

TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501

Richmond, Virginia 23219

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
26

Southwest Virginia Committee Meeting

Thursday, January 6, 2022

3:00 o'clock p.m.

Richmond Marriott

500 East Broad Street

Richmond, Virginia 23219

1 APPEARANCES:

2 The Honorable Terry G. Kilgore

3 The Honorable Brian Ball

4 Mr. Edward Blevins

5 Ms. Gretchen Clark

6 The Honorable K. Joseph Flores

7 The Honorable Sam Rasoul

8

9 COMMISSION STAFF:

10 Mr. Evan Feinman, Executive Director

11 Mr. Andy Sorrell, Deputy Director

12 Ms. Stephanie S. Kim, Director of Finance

13 Ms. Sara G. Williams, Grants Program Administrator

14 Southwest Virginia

15 Ms. Joyce Knight, Administrative Supervisor

16 Mr. David Bringman, Database and Performance Metrics Manager

17 Mr. Jordan Butler, Public Relations Coordinator

18

19 COUNSEL FOR THE COMMISSION:

20 Ms. Elizabeth B. Myers

21 Assistant Attorney General

22 Richmond, Virginia 23219

23

24

25

1 January 6, 2022

2

3 DELEGATE KILGORE: Good afternoon, and welcome
4 to the Southwest Virginia Committee meeting. And Chris Hurst
5 got COVID and won't be here.

6 Evan, if you'll call the roll.

7 MR. FEINMAN: Secretary Ball.

8 SECRETARY BALL: Here.

9 MR. FEINMAN: Mr. Blevins.

10 MR. BLEVINS: Here.

11 MR. FEINMAN: Ms. Clark.

12 MS. CLARK: Here.

13 MR. FEINMAN: Ms. Coleman.

14 MS. COLEMAN: (No response).

15 MR. FEINMAN: Ms. Hensley.

16 MS. HENSLEY: (No response).

17 MR. FEINMAN: Delegate Kilgore.

18 DELEGATE KILGORE: Here.

19 MR. FEINMAN: Delegate Rasoul.

20 DELEGATE RASOUL: Here.

21 MR. FEINMAN: Ms. Ratliff.

22 MS. RATLIFF: (No response).

23 MR. FEINMAN: Secretary Ring.

24 SECRETARY RING: (No response).

25 MR. FEINMAN: Joseph Flores.

1 DELEGATE FLORES: Here.

2 MR. FEINMAN: Mr. Sutherland.

3 MR. SUTHERLAND: (No response).

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

5 DELEGATE KILGORE: Do I have a motion we approve
6 the 9-22-21 minutes? It's been moved and seconded that we
7 approve the minutes. All those in favor, say aye. (Ayes).
8 Opposed? (No response). The minutes are approved.

9 Do we have any public comments? Hearing none.

10 Sara, walk us through your funding applications and
11 recommendations, and that should be on page 29.

12 MS. WILLIAMS: Thank you. We received nine
13 applications to the October deadline. I think you'll see in these
14 recommendations this was generally another batch of projects
15 that were submitted, I think that's in part to, we've been doing
16 some work over the past year or so to better refine the RFP and
17 to be more specific about the types of projects that we are
18 interested in funding, and I think this set of applications reflect
19 that. And so with that little bit of background, I should probably
20 also say we advertised a four-and-a-half million dollar balance
21 that was available. If you'll look at the financials on page 61,
22 with carry-forward, we actually have a little more than \$5.7
23 million, so we do have sufficient funding for these projects.

24 With that said, I'll jump right in and start with our
25 Agribusiness projects. The first one is Abingdon Feeder Cattle

1 Association, Mechanizing Forage Research in Southwest Virginia,
2 Phase III, requesting \$9,000.

3 This request supports the purchase of a no-till seed
4 drill that they will use in seeding for their forage research. The
5 Commission has supported other equipment use for their
6 research with previous grants. We purchased the harvester for
7 that. For the equipment that is being purchased, it's sized for
8 research use and it allows those research spots to be planted and
9 harvested with representative samples, which are critical for
10 good research data. Normally, research activities are not a high
11 priority for this program and thus a lower priority. However,
12 recognizing that forage is the largest crop grown in Southwest
13 Virginia and that it impacts thousands of livestock producers.
14 Forage is a critical component of this livestock industry.

15 Staff is recommending a \$9,000 award.

16 Moving on if there's no questions. Next is the Floyd
17 County EDA, Floyd County: Adding Much Needed Meat
18 Processing Capacity, Application Number 3930. They have
19 requested \$8,671. And this is a very modest request to help
20 with equipment purchases for a new privately owned meat-
21 processing facility that is under development in Floyd County.

22 Firehouse Farms will operate initially as a custom-
23 exempt processor, although they have designed and built their
24 facility to meet all USDA requirements for eventually USDA
25 certification in two to three years. There is well-documented

1 significant demand for additional meat processing capacity in the
2 region. We have heard it for well over a decade that there's just
3 really untapped potentials for more meat processing capacity.

4 This project, although it's a small privately owned
5 facility, is trying to meet those capacity needs. Only custom
6 exempt processing currently exists in the region. Those facilities
7 have a six-to-twelve-month wait list. And farmers who use those
8 facilities can't sell the meat commercially, they can only sell it
9 directly to the buyer. There is one USDA certified facility
10 approximately 90 minutes from Floyd. However, that facility has
11 a wait list of over a year.

12 So, Staff recommends approval of an \$8,671 award
13 grant, contingent upon the execution of a performance
14 agreement requiring USDA certification within three years of the
15 award.

16 MR. FEINMAN: Mr. Chairman, I'll also just add that in
17 addition to this being a very strong project, you've got to tip
18 your hat to them putting the words "much needed" right in their
19 title.

20 DELEGATE KILGORE: I was thinking the same thing.

21 MS. WILLIAMS: From now on, everyone will put
22 "much needed".

23 The third request is the Town of Hillsville, Town of
24 Hillsville Farmers Market Final Develop Project, Number 3922.
25 They've requested \$250,000.

1 This project will also be familiar to many of you. It's
2 one you've seen a couple of times, it supports the continued
3 development of the Hillsville Farmers Market.

4 In January of 2019, the Commission provided a
5 \$152,000 award for the first three phases. Last year, we
6 received almost an identical request to this one to complete
7 development of the Farmers Market. The current request is
8 reduced a little bit. It went from \$300,000 to \$250,000,
9 although we really didn't see any other substantial changes.

10 The issues that we found when we reviewed it, with
11 the previous review when the application was declined, is that we
12 feel that the Agribusiness outputs have already been captured
13 under that 2019 award. There does not appear to be any
14 significant increase in farmers that would be able to utilize this
15 facility as a result of this additional funding. By comparison with
16 other farmers markets, the Commission has funded 12 farmers
17 markets across Southwest and Southern Virginia, and the
18 average award for those projects is \$101,000. This project is a
19 little bit different, it's exceptionally expensive for a farmers
20 market, well over a million dollars total construction costs. And
21 that's because this is a multi-use facility.

22 The farmers market is just one component of it, but
23 it's been designed to host large community events and
24 performances. For example, the bathrooms have been designed
25 to accommodate 2,000 attendees, which is above and beyond

1 what you typically see at a farmer's market. However, those
2 other uses are not priority uses for this program. So, when we
3 consider that, again, the actual business outputs have been
4 already set for the 2019 award, we did not feel additional funding
5 was warranted.

6 So, Staff recommends no additional award for this
7 project.

8 UNIDENTIFIED: The first time I visited the Hillsville
9 Farmers Market, I realized it does not look like a farmers market.
10 There is a lot going on at that Hillsville facility. I don't know if
11 anybody here to talk on it or have any more information. I had a
12 whole new appreciation for the amount of work that comes in
13 and out of that facility. But with respect to what the Staff found,
14 we're saying that there wasn't really much value in this quarter
15 million dollar application. They have some very, very stout
16 facilities that seem to really pump the region. I mean just, for
17 example, what I learned is that is the top pumpkin-producing
18 facility in the Mid-Atlantic, pushes pumpkins up and down the
19 mid-Atlantic, among some other things. So, I just wanted to
20 make sure I had a completely different vision for a farmers
21 markets when I saw this one.

22 MS. WILLIAMS: You are thinking of the regional
23 farmers market at Hillsville across from Exit 19, I agree
24 completely, it's a wonderful market. This is a different Hillsville
25 Farmers Market, this is a downtown farmers market that is

1 currently under construction. It's a few miles away in downtown
2 Hillsville versus that Regional Farmers Market, which both
3 operate I think almost seven days a week for sales. That was
4 another component that, a brief comment, but I thought, we'll
5 focus on this project, but it is good to know that there is a
6 Regional Farmers Market that is just marvelous just a few miles
7 from where this one is.

8 UNIDENTIFIED: Thank you for clarifying that, there's
9 a lot going on in Hillsville.

10 MR. FEINMAN: Mr. Chairman, I'll just add, this is an
11 example of a community, don't begrudge them the effort, but
12 this is a community that really wants us to buy them a
13 community center. That is not something we fund. They
14 decided, okay, let's host a community center where we do our
15 farmers market, we'll call all this funding farmers market
16 funding, when, in fact, what the true cost to the proposed
17 projects are to build a community center. A community center is
18 a fine thing to do, as I often am forced to say here, we don't fund
19 all good things, but we fund the things that we focus on as a
20 Commission. This just isn't one of them. Our recent Director
21 used to, took to calling this the Taj Mahal of farmers markets,
22 which I think it about sums up what they were looking for
23 relative to proper farmers market costs.

24 DELEGATE RASOUL: Mr. Chairman, in terms just
25 asking for a clarification on the Project Output, it seems pretty

1 clear, but I didn't know if you all wanted, could elaborate on that,
2 is that zero new Agribusiness output?

3 MS. WILLIAMS: That reflects that the Agribusiness
4 outputs that were presented in the 2019 application and was
5 awarded \$152,500. We did not see an increase with this new
6 application. Essentially, we are getting that same number,
7 there's a limited amount of slides, and so it doesn't appear that
8 there is a significant increase in the number of producers that will
9 use this facility beyond what we've already helped fund with the
10 first grant.

11 DELEGATE RASOUL: That helps, thank you.

12 DELEGATE KILGORE: Next, on to pumpkins.

13 MS. WILLIAMS: On to pumpkins. The Virginia
14 Pumpkin Growers Association, Number 3927, FRESH START: On-
15 Farm Produce Safety Investments from Farm to Market,
16 requesting \$507,000.

17 The first thing I should say is that this is not just
18 about pumpkins. This is a brand new cost-share program that
19 will serve all types of fresh produce growers in the Southwest
20 region. The program provides training in on-farm infrastructure
21 assistance for producers who want to pursue GAP certification.
22 That's a USDA good agricultural practices certification, which
23 verifies that farms' production and handling practices meet the
24 required safety guidelines. GAP certification is critical for
25 producers who want to sell commercially.

1 We have supported numerous cost-share programs
2 over the past 20 years, and this is the first one that I can
3 remember that has served produce growers in the Southwest
4 region. Most of ours have been very heavily focused on
5 livestock, and this one is very focused on produce. So, it's a new
6 group of farmers, I'm sure there will be some overlap. And
7 projects which result in expanded value-added market
8 opportunities are a high priority for this program, allowing
9 producers to make farm improvements that allow them to get
10 GAP certification and thus allow them to sell their products
11 commercially certainly accomplishes that.

12 I will say that this was a very well developed
13 application, we received detailed program guidelines. We did see
14 a couple of things in those guidelines that we thought could be
15 modified. The first is that we had a very long and detailed list of
16 potential eligible purchases. We thought it would be helpful to
17 have those tightened up a little bit, focus primarily on the larger
18 capital needs and those items most closely related to getting GAP
19 certification.

20 The other minor issue is that the guidelines, as they
21 were written at time of application, would have allowed, this is a
22 two-year program, would have allowed the same producer to
23 apply in the first year and again in the second year, that is not
24 something we have ever allowed with a cost-share program.
25 We're pretty strict on you can participate one time per program,

1 and so we thought the guidelines should be modified to reflect
2 that.

3 So, the Staff recommendation is that Staff
4 recommends a \$507,000 grant award contingent upon the
5 Executive Director's approval of final program guidelines.

6 DELEGATE KILGORE: All right, next business
7 development.

8 MS. WILLIAMS: Moving on to Business Development.
9 The project we're going to talk about here is Number 3932 from
10 the Greater Bristol Area Chamber of Commerce. Move to Pilot
11 Project - Workforce and Economic Development Recruitment
12 Strategy, requesting \$30,000.

13 The funding is requested to develop and implement a
14 strategy that would recruit new residents to our region. We all
15 know there's been a significant population decline in Southwest
16 Virginia and that there is a need to try to do something to
17 promote the region in a way that would recruit new residents.
18 The Bristol Chamber has experienced with a similar project on
19 the Tennessee side of their service region. They served both
20 Bristol, Bristol, Virginia and Bristol, Tennessee. The current
21 project would serve Bristol, Virginia and Washington County,
22 Virginia, but would also serve Bristol, Tennessee and Sullivan
23 County on the Tennessee side.

24 When we reviewed the application, we felt it was still a
25 little bit underdeveloped in terms of details, but this was

1 especially important because we could not clearly identify the
2 Virginia expenses for this and especially the Virginia benefits.
3 There was a lot of risks that the majority of the benefits could
4 actually be accrued on the Tennessee side as the application
5 currently presented.

6 Staff has been extremely supportive of the
7 development of this project and the development of a move to
8 type project, but we thought the application, as it is currently
9 presented, wasn't quite there. So, we have had conversations
10 with the Bristol Chamber, they are in agreement with us that it
11 might be best to table this right now. And I will continue to work
12 with them over the next few months to try to get this developed
13 into something with a greater focus that's much more clear on
14 the Virginia region, something that's a little more regional with
15 multiple Southwest Virginia localities, and they are agreeable to
16 that.

17 So, the Staff recommendation is that this project be
18 tabled to allow the applicant and the Tobacco Commission Staff
19 to continue development of the project.

20 MR. FEINMAN: Just to add onto that a little bit, we
21 recognize, as Sara said, that Bristol, Tennessee and Bristol,
22 Virginia are one metropolitan area. That said, everything, we've
23 got the Virginia tax dollar, not a Tennessee tax dollar. We cannot
24 mess around with benefits from projects that we support and
25 only support Tennesseans, however fine folks they may be.

1 Second is we really think there's a larger push we see
2 coalescing around a broad move to Southwest Virginia effort. It
3 would be bigger than just a move to Bristol effort, that also
4 would move the center of gravity of that effort a little further
5 away from the border and would give us a lot more confidence.

6 Certainly some folks attracted to Bristol are going to
7 line up on the Tennessee side. But if we're attracting all of
8 Southwest, that leakage will be dramatically reduced, and that's
9 going to be important for us to be confidence when we share with
10 everybody who cares about what we're doing, that we're
11 supporting Virginia and not anybody else.

12 DELEGATE KILGORE: Sara, moving on.

13 MS. WILLIAMS: Next we have three projects under
14 our Sites and Infrastructure section. The first is 3923, Lonesome
15 Pine Regional Industrial Facilities Authority, Project Intersection,
16 Building Number 1, requesting \$500,000. This application will
17 support additional development at Project Intersection, the site
18 in Norton that has just announced the location of the EarthLink
19 project.

20 The EarthLink project has required a 24-month
21 occupancy goal to complete the construction of a 30,000 square
22 foot building and related infrastructure. All that work totals
23 about \$8 million. The building itself is about five-and-a-half
24 million of that. Commission funds are not requested for the
25 building. Our funding would support the additional

1 infrastructure, the guttering and paving and lighting and all that
2 additional infrastructure and site work that will then support the
3 construction of the building. I believe they are asking for money
4 from US-EDA to help fund construction of that building.

5 Staff recommends a grant award of \$500,000.

6 Next we have Number 3926, Russell County Industrial
7 Development Authority, Russell Place Project Phase II, requesting
8 \$303,500. This is another project that may be familiar to some
9 of you on the Committee. We provided a \$250,000 award for it
10 last year for Phase I. The IDA realized that they had no
11 additional buildings or properties that they can market. And so,
12 last year they purchased a long vacant, I think it's been vacant
13 30 years, sewing factory in the Town of Lebanon. That property
14 was built in several stages and required different levels of
15 renovation to get it ready to be occupied. The Phase I money
16 was used to restore the portion of the building that needed the
17 least amount of work. That work is largely complete and a lease
18 has been assigned for an Italian car wash manufacturer.

19 The funds requested here will be used for the older
20 part of the building, and a portion of that structure will be
21 demolished and then the remaining part will be renovated. Once
22 it's complete, it could accommodate two additional businesses.

23 One thing to note here is that the matching funds that
24 were presented in the application were to come from an
25 industrial revitalization fund request, unfortunately that request

1 was not awarded. And so they are now approaching USDA and
2 others to try to find matching funds. That is reflected in our Staff
3 recommendation.

4 Staff recommends the award of \$303,500, contingent
5 upon documentation of required matching funds.

6 Next, we have Number 3929, Joint IDA of Wythe
7 County, Virginia, Construction of Wastewater Line for Progress
8 Park Lot 24, requesting \$500,000. This request will help with
9 infrastructure improvements for Lot Number 24, that's the site of
10 the huge Blue Star announcement a month or so ago. The
11 additional infrastructure that Lot 24 requires to accommodate the
12 Blue Star project totals over \$32 million. This is just a portion of
13 that. This application focuses just on wastewater extension.
14 That's going to cost a total of, I believe it was \$2 million of that
15 \$32 million.

16 With a back story, the Commission has invested \$4
17 million in Progress Park, the majority of that \$3.65 million has
18 gone directly to Lot 24. Additionally, the Commission provided a
19 \$1 million TROF award for the Blue Star Project, that will be used
20 for some of that additional infrastructure needs, I think
21 potentially maybe for a wastewater treatment plant expansion.
22 We understand this is a huge project, it's the largest project and
23 generation that's been announced in Southwest Virginia, it has
24 potential to create thousands of jobs, hundreds of thousands of
25 dollars of private capital investment within a very short period

1 and that the impact of that is going to be felt across the region.

2 Our recommendation though reflects that the
3 Commission's requirements for revenue-generating projects are
4 pretty clear. If a project has the potential to generate revenue,
5 we must refer back to VRA for consideration of a loan. So, this
6 particular infrastructure, while located primarily on site of Lot 24,
7 connects to a much larger system. that system is already
8 revenue generating, and because this infrastructure, once it's in
9 place, will have an immediate customer and immediate revenue
10 from the Blue Star Company. There is clearly a revenue-
11 generating component to this.

12 With that in mind, we felt we had no other option than
13 to recommend that this be considered for a loan. The IDA had
14 made it very clear that they aren't really interested in a loan, we
15 have explained though that's really what we have to do with a
16 revenue-generating project.

17 But the Staff recommendation is that Staff
18 recommends that the project be referred to VRA for a zero
19 percent interest loan.

20 MR. FEINMAN: Mr. Chairman, I'll just add that we've
21 been through this conversation a couple of times. It's worth
22 noting again, the code is very clear that when we put something
23 into our strategic plan or into our program guidelines, like
24 revenue-generating projects, shall only be considered for loans,
25 we are obliged, while we wrote the guidelines, we are obliged by

1 the code to follow the rules that we set. It's not optional under
2 the code, as we and Liz understand, our responsibilities that we
3 make this offer.

4 The second thing I'll say is very frequently grantees
5 come in and tell us we're not going to be interested in a zero-
6 interest loan, we really want a grant or nothing. And then when
7 they get offered the loan, they take it. The question is do I pay
8 all this right now because I didn't get a grant or do I take a zero
9 interest loan, spread those costs out over several years, they
10 almost always go for the loan. My strong suspicion is we can
11 continue the millions of dollars of support that we've given to this
12 park and this project by issuing this loan. While the county is not
13 getting everything they want here, it is a big win, the company is
14 going to locate there, the wastewater facility is going to get built,
15 we've got to follow the rules.

16 DELEGATE KILGORE: Evan, we do have, have money
17 in (unintelligible).

18 MR. FEINMAN: I would defer to Secretary Ball there.
19 I'm not sure what the CLF pieces were.

20 DELEGATE KILGORE: I thought we had some money
21 in it but maybe not.

22 MS. WILLIAMS: The total cost of the wastewater
23 extension is a little over \$2 million. And so about half of that will
24 come from the MEI money and then \$500,000 from us, and I
25 believe the other \$500,000 will be local funds.

1 DELEGATE KILGORE: Okay.

2 MR. FEINMAN: The amount of water they're going to
3 use, it's pretty large. And they're going to pay a fair amount into
4 the wastewater system as soon as they open.

5 DELEGATE KILGORE: It seems like our hands are tied
6 on that one.

7 MR. FEINMAN: We did not offer them a --

8 DELEGATE KILGORE: -- On the grant side, it seems
9 like our hands are tied.

10 DELEGATE RASOUL: Mr. Chair, just a question, as far
11 as loans are concerned, do we have a lot of autonomy in how we
12 structure loans, in other words, a repayment period can begin
13 after 24 months or something like that?

14 MR. FEINMAN: Mr. Chairman, Delegate Rasoul, yes.
15 We can set the term and the repayment and the interest rate at
16 our election. In general, we try to keep things at one year, five
17 year, ten year, or twenty year increments for our colleagues over
18 at the RA frankly, so that every loan is not a custom deal. But,
19 yes, we have the ability to do that. And we could certainly, we're
20 at the will of the Committee and the Commission, we could defer
21 repayment obligation on the loan until the facility is in place and
22 generating revenue. I think that would be a fair thing to do.

23 DELEGATE KILGORE: Why couldn't we do that if they
24 do take the loan, why couldn't we defer that for two years or I
25 don't know how long it takes to build that, but that might be a, I

1 was trying to be creative for you, Mr. Chairman.

2 MR. FEINMAN: If you all tell us to delay the term until
3 the, we don't have to guess here. If the directive to the Staff is
4 do not begin the repayment obligation until the facility is in
5 operation, we can work with the county to figure out what that
6 date will be and then make sure that the loan is not, payments
7 don't begin until that date.

8 DELEGATE KILGORE: (Unable to hear).

9 MR. FEINMAN: We could make a five-year loan now
10 and repayment doesn't begin until year three, and then make
11 two quarter million payments, or we can have the five-year term
12 commence at the moment the facility is online.

13 DELEGATE KILGORE: Whatever works. Barter
14 Theatre, Barter Foundation, I mean, well, I guess it is Theatre.

15 MS. WILLIAMS: We have one tourism application this
16 round, and that is 3925 from the Barter Foundation, Barter
17 Theatre Regional Marketing Campaign, they've requested
18 \$70,000 to hire a public relations firm to develop and implement
19 a two-year regional marketing strategy that will focus on
20 recruiting from urban markets within a six-hour radius. Those
21 would be markets, such as D.C. and Atlanta. It's the first part of
22 a larger strategy where they want to increase market
23 penetration beyond their immediate drive area. They're looking
24 to restore their visitation, of course, to pre-pandemic levels and
25 then to increase even above and beyond that incrementally each

1 year.

2 This program's guidelines require that tourism
3 projects result in visitation from national and international
4 markets. The marketing campaign, as proposed here, certainly
5 does accomplish that. Recruiting visitors from a theater from a
6 six-hour radius increases the likelihood that these are overnight
7 visitors, that they are visiting multiple other attractions while
8 they are in the region.

9 We felt that Barter really serves an important role as
10 one of the premier tourism attractions in Southwest. It's the
11 state's theater of Virginia, and that gave us confidence that this
12 type of marketing campaign could be successful.

13 So, Staff is recommending an award of \$70,000.

14 DELEGATE KILGORE: All right, we have all this list
15 before us. Any comments on any particular project, anybody
16 need one taken out of the block before we take a vote? Do I
17 have a motion that we approve the Staff recommendations, and I
18 guess with the addition that ask Staff to work with county on the
19 VRA loan, on the terms of that to make sure that the payment is
20 not, doesn't start until the building is built, or the business is up
21 and operating? You all can word that the way you need to.

22 UNIDENTIFIED: I'll so move.

23 MR. OWENS: Second.

24 DELEGATE KILGORE: I have a motion and a second in
25 a block. Any more discussion? All those in favor, say aye.

1 (Ayes). Opposed? (No response). That's approved.

2 Are there any extensions?

3 MS. WILLIAMS: Yes, we have one extension, Carroll,
4 Grayson, Galax Regional Industrial Facility, it's Grant Number
5 3377, The Wired Road Connector Project. It was approved for
6 \$300,000 on March 8th, 2018, so it's a little outside of our normal
7 meeting cycle is why we're dealing with it now. They have
8 requested a one-year extension. The grant was approved for
9 construction of a wireless internet system in Carroll and Grayson
10 Counties for a variety of reasons, that project has been delayed,
11 but we understand it is now ongoing. And they expect it to be
12 completed within the next year.

13 And Staff recommends the approval of a one-year
14 extension through March 8, 2023.

15 DELEGATE KILGORE: Do I have a motion?

16 UNIDENTIFIED: So moved, Mr. Chairman.

17 DELEGATE KILGORE: I have a motion and a second.

18 All those in favor of granting the extension, say aye. (Ayes).

19 Opposed? (No response). That extension is granted.

20 Anything else, Sara?

21 MS. WILLIAMS: That's it for me.

22 DELEGATE KILGORE: Mr. Executive Director?

23 MR. FEINMAN: I have no other business, Mr.

24 Chairman, other than to remind those joining us that anyone

25 who's here is welcome to join us for our reception, which is in the

1 room straight through that wall, at 5:30, this way, that way. We
2 will have a number of great food and beverage options, including
3 some beer that was brewed with grains, supported by this
4 Commission, and grown in Southwest Virginia.

5 MR. HITE: Mr. Chairman, I've got one thing. I'm not
6 on this Committee. Is it okay if I speak to one of the projects? I
7 just had something I'd like to add.

8 MR. FEINMAN: Sure.

9 MR. HITE: Going back to the Pumpkin Growers
10 Association for the GAP certification. I am GAP certified in two of
11 the commodities, which is tobacco and for produce. While I don't
12 like to talk about or put down any project, I feel like the amount
13 that's put on this project is a lot higher than is needed. The cost
14 to the promise and global certified GAP for me, with a certifier
15 assisting me was right around \$3,000.

16 So, with a hundred growers that you said would be
17 helping, that would be, you all have it at \$500,000, I think that's
18 a little excessive for that amount. I know you all have done the
19 research on it, to be Tobacco GAP certified, it's only about
20 \$1,000, but I'd do it myself, I don't have an auditor, I mean a
21 consultant helping me on that. But I just wanted to share my
22 experience on that and wanted to, maybe that can help you all
23 with some of your decisions.

24 MS. WILLIAMS: This does not pay for the certification
25 costs. This pays for the equipment and things, handwashing

1 stations or whatever that would be required in order to have the
2 audit conducted and to get to the point they could apply for
3 certification.

4 MR. HITE: Okay. So, the handwashing stations, take
5 for example what I do is I can contact a local waste company and
6 they provide the Port-A-Johns and handwashing stations, so that
7 cost for me per month is around \$200 per month for those
8 stations, and then I don't have to maintain them. Of course, in
9 the long term, I could acquire those, but that's another means of
10 getting around or being able to have it. And they clean them
11 weekly. The big thing is the food safety, cleaning records, and
12 things like that. A handwashing station, probably you could get
13 away with either making one, but having it, the cost of a
14 handwashing station and bathroom or mobile Port-A-John would
15 be less than \$3,000.

16 MR. FEINMAN: I hear you say you're going to
17 volunteer to help us make these budgets for folks as we figure
18 out what's approved and what's not approved.

19 MR. HITE: I just wanted to share my experience.

20 MS. WILLIAMS: That is the reason we wanted to
21 make sure that the set of guidelines, that the eligible expenses
22 were tightened up so that we are assisting with larger capital
23 needs that are most critical to getting to the point where GAP
24 certification is a possibility.

25 I'd welcome anybody who wants to help us determine

1 which ones are the most critical.

2 MR. HITE: Sure, sure. And the GAP cost is a
3 reoccurring every year cost that you have to pay. You have to
4 be certified every year, it's not a one-time thing.

5 DELEGATE KILGORE: Thank you. I think Mr. Ramsey
6 wanted to talk about the, from Wythe County, is that correct?
7 Okay, sorry I didn't know you wanted to, all right, that's no
8 problem. Our hands were kind of tied on the legal, legal side of
9 it, I believe. I think that's why we did what we did, were willing
10 to help, but I don't think we can go to ground now.

11 MR. RAMSEY: Understood. I would just make one
12 comment. This is one of six different infrastructure projects,
13 some of which are not revenue-generating. I would have made a
14 totally different application had I known from the outset, but that
15 was a disqualifier. If there's a way to rework this, I'd certainly
16 be happy to.

17 DELEGATE KILGORE: We'd be happy if you've got
18 another way to rework it and come back with an infrastructure
19 request, that's fine.

20 MR. RAMSEY: For example, we've got a wastewater
21 plant expansion, a water tank that's definitely not revenue-
22 generating, it's about a \$6 million project. With the Committee's
23 consent, I would definitely like to rework it and bring it back
24 another time.

25 DELEGATE KILGORE: Sure.

1 MS. WILLIAMS: The program's guidelines are divided
2 into off-site infrastructure, which would be like the wastewater
3 treatment plant, and on-site infrastructure. The guidelines
4 currently say that off-site infrastructure will only be considered
5 for a loan. On-site infrastructure doesn't have that requirement,
6 because that's where we would find, grading a new pad or
7 something. And so, David and I spoke about that quite a bit and
8 this seemed to be the part that was most likely to be on-site
9 because it's actually installed on-site. However, once we
10 reviewed the application, we see, okay, you installed these pipes
11 or whatever for the wastewater expansion, but it connects to a
12 much larger off-site. It just wasn't, it wasn't that easy to get
13 away from this is a revenue-generating project.

14 MR. FEINMAN: David, I'd also say it can be a yes and.
15 You've got an approval for a half million dollar loan here. I'd put
16 that in your back pocket and just come back to us in May with
17 another application.

18 DELEGATE KILGORE: Sara, work with David and see
19 if you can help him, if you could work with him and see if you can
20 help him on that project. It's a big project, huge project for the
21 Commonwealth, and we'll try to help.

22 MR. RAMSEY: Thank you, Mr. Chairman, I appreciate
23 it.

24 DELEGATE KILGORE: Any other before we adjourn?
25 All right, do I have a motion to adjourn? We have a motion and

1 we're adjourned. Thank you all.

2

3

PROCEEDINGS CONCLUDED.

5

6

7

8

9

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 Thursday, January 6, 2022, at 3:00 o'clock p.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 January, 2022.

Medford W. Howard
CCR