS: So moved.

10 DELEGATE HURST: We have a motion. Is there a
11 second?

12 DELEGATE AIRD: Second.

13 DELEGATE HURST: With a second.

14 UNIDENTIFIED: Mr. Chairman, is that Senator
15 Edwards who moved?

16 DELEGATE HURST: Senator Edwards moved, and
17 Delegate Aird seconded it.

18 Hearing no further discussion, all those in favor, say
19 aye. (Ayes). All opposed? (No response). Okay.

20 Moving on to the Birthplace of Country Music, Number
21 3196. The Staff recommendation, as explained, not add an
22 additional extension for this project.

23 Mr. Director, do we need to do any action on that, or
24 do we just let the grant expire?

25 MR. FEINMAN: Inaction would mean no go.

1 DELEGATE HURST: So, that, we will pass over.
2 There's also a Number 3202, the Crab Orchard
3 Museum and Pioneer Park, that Staff recommends no
4 additional extension be made. So, we don't need to take action
5 on that.

6 Sara, correct me if I'm wrong, but I think that that
7 takes care of all of the motions for, the packet for this part of the
8 meeting, is that correct?

9 MS. WILLIAMS: I believe it does.

10 DELEGATE HURST: Okay. So, if I move on, other
11 business.

12 Mr. Director, go ahead and take care of other business
13 for us.

14 MR. FEINMAN: I have no other business for you, Mr.
15 Chairman.

16 DELEGATE HURST: Any public comment from folks
17 here on the WebEx call? Not hearing any, do we have a motion
18 to adjourn, folks?

19 DR. EHRHARDT: So moved.

20 DELEGATE HURST: So moved, with a second?

21 UNIDENTIFIED: Second.

22 DELEGATE HURST: All those in favor, say aye.
23 (Ayes). All right, thank you folks. Thank you, Mr. Director,
24 thank you, sir.

25 MR. FEINMAN: Thank you, Mr. Chairman.

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It's been moved and seconded that we adjourn.

PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the **Tobacco Region Revitalization Commission, Southwest Virginia Committee Meeting**, when held on Monday, September 28, 2020, at 11:00 o'clock a.m., by Electronic Conference Call Meeting.

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.

Medford W. Howard
CCR