

1                   **TOBACCO REGION REVITALIZATION COMMISSION**

2                                   701 East Franklin Street, Suite 501

3                                   Richmond, Virginia 23219

4

5

6

7

8                                   **Southwest Virginia Committee Meeting**

9                                   Friday, January 8, 2021

10                                  10:30 o'clock a.m.

11

12

13

14                                  (Electronic Conference Call Meeting)

15

16

17

18

19

20

21

22

23

24

25

1     APPEARANCES:

2     The Honorable Chris L. Hurst  
3     The Honorable Lashrecse D. Aird  
4     Mr. Ed Blevins  
5     Ms. Gretchen Clark  
6     Ms. Rebecca Coleman  
7     The Honorable John Edwards  
8     Ms. Julie Hensley  
9     The Honorable Sam Rasoul  
10    Ms. Sandy Ratliff  
11    Mr. Richard L. Sutherland

12

13    COMMISSION STAFF:

14    Mr. Evan Feinman, Executive Director  
15    Mr. Andy Sorrell, Deputy Director  
16    Mr. Michael Kaestner, Grants Program Administration Director  
17    Ms. Stephanie S. Kim, Director of Finance  
18    Ms. Sara G. Williams, Grants Program Administrator  
19    Southwest Virginia  
20    Ms. Joyce Knight, Administrative Supervisor  
21    Mr. David Bringman, Database and Performance Metrics Manager  
22    Mr. Jordan Butler, Public Relations Coordinator

23

24

25

1     COUNSEL FOR THE COMMISSION:

2     Ms. Elizabeth B. Myers

3         Assistant Attorney General

4         Richmond, Virginia 23219

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 January 8, 2021

2

3 DELEGATE HURST: Let's go ahead and call this  
4 meeting to order of the Southwest Virginia Committee of the  
5 Tobacco Commission. Let's go ahead and call on Andy.

6 MR. SORRELL: Thank you, Mr. Chairman. I'm going  
7 to read the brief electronic meeting ground rules. Due to the  
8 Governor's declared state of emergency, this meeting is being  
9 held electronically without a quorum of the public body physically  
10 assembled at one location. The nature of this pandemic makes it  
11 impractical and unsafe to assemble a quorum in a single location.

12 In addition, the purpose of this meeting is to discuss  
13 or transact business that is statutorily required to continue the  
14 operations of the Commission. Public notice of this meeting was  
15 provided on both the Commonwealth's calendar and the  
16 Commission's website contemporaneously with the notice  
17 provided to the Commission members. A recording of this  
18 meeting, as well as the minutes, shall be posted on the  
19 Commission's website as soon as practical after the conclusion of  
20 this meeting. The agenda and all other meeting materials can be  
21 found on the Commission's website. And there will be an  
22 opportunity for public comment at both the beginning and the  
23 end of the meeting.

24 Relating to the electronic meeting ground rules, for  
25 those that are just calling in on the telephone, you can mute

1 yourself if you're not speaking. If you are participating only by  
2 phone, you can do that by pressing Star 6, and you can mute or  
3 unmute yourself. All participants are unmuted at the start of the  
4 meeting, and participants will be returned to mute if background  
5 noise or disruptions occur. If repeated disruptions occur,  
6 participants will be removed from the meeting.

7 As mentioned, public comment will be provided at the  
8 beginning and at the end of the meeting. And if a member of the  
9 public desires to speak or address the Commission, please  
10 reserve your questions until this portion of the meeting.  
11 Participants may also use the raised-hand feature or send a  
12 comment in the chat box feature of the electronic meeting  
13 program, and the comment will be read during the public  
14 comment session.

15 At the time of public comments, please state your full  
16 name, your location, and the organization that you may  
17 represent. Please keep your comments to two minutes each.  
18 That's all that I have, Mr. Chairman, thank you.

19 DELEGATE HURST: Thank you, Andy, appreciate that.  
20 Evan, if you'd please call the roll.

21 MR. FEINMAN: Yes, sir, Mr. Chairman.  
22 Delegate Hurst.

23 DELEGATE HURST: Here.

24 MR. FEINMAN: Ms. Hensley.  
25 Delegate Aird.

1 Mr. Blevins.

2 MR. BLEVINS: Here.

3 MR. FEINMAN: Ms. Clark.

4 MS. CLARK: Here.

5 MR. FEINMAN: Ms. Coleman.

6 Senator Edwards.

7 SENATOR EDWARDS: Here.

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

9 Delegate Rasoul.

10 DELEGATE RASOUL: Present.

11 MR. FEINMAN: Ms. Ratliff.

12 MS. RATLIFF: Here.

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

14 DELEGATE HURST: Evan, I appreciate that. Let's go

15 ahead and get the approval of the minutes from our last

16 Committee meeting and are available on the Tobacco

17 Commission website back from September 28<sup>th</sup>, 2020. Is there

18 any discussion of those minutes before I entertain a motion for

19 approval? Hearing none, may I have a motion to approve the

20 minutes?

21 MR. BLEVINS: So moved.

22 DELEGATE HURST: Mr. Blevins, wonderful. And for a

23 second?

24 MS. RATLIFF: Second, Sandy Ratliff.

25 DELEGATE HURST: Great, thank you, Sandy. Okay.

1 All in favor, please say aye. (Ayes). All opposed? (No  
2 response). Great, we've approved the minutes. Now, we can  
3 move on.

4 Let's go to public comment now, and we'll have  
5 another opportunity for public comment after we undertake  
6 further business of the Committee. But if there are any  
7 members of the public who wish to speak, we would love to hear  
8 from you. Keep in mind some of the stipulations that Andy spoke  
9 about at the top. All right, hearing none, again, we'll have an  
10 opportunity for public comment again later on during the same  
11 Committee meeting. But we will move forward to Fiscal Year '21,  
12 Program Funding Applications.

13 First, I want to thank the incredible work done by the  
14 Commission Staff and Mike Kaestner and Sara Williams in looking  
15 over these applications, and so I'll hand it over to Sara to walk us  
16 through these applications.

17 MS. WILLIAMS: Thank you. And good morning,  
18 everyone. We have ten applications to discuss today, being that  
19 we're committed to the October 8<sup>th</sup> deadline. And Mike and I  
20 have spent the past several months reviewing these. Just before  
21 Christmas, you would have received a detailed Staff report with  
22 our funding recommendations. So, what I'm going to do now is  
23 just try to discuss these at a much higher level contained in that  
24 report, but if you'd like or need additional details, just let me  
25 know.

1           We'll jump right in with the first application, and this  
2 one is from Abingdon Feeder Cattle Association, Improving Profits  
3 Through Sustainable Pastures, this is Number 3697, and  
4 requested \$500,000. These funds are being used for a cost  
5 share program focused on forage improvement, the eligible  
6 expenses would be things like fertilizers, feed, lime, and that  
7 type of thing. These types of activities actually were included in  
8 an agribusiness application that was submitted last year, the  
9 FY20 Agribusiness Program. And we removed them from that  
10 application. It was approved but just for application equipment  
11 and the higher dollar capital expenses. At that time, Staff felt  
12 that lime and fertilizers and seed, those were more of a  
13 reoccurring maintenance type of expense rather than a long-term  
14 capital expense. We got some additional information this year  
15 that clarified that these types of applications generally occur  
16 every two to five years, which seems to support the assumption  
17 from last year.

18           And, so, because the activities to be funded under this  
19 cost share program are better characterized as routine  
20 maintenance expenses, Staff recommends no award.

21           Next, we have Number 3699, Appalachian School of  
22 Law, the Serendipity Project, requesting \$250,000. This  
23 application seeks funding for renovation costs associated with  
24 converting the Serendipity building, that's a building that the  
25 school already owns that's adjacent to the campus. They would



1 like to use it as a multipurpose building with a coffee shop, a  
2 common area, that is a co-working space, and also a space for  
3 their legal clinic.

4           The part of the application that we focused on first  
5 was the co-working space, that's something we have supported,  
6 what we found was that a lot of what it was intended there did  
7 not necessarily fit the qualifications we would look for in a co-  
8 working space, although it certainly does offer that type of  
9 facility. The coffee shop, again, is more retail, and that's  
10 something that is not a funding priority for the Commission. And  
11 the outcomes, the performance metrics that we use for  
12 investment strategy are private capital investment that's met and  
13 new job creation. And those things, to be honest, were fairly  
14 small related to this project.

15           But what we also looked at was the economic impact  
16 that the law school has on the Town of Grundy and on Buchanan  
17 County and the region. And that was where we did see the  
18 potential for economic impact. There's no question that this is  
19 the economic driver of Grundy. We received information from  
20 the law school in talking about their recruitment efforts and their  
21 ability to recruit and retain students there. They're very limited.  
22 There has not been a dining facility or a place to get coffee or  
23 that type of amenity close to the law school or in the Town of  
24 Grundy. And so this facility helps address that need.

25           They were able to give us some pretty good

1 information that showed that if they're able to recruit even 20  
2 new students, that translates to \$396,000 per year of associated  
3 spending, which is a pretty good economic impact for that town.  
4 With that in mind, we started looking at what would be an  
5 appropriate spending recommendation for this with all of those  
6 things considered. We determined that the common area and  
7 the co-working space seems to take up about 50 percent of the  
8 building. And so from that, we looked at the total construction  
9 cost of \$350,000. We looked at the \$200,000 interior cost, and  
10 we determined the appropriate recommendation would be 50  
11 percent of that or \$100,000. It should be noted that the law  
12 school has committed to raise the \$250,000 match, and at the  
13 time of application and review, that had not been achieved yet.  
14 But we learned just this week that they have not only achieved  
15 it, but they have exceeded it. I last heard there was a little over  
16 \$257,000 committed for this project. And so that is certainly  
17 very good news, as well.

18 So, Staff recommends a reduced award of \$100,000  
19 to be spent toward 50 percent of the interior construction costs.

20 Number 3696 is the Blue Ridge Discovery Center, Blue  
21 Ridge Discovery Center Visitor Center, requesting \$175,000.  
22 This project is seeking funding to renovate the old service station  
23 to be used for a Visitor Center as part of the Blue Ridge  
24 Discovery Center campus that's being developed.

25 There are multiple components to that educational

1 facility that really would work to bring a destination within a  
2 destination by car like Mount Rogers and Appalachian Trail, and  
3 all of those areas already bring a significant number of visitors to  
4 the region every year. I think one data point we found was that  
5 Mount Rogers brings a million visitors a year. So, this will be  
6 another amenity that visitors can take advantage of, it would  
7 offer things like Wi-Fi and snacks and rest rooms and things that  
8 aren't previously in place there.

9           They do have the potential to recruit, and they do  
10 recruit from outside the region, and particularly national and  
11 international visitors. They have a robust marketing plan in  
12 place and continue to recruit visitation from around the world.  
13 And that is something to look forward in our tourism projects.  
14 And it's a national and international interest, and so we did see  
15 that in this application.

16           One concern that we had though was with the  
17 matching funds, they are partially committed with a good plan to  
18 raise the rest, they have been very successful with their  
19 fundraising. We notice that the timeline seemed to indicate that  
20 Commission funds would be used well before a large portion of  
21 the matching fund. And so because we require match be sent  
22 concurrently, we did want to address that.

23           So, the Staff recommendation is, Staff recommends  
24 an award of \$175,000 contingent upon Staff's approval of a  
25 revised budget that ensures Commission funds are spent

1 concurrently with matching funds.

2 DELEGATE HURST: I was going to ask if you want to  
3 take a brief break and open it up for discussion. As was  
4 mentioned in the Executive Committee, questions about  
5 substance rather than clarification. But go ahead and continue  
6 on.

7 MS. WILLIAMS: Number 3698 is the Cumberland  
8 Plateau Company, Dickenson County Broadband Expansion,  
9 requesting \$850,000. This project would offer services to 613  
10 locations that were previously underserved in Dickenson County.  
11 The private partners here, they will be contributing the matching  
12 funds that reflect \$647,807 of private capital and \$480,524 of  
13 Point Broadband's Bank America fund.

14 The thing to note about this one is that the guidelines  
15 for the Southwest program clearly indicate that broadband  
16 projects seeking over 250,000 will only be considered as loans,  
17 so that is reflected in the Staff recommendation. Additionally,  
18 though, some of the match, the Connect America funding would  
19 be provided over ten years, so it looks like a large portion of that  
20 would be spent outside of the Commission's grant period rather  
21 than concurrently with our funds.

22 And so in recognition of those two things, Staff  
23 recommends that the Commission award a loan to the  
24 Cumberland Plateau Company or Point Broadband, or both, of up  
25 to \$850,000, plus reasonable costs of issuance at zero percent

1 interest and for a term acceptable to the Executive Director.  
2 Staff further recommends that the Commission authorize the  
3 Executive Director to take any necessary actions to execute this  
4 transaction.

5 DELEGATE HURST: Thank you. This one does have  
6 kind of an option in it, and this would be worthy of brief  
7 discussion. Staff recommends an award for a loan to either the  
8 Cumberland Plateau or Point Broadband, or both, of up to  
9 \$850,000, and then also, you know, what is in some of the other  
10 recommendations and authorization and what would be needed  
11 to take any necessary action that they need executed. So, we  
12 have either an option for, again, the Plateau Company or Point  
13 Broadband, or both, for those loans. I'll open it up to anybody  
14 who has an opinion one way or the other on what we might want  
15 to do based off the Staff recommendation.

16 Mike, give me your thoughts on what the implications  
17 would be for either option here.

18 MR. KAESTNER: Mr. Chairman and members of the  
19 Committee, the Cumberland Plateau Company was the applicant  
20 under the Southwest Virginia program and what nonprofit  
21 organizations can apply to Point Broadband but could not have  
22 submitted or navigate directly. So, effectively, the application on  
23 behalf of Point Broadband. However, I don't believe we have  
24 that same limitation with respect to loans. And between the  
25 parties with PBC and Point Broadband, the known entity, that

1 would be undertaking the project. That's why we worded the  
2 Staff recommendation the way we did to kind of leave that door  
3 open for that flexibility.

4 Evan, feel free to chime in, I think from the  
5 Commission's perspective as more folks are signing on the dotted  
6 line to agree to a loan, it's always better. We don't believe that  
7 there's a high risk of default with this one. Virginia Resources  
8 Authority would -- you know, help us confirm that, but, in  
9 general, borrowers with deep pockets rather than just one, that's  
10 largely the reason for that flexibility.

11 MR. FEINMAN: Mr. Chairman, our hope is that the  
12 motion would carry that flexibility forward, so rather than picking  
13 an option one way or the other, you would delegate to me the  
14 authority, the best deal for the project and then for the  
15 Commission's lending program, so that the loan went off without  
16 a hitch. And that'll mean conversations with PTP, and point  
17 about whether, one or the other are the more sensible  
18 guarantors of the loan.

19 We can look at the genesis of wearing my other hat,  
20 it's a pretty good project, which ordinarily, as a loan, Point  
21 Broadband isn't going anywhere. They literally, they own fiber in  
22 the ground. So, it's not as if they can pick up and leave. Felt  
23 pretty confident that they, a good credit risk.

24 DELEGATE HURST: All right, then that explanation, I  
25 think answers all of those questions brought up earlier. We'll

1 continue to move on.

2 And, Sara, sorry for interrupting, please continue.

3 MS. WILLIAMS: Number 3691, Lee County EDA,  
4 Produce Auction for Lee County Planning Initiative, requesting  
5 \$18,000. This funding would be used to help fund a feasibility  
6 study focused on developing a produce auction in Lee County.  
7 Produce auctions are great wholesale opportunities for producers,  
8 it's a place that, restaurants and others can come and obtain the  
9 produce that they need for their businesses. I believe is the  
10 application, three or four hours away from the closest  
11 opportunity. So, it does appear that there is a need for one in  
12 our region.

13 The remainder of the funding for the feasibility study  
14 will come from the Department of Ag. through the AFID program,  
15 and that application is in process.

16 Staff recommends awarding a grant in the amount of  
17 \$18,000 to fund 50 percent of the costs of the produce auction  
18 feasibility study.

19 3689, Lee County Livestock Association, Grain  
20 Production Initiative For Far Southwest Virginia, requesting  
21 \$255,000. This project would support a cost share program to  
22 help build a grower network to serve the grain terminal, Project  
23 Thoroughbred, that is under development in Norton, Virginia.  
24 Project Thoroughbred is, there is something that has received a  
25 lot of attention down here, and there was, you may have noticed,

1 a pending application for that project that was submitted to the  
2 program. Over \$2 million has been committed to construct that  
3 facility by DMME, and they have come to us for some help with  
4 equipment. During our review, and I'll say that Staff was  
5 generally supportive of that project, but during our review, we  
6 had asked for some additional information relating to formal  
7 operating agreements and things that they are still working to  
8 develop. So, they chose to withdraw that application, they may  
9 resubmit, or they may find additional funding from DMME or  
10 others to complete the project. The Cost Share Program would  
11 help producers, potential producers acquire the types of  
12 equipment that they need to grow and harvest the grain, and so  
13 that is what this project accomplishes.

14 The application would serve 25 producers, and we  
15 noticed in the Project Thoroughbred's business plan that the first  
16 year of operation, the grain terminal could serve eight producers,  
17 and that number grows to 20-something by Year Five. And so  
18 our concern was that approving the full amount for this we may  
19 flood the market with producers before the grain terminal is  
20 perhaps at a point where they can accommodate that number of  
21 producers. So, we decided it may be best to scale it back a little  
22 bit. And that is why you see the reduced award.

23 So, the Staff recommends awarding a grant to the Lee  
24 County Livestock Association in the amount of \$127,500,  
25 contingent upon: (One), the Lonesome Pine Regional Industrial



1 Facilities Authority's award of a contract to proceed with the  
2 design, equipping, and construction of Project Thoroughbred, and  
3 (two), the applicant's written confirmation that the scope of  
4 Project Thoroughbred has not changed in a manner that will  
5 materially affect its expected demand for barley.

6 Any questions about that one?

7 MR. KAESTNER: One comment about this. Sara did a  
8 great job summarizing that. The applicant in this case, Lee  
9 County Livestock Association, I believe Andy Bidenten (sp.) is the  
10 contact for that organization. Andy is also on the project team  
11 with Project Thoroughbred. And the conditions in the Staff  
12 recommendation and we're operating on the assumption that  
13 Andy would be, well situated and plugged into what's going on  
14 with, you know, the Project Thoroughbred itself, and so, you  
15 know, should be able to assist -- if they're not pursuing  
16 Commission funds and timing for awarding the contract and so  
17 forth. And those two projects are very closely linked and --  
18 between the applicants and contact them.

19 MS. WILLIAMS: Number 3692. Old Dominion  
20 University Research Foundation, Internet Access for Rural and  
21 Underserved Communities Through Wireless Hotspots, requesting  
22 \$43,790. This is an interesting project that would help support a  
23 pilot and supporting the development of a new technology that  
24 takes outdated cell phones and makes them into hotspots that  
25 can be used by area students. The hotspots would be deployed

1 to 50 students in Wise County. A portion of this award would be  
2 used for subcontract with UVA-Wise who will help implement the  
3 project in Wise County. The reduced request amount is the  
4 result of the removal of some indirect costs that have been put  
5 into the budget. The Commission policies prohibit funds for that  
6 purpose.

7 We also identified that there was \$5,000 of incentive  
8 payments that would be paid to the 50 participants in Wise  
9 County. And, again, the Commission's policies do not allow  
10 incentive payments. So, that is why you'll see some reduction  
11 here.

12 If the pilot is successful, we could see a Phase II, or I  
13 believe it was \$100,000 for the next phase, but also if it is  
14 successful, it would be, the technology would be licensed to local  
15 cell phone providers and others who could further make  
16 expansions in the region.

17 So, the Staff recommends awarding a grant in the  
18 amount of \$38,790 to the Old Dominion University Research  
19 Foundation to fund the proposed wireless hotspot pilot project on  
20 the condition that ODU agrees not to license any of the  
21 associated intellectual property without the Commission's prior  
22 approval and to share a negotiated portion of any resulting  
23 licensing revenues.

24 MR. FEINMAN: I can speak additionally. One of the  
25 problems the Commonwealth encountered during the transition

1 to virtual schools was that there are a wide variety of companies  
2 who are very happy to sell school divisions hotspot devices that  
3 can themselves run over \$100, with associated data plans, which  
4 can cost over \$100 for years. You multiply however many  
5 students you got by 200 bucks, and you're really putting a  
6 squeeze on local school districts.

7           Meanwhile, the Federal government, through the  
8 Lifeline Program, has provided households, low income  
9 households with cell phones for years, and so the desire to find a  
10 lower cost way that creates an opportunity for folks using already  
11 existing devices. The market, when you talk to people who want  
12 to sell people hotspots and this may be a way ultimately you can  
13 return it to our region, as well as bolster the Commission assets  
14 by -- that turn out to be really valuable and used really  
15 throughout rural Virginia and potentially rural America.

16           DELEGATE HURST: I think that part about the IP is  
17 really something that is really important for all of us to try and  
18 remember that where we have opportunities to make some of  
19 these partnerships, we want to make sure that very valuable IP,  
20 that -- that we are able to benefit from that in certain regards.  
21 This may be a small award, but this is a really cool project in my  
22 mind. And I'm really, really glad that we had this as an  
23 application.

24           So, just one quick comment. Google are very  
25 sensitive on picking up when you're talking or speaking. So,

1 thank you very much.

2 And, Sara, please condition.

3 MS. WILLIAMS: Number 3690, Sunset Holler, Inc.,  
4 Southern Amphitheatre Project, requesting \$500,000. The  
5 application would support the construction of a 4,000 seat  
6 amphitheater in Buchanan County. This is a project that we did  
7 support last year, we paid a percentage of preliminary design,  
8 and now they're back now asking for construction money. One  
9 concern though is that the total construction costs, not including  
10 the approximately \$400,000 funding that's needed to complete  
11 final design, the total construction cost is over \$5 million, and so  
12 far none of that has been raised. And we would have been first  
13 money into that project.

14 The Commission does require that all funding being in  
15 place within a year, and we felt it was very unlikely that that  
16 could occur. We also wanted to be a little bit more confident  
17 about what that actual construction cost would be after the final  
18 design takes place.

19 The other concern we had is that while this project  
20 was under original development, there was a really good  
21 feasibility study that was performed at that time, I want to say  
22 2017-2018. However, there's been some significant changes  
23 that we felt the application needed to address, and one was what  
24 are the future changes to the performance venue as a result of  
25 the COVID pandemic, and did that change anything that would

1 impact the design of this project.

2           There's also a new major competitor in the region,  
3 and that will be under development, the Hard Rock Casino in  
4 Bristol, will also have a very large performance venue. We felt  
5 that the additional competition from those venues needed to be  
6 accounted for. I say that perhaps Commission funding at this  
7 point might be a little premature. Because this project has not  
8 yet secured any of the additional \$5 million of funds needed to  
9 fund the construction phase of this project, and Staff has  
10 concerns about competition from other venues expected to come  
11 to the region. Staff recommends no award.

12           Number 3694, Virginia's Heritage Music Trail, The  
13 Crooked Road, Crooked Road Artist, Industry, and Brand  
14 Excellence, requesting \$70,000. This was a multi-faceted  
15 request, there were three primary parts to it. One was continued  
16 support for The Crooked Road On Tour Program. The other was  
17 wayside upgrades and community signage. And the third was a  
18 recruitment piece that would feature, recruit music producers  
19 and production to the region. And so we started to evaluate  
20 each of these a little bit separately.

21           Crooked Road On Tour, for example, has been in  
22 existence since 2014. An application was submitted last year to  
23 the Southwest Economic Development Program to continue  
24 support for that program. What we determined then and what  
25 we still feel now is that this is a well-established program, it's

1     been in existence for a long time. And the Commission prefers to  
2     support new activity. And this didn't seem to meet that  
3     requirement as a new activity.

4             The wayside upgrades and community signage, those  
5     were also things that had been supported under previous grants,  
6     in fact, some of those grants have been closed after many years  
7     just for lack of progress. We know that The Crooked Road has  
8     new leadership, they have a new Executive Director, who was  
9     very anxious to complete these activities. But, again, it wasn't  
10    something new, we will continue to work with her though to see  
11    if we can get to a place where these types of activities are  
12    absolutely ready to go.

13            The third initiative to recruit music production and  
14    professionals to the region and establish that network,  
15    executives, and musicians, and things here, we thought that was  
16    a compelling and new idea, that's something that we were  
17    excited about. However, we didn't see that there was enough  
18    detail about that. In the current application, it may be good to  
19    even do a feasibility study or something that really focuses on  
20    the potential with that. And so, when we talked to the Director  
21    of Crooked Road, that is something we would like to continue to  
22    work with her on to see if we can get that developed to where it  
23    would be resubmitted to a future round.

24            Because this application primarily seeks funding for an  
25    existing program and not a new initiative that will result in new

1 economic activity in the region, Staff recommends no award for  
2 The Crooked Road On Tour program, portion of this application;  
3 however, Staff invites the applicant to refine and resubmit the  
4 portion of its application for marketing and recruiting music  
5 professionals to the region in a subsequent round of funding.

6 Finally, we have Number 3693, William King Museum  
7 of Art, Cultural Campus Development at William King Museum of  
8 Art Phase II, requesting \$500,000. The total project will result in  
9 several capital improvements to the William King Campus. In  
10 particular, the upper campus will receive entrance improvements,  
11 and the roads there are sometimes hard to get into and parking  
12 is a little bit limited, it's not all that handicap accessible, and so  
13 there are improvements that will help in those areas.  
14 Additionally though, the project will create a lot of additional  
15 green space, trails and interpretive sculpture gardens, and it was  
16 classified as being an extension of Abingdon's main street.  
17 And it talked about improved quality of life for town residents.  
18 This was something that we had to look at because, again, the  
19 Commission-funded tourism projects of national and international  
20 interests, our priority is not to fund community recreational  
21 amenities for quality of life amenities.

22 We did note from the application that often tour buses  
23 cannot visit William King because of some of the entrance issues.  
24 But we did didn't find was any data to support how many tour  
25 buses are not, had not been able to visit, maybe that were

1 already visiting and couldn't make it up there. And, also, we  
2 didn't get information on the economic impact of additional tour  
3 buses in particular because William King does not charge for  
4 admission. So, the performance metric we look at there would  
5 be increased ticket sales. The economic impact that would be  
6 most relevant here then would be the indirect spending from  
7 those additional visitors to the Town of Abingdon, and we did not  
8 see that information.

9 In particular, we would need to see information that  
10 shows not that tour buses are coming to Abingdon and just not  
11 visiting the museum, but that there are new tour groups that  
12 would only come to Abingdon now because they could get to the  
13 museum, and that there would be new associated spending from  
14 that visitation.

15 And for that reason, because this application failed to  
16 demonstrate how this project would bring a significant number of  
17 new visitors to the region, Staff recommends no award.

18 That completes the presentation of the applications.

19 DELEGATE HURST: Thank you very much, Sara,  
20 appreciate you reading over those and, of course, doing the  
21 actual job of really vetting. And, also, applicants in the Taylor  
22 application, Crooked Road, and interested in meritorious avenues  
23 to receive funding and encouraging them to continue to work on  
24 that.

25 As a quick comment, someone who loves the arts and



1 public funding of the arts, and we do have a recommendation to  
2 not award grants to arts endeavors, but I really do think that  
3 that's really important for us to do and to look at, the actual  
4 ability, the economic drivers.

5 The other is, and the capital, and raising revenue, and  
6 I know that a lot of these organizations are having. It would be  
7 great if we had funds available to be that first down payment for  
8 organizations, but I don't believe that that's what this  
9 Commission should be providing that. I really would like to see  
10 more capital having been secured and that we can be a partner  
11 in trying to get over a hump to get over a hump rather than  
12 trying to be that initial seed money to then be used to try to  
13 furnish other capital raising elsewhere. I don't want us to always  
14 be the first, it would be great if we could be the last working with  
15 some of these applications. There just hasn't been enough  
16 capital raised for the entire amount that the project would cost  
17 for us to, or for me to feel comfortable in wanting to move  
18 forward. Those are my comments. I'm more than happy to hear  
19 anybody else's comments or questions concerning the Staff  
20 recommendations.

21 Do we make a motion to recommend to the full  
22 Committee or do we not even take a motion at this time?

23 MR. FEINMAN: Mr. Chairman, the appropriate action  
24 would be to recommend to the Full Commission -- Certainly, the  
25 Staff preference, and we can do that in a block and members can

1 request something to be pulled out of the block if necessary.

2 DELEGATE HURST: So, while we are all now taking  
3 another look at the Staff recommendations and their item  
4 numbers, we have a request from Evan to take them all up in a  
5 block if there's no further discussion on them individually. Yes,  
6 sir?

7 MR. BLEVINS: I have a question on that application.  
8 I have a little bit of concern, we potentially have missed the  
9 objective of this project because I think it's more of a long-term  
10 investment and improving quality and working with participants  
11 to the soil quality and also provide opportunities for equipment.  
12 And I think that deserves additional consideration instead of  
13 assuming or arriving at the conclusion that it's routine. I think  
14 this is a long-term investment really to improve quality. I know  
15 that's in Southwest Virginia, there's a huge variation in forage  
16 quality in our area. I think the guidance and the help that this  
17 probably would offer is really a long-term investment to help  
18 encourage quality and improve their profitability.

19 Again, I certainly agree that at first it's not the routine  
20 maintenance expenses, I just would ask if the Staff considered  
21 that when they reached their conclusion on this application.

22 MS. WILLIAMS: We did, Ed, you know, one thing that  
23 we had to keep in mind was that there was a cost share program  
24 approved last year that funded the equipment and there was  
25 higher dollar capital expenses. What we removed from that

1 application was the feed and the fertilizer and the lime, the items  
2 that are presented here. So, last year's application that was  
3 approved, you know, it's active, it's still got a couple of more  
4 years on it, does provide cost share for the equipment and, you  
5 know, those items that would be used for this.

6 MR. BLEVINS: Is this a duplication --

7 MS. WILLIAMS: It was the list of items that we  
8 removed last year that was requested this year.

9 MR. FEINMAN: Ed, the issue is that two things. One,  
10 when the Staff issues pretty clear guidance to a grantee and says  
11 we can pay for this part of your request, but not that part of your  
12 request, and then they come in with just that part the next year,  
13 it's tough to get around that. And the issue, the specific things  
14 that are being asked to be approved, it's all consumable stuff and  
15 would need to be re-applied three to five years down the road  
16 again in perpetuity. So, that the issue is it really, just like you've  
17 got to repaint your structures, just like you've got to regravels  
18 your drive, this is really in the nature of maintenance, you should  
19 be continuously improving the soil as it degrades. And so, our  
20 view was that this really wasn't the nature of maintenance, and  
21 that's why.

22 MR. BLEVINS: I don't disagree with that. The only  
23 piece of that that I wanted to make sure was the fact that, you  
24 know, when you introduce new forage and improve the quality of  
25 your pasture, than can be perpetuated by improve the annual

1 maintenance, but I think it's an investment. Initially that has  
2 long-term benefits beyond routine maintenance, that's the point I  
3 wanted to make.

4 MR. FEINMAN: We will continue to work with the  
5 Association and make sure that all of the things that they are  
6 doing that are of value to the region fit with our program  
7 guidelines, we continue to get in front of us and, you know,  
8 particularly having said no this year, I think it does call for  
9 probably some more specific outreach and I'm happy to commit  
10 that we will do that, to work with them to be making the  
11 systemic improvements that we all want to be having.

12 DELEGATE HURST: We want to work with the  
13 association to maybe get more funding for cost share through the  
14 extension offer.

15 MR. BLEVINS: In their percentage not given  
16 consideration. I personally think that it does have merit as a  
17 long-term investment rather than being a decision made solely  
18 on the routine maintenance aspect of it, because I think it goes  
19 beyond that. If we could do that, Mr. Chair, I think that would  
20 certainly be well received.

21 MS. WILLIAMS: The project will be administered,  
22 would have been administered by Phil Blevins in the Washington  
23 County Extension Office and throughout the extension office in  
24 the 14 counties that were being served. We have a long  
25 relationship with them due to numerous cost share programs like

1 this. We have funded, particularly with Phil, and so we do have a  
2 good relationship with him, and so I am happy to continue to talk  
3 to him about, you know, if we have missed something in our  
4 evaluation, you know, see how the cost share program that was  
5 approved last year, how it's progressing, what the interest is  
6 there, and just continue to work with them to see what we can  
7 develop at this point.

8 MR. BLEVINS: I do think that we need to understand  
9 the objective and the long-term effects of it more as an  
10 investment, a long-term investment rather than just simply  
11 routine maintenance. Thank you for consideration.

12 DELEGATE HURST: Thank you, Ed. Anybody else  
13 have any discussion on any of the items that we have here in our  
14 Southwest Committee? Hearing none, and, again, if there is no  
15 desire to take action differently on one item rather than the  
16 block, it would be great if we could have a motion to recommend  
17 and report all of these funding items to the Full Commission.

18 MR. BLEVINS: Mr. Chair, one more time, I won't take  
19 much time, based on the discussion we just had with 3697, be  
20 open to look at and having further discussion on how that would  
21 be handled.

22 DELEGATE HURST: We can certainly take it out of the  
23 block, if you wish. I would say that I guess it would be open for  
24 any kind of motion, we could discuss it further, we could, you  
25 could make a motion to request something specific. I think we

1 would need, we would need a second, and then we would need to  
2 take a vote on it. Please correct me if I'm wrong on procedure,  
3 Evan.

4 MR. FEINMAN: You've got it, Mr. Chairman.

5 DELEGATE HURST: If you have a motion on what you  
6 want to do with it, it's up to you.

7 MR. BLEVINS: I would ask that it be removed from  
8 the block and kind of leave the door open there to clarify and  
9 make sure we look at the objective of the project and give  
10 consideration to it, so I would make a motion that we remove  
11 that from the block.

12 DELEGATE HURST: Do we have a second on that?

13 MR. SUTHERLAND: Mr. Chairman.

14 DELEGATE HURST: Yes, sir.

15 MR. SUTHERLAND: Richard Sutherland, I'll second  
16 that motion.

17 DELEGATE HURST: Okay, great, appreciate that.  
18 Then I would imagine that if we take it out and decide to have  
19 further discussion, maybe, would it be something, Sara, Evan,  
20 that could be pending for the next meeting, where we could  
21 leave that application open, and there could be more discussion  
22 offline, and then further at the next Commission meeting?

23 MR. FEINMAN: Mr. Chairman, a common motion that  
24 would be used to keep an application open for the duration in the  
25 past has been to table it, which carries it over to the next

1 meeting.

2 DELEGATE HURST: We have a motion to take it out of  
3 the block. Can you go ahead, Ed, and revise your motion to also  
4 include that you want to table it and then we can go ahead and  
5 get that seconded, and then we can go ahead and take a vote.  
6 Are you okay with making that revision?

7 MR. BLEVINS: Yes. My motion to remove that  
8 application from the block and table it.

9 DELEGATE HURST: Is there a second?

10 MR. SUTHERLAND: Richard Sutherland, I second that.

11 DELEGATE HURST: All right, thank you, Richard. So,  
12 we have a motion and a second to remove Grant Application  
13 Number 3697, from the Abingdon Feeder Cattle Association, and  
14 to table that application until the next meeting.

15 Do we need to do a roll call? All those in favor of the  
16 motion will signify by saying aye. (Ayes). All those opposed  
17 signify by saying nay. (No response). The motion carries.

18 With that being said, so, now, we have every available  
19 application included and the Staff recommendations, except  
20 Number 3697, again, those are all in a block. If we like these  
21 recommendations, we would need to make a motion to report  
22 and recommend these items to the Full Commission later on this  
23 afternoon. Do we have a motion for that?

24 MR. SUTHERLAND: Richard Sutherland, so moved.

25 MS. RATLIFF: Motion.

1 DELEGATE HURST: I heard Sandy coming in a little  
2 clearer on that one. So, I'll go ahead and let Sandy have the  
3 motion on that. Do we have a second?

4 MR. SUTHERLAND: Richard Sutherland, I second.

5 DELEGATE HURST: This is a voice vote, and, Evan,  
6 interrupt me if it needs to be by name, but if it's a voice vote, all  
7 those in favor of the motion to send the recommendation to the  
8 Full Commission, signify by saying aye. (Ayes). All those  
9 opposed, signify by saying nay. (No response).

10 All of those remaining applications will be  
11 recommended to the Full Committee, and with that, I'm trying to  
12 get back to the agenda.

13 We have other business that Evan can talk about.

14 MR. FEINMAN: First, we wanted to note that there  
15 will be an upcoming round of the Southwest Committee, and we  
16 anticipate, Mike, Sara, have we set the date for that, yeah, I  
17 believe we did the other day. I can't recall what it was.

18 MS. WILLIAMS: March 4<sup>th</sup> is the tentative date, the  
19 first Thursday in March.

20 MR. FEINMAN: Applications will be March 4<sup>th</sup> for the  
21 next round of grants and loan requests that will come before this  
22 Committee.

23 Other than that, Mr. Chairman, I have no additional  
24 business for you.

25 DELEGATE HURST: There's an opportunity for public



1 comment. Anybody who wishes to have public comment, we  
2 would love to recognize you and give you a few minutes to  
3 speak. All right, hearing none and having no other  
4 Commissioners needing to say anything for the Southwest  
5 Committee, this Committee shall rise and we are adjourned.

6 Thank you very much, everybody.

7

8

9

---

**PROCEEDINGS CONCLUDED.**

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**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 Friday, January 8, 2021, at 10:30 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 January, 2021.

\_\_\_\_\_

Medford W. Howard  
CCR