

**TOBACCO REGION REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501

Richmond, Virginia 23219

**Incentives and Loans Committee Meeting**

Wednesday, September 22, 2021

9:30 o'clock a.m.

Peaks of Otter Lodge  
85554 Blue Ridge Parkway  
Bedford, Virginia

1     APPEARANCES:

2     The Honorable Terry G. Kilgore, Vice Chairman

3     Mr. Edward Blevins

4     Ms. Gretchen Clark

5     The Honorable Chris L. Hurst

6     The Honorable Thomas J Miles, III

7     The Honorable Sam Rasoul

8     The Honorable Frank M. Ruff

9

10    COMMISSION STAFF:

11    Mr. Evan Feinman, Executive Director

12    Mr. Andy Sorrell, Deputy Director

13    Ms. Sarah K. Capps - Southside Regional Director

14    Ms. Sara G. Williams - Southwest Regional Director

15    Mr. David Bringman - Database and Performance Metrics Manager

16    Ms. Stephanie S. Kim - Director of Finance

17    Ms. Joyce Knight - Executive Assistant

18

19    COUNSEL FOR THE COMMISSION:

20    Ms. Elizabeth B. Myers, Assistant Attorney General

21        Richmond, Virginia 23219

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1 September 22, 2021

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DELEGATE KILGORE: Good morning, I'm going to call  
4 the Incentives and Loans Committee to order and ask Evan to  
5 call the roll.

6

MR. FEINMAN: Delegate Aird.

7

DELEGATE AIRD: (No response).

8

MR. FEINMAN: Delegate Kilgore.

9

DELEGATE KILGORE: Here.

10

MR. FEINMAN: Mr. Blevins.

11

MR. BLEVINS: Here.

12

MR. FEINMAN: Ms. Clark.

13

MS. CLARK: Present.

14

MR. FEINMAN: Ms. Drinkwater.

15

MS. DRINKWATER: (No response).

16

MR. FEINMAN: Delegate Hurst.

17

DELEGATE HURST: Here.

18

MR. FEINMAN: Ms. Richardson.

19

MR. HUTCHINSON: (No response).

20

MR. FEINMAN: Mr. Miles.

21

MR. MILES: Here.

22

MR. FEINMAN: Senator Morrissey.

23

SENATOR MORRISSEY: (No response).

24

MR. FEINMAN: Delegate Rasoul.

25

DELEGATE RASOUL: Here.

1 MR. FEINMAN: Senator Ruff.

2 SENATOR RUFF: Here.

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

4 DELEGATE KILGORE: Do we have any public  
5 comments? No response, all right.

6 The first subject will be Project Solomon, and I'll call  
7 on Andy for that.

8 MR. SORRELL: Thank you, Mr. Vice Chair. Project  
9 Solomon, 3912. This is a request for approval of \$1.529 million,  
10 a TROF Grant and Loan Incentive.

11 This particular project was tentatively reviewed and  
12 approved by the Committee back in August prior to an  
13 announcement. Given the timeframe between when we're  
14 meeting today and the time in which the application was made, it  
15 did not permit us to have a meeting of the Committee as would  
16 normally be done given a project like this and a project over a  
17 million dollars.

18 After speaking to the Committee members and with  
19 the Chair and Vice Chair of the Committee, we decided that by  
20 reaching out to members and the chair, we could do a tentative  
21 approval and then review this retroactively at the Committee  
22 meeting.

23 This is a project with \$295 million capital investment,  
24 375 jobs, and an annual salary just over \$41,000. The project  
25 had been previously announced and the -- which is a leading

1 producer of Tyson Foods, which is a leading producer of -- This  
2 is a project with the Danville/Pittsylvania RIFA, and that will be in  
3 the Lot 9 in the Cane Creek Industrial Park. Average salary just  
4 under \$38,000. And the company has locations in North and  
5 South Carolina, Tennessee, and Virginia. So, the region's  
6 workforce training in automation and robotics would help attract  
7 the company here.

8 Based on the performance parameters, the TROF  
9 incentive estimated a TROF award of \$1,529,000; \$707,000 of  
10 that being in a grant, and \$822,000 as a zero interest TROF loan.  
11 The reason the loan amount is greater than the grant, that the  
12 TROF policy permits Staff to go up to 150 percent of the grant  
13 amount for the loan, and that would be useful, it's not quite a  
14 100 to 150 percent, but that's why it's a little higher there. I  
15 know representatives are here today. I'm sure they'd be happy  
16 to answer any questions and I'd be glad to answer any questions,  
17 as well.

18 DELEGATE KILGORE: Thank you, Andy. This is one  
19 that I think we all are excited about and we all talked about this  
20 earlier and we have to move on pretty fast to make sure we're  
21 able to meet the needs of the company and needs of the locality,  
22 and you've done a good job making sure we were able to meet  
23 and give an amount that's acceptable to everybody and thank  
24 you all for that work. Are there any questions?

25 SENATOR RUFF: If there's no questions, Mr.

1 Chairman, I move we accept the Staff's recommendation.

2 DELEGATE KILGORE: We have a motion and a  
3 second. Any more discussion? All those in favor, say aye.  
4 (Ayes). Opposed? (No response). That motion carries.

5 Next, I think we have a confidential discussion and we  
6 need to go into executive session. Well, I see, we'll wait on that  
7 and go to another project.

8 The next one is the Appomattox County EDA,  
9 Innovatio Sealing Technologies, Number 3340. Would you like to  
10 go through that one?

11 MR. SORRELL: Yes. This is a project with Innovatio  
12 Sealing Technologies, Number 3340. This is a project for the  
13 Appomattox County Economic Development Authority. The  
14 project was approved in 2017 for a performance period that  
15 ended in June of 2020, and it was a grant of \$80,000 and a TROF  
16 loan of \$40,000, for a total of \$120,000. It was based upon  
17 incentives and \$2.12 million and that was based on 28 jobs in  
18 the incentive, \$2.12 million capital investment.

19 For this particular project, a minimum investment and  
20 with the capital investment just over a million dollars. This  
21 project was in abeyance and so far the Commission has not been  
22 able to verify any new jobs in the performance period and  
23 \$224,000 in capital investment.

24 You'll notice that I have provided a letter from the  
25 company in response to the Staff's draft recommendation that we

1 provided to the county prior to the Staff being prepared. We  
2 didn't receive the letter until the very end of last week, so we  
3 didn't have an opportunity to respond to it. That's in the  
4 Commission packet.

5 I will address several points that the letter addresses.  
6 In the first portion of the letter, the company disagrees with the  
7 performance date and the executed agreement. They feel it  
8 should have started two quarters past what the executed  
9 agreement said. Funds were not disbursed until February of  
10 2018. The executed agreement is what it is, and they did sign it  
11 and including the performance period an agreement. So, I don't  
12 believe that the Commission has leeway to change the executed  
13 agreement on the performance period.

14 Additionally, they did have a fire at the test facility for  
15 gaskets and seals and things like that. They had a fire at the  
16 test facility in June of 2021 and after the performance period.  
17 Prior to the fire, they were considering purchasing a building in  
18 Appomattox County at a different facility. They ended up  
19 purchasing the new building in July of 2021 in the county at a  
20 different location. They did invest an additional \$570,000 in that  
21 building.

22 Additionally, the company feels that the amount of  
23 capital investment or Commissioner of Revenue as a record, and  
24 it's lower than it should be. A copy of a letter that I provided to  
25 you has information about the appraiser that values their

1 equipment, at the highest end \$574,000. You take out the 224  
2 that we have a record of, that's potentially \$350,000 higher, but  
3 yet that's not a record that the Commissioner of Revenue, that's  
4 what we're able to utilize when it comes to the TROF  
5 agreements.

6 MR. FEINMAN: With the addition to that, Andy, it  
7 would still not be or meet the minimum.

8 MR. SORRELL: That's correct. And we don't know  
9 when this agreement was made or was it made in the  
10 performance period, again, we just don't know exactly when all  
11 that was made. As the appraiser said, if this was purchased in  
12 the performance period and the assessed value of what's on  
13 record. The other thing is that if you add all those together,  
14 you're still not getting to the number that is the minimum  
15 required.

16 The company also had a comment that, and they felt  
17 like the pandemic qualifies them, which would allow for a day-to-  
18 day extension of their performance agreement. They thought it  
19 should be 14 months from the end of the performance period,  
20 specifically the end of September of '21. Additional investment  
21 that occurred outside the performance period even if the  
22 Committee was to consider extending it, they wouldn't even hit  
23 the minimum. I think it's a moot point if we were to extend it,  
24 that would allow them to perform any better and allow them to  
25 earn any more.

1           Staff is perfectly fine if they're able to find additional  
2 information that shows the real value of the equipment or the  
3 Commission of Revenue had additional information that showed  
4 that additional investment, and we have to utilize the information  
5 from the Commissioner of Revenue and their records.

6           Therefore, as you can see in the Staff  
7 recommendation and the letter from the company, it doesn't  
8 change the Staff's recommendation, which was basically to take  
9 into account the fact that this is a good company, a good  
10 company for Appomattox County and one that can foster growth  
11 in Appomattox County by purchase of the new building and  
12 considering flexibility on the timing which to attain it would need  
13 to be required.

14           Since none of the minimum investments were hit,  
15 none of the grant was earned, there would be a repayment. And  
16 for the loan amount, since the performance period was over,  
17 they have been good on making their loan payments. So,  
18 currently, there's \$12,000 left on that particular loan. And the  
19 way our agreement reads, after the performance period ends,  
20 then you have to pay the whole loan balance, plus a certain  
21 interest percentage. Staff suggests waiving that percentage  
22 around \$600 and providing a 14-month forbearance period until  
23 January 1<sup>st</sup>, 2023 to allow them to begin paying that total  
24 amount of \$92,000, which would not include the interest, just the  
25 balance.

1           So, what Staff is proposing is basically when we draft  
2 up a repayment agreement, payable over five years, first  
3 payment of \$80,400, due January 1<sup>st</sup>, 2023, and then payments  
4 thereafter. This is something that the locality and I think the  
5 company worked out, and I just wanted to make sure I was very  
6 clear in representing what they told us. And we have the letter.  
7 I'll be glad to answer any questions.

8           I did hear that the company, I'm not sure if they're  
9 here or not, if not, I'll be happy to answer any questions.

10           DELEGATE KILGORE: Anyone have any questions for  
11 Andy?

12           MR. FEINMAN: Andy did a great job getting to the  
13 bottom of this. There's a lot of narrative and story, emotions  
14 tied up in this thing. We're not in the business of kicking a  
15 business when they're down, and they had this fire, so the  
16 forbearance period is a kindness we extend to them because of  
17 that. Give them a couple of years to get back on their feet.

18           DELEGATE KILGORE: Any questions? What we're  
19 recommending is we recommend to the Full Commission that the  
20 forbearance period from September to January 1, 2023, waiving  
21 the five percent added interest on the remaining loan balance,  
22 and they would repay us \$92,000 and you all set up terms, is  
23 that correct?

24           MR. SORRELL: That's correct. And that's represented  
25 on page 39.

1 UNIDENTIFIED: I guess they have four-and-a-half  
2 years to pay back the \$92,000. Is that consistent with some  
3 precedent there for such a long repayment period?

4 MR. SORRELL: Yes, we typically work out a  
5 repayment period for the TROF repayment of normally three to  
6 five years. And we want to make sure it's something that the  
7 locality and the company are able to handle. So, we want to be  
8 fair.

9 MR. BLEVINS: If they don't pay, the locality steps in.

10 MR. SORRELL: That's correct. If the company is  
11 unable or unwilling to pay, then it would be the locality's  
12 obligation.

13 MR. FEINMAN: If the company goes out of business,  
14 we're a creditor like everybody else, but what we don't want to  
15 do is push their head or the company's head further down the  
16 water and give them an opportunity to still succeed while  
17 repaying the loan.

18 MS. CLARK: Mr. Chair, I move that we adopt the  
19 Staff's recommendation.

20 DELEGATE KILGORE: I have a motion and a second  
21 to adopt the Staff's recommendation. All those in favor, say aye.  
22 Or any more discussion? All those in favor, say aye. (Ayes).  
23 Opposed? (No response). Motion carries.

24 Let's go into the Extensions and Modifications next.

25 MR. SORRELL: Yes. And Dave Bringman, he's our

1 database and metrics manager is here.

2 MR. BRINGMAN: Good morning, everyone. The first  
3 one we have before you is Bedford County, 3044. This is a TROF  
4 Opportunity Fund Grant. This is a TROF grant that was awarded  
5 in March 2015 for \$20,000. The original performance period  
6 ended March 31<sup>st</sup>, 2018 and administratively extended through  
7 March 2019.

8 The original terms of the contract were that the  
9 company employ three persons with an aggregate payroll of a  
10 little over \$50,000. The taxable asset obligation during the  
11 performance period was \$3.9 million. You have a letter of  
12 support from the company and the county, I believe, that  
13 information is on page 42 of your packet. That's the letter. And  
14 an agreement in support of an extension on this project.

15 The only thing that's noteworthy here is that the  
16 company also has investments in Lynchburg, which is not part of  
17 Bedford County right next door. They are looking to invest in  
18 2021, which will get them closer to achieving the full  
19 performance measures that have been set forth and hopefully by  
20 the end of this year. That's why the Staff is in agreement to  
21 have an extension through December 31<sup>st</sup>, 2021.

22 MR. FEINMAN: I will draw the Committee's attention  
23 to the word "final".

24 MR. BRINGMAN: There might be people here from the  
25 town that want to speak on behalf of this. All right.

1 MR. BLEVINS: I move we accept the Staff's  
2 recommendations.

3 DELEGATE KILGORE: We have a motion and a second  
4 to accept the Staff recommendation, 3044. All in favor, say aye.  
5 (Ayes). Opposed? (No response). The motion carries.

6 The next project, 3177.

7 MR. BRINGMAN: RTI Martinsville, 3177. This is a  
8 TROF grant awarded to Henry County, RTI Martinsville in 2016  
9 for \$80,000, and a 36-month performance agreement ended in  
10 March of 2019, and administratively extended to March of '21.  
11 The employment agreement required 15 persons to be employed  
12 with an aggregate payroll of a little over \$148,000 and the  
13 taxable asset obligation during the performance period was a  
14 little over \$8.5 million.

15 Currently, the company has met over 100 percent of  
16 their employment goal and 42 percent of their capital investment  
17 goal. The county and the company both believe they will be fully  
18 able to achieve their performance goals if granted a final  
19 performance extension through the end of March, 2021. They  
20 have a letter of support on page 44 and 45, the company and  
21 county. The company is unable to be here today.

22 Staff recommending a final performance extension  
23 through March 31, 2021.

24 SENATOR RUFF: What was the explanation why they  
25 didn't meet their capital expense?

1 MR. SORRELL: They initially anticipated some of the  
2 capital investment they had in the City of Lynchburg, but they  
3 couldn't count that one.

4 MR. BRINGMAN: With the pandemic, construction  
5 slowed down somewhat. They're saying in the letter, as well as  
6 some of the travel associated with their company, so they're  
7 asking for a slight deviation. A one-year extension on their  
8 contract.

9 MR. FEINMAN: Where we had administrative leeway,  
10 we gave effectively everybody a one-year pass because of the  
11 pandemic. Everybody's ability to do everything, including  
12 equipment. These folks were in a position where they need  
13 somebody to give them a hand.

14 SENATOR RUFF: I agree with that, the 2016, but I  
15 would move that we agree with the Staff recommendation.

16 DELEGATE KILGORE: We have a motion and a  
17 second. All right.

18 MS. CLARK: Second.

19 DELEGATE KILGORE: We have a motion and a  
20 second. All those in favor, say aye. (Ayes). Opposed? (No  
21 response). That motion carries.

22 The next one is NovaTech, 3245.

23 MR. BRINGMAN: This one is also with Henry County.  
24 This ended in March of 2020. And they made investments after  
25 that time period. We allowed a fifth-year extension.

1 DELEGATE KILGORE: Let's go to NovaTech, 3245.  
2 This one is also with Henry County, signed off on September,  
3 2016 between NovaTech and the Commission and the county for  
4 \$130,000. And the original performance period ended  
5 September of 2019 and we administratively extended that one  
6 for one year.

7 The grant agreement was for 50 percent of an  
8 aggregate payroll of \$359,000 and their taxable assets were  
9 supposed to be \$3 million. The company has met over 52  
10 percent of their employment goal and over 100 percent of their  
11 capital investment goal. The company recently acquired another  
12 company and will be adding another production line in  
13 Martinsville. During the pandemic, they weren't able to hire as  
14 many people as they wanted and we haven't been able because  
15 of the pandemic to set that line until recently.

16 The county and company both support the extension,  
17 and the letter is included on page 46 of your packet. And that's  
18 why we're requesting a fifth-year extension.

19 DELEGATE KILGORE: Any questions about that?

20 UNIDENTIFIED: Will they have that done shortly?

21 MR. BRINGMAN: You mean the production line? I  
22 know they're working on the hiring right now. And if you'll look  
23 ahead and see some of that through September of 2021, I think  
24 we have through March of '21 right now. And we're hoping to  
25 capture another two or three quarters.

1           Prior to this, their employment was going up in order  
2 to cover, and that has increased.

3           MR. FEINMAN: We certainly welcome companies  
4 reporting, we don't trust that particular report. We look at the  
5 Employment Commission for employment and the Commissioner  
6 of Revenue numbers for taxable investment. So, we're always  
7 used to trailing just a little bit.

8           SENATOR RUFF: I wouldn't want to see a company  
9 that's growing not able to hire the people quite fast enough. I  
10 wonder if we'd be better off to make that October 31<sup>st</sup> rather  
11 than September 30?

12           MR. BRINGMAN: The way it works is that it's based  
13 on quarters, so we could extend it to December. The October  
14 figure doesn't help us too much. The way VEC structures. Andy,  
15 12-31-21 would be the next quarter.

16           SENATOR RUFF: Mr. Chairman, I'd move we change  
17 that date to December 31, 2021. We don't want to see damage  
18 during that process. Make sure the company is doing what we  
19 expect them to do.

20           MS. CLARK: Second.

21           DELEGATE KILGORE: Any other comments? The  
22 motion is to grant the performance extension through December  
23 31, 2021. All in favor, say aye. (Ayes). Opposed? (No  
24 response). That motion carries.

25           Town of Saint Paul, 3375. This is known as the

1 Western Front Hotel. This was a TROF agreement that was  
2 signed in September of 2017 in the amount of \$85,000, 36-  
3 month performance period ending 9-30-20 and was  
4 administratively extended for an additional year through 9-30-  
5 2021. The performance agreement requires the company would  
6 employ 22 persons with an aggregate payroll of \$137,000, with  
7 the taxable asset of about \$6.4 million.

8           Currently, the company has achieved 30 percent of  
9 the employment obligation and nearly 50 percent of the taxable  
10 asset performance. As with many other hotels, the pandemic  
11 has impacted tourism and hospitality significantly. Therefore, the  
12 company with support from the town has requested a  
13 performance extension through the end of September 2022.  
14 That letter is on page 48 of your packet. We believe they'll be  
15 able to meet their performance obligations with this extension  
16 and request this be approved through September 30, 2022.

17           MR. FEINMAN: They're working with us right now on  
18 a loan for funding, and they've got an investment from a number  
19 of other parties. We just want to give them every chance we  
20 can. If it closes, it'll be a huge setback for the Town of Saint  
21 Paul.

22           MR. MILES: I move we accept the Staff  
23 recommendation.

24           DELEGATE KILGORE: We have a motion and a  
25 second. All in favor, say aye. (Ayes). Opposed? (No response).

1 That motion carries.

2 MR. SORRELL: We can go into the Confidential Project  
3 now.

4

5 NOTE: A closed confidential meeting is held;  
6 whereupon, the Committee reconvenes in open session, and the  
7 roll call is held.

8

9 MR. FEINMAN: Mr. Blevins.

10 MR. BLEVINS: Yes.

11 MR. FEINMAN: Ms. Clark.

12 MS. CLARK: Yes.

13 MR. FEINMAN: Mr. Miles.

14 MR. MILES: Aye.

15 MR. FEINMAN: Delegate Rasoul.

16 DELEGATE RASOUL: Aye.

17 MR. FEINMAN: Senator Ruff.

18 SENATOR RUFF: Yes.

19 MR. FEINMAN: The motion carries.

20 SENATOR RUFF: Do we have any other business? Is  
21 there any public comment?

22 UNIDENTIFIED: I move we accept the  
23 recommendation on Project Palm.

24 MS. CLARK: Second.

25 SENATOR RUFF: We have a motion and a second we

1 approve Project Palm. All in favor, say aye. (Ayes). Opposed?  
2 (No response). All right, thank you.

3 Now, is there any other public comment? All right.

4 MR. FEINMAN: We have some changes to the way  
5 that we're approaching the Community Funding Program. My  
6 view the approval of the program guidelines and for the  
7 convenience of our oversight colleagues, want to make it explicit  
8 that the authority the Staff has to make those moves on a rolling  
9 basis rather than continuing to wait until we have one our  
10 meetings. The TROF grant loans, we need to do this so the  
11 timeframe works. So, what we're proposing is to make it explicit  
12 the Executive Director has the authority in consultation with this  
13 Committee through email and there were folks at VRA if the loan  
14 in the amount of \$5 million or less to move forward with the loan  
15 without waiting formal authorization by the Committee and  
16 Commission.

17 SENATOR RUFF: I would tell you that at least one  
18 county has talked to me about how slow it is to get a loan. It's  
19 not worth the squeeze considering the interest rate. So, if we  
20 can speed up the process, it helps everybody.

21 MR. FEINMAN: VRA was not previously in the  
22 business of evaluating. They had the expertise, so they take a  
23 little while to act, but they are moving faster. We might make  
24 these loans at a higher interest rate down the road, but we do  
25 anticipate significant pickup in the amount of money we're doing.

1 There's a written motion.

2 MR. SORRELL: I move that the Commission accept  
3 the Incentives and Loans Committee recommendation to permit  
4 the following community and business lending program loan  
5 award authorizations:

6 One, CBL loans can be approved by the Executive  
7 Director for loan awards up to \$5 million or less;

8 Two, CBL loans must be approved by the Full  
9 Commission for loan awards greater than \$5 million;

10 Three, the aggregate amount of CBL loan awards  
11 made during any fiscal year shall not exceed the available  
12 balance.

13 Number one, that's \$5 million or less.

14 MS. RASNICK: What is the average?

15 MR. SORRELL: We currently have three submitted  
16 applications. I can get you an update on those terms on the  
17 CBL.

18 MR. FEINMAN: From a risk standpoint, we've got  
19 money to lend, \$5 million is a bare ceiling to make sure we're  
20 managing our risks.

21 SENATOR RUFF: Is that the right number?

22 MR. BLEVINS: I think that certainly merits discussion.  
23 Five million is a sizeable amount. I do think we need to do  
24 something to make the process faster. I also think the \$5 million  
25 amount at least have some discussion.

1                   MR. FEINMAN: The Committee can get confidential  
2 email, including all information and an opportunity for any  
3 individual member to speak and you can always have a  
4 discussion with Staff or wait until the next meeting of the  
5 Committee.

6                   Second, we don't move forward with any loans that  
7 our underwriters disagree with.

8                   MR. MILES: What's the reason for the \$5 million  
9 figure?

10                  MR. FEINMAN: There's not a set amount. Seemed to  
11 be in keeping with the higher end.

12                  MR. SORRELL: But to accommodate the different  
13 clients.

14                  MR. MILES: Is this set up for our approval? Does  
15 VRA go through an analysis or is this a way we have any control  
16 over it?

17                  MR. FEINMAN: It's my view that both of those could  
18 be potential holdup depending on where you are and we have  
19 these Commission meetings, we don't want to say we're going to  
20 wait three months, but there are times when we've had to wait  
21 for the Committee to approve a loan. But our hope is to  
22 streamline the process while still giving the Committee full ability  
23 to discuss it. Any specific instance in which the Committee wants  
24 to pull a loan in, we can do that.

25                  MR. SORRELL: If there's any red flag exercised, we

1 make sure we get a message to the Committee and if there's  
2 anything that we can't handle that you prefer to discuss at a  
3 Commission meeting, we can do that and we want to have that  
4 discussion.

5 MR. FEINMAN: If we get into a situation where we  
6 have a lower threshold, we'll then be needing to call a number of  
7 meetings, because we don't want to be in a situation, we don't  
8 want to say to a company it's looking good and you've got to  
9 wait three or four months to get approval, and I don't want to  
10 speak for Chairman Owens, but we could always call you in.

11 MS. KIM: Mr. Chairman, this is a new program and  
12 there was not a policy. So, this is to protect.

13 DELEGATE RASOUL: Mr. Chairman, do you feel that  
14 the Committee is given enough direction where you're not just  
15 calling strikes and balls here, a high level policy on what we want  
16 to do?

17 MR. FEINMAN: As I said at the outset, we put the  
18 program guidelines together in front of you all at our last  
19 meeting, but our authority is through you. But I think we have a  
20 pretty good sense. As with any new program and before we  
21 were making loans to our grant committees, and this program is  
22 only a few months old. As with any program, it will need to be  
23 refined and reviewed and we'll certainly continue to do that as we  
24 move forward. I don't think there's ever been a case that the  
25 Staff, and certainly the underwriters at VRA, are reckless, but we

1 err on the side of caution as opposed to disbursing funds.

2 As with any loans, we can come back and approve  
3 them individually. My view is that the \$5 million lending, that  
4 when we discussed this with companies, it's something they're  
5 excited about.

6 MR. SORRELL: What we had one \$4 million and \$2.4,  
7 \$2.5 in the mill.

8 MR. OWENS: Tell me what you were going to talk  
9 about or what was your thoughts on that?

10 MR. BLEVINS: Well, Mr. Chairman, I think there are  
11 adequate controls in place, incentives, and members have  
12 concerns and questions, and I think mechanisms are in place to  
13 allow that to happen. Many times you have delegation of  
14 authority on lending at so many different levels, but it can make  
15 things way more complicated.

16 In my personal opinion, after hearing the discussion  
17 and the application-handling process, I think the Incentives and  
18 Loans Committee members would have the opportunity to  
19 express themselves if they had a concern about anything.

20 MR. FEINMAN: I appreciate that. Anything funny,  
21 we're going to come before you all. Anything that serious.

22 UNIDENTIFIED: What would you think about  
23 approving the Staff recommendation, but then adding a request  
24 that you brief us on the loans so we can see how it's going?

25 MR. FEINMAN: Yes.

1 MR. SORRELL: That can be done during the Full  
2 Commission. We can provide an update, and we do.

3 MR. BLEVINS: I'd make a motion that we approve the  
4 \$5 million figure.

5 MR. FEINMAN: In the specific wording.

6 MR. SORRELL: I move that the Committee  
7 recommends admissions from Metropolitan Community and  
8 Business Lending Program Loan Award Authorizations. CBL loans  
9 can be approved by the Executive Director for loan awards up to  
10 five million or less. Two, CBL loans must be approved by the Full  
11 Commission for loan awards greater than five million. The  
12 aggregate amount of CBL loan awards made during any fiscal  
13 year should not exceed the available balance.

14 MR. BLEVINS: We can integrate what Cassidy has  
15 mentioned since we're formalizing something that is new that  
16 Committee members have acquired to have a full briefing on  
17 those loans.

18 SENATOR RUFF: In making the motion, are you  
19 agreeable to that?

20 MR. BLEVINS: I'm agreeable. I understood that was  
21 already included basically.

22 DELEGATE RASOUL: I'll second the motion.

23 SENATOR RUFF: Any further discussion? Hearing  
24 none, all those in favor, say aye. (Ayes). Opposed? (No  
25 response).

1 MR. SORRELL: The only other motion we had was  
2 that the Committee recommend to the Commission accept the  
3 Incentives and Loans Committee recommendation from its CBL  
4 loan applications, Numbers 3764, 3913, and 3914, to  
5 retroactively apply the award amount authorizations adopted by  
6 the Commission at this meeting.

7 SENATOR RUFF: Thank you. Any other business?

8 UNIDENTIFIED: Mr. Chairman.

9 SENATOR RUFF: Let's get a second.

10 UNIDENTIFIED: Second.

11 SENATOR RUFF: In keeping with the policy, we would  
12 be briefed on these three, I want to make sure we all hear about  
13 it.

14 MR. FEINMAN: It's like the TROF briefing, even  
15 members not on the Committee can get this information.

16 SENATOR RUFF: Any further discussion? Hearing  
17 none, all in favor, say aye. (Ayes). Opposed? (No response).

18 Any public comment? Hearing none, we're adjourned.

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21 **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, Incentives and Loans Committee Meeting**, when held on Wednesday, September 22, 2021, at 9:30 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, 2021.

\_\_\_\_\_

Medford W. Howard  
CCR