

TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501

Richmond, Virginia 23219

Southern Virginia Committee Meeting

Thursday, January 6, 2022

1:00 o'clock p.m.

Richmond Marriott

Salon Rooms, 1st Floor

500 East Broad Street

Richmond, Virginia 23219

1 APPEARANCES:

2 Mr. Walter H. "Buddy" Shelton, Chairman
3 The Honorable Thomas J. Miles, III, Vice Chairman
4 Mr. Joel Cunningham, Jr.
5 Dr. Alexis I. Ehrhardt
6 Mr. Richard T. Hite, Jr.
7 The Honorable L. Louise Lucas
8 The Honorable Joseph D. "Joe" Morrissey
9 The Honorable Edward Owens

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11 COMMISSION STAFF:

12 Mr. Evan Feinman, Executive Director
13 Mr. Andy Sorrell, Deputy Executive Director
14 Ms. Sarah K. Capps - Southside Regional Director
15 Ms. Sara G. Williams - Southwest Regional Director
16 Ms. Jessica Stamper - Grants Assistant - Southwest
17 Ms. Michele Faircloth - Grants Assistant - Southside
18 Mr. David Bringman - Database and Performance Metrics Manager
19 Ms. Stephanie S. Kim - Director of Finance
20 Mr. Jordan Butler - Public Relations Coordinator
21 Ms. Joyce Knight - Executive Assistant

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23 COUNSEL FOR THE COMMISSION:

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

1 January 6, 2022

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3 MR. SHELTON: Good afternoon. I'd like to call the
4 Southern Virginia Committee to order and ask Evan to call the
5 roll.

6 Let me start off by welcoming everyone and hope
7 everybody has a safe trip back tomorrow, and the weather
8 system seems to be on the way.

9 Director Feinman, would you please call the roll.

10 MR. FEINMAN: Certainly, Mr. Chairman.

11 Mr. Shelton.

12 MR. SHELTON: Here.

13 MR. FEINMAN: Mr. Miles.

14 MR. MILES: Here.

15 MR. FEINMAN: Delegate Aird.

16 DELEGATE AIRD: (No response).

17 MR. FEINMAN: Mr. Cunningham.

18 MR. CUNNINGHAM: Here.

19 MR. FEINMAN: Ms. Drinkwater.

20 MS. DRINKWATER: (No response).

21 MR. FEINMAN: Delegate Edmunds.

22 DELEGATE EDMUNDS: (No response).

23 MR. FEINMAN: Dr. Ehrhardt.

24 DR. EHRHARDT: Here.

25 MR. FEINMAN: Mr. Harris.

1 MR. HARRIS: (No response).

2 MR. FEINMAN: Mr. Hite.

3 MR. HITE: Here.

4 MR. FEINMAN: Senator Lucas.

5 SENATOR LUCAS: Here.

6 MR. FEINMAN: Senator Morrissey.

7 SENATOR MORRISSEY: Here.

8 MR. FEINMAN: Mr. Owens.

9 MR. OWENS: Here.

10 MR. FEINMAN: Mr. Shell.

11 MR. SHELL: (No response).

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

13 MR. SHELTON: Thank you. The minutes from our
14 September 21st meeting were published on the website. Any
15 additions or corrections? If not, is there a motion that the
16 minutes be approved? I have a motion and duly seconded. All
17 those in favor of the approval of the minutes, signify by saying
18 aye. (Ayes). The minutes from the last meeting are approved as
19 written.

20 Is there any public comment from the gallery at this
21 time before this Committee? (No response).

22 MR. FEINMAN: I just a housekeeping matter, Mr.
23 Chairman. The microphones do require you speak straight at
24 them and project into them. So, if you want to speak, I advise
25 folks to pull the mike to them and speak directly at the mike.

1 MR. SHELTON: Hearing no others, we'll move on to
2 this Committee's round of business. And it's fairly brief. We
3 have some tabled applications from the last Committee meeting.
4 Sarah Capps, if you would go through those and we'll proceed
5 on.

6 MS. CAPPS: Mr. Chairman and members of the
7 Committee, there were two tabled applications. The first one is
8 an Agribusiness project from Campbell County. And then the
9 second one is a business development project from the
10 Martinsville-Henry County Chambers Partnership for Economic
11 Growth.

12 I'll start with the Agribusiness project from Campbell
13 County, this starts on page 5 of your book. We included the
14 previous review comments for your reference and to refresh your
15 memory. This is for a Southern Virginia Precision Agriculture and
16 Farm Efficiency Grant. The original request for \$800,000 has
17 been reduced to a request for \$505,000.

18 The Commission in our last strategic plan, we
19 emphasized that we were most interested in funding cost share
20 that involved implementation of new advanced agriculture
21 techniques. We addressed this in our Southern Virginia program
22 guidelines where we emphasized that we would consider
23 supporting projects, cost share programs that focused on
24 transitioning producers into alternative agriculture enterprises
25 and for implementing new best practices.

1 The application that we had originally received, and
2 there were a number of areas there were not addressed clearly,
3 it didn't demonstrate how the measures for new best practices
4 were, why they were beneficial to the farmers. At the last
5 Committee meeting, you all tabled the project and asked for the
6 applicant to work with Staff to come back with a revised
7 proposal.

8 We do have some updated review comments, and
9 those start on page 7. We did work with Campbell County and
10 they established a primary team of Virginia Cooperative
11 Extension agents to work with, on refining the application. They
12 did make very significant revisions to the scope of the project
13 and the focus.

14 In that process, they clearly identified the areas that
15 would be targeted and the eligible practices. And they provided
16 the justification for why those practices were being proposed.
17 The Cooperative Extension defines the focus on precision
18 agriculture as the integration of technology with traditional
19 agriculture to improve quality and efficiency. And then they
20 define the focus on farm efficiency as targeted practices that
21 decrease loss, increased income and promotes safety.

22 The original application was titled the Central Virginia
23 Program, and it targeted 19 of the 20 counties in Southern
24 Virginia. We did ask that they consider expanding that to include
25 Patrick County so that all 20 counties in Southern Virginia were

1 included. They did agree to that. And with that, the title of the
2 project was changed to reflect the Southern Virginia area.

3 The Cost Share Program would provide up to \$5,000
4 per participant for no more than 33 percent of the cost of the
5 eligible practices. Only capital projects for equipment purchases
6 or for construction would be eligible. The revised application is
7 targeted to four categories. The first one is precision and
8 improved agricultural technology. This is going to be things such
9 as sprayer and fertilizer application, control and monitoring,
10 although guidance for planting and spacing rows of crops, weed,
11 frame weeders, and et cetera.

12 The second category is produce equipment and cold
13 storage. This would support costs such as strip irrigation
14 systems, bin and wash systems, sorting and packing lines for the
15 vegetable growers. It would also support hydro-coolers and cold
16 storage.

17 The third area is produce handling and hay storage
18 facilities. The hay storage facilities is one that we funded in the
19 past, the produce handling, it would be for produce packing
20 facilities. That is also a new practice that was added with this
21 proposal.

22 And then the fourth area is the livestock handling
23 equipment, which has been supported in the past.

24 The majority of the practices that are included are
25 new; however, there were four cluster items that had been

1 supported by the Commission in the past. VCE agreed with our
2 recommendation to only make funding available on those
3 practices if it was the first time that the producer was
4 participating in implementing that practice, and they did agree to
5 us on that. We felt like the limitation for only first-time
6 recipients for previously funded practice was the best approach
7 to keep with the intense, and as expressed for the Commission's
8 priorities in our strategic plan. And we are making that a
9 condition on the grant award.

10 For this project, Staff is now recommending approval
11 of a grant award of \$505,000, and this would be conditioned on
12 cost sharing funding being limited to only one first-time recipient,
13 I apologize, cost share funding being limited to only first-time
14 recipients for practices previously funded by the Commission.

15 I'll be glad to answer any questions or elaborate
16 further.

17 MR. SHELTON: For the Committee, I want to thank
18 Sarah for the excellent work she did with this. In some
19 conference call with her and Director Feinman, I think she really
20 should be, and with who worked with her, commended for the
21 way this application was kind of tightened up, and the holes in it
22 were filled in, and it's really a strong application now and really
23 falls in well with the mission that I think this Commission has.
24 Any questions or comments on this?

25 MR. HITE: I've got one, Sarah, maybe you can clarify,

1 I couldn't, I read it, and I couldn't hear very good. The part of
2 the first time participants, was that first-time participants for that
3 practice? So, if you participated in say a grain storage in the
4 past, could you participate in something to do with livestock or
5 something to do with produce?

6 MS. CAPPs: That is correct, you still would be eligible.
7 I'm going to use hay storage instead of grain bins, since hay
8 storage is actually in this one. If you received funding in the past
9 for hay storage, you would not be eligible to receive hay storage
10 again. However, you would be eligible to receive funding for the
11 Precision Agriculture practices that are included or, like you said,
12 for the produce handling practices cold storage, or one or the
13 other.

14 MR. HITE: Thank you.

15 MR. SHELTON: Any other questions or comments?

16 MR. FEINMAN: Mr. Chairman, I just also want to say
17 this is a great example, as you said, of Staff working with the
18 applicant to improve an application. There was a fair amount of
19 pushback on tabling this at our last meeting, but when we table
20 applications and say come on back after we've worked with you,
21 what we get is much stronger programs. So, I think this is just a
22 great example of that, and I hope folks take that forward with
23 them in future deliberations.

24 MS. CAPPs: I'll just add one more point and this is
25 complimenting the Cooperative Extension team. We had

1 concerns about the justification of the practices that they were
2 proposing and they gave us a very solid charge in the new
3 application materials that details the justification for every
4 eligible item that they were proposing, and they did a very good
5 job with that.

6 MR. SHELTON: What is the Committee's pleasure on
7 the revised recommendation for this application? All right, we
8 have a motion to approve the revised recommendation on 3891
9 from Dr. Ehrhardt and seconded by Mr. Owens. Any further
10 discussion? Hearing none, all those in favor signify by saying
11 aye. (Ayes). Any opposed? (No response). That Grant 3891 is
12 approved as recommended.

13 Sarah.

14 MS. CAPPIS: The next project on the list, and that's
15 from the Martinsville-Henry County Chambers Partnership for
16 Economic Growth. This is Request Number 3895. The new
17 request is for \$103,575. We've got the previous review content
18 there on page 8.

19 When this one came in previously, we thought it was
20 very undeveloped, there was a lot of content that was missing
21 that we needed in order to fully evaluate the request. We did
22 work with the applicant and the guidelines for the program
23 participation had mistakenly been left out of their original
24 application. So, that was a major contributing factor for the lack
25 of information.

1 This project is to support business growth. It
2 supports the startup of Martinsville-Henry County programs to
3 support new entrepreneurs and other businesses that are
4 expanding.

5 They offer these programs annually, and the request
6 to the Commission is to expand on what is offered annually, so
7 the Startup Program would be offered more than once a year.
8 The level of business incentives that would be available would be
9 increased with the assistance from the Commission.

10 As far as the revised content that we receive, we did
11 get the Guidelines and clearly identifies the requirements for the
12 businesses to participate in the training programs to produce a
13 business plan and to participate in the pitch competitions to be
14 eligible.

15 We received the core syllabus from the partner,
16 Patrick Henry Community College who delivers the Boot Camp
17 Program and assists the businesses and individuals with
18 development of their comprehensive business plan.

19 The original application also had budgeted funding,
20 some of the Commission funding for personnel, we did work with
21 them to revise the project budget so the majority, none of our
22 funds are going towards personnel, the majority of our funds will
23 be used for the business incentives, as well as some portion of
24 the funding will be used for contracting with Patrick Henry
25 Community College to offer expanded Startup MHC Programs.

1 And they would offer it a second time during that each year.

2 They also identified the targeted sectors that they
3 would focus on, this would include agribusiness, technology,
4 small-scale production, manufacturing, and health care
5 businesses. The limits on the business incentives would be
6 \$10,000 and with the potential of \$15,000 maximum if they were
7 an exceptional business with high potential for success and a
8 need for the \$15,000 in funding.

9 The Tobacco Commission incentive funds would be
10 limited to capital costs, and the businesses could use them for
11 equipment or renovations or for third party professional
12 contracts, such as website and branding and marketing and
13 accounting.

14 Staff is now supportive of this project, and we feel
15 positive about it in the changes and the additional information
16 that we received, we are recommending approval of \$103,575
17 grant award to support the expanded entrepreneurship training
18 and business incentives for the Startup MHC and Grow MHC
19 Programs.

20 MR. SHELTON: Again, an excellent follow-through
21 from Sarah and her staff on getting this application where it
22 needs to be.

23 Any comments or questions pertaining to 3895? If
24 not, what is the Committee's pleasure on the revised Staff
25 recommendations?

1 MR. MILES: Mr. Chairman, I move that we approve
2 the \$103,575 grant award to support expanded entrepreneurship
3 training and business incentives and for the Startup MHC and
4 Grow MHC Programs, sir.

5 MR. SHELTON: We have a motion from Mr. Miles and
6 seconded by Mr. Hite to accept the Committee's recommendation
7 on 3895. Any further discussion. Hearing none, all those in
8 favor, signify by saying aye. (Ayes). Any opposed? (No
9 response.) 3895 is approved as recommended.

10 Sarah, I believe we have a few extensions to discuss?

11 MS. CAPPAS: We only have one under Other Business,
12 so this is on page 10, we have a request from the Town of
13 Brodnax, this is for the Brodnax Depot Renovation Project, it's
14 Grant Number 2975. It was awarded back in January of 2015.
15 This is related to the Tobacco Heritage Trail and it would provide
16 a rest room facility along the trail on the western edge of
17 Brunswick County in the Town of Brodnax, it's an old railway
18 depot site.

19 This project has been delayed for a number of
20 reasons. Initially, there was a contingency for getting VDOT
21 funding, that funding had to get split into two phases. The
22 construction bids after that came in over budget, so they had to
23 go back to the drawing board, which started the whole review
24 process again with DHR and VDOT. Nonetheless, it's still in a
25 holding pattern as far as starting construction. The Southside

1 Planning District Commission administers this grant on behalf of
2 the Town of Brodnax, and they are requesting a final eight-year
3 extension, and the PDC indicated that the plans are in the final
4 review period with VDOT and the project will go out to bid in the
5 spring of this year with improvements expected to be completed
6 in January of 2023.

7 Staff questioned whether the eight-year extension
8 would provide sufficient time for completing the project,
9 recognizing that the renovation plans had not been bid, and with
10 concern that if the bids is yet again over budget, there's no
11 contingency plan for how additional funding needs would be
12 addressed.

13 So, Staff is suggesting the final extension provides for
14 an additional 18 months and be contingent on the grantee
15 identifying a source of additional funding if the project is over
16 budget. We felt like that was important, just recognizing that
17 construction costs have been going up, and when you're working
18 with a budget that was established seven or eight years ago,
19 those funds don't go as far.

20 So, the Staff recommendation is for approval of a final
21 extension for 18 months to June 30, 2023, contingent on the
22 grantee identifying a source for any additional funding needs if
23 the construction bids are over budget in order to allow the
24 project to remain on schedule for completion.

25 Be glad to answer any questions.

1 MR. FEINMAN: Mr. Chairman, I'll just say to the
2 underlying word "final" there, an eight-year extension is an
3 extension on Grant Number 2975, you just took action on Grant
4 Number 3895. It's time to close the books on this one, and I
5 think it would support us in the motion for approval for a final
6 extension.

7 MR. SHELTON: Any questions or comments with
8 emphasis on that word "final"? Hearing none, what is the
9 Committee's pleasure on this recommendation? I have a motion
10 for approval of the recommendation and a second. Any further
11 discussion? Hearing none, all those in favor, signify by saying
12 aye. (Ayes). Any opposed? So, that application request for an
13 extension, with a final extension, underline the word "final" is
14 approved, as recommended by Staff.

15 MS. CAPPAS: And that wraps up the business that I
16 have for you, Mr. Chairman.

17 MR. FEINMAN: I have no other business for you, Mr.
18 Chairman.

19 MR. SHELTON: That's all the business on the agenda.
20 No other additional business from the Director.

21 Is there any other public comment that needs to come
22 before this Committee at this time? Hearing none, this
23 Committee is, stands adjourned. Thank you for your time.

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PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the **Tobacco Region Revitalization Commission, Southern Virginia Committee Meeting**, when held on Thursday, January 6, 2022, at 1:00 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