

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

VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION  
SPRING FULL COMMISSION TWO-DAY MEETING  
THE SESSIONS HOTEL  
BRISTOL, VA

FULL COMMISSION  
MAY 12, 2022  
10:30 A.M.

MARSHA SELF, CERT  
Appalachian Court Reporting  
P.O. Box 833  
Abingdon, Virginia 24212  
ID 54-1495140  
(276) 676-2244

1 APPEARANCES

2 Del. Leslie "Les" Adams  
3 Del. Kathy Byron  
4 Edward Blevins  
5 Gretchen Clark  
6 Rebecca Coleman  
7 Sec. Stephen Cummings  
8 Joel Cunningham, Jr.  
9 Dr. Alexis Ehrhardt  
10 Frank Harris  
11 Richard Hite, Jr.  
12 Del. Terry Kilgore  
13 Sec. Matt Lohr  
14 Sen. Louise Lucas  
15 Del. Danny Marshall  
16 Sec. Caren Merrick  
17 T. Jordan Miles, III  
18 Del. Will Morefield  
19 Edward Owens  
20 Sandy Ratliff  
21 Sen. Frank Ruff, Jr.  
22 Cecil Shell  
23 Walter "Buddy" Shelton, Jr.  
24 Richard Sutherland  
25 Del. Will Wampler, III

17 COMMISSION STAFF

18 Andrew Sorrell  
19 Stephanie Kim  
20 Sarah Capps  
21 Sara Williams  
22 David Bringman  
23 Jordan Butler  
24 Jessie Stamper  
25 Emily Van Pelt  
Joyce Knight

23 COMMISSION FOR THE COUNSEL

24 Elizabeth Myers, Assistant Attorney General

25

1           This is Session Four of the Virginia Tobacco Region  
2 Revitalization Commission, which was held on May 12, 2022, at  
3 10:30 a.m. at The Sessions Hotel in Bristol, Virginia.

4           CHAIRMAN OWENS: Call to order the Full Commission Meeting  
5 and welcome everybody here this afternoon - well, this morning.  
6 I'll ask the Deputy Executive Director to call the roll.

7           MR. ANDY SORRELL: All right. Thank you, Mr. CHAIRMAN  
8 OWENS. (Calls the Roll.) Enough quorum, Mr. CHAIRMAN OWENS.

9           CHAIRMAN OWENS: Thank you, sir. At this time, I'm now  
10 entertaining a motion to go into closed session.

11          MR. WILLIAMS: Mr. Chair, I move that we go into a closed  
12 meeting in accordance with the Virginia Freedom of Information  
13 Act. The purpose of this closed session is to discuss  
14 perspective business or industry for the expansion of such  
15 business or industry where no previous announcement has been  
16 made of the business or industry's interest in locating or  
17 expanding in the community.

18          The subject of this closed session is for discussion of  
19 possible grants or loans and is for a project considered a  
20 location and permission for the grant.

21          MR. SHELL: Second.

22          CHAIRMAN OWENS: We have a second. Any discussion?

23          (NO RESPONSE.)

24          CHAIRMAN OWENS: So, all those in favor of the closed  
25 session?

1 (ALL AFFIRM.)

2 CHAIRMAN OWENS: We are in closed session.

3 (ALL PERSONS IN ATTENDANCE ARE EXCUSED FROM THE SESSION  
4 ROOM EXCEPT FOR THE FULL COMMISSION.)

5 (RETURN BACK TO FULL COMMISSION SESSION.)

6 CHAIRMAN OWENS: Shall we have a motion to come back?

7 MR. FRANK HARRIS: So, moved.

8 DELEGATE MARSHALL: Mr. Chair, I vote that we vote on our  
9 certification that, to the best of each members knowledge, that  
10 other public business matters are lawfully exempted from open  
11 meeting requirements under this Chapter, and only six public  
12 meetings as matters as were identified in the motion by which we  
13 closed the meeting or convened or heard or discussed specific  
14 closed meeting.

15 MR. FRANK HARRIS: Second.

16 CHAIRMAN OWENS: Proper second. Roll call vote.

17 MR. ANDY SORRELL: Thank you, Mr. Chairman.

18 (Call the votes.)

19 (ALL AFFIRM.)

20 MR. ANDY SORRELL: All right. Thank you.

21 CHAIRMAN OWENS: Thank you. I was amiss when I first  
22 welcomed everybody, but I should've welcomed the new members  
23 of the Commission. Secretary Commerce and Trade Ms. Caren  
24 Merrick. Secretary of Agriculture and Forestry Mr. Lohr.  
25 And Secretary of Finance, Secretary Cummings. Welcome. Welcome

1 aboard. I look forward to working with you.

2 SECRETARY MERRICK: It's an honor to be here.

3 CHAIRMAN OWENS: Thank you. At this time, we are going to  
4 have a vote for the minutes of the 5/12/22 meeting. 4/22. I'm  
5 sorry. Do I hear a motion to approve the minutes?

6 MR. SHELL: So, moved.

7 COMMITTEE MEMBER: Second.

8 CHAIRMAN OWENS: We have a second. Any comments? Hearing  
9 none. All of those in favor represent by saying Aye.

10 (ALL AFFIRM.)

11 CHAIRMAN OWENS: Then the motion is carried. At this  
12 point, we have public comment. Anybody want to come forward  
13 right now to have public comment? No. Just wait until after we  
14 make these mistakes and then make comment.

15 (Laughs.)

16 CHAIRMAN OWENS: All right. So, we'll have Executive  
17 Committee reports. First thing on the Executive Committee is  
18 the - we have a vacancy as the Vice-Chair of Commission. I  
19 guess nobody wants to take a vote.

20 DELEGATE MARSHALL: Yes, I have a motion, Mr. Chairman.

21 CHAIRMAN OWENS: Yes, sir.

22 DELEGATE MARSHALL: So, I'd like to offer the name of  
23 Delegate Will Morefield. Will is a member of the - as Vice-  
24 Chair of the Commission. And he is a member of the House of  
25 Delegates. He's a member of the Appropriation Committee. He

1 chairs the Higher Education Sub-Committee. He's a member of  
2 General Laws in the House. He's a member of County/Cities/Towns  
3 where he is  
4 Vice-Chair, and he is Chairman Owens of the Land Use and Sub-  
5 Committee. He has been a member of Tobacco for six years. So,  
6 I would offer Delegate Will Morefield.

7 CHAIRMAN OWENS: I have a motion. Do I have a second?

8 SENATOR LOUISE LUCAS: Second.

9 CHAIRMAN OWENS: We have a second. Any other nominations?

10 (NO RESPONSE.)

11 CHAIRMAN OWENS: Hearing none. All of those in favor  
12 signify by saying aye??

13 (ALL AFFIRM.)

14 CHAIRMAN OWENS: Ayes have it. Welcome, Mr. Morefield.

15 DELEGATE MOREFIELD: Thank you, Mr. Chairman.

16 CHAIRMAN OWENS: The second thing on the Executive  
17 Committee is a move that the Commission accept the Executive  
18 Committee's recommendation to approve Andy Sorrell as the  
19 Commission's Acting Director and to provide a temporary salary  
20 increase to \$130,000 a year effective retroactively to  
21 January 25, 2022, until an Executive Director is appointed by  
22 the Governor. Do I hear a motion?

23 DELEGATE KILGORE: Yes.

24 COMMISSION MEMBER: Second.

25

1 CHAIRMAN OWENS: So moved and second. Any other discussion  
2 on it?

3 (NO RESPONSE.)

4 CHAIRMAN OWENS: Being none, all of those in favor signify  
5 by saying aye?

6 (ALL AFFIRM.)

7 CHAIRMAN OWENS: Those opposed?

8 (NO RESPONSE.)

9 CHAIRMAN OWENS: Okay. Thank you. It's my understanding  
10 that -

11 DELEGATE KILGORE: I think he's already been appointed the  
12 Interim.

13 CHAIRMAN OWENS: We'll let you know when exactly that  
14 happens.

15 MR. SORRELL: Yes, sir.

16 CHAIRMAN OWENS: That's an appointment made by the  
17 Chief-of-Staff by the Governor. All right. Items number three.  
18 I move that the Commission accepts the Executive Committee's  
19 recommendation to hire Vicki Humphreys as the new Grants Program  
20 Director for the Commission effective May 25, 2022. And it's  
21 been passed out to you, her resume. Everybody should have one.  
22 Some of you met her last night at the reception.

23 So, do I hear a motion to accept the recommendation?

24 DELEGATE KILGORE: First.

25 MR. HARRIS: Second.

1 CHAIRMAN OWENS: Move and a second. All those in favor  
2 signify by saying aye?

3 (ALL AFFIRM.)

4 CHAIRMAN OWENS: Those opposed?

5 (NO RESPONSE.)

6 CHAIRMAN OWENS: Welcome aboard, Ms. Humphreys. All right.  
7 Item number four.

8 DELEGATE MARSHALL: All right. I move to adopt the  
9 following resolution. Whereas, the Code of Virginia provides  
10 for a portion of the corpus of the Tobacco Indemnification and  
11 Community Revitalization Endowment, the Endowment to be paid  
12 annually to the Tobacco Indemnification and Community  
13 Revitalization Fund upon request of the Tobacco Region  
14 Revitalization Commission, and;

15 Whereas, the Endowment was funded with from proceeds of  
16 certain tax-free Tobacco Settlement Asset-Backed Bonds, Series  
17 2005, the use of which is subject to certain restrictions and  
18 was further funded with additional proceeds of certain taxable  
19 Tobacco Settlement Asset-Backed Bonds, Series 2007, the use of  
20 which is not subject to Restrictions, and;

21 Whereas, the Treasurer of Virginia has determined that on  
22 February 28, 2022, for purposes herein, the value of the corpus  
23 of the Endowment was \$143,630,295.49, now, therefore, be it

24 Resolved, that the Commission hereby requests that for the  
25 fiscal year ending June 30, 2022, (i) the Treasury Board pay

1 from the Endowment to the Fund a sum equal to 15 percent of the  
2 Endowment value as of 2/28/22, (ii) that the said payment be  
3 made not later than June 30, 2022, and (iii) that the amount so  
4 paid not be subject to Restrictions.

5 Adopted on May 12, 2022, by the Tobacco Region  
6 Revitalization Commission.

7 CHAIRMAN OWENS: Hearing the motion, do I hear a second?

8 COMMITTEE MEMBER: Second.

9 CHAIRMAN OWENS: Hear a roll call vote.

10 MR. SORRELL: Thank you, Mr. CHAIRMAN OWENS. Motion  
11 carried. Do we have any nays?

12 (NO RESPONSE.)

13 MR. SORRELL: Do we have any abstentions?

14 (NO RESPONSE.)

15 MR. SORRELL: And this is a particular motion that my code  
16 requires not only a roll call vote by three-fourths of the full  
17 commission membership is required for this motion to pass, and  
18 we did meet that requirement.

19 DELEGATE MARSHALL: I move to approve the FY 2023 Budget  
20 totaling \$35,753,819 as shown on page 47 of your Commission  
21 book.

22 CHAIRMAN OWENS: We have a motion. Do we have a second?

23 MR. SHELL: Second.

24 CHAIRMAN OWENS: All right. Do we have discussion on it?  
25 All of those in favor signify by saying aye.

1 (ALL AFFIRM.)

2 CHAIRMAN OWENS: Any oppose?

3 (NO RESPONSE.)

4 CHAIRMAN OWENS: Thank you. All right.

5 DELEGATE MARSHALL: Maybe we ought to, for the new members,  
6 since this was done several years ago, while we're taking 15  
7 percent out even though our budget is not going to be \$35  
8 million, but if we explain why we're taking 15 percent out of  
9 it.

10 MR. SORRELL: Would you like to answer that, Stephanie?  
11 Our Finance Director?

12 MS. STEPHANIE KIM: Okay. The reason why we take out 15  
13 percent out of the budget each year, which is the maximum  
14 allowable by Code, it's really just an accounting entry at  
15 Treasury where they put it from this account, the endowment  
16 account, to the fund account which allows us flexibility to do  
17 large projects that may require a large commitment of cash  
18 funds.

19 If we don't take it out of the endowment and we need the  
20 cash for a very large project, we may be limited to 15 percent  
21 corpus invasion in a particular year without that access to the  
22 funds.

23 DELEGATE MARSHALL: And, Stephanie, I think we did this  
24 because the state wasn't paying as much interest as we could get  
25 the money ourselves. And, so, we wanted the interest, not give

1 it to the -

2 MS. KIM: Well, no, it actually stays in the Treasury. The  
3 state's invested at a very low rate. Very conservative rate.

4 CHAIRMAN OWENS: All right. Committee Reports. Ms.  
5 Coleman? Education.

6 MS. REBECCA COLEMAN: Thank you, Mr. CHAIRMAN OWENS. I  
7 have four motions for consideration by the Full Commission.

8 First is an increase in funding requests for dual  
9 enrollment program.

10 I move the Commission to accept the following education  
11 committee recommendations for approval of a policy limiting  
12 support for dual Enrollment programs to; one, concurrent  
13 programs at community college sites taught by college faculty  
14 and offered in partnership with high schools in the region.

15 Two, eligible programs will be limited to Advanced  
16 Manufacturing and Information Technology career programs; and

17 Three, at least 50 percent match must be provided toward  
18 Dual Enrollment tuition and fees.

19 That's my motion.

20 MR. HARRIS: Second.

21 CHAIRMAN OWENS: All right. We have a motion and a second.

22 MR. SORRELL: Who seconded that motion?

23 CHAIRMAN OWENS: Mr. Harris. Any other discussion on it?

24 Hearing none, all those in favor signify by saying aye.

25 (ALL AFFIRM.)

1 CHAIRMAN OWENS: Those opposed?

2 (NO RESPONSE.)

3 CHAIRMAN OWENS: Motion carried.

4 MS. COLEMAN: The second motion is related to the Workforce  
5 Financial Aid Policy relating to funding for G3 eligible and  
6 non-G3 eligible for credit programs. I move the Commission to  
7 accept the following education committee recommendation for  
8 Workforce Financial Aid finding for G3 eligible and non-G3  
9 eligible for credit programs be limited to students with family  
10 incomes of up to 500 percent of poverty level for their family  
11 size.

12 CHAIRMAN OWENS: Any second?

13 MR. HARRIS: Second.

14 CHAIRMAN OWENS: Motion moved and seconded. Committee  
15 recommendations? Any other discussion on it? Hearing none, all  
16 of those in favor of it by signifying aye?

17 (ALL AFFIRM.)

18 CHAIRMAN OWENS: Those opposed?

19 (NO RESPONSE.)

20 CHAIRMAN OWENS: Ayes have it. Motion carried.

21 MS. COLEMAN: Thank you. The third motion is related to  
22 Workforce Financial Aid Applications for the 2022-23 School  
23 Year.

24 As an FYI, we have loan applications and the recommendation  
25 from the Education Committee will fully fund the requested

1 amount for each of those applications.

2 I move that the Commission accept the Education Committee's  
3 recommendation to approve \$2,191,250 for last-dollar Workforce  
4 Financial Aid grants for the Tobacco Region residents in the  
5 2022-23 school year as described in pages 51 through 65 of the  
6 Commission Book and subject to the conditions listed on page 53.  
7 And barring any objections, I will spare you the written  
8 conditions.

9 MR. SUTHERLAND: Second.

10 DR. EHRHARDT: Second.

11 CHAIRMAN OWENS: Moved and seconded. Any other discussion  
12 on it? Hearing none, all of those in favor signify by saying  
13 aye?

14 (ALL AFFIRM.)

15 CHAIRMAN OWENS: Those opposed?

16 (NO RESPONSE.)

17 CHAIRMAN OWENS: Are there any abstentions?

18 (NO RESPONSE.)

19 CHAIRMAN OWENS: Ayes have it. Motion carried.

20 MS. COLEMAN: Thank you. The fourth and final motion is  
21 under Extensions and Modifications. Southside Community College  
22 Foundation grant number 3413, I move the Commission accept the  
23 Education Committee recommendations for project number 3413, a  
24 fifth-year extension to May 31, 2023.

25 MR. SUTHERLAND: Second.

1 CHAIRMAN OWENS: Moved and seconded. Any other discussion  
2 or questions? All those in favor signify by saying aye?

3 (ALL AFFIRM.)

4 CHAIRMAN OWENS: Those opposed?

5 (NO RESPONSE.)

6 CHAIRMAN OWENS: Any abstentions? The ayes have it.

7 Motion carried.

8 MS. COLEMAN: The Committee recommends the allocation of  
9 level funding at \$2.2 million for Workforce Financial Aid in the  
10 Commissions 2023 budget.

11 And that concludes my report, Mr. CHAIRMAN OWENS.

12 CHAIRMAN OWENS: Thank you. Thank you. All right.

13 Southern Virginia Committee. Mr. Shelton.

14 MR. SHELTON: Thank you, Mr. CHAIRMAN OWENS. The Southern  
15 Committee met yesterday afternoon. We considered nine grant  
16 applications, and the Committee accepted the Staff's  
17 recommendation on all nine of these with no modification for a  
18 total of \$2,721,940.

19 These nine applications are listed on pages 22 through 31  
20 of your Commission Book. If there are no objections, I would  
21 like to offer them as a block unless someone needs one of those  
22 pulled out.

23 CHAIRMAN OWENS: All right.

24 MR. SHELTON: Then, Mr. Chairman, I would move that the  
25 Commission accept the Southern Virginia Committee

1 recommendations taking the actions recommended by Staff as  
2 listed in pages 22 through 31 of the Commission Book with  
3 respect to the following nine projects; 3960, 3956, 3957, 3958,  
4 3961, 3962, 3964, 3959, and 3963.

5 CHAIRMAN OWENS: You've heard the motion. Second?

6 DELEGATE KATHY BYRON: Second.

7 CHAIRMAN OWENS: Any other discussion? Hearing none, all  
8 of those in favor of the Committee's recommendation, signify by  
9 saying aye?

10 (ALL AFFIRM.)

11 CHAIRMAN OWENS: Those opposed?

12 (NO RESPONSE.)

13 CHAIRMMAN OWENS: Anybody abstain?

14 (NO RESPONSE.)

15 CHAIRMAN OWENS: Ayes have it. Motion is carried.

16 MR. SHELTON: And, Mr. Chairman, we also had a modification  
17 and a few extension requests. The first one concerning a  
18 Broadband proposal with EMPOWER number 3752. Mecklenburg  
19 County. And I move that the Commission accept the Southern  
20 Virginia Committee recommendation to extend a loan for amount of  
21 up to \$880,643 to EMPOWER Broadband at an interest rate and for  
22 a term acceptable to the Executive Director.

23 CHAIRMAN OWENS: Heard your motion. Is there a second?

24 DELEGATE MARSHALL: Second.

25 CHAIRMAN OWENS: Second. Any other discussion on these?

1           SECRETARY MERRICK: Quick question. On these sorts of  
2 grants for a particular Broadband company, is there a  
3 competition in the area, or are we just meeting more need.

4           MR. SORRELL: I'd be happy to answer that question, Mr.  
5 Chairman. Secretary Merrick, this is a project that the  
6 Commission approved back last May, and it was conditioned upon  
7 there being a - uh, basically, them not getting the grant from  
8 VATI the DHCD Program. They did end up getting a fairly large  
9 grant with VATI, but they were still interested in the loan.  
10 And, so, that's what we're - this at in the Commission.

11           Because of that condition, it said they couldn't get the  
12 grant unless they got the five-year grant - since they still  
13 remained interested in it, it's back to the Commission's without  
14 them doing application.

15           SECRETARY MERRICK: Thank you. One more question which is,  
16 are there other Broadband companies that have received a VATI  
17 grant and a loan from the Tobacco Commission?

18           MR. SORRELL: I believe this was the first one. Excuse me.  
19 There hasn't been, but there's going to be one that is going to  
20 be closing soon. It hasn't closed yet.

21           CHAIRMAN OWENS: Kathy Byron.

22           DELEGATE BYRON: I was just going to say to the Secretary  
23 that when we were doing the Broadband grants, they were always  
24 for unserved areas back when we did those, and some of these go  
25 back a few years.

1           SECRETARY STEVE CUMMINGS:     On this type of incident,  
2 comments yesterday, what if somebody sells an asset that we've  
3 provided a grant or a loan to? Does that automatically trigger  
4 repayment?

5           MR. SORRELL: We are required - the Commission is required  
6 to have a Security Agreement on all of these assets. And, so,  
7 if they were to sell it, then they would need to get the  
8 Executive Director's permission.

9           And, in return for - if they were to sell an asset, we  
10 would need to review and make sure that that's something in the  
11 best interest of the Commission, and that we would get a portion  
12 of any of that sale or proceeds in that kind of situation  
13 subject to the amount of money that we have loaned for the  
14 project.

15          SECRETARY CUMMINGS: Is that predetermined or is that  
16 something that can be in negotiation at the time of the sale?

17          MR. SORRELL: It's negotiated based upon its value, based  
18 upon what we put into it, and sometimes we also negotiate it if  
19 there's a particular performance metrics that might go into and  
20 then in return for their jobs and capital investment, then we  
21 would also negotiate that as well. But it is something that the  
22 Executive Director would have to - if there's anything that's  
23 outside the normal, then we would bring it back to the  
24 Commission for another session.

25

1 DELEGATE MARSHALL: We have had that happen before, haven't  
2 we? MR. STEVE CUMMINGS: Yeah, we have.

3 DELEGATE MARSHALL: It was sold.

4 SECRETARY MERRICK: Mr. Chairman?

5 CHAIRMAN OWENS: Yes, ma'am.

6 SECRETARY MERRICK: I have two more questions. One is,  
7 when we are as a Commission making decisions on a grant after  
8 they've received a loan/grant, do we take into consideration the  
9 score that they have on the underlying application because  
10 there's up to 300 points that a company can score and some  
11 companies that score a 150 are to be given grants.

12 MR. SORRELL: So, in this instance because it was a loan  
13 and the money will all be date admission, we did not consider  
14 that, but if, you know, for a VATI, that would definitely be a  
15 consideration if we were considering an initial grant where we  
16 would be providing grant funds because it would be real  
17 important that if they're already getting funding from VATI in a  
18 grant or eligible to receive funding from that, that they would  
19 not receive a grant from us.

20 SECRETARY MERRICK: Okay. One last question which is, do  
21 we know when we are considering giving a loan what the speed is  
22 that the providers would guarantee to (Inaudible.)

23 MR. SORRELL: I believe we - so, when we do have  
24 applications come in from Broadband - Sarah Capps, would you  
25 refresh my memory on what our policy and considerations are? I

1 know that they're run through the Southern Virginia Program now.  
2 We have particular policies that we consider, and I believe that  
3 is one.

4 MS. SARAH CAPPS: Yes. The companies are required to  
5 provide the technical details for the service that they are  
6 going to provide including the State's permits. In the case  
7 with the EMPOWER, they're running fiber into the homes because  
8 that information is pertinent.

9 SECRETARY MERRICK: That's good to know. I'm a member of  
10 the Broadband Advisory Counsel and some of the broadband that  
11 has been implemented in Virginia is at a speed of 25.3 which one  
12 of the members - I think one of the staff members of this  
13 Committee, the Broadband Advisory Committee, was saying that it  
14 was enough for email but not for two people in the house. Not  
15 for, for example, a small business owner to run their business  
16 from their home, or for a student to do live classrooms. And so  
17 we want to make sure that Virginians have a speed where small  
18 businesses can run and people can go to school and have the  
19 ability to work, too.

20 SENATOR RUFF: Mr. Chairman.

21 CHAIRMAN OWENS: Yes, sir.

22 SENATOR RUFF: I want to correct one thing that Buddy said  
23 Mecklenburg County - co-op has covered - are a subsidiary of the  
24 non-profit co-op, and they are very committed to getting it into  
25

1 those rural communities and they've got an agreement with  
2 Dominion to serve that purpose, also.

3 CHAIRMAN OWENS: And in the past we had a matrix about the  
4 speeds for all the providers.

5 MR. HARRIS: That's right.

6 CHAIRMAN OWENS: And Broadband was described as - well,  
7 what you just said. So, if the descriptive of Broadband is to  
8 be broadband casted you need at least 10 -

9 MR. HARRIS: Ten.

10 CHAIRMAN OWENS: - going up.

11 SECRETARY MERRICK: Good to know.

12 CHAIRMAN OWENS: All right. So, good work on that part.  
13 Thank you. Mr. Shelton, do you have anything else?

14 MR. SHELTON: Not for this one. I mean, I believe that was  
15 seconded. I think we have a motion to go forward.

16 CHAIRMAN OWENS: All those in favor of the Committee's  
17 recommendation, signify by saying aye.

18 (ALL AFFIRM.)

19 CHAIRMAN OWENS: Those opposed?

20 (NEGATIVE RESPONSE.)

21 CHAIRMAN OWENS: Ayes have it. Motion carried.

22 MR. SHELTON: All right. We have several extension  
23 requests, Mr. Chairman. One involving City of Danville and  
24 Industrial Shell Building. Number 3360. And I move that the

25

1 Commission accept the Southern Virginia Committee recommendation  
2 for an approval of a one-year extension to July 31, 2023.

3 CHAIRMAN OWENS: So moved. Second?

4 SECRETARY MERRICK: Mr. Shelton, a hand is being raised.  
5 She has a question.

6 CHAIRMAN OWENS: What is your question?

7 MS. CAPPS: Is that January 31, 2023?

8 MR. SHELTON: Yes. If I said that wrong, the extension was  
9 to January 31, 2023. Is that correct, Ms. Sarah?

10 MS. CAPPS: Yes.

11 MR. SHELTON: Okay. All right.

12 CHAIRMAN OWENS: Any other discussion? Hearing none, all  
13 of those in favor signify by saying aye.

14 (ALL BUT ONE AFFIRMS.)

15 CHAIRMAN OWENS: Those opposed?

16 MS. CLARK: I need to abstain.

17 CHAIRMAN OWENS: Okay. One abstention. All right.

18 MR. SHELTON: Mr. Chairman, we have another extension  
19 request. Danville-Pittsylvania County Regional Industrial  
20 Facility Authority. Water System Improvements Phase II. It's  
21 the Berry Hill Project. Number 3011. And I move that the  
22 Commission accept the Southern Virginia Committee Recommendation  
23 for approval of a two-year extension to May 31, 2024.

24 DELEGATE MARSHALL: Second.  
25

1 CHAIRMAN OWENS: So moved. Second. Any other discussion?  
2 Hearing none, all of those in favor of the recommendation -  
3 motion from the Committee signify by aye?

4 (ALL AFFIRM.)

5 CHAIRMAN OWENS: Those opposed?

6 (NEGATIVE RESPONSE.)

7 CHAIRMAN OWENS: Any abstentions?

8 (NEGATIVE RESPONSE.)

9 CHAIRMAN OWENS: No. The ayes have it. Motion carries.

10 MR. SHELTON: Mr. Chairman, we have from Prince Edward  
11 County, the Prince Edward County Industrial Access Road.  
12 Projects 3089 and 3145.

13 And I move that the Commission accept the Southern Virginia  
14 Recommendation for approval of final extension (and that's  
15 emphasis on the word final) on grants 3089 and 3145 to  
16 October 31, 2023, to allow time for construction to be  
17 completed.

18 DELEGATE MARSHALL: Second

19 CHAIRMAN OWENS: Moved and proper second. Any other  
20 discussion? Hearing none, signify by saying aye?

21 (ALL AFFIRM.)

22 CHAIRMAN OWENS: Those opposed?

23 (NEGATIVE RESPONSE.)

24 CHAIRMAN OWENS: Ayes have it. Motion carried.

25 MR. SHELTON: And, lastly, Mr. Chairman,

1 Danville-Pittsylvania Regional Industrial Facility Authority.  
2 Again, for the Berry Hill Mega Park. Project Number  
3 2264.

4 I move that the Commission accept the Southern Virginia  
5 Committee recommendation for approval of a six-month extension  
6 to July 31, 2022.

7 CHAIRMAN OWENS: Hearing the motion, do I hear a second?

8 DELEGATE MARSHALL: Second.

9 CHAIRMAN OWENS: Moved and have a second. Any other  
10 discussion on it? Questions? Hearing none, all those in favor  
11 of the motion signify by saying aye?

12 (ALL AFFIRM.)

13 CHAIRMAN OWENS: Those opposed?

14 (NEGATIVE RESPONSE.)

15 CHAIRMAN OWENS: Ayes have it. Motion is carried.

16 MR. SHELTON: Thank you, Mr. Chairman. That concludes the  
17 report from the Southern Committee.

18 CHAIRMAN OWENS: Thank you, Mr. Shelton. At this time, the  
19 Southwest Virginia Committee. Mr. Morefield.

20 DELEGATE WILL MOREFIELD: Yes, sir, Mr. Chairman, Members  
21 of the Committee. The Southwest Virginia Economic Development  
22 Committee met yesterday, and the Committee unanimously approved  
23 the Staff recommendations, and you all have these listed in your  
24 packet.

25

1           And if there are no objections, I would like to take these  
2 up in a block.

3           DELEGATE KILGORE:   Second.

4           CHAIRMAN OWENS:   So moved and second.   Any other discussion  
5 on it?   Hearing none, all of those in favor signify by saying  
6 aye?

7           (ALL AFFIRM.)

8           CHAIRMAN OWENS:   Those opposed?   Any abstentions?

9           (NEGATIVE RESPONSE.)

10          CHAIRMAN OWENS:   Ayes have it.   Motion carried.

11          DELEGATE MOREFIELD:   Thank you.

12          CHAIRMAN OWENS:   All right.   Incentives and Loans  
13 Committee.   Delegate Marshall.

14          DELEGATE MARSHALL:   Thank you, Mr. Chairman.   First of all,  
15 I'd like to ask Andy to let the new members understand about  
16 TROF.   I had someone last week say that the Tobacco Commission  
17 is just giving money with no strings attached.   It doesn't work  
18 that way.   So, especially with TROF.

19                 So, I'd like to maybe talk about the formula that looks  
20 like NASA came up with and also the Loan Agreement.   The money  
21 doesn't actually go to the company.   It goes to localities.   So,  
22 you might want to explain this to the new members.

23          MR. SORRELL:   Thank you, Delegate Marshall.   So, yes, our  
24 Tobacco Regional Opportunity Fund is similar to the Opportunity  
25

1 Fund - Commonwealth Opportunity Fund that the VEDP offers as  
2 well.

3 But basically, it's a grant and a loan incentive that's  
4 based on an incentive estimate that takes into account jobs,  
5 capital investment, and wages of those jobs. And over the  
6 years, the policies of the TROF have been advised to ensure  
7 that the jobs are above the prevailing average for the  
8 company.

9 So, in order to get an estimate, a locality would reach out  
10 to us and then we would pop this into a formula that's based  
11 upon those different things, and then we would have an  
12 incentive estimate.

13 And then what the Commission will typically do for those  
14 incentive estimates, are, you know, divide it in half. Half  
15 will be for a grant, and then half would be for a  
16 zero-interest loan that's managed in-house from the Full  
17 Commission.

18 And regarding the grant portion of it, those funds can be  
19 disbursed in advance: pre-performance or post-performance. And  
20 when they are distributed pre-performance, i.e., before any of  
21 the metrics have been achieved, such as might be needed for up  
22 front capital costs and things of that nature, then they have to  
23 - we require full security of the amount that we're giving out.

24 And if there was ever an instance where we had to fall  
25 back, you'll hear that name, clawback any funds (as Delegate

1 Marshall mentioned) our agreements are between the county - or  
2 the locality or an IDA, the Company and the Commission. So, if  
3 we ever had to - if we disbursed funds in advance, then we had  
4 to go after the security that was provided, we would first, you  
5 know, go to the company. And if they're unable to buy it, then  
6 the locality understands that they are also signing on the  
7 dotted line and that they're securing that project.

8         So, there's more risks involved when the funds go out the  
9 door prior to performance. A lot of localities that are  
10 companies that may not need that buffer and capital will take  
11 the funds post-performance. So, after they've already  
12 performed, after they've already provided their metrics, met  
13 their jobs, then they earn what they achieved to. They fully  
14 achieved. They fully earned.

15         If they don't fully achieve, they have to a meet a minimum  
16 Investment requirement first, but once they hit that, it's  
17 usually a million dollars, then they're able to get a prorated  
18 share of job - the capital investment that they achieved.

19         And, so, loans are only disbursed in advance and do a  
20 require a full security prior to being disbursed. And, so,  
21 that's the general idea of the TROF Program. We do require  
22 security. We do do clawbacks.

23         And the agreement is, our data base expert and our TROF  
24 expert on doing all of these, and I'll have a report in the Full  
25

1 Commission here on where we are with TROF projects and things  
2 like that in general.

3 DELEGATE MARSHALL: So, let me add something to this. For  
4 example, if a company comes and makes an application to us and  
5 they - I'm going to make up a number - they're going to have 100  
6 jobs at \$15 an hour, and they're going to spend \$50 million in  
7 investment. We go back and look at that at year three.

8 For example, they didn't do 100 jobs, but they did 50 jobs,  
9 and it was \$12.50 an hour, and they only did have the  
10 investment, then we get a portion of our money back. And, so,  
11 we in the past, have drawn and got that money back.

12 And, so again, we're not just handing money out on the  
13 street. There is a formula that determines what we're going to  
14 do front-end. And, also, there are consequences if they do not  
15 meet the jobs, the pay, and the investment.

16 So, let me pause there. Any questions? Okay. All right.  
17 So, the Incentives and Loans Committee met this morning, and we  
18 met about Extensions and Modifications.

19 And the first one up is Greenville County. Number 3295.  
20 And, so, I would move that the Commission accept the Incentives  
21 and Loans Committee recommendation for approval of the final  
22 performance extension through June 30, 2023.

23 CHAIRMAN OWENS: Heard the motion.

24 COMMITTEE MEMBERS: Second.

25

1 CHAIRMAN OWENS: So moved. Proper second. Any other  
2 discussion? Hearing none, all those in favor of motion signify  
3 by saying aye?

4 (ALL AFFIRM.)

5 CHAIRMAN OWENS: All oppose?

6 (NEGATIVE RESPONSE.)

7 CHAIRMAN OWENS: Ayes have it. Motion carried.

8 DELEGATE MARSHALL: The second one is Pittsylvania County,  
9 the Eastern Panel Manufacturing, Inc. Number 3404.

10 I move the Commission to accept the Incentives and Loans  
11 Committee recommendations that the performance agreement for  
12 TROF 3404 be modified to admit the acceptance of reporting  
13 costs of machine and tools towards the Company's taxable asset  
14 obligation as verified in the writing, and also, it's going to  
15 confirmed from the locality about the proof that they did what  
16 they said they were going to do by the Commission of Revenue.

17 DELEGATE KILGORE: Second.

18 CHAIRMAN OWENS: So moved and proper second. Any other  
19 discussion or questions? Hearing none, all those in favor  
20 signify by saying aye?

21 (ALL AFFIRM.)

22 CHAIRMAN OWENS: All those oppose?

23 (NEGATIVE RESPONSE.)

24 CHAIRMAN OWENS: Ayes have it. Motion carried.

25

1 MR. SORRELL: Delegate Marshall - Chairman Owens, we did  
2 have one more motion that went for Wise County DP Facilities on  
3 the first page.

4 DELEGATE MARSHALL: Okay. Is that 3266. The gentleman  
5 from Wise to say something about that. So, I move the  
6 Commission to accept the Incentives and Loans Committee  
7 recommendations that the Base Year for TROF #3266 remain  
8 unchanged and if necessary, negotiate a mutually agreeable  
9 repayment agreement between  
10 all parties to repay any portion of the grant that remains  
11 unearned.

12 CHAIRMAN OWENS: So moved.

13 DELEGATE KILGORE: Second.

14 CHAIRMAN OWENS: And second. Any other questions? Hearing  
15 none, all those in favor of the motion signify by saying aye?

16 (ALL AFFIRM.)

17 DELEGATE MARSHALL: Apologize for the -

18 (LAUGHS.)

19 CHAIRMAN OWENS: Is that the end of your report, sir?

20 DELEGATE MARSHALL: Yes, sir. I'm sticking to it.

21 CHAIRMAN OWENS: Okay. Thank you. Profits and CBL Loan  
22 update? Director Andy Sorrell?

23 MR. ANDY SORRELL: All right. Thank you, Mr. Chairman.  
24 Yes, as I mentioned earlier, I'll give you a little bit of an  
25 update on TROF Projects. In your packet there's a number of

1 pages that relate to Factories and Opportunity Fund as well as  
2 our Community Business Link Program.

3 Page 60 out of your Commission book reflects the status of  
4 our active TROF Projects over the last five years. As you can  
5 see, we have had four projects approved so far this fiscal  
6 year looking for over 1,500 jobs and \$1.5 million capital  
7 investment.

8 These are projects that have actually been approved.  
9 They're located in the footprints. And then we have six active  
10 estimates. Estimates are the ones where they haven't yet  
11 decided if they're going to locate in the footprint, but this is  
12 part of the Incentives package provided to them.

13 And just for a comparison, we had thirteen TROF projects  
14 approved in fiscal year '21 compared to nine in fiscal year '20.  
15 And 20 in fiscal year 19. So, we've had - we definitely have a  
16 downturn with Covid and things like that, but we do hope it's  
17 going to be picking back up as things to reopen and get back to  
18 normal.

19 For pages 69 through 71, you'll note the status of TROF  
20 Loans. As you recall, I mentioned that we do a - when we  
21 provide an incentive out, we provide half grant and half zero-  
22 interest loan. And, so, for the communities and companies that  
23 have an interest in accepting that loan at zero interest, we  
24 again manage those in-house and we do a prior security before  
25 when it goes out the door. Those have typically a five-year

1 repayment period and have two payments year due in February and  
2 August.

3 We have 23 active loans that total about \$4.47 million  
4 loaned out to 2017. \$2 million of that remains to be paid, and  
5 I'm happy to say of all of these active loans, all of them are  
6 current and all of them are good on their payments and making  
7 sure that those were good.

8 And that is also very good in checking that and making  
9 sure if there's a change of staff with the company or something  
10 like that and they perhaps might not be able to submit it. We  
11 follow up with them very briefly. So, it's something that does  
12 require some staff work, but it also, by being able to be run  
13 in-house, it can run very smoothly and quickly.

14 You'll note on pages 73 and 74, the status of 34 TROF  
15 Projects that remain active. We've concluded the performance  
16 period. If you recall from January, this has gone down a lot  
17 since January.

18 I think we're at about 50 projects at that point that were  
19 active that - and what that reflects is a very good work of  
20 staff. Particularly, David Frickman, on really helping close  
21 out a lot of old projects and projects that have been sitting  
22 out there for a long time.

23 You'll also recall back in January, the Commission also  
24 approved allowing for three projects to be closed from that  
25 Brunswick Power Plant from 2012. That was some of our oldest

1 ones and that allowed us to get those projects closed and off  
2 the books.

3 But when we close a project, that's a project that either  
4 met all their performance metrics and they fully earned their  
5 money, or, if they didn't fully earn their money, we paid out  
6 the amount of funds that they've earned, or, if they - we don't  
7 close a project if a project, for example, money went out the  
8 door pre-performance and they're in a repayment agreement with  
9 us that we've negotiated, those projects remain open. So, this  
10 does not include any of those.

11 There's probably about ten of those maybe, David, that have  
12 repayment agreements that we've negotiated between Staff and  
13 Localities to ensure that the Commission has been made whole  
14 whenever any money goes out the door.

15 But, again, as I mentioned earlier, we make sure the  
16 localities are fully aware that if anything goes out the door  
17 ahead of time, and there's any money that, you know, they might  
18 be a - we make sure they know what they're getting into before  
19 they get into it.

20 And, so, on our Community Business Lending Program, as some  
21 of you know, this is a fairly new program. We have, you know,  
22 this has been around for about a year - a year or two now.  
23 Again, it got started right as Covid was happening, so it didn't  
24 have a lot of pick up at first, but this is our basically, you  
25 know, the funding, so when the Commission takes the 15 percent

1 out its corpus, the remaining portion often will go towards  
2 helping plus up this particular fund for the Community Business  
3 Lending Program.

4 And, so, in speaking, this is a project where we offer low  
5 interest loans; not zero-interest loans, but low interest loans,  
6 but low interest loans that ideally are going to give the  
7 Commission a greater return on our investment dollar, greater  
8 return on investment - just our money sitting over in treasury,  
9 but an able offering interest rate that is lower than a  
10 commercial bank might be able to offer.

11 So, it's a way to get money and capital out to our  
12 footprint, to our communities. Also, an opportunity for  
13 projects that might not be an ideal candidate for a grant or for  
14 other reason. Maybe it doesn't fit in the IDA category  
15 Commission for Strategic Planning, but it's still an Economic  
16 Development Project provided we're going to be able to be repaid  
17 and there's good security for that.

18 It could be a project that is a good one for our Community  
19 Business Funding Program. In speaking with BRA, the current  
20 interest rates - and interest rates have been high because of  
21 the - well, the volatility of the markets in recent months, but  
22 the lowest it was 4.95 percent for a project with a low risk  
23 such as if a county's moral obligation was backing it.

24  
25

1 For more riskier projects, it could be as high as 6.06  
2 percent. But, again, this varies based upon, you know, the  
3 particular market rates.

4 And right now we've got, basically, three applications that  
5 are still pending review. I think we've got one project that is  
6 getting ready to close this week, we hope, for a loan. And then  
7 we have other projects that percolating.

8 We have one hospitality project that did not ultimately end  
9 up happening, so those funds went back to the loan pot. There's  
10 an automotive project that's considering that I expect will, you  
11 know, they're working on what their security will be and us  
12 getting comfortable with it.

13 The bottom line is when this program VRA, Virginia Resource  
14 Authority, our underwriters, and they make sure that the  
15 Commission is not getting out in front in terms of risks and  
16 things of that nature. That's the important part.

17 And I'll just stop there. That's, basically, our update on  
18 our Tobacco Regional Opportunity Fund and Community Business  
19 Lending Program.

20 SENATOR RUFF: Mr. Chairman?

21 CHAIRMAN OWENS: Yes, sir.

22 SENATOR RUFF: Andy, there are a fair number of page 73 and  
23 74 to be decided on the claw back issues, correct? By  
24 September, will we have very few of those to be decided?

25

1 MR. SORRELL: Yes. So, when it says, "to be decided," that  
2 means that we're still gathering the information related to  
3 performance.

4 Sometimes, you know, if there's the opportunity where, you  
5 know, there's, basically, a lag between getting in capital  
6 investment as reported by the Commissioner of Revenue and also a  
7 lag of several months for getting the information from the  
8 Virginia Employment Commission for verifying employment.

9 And, so, those typically mean that the performance  
10 period is over, but we're still waiting to review that data  
11 or still have additional data. Sometimes we get that data in  
12 and it's as clear as mud, so we need to then follow back  
13 up with the Committee, with the localities, or with the  
14 Commissioner of Revenues or the VDC to ensure that we fully  
15 understand it.

16 We want to give locality companies credit for as much  
17 they've done. And, so, we do work - we do our due diligence  
18 really good to make sure that if there's any way that we can  
19 give a company a credit for it, then we do.

20 And so, the bottom line is, yes. That number will be less  
21 in September, but there will still be some that are, you know,  
22 continuing on, and we still need to gather data on, and it will  
23 take a while to get it.

24 SENATOR RUFF: Thank you.

25

1 CHAIRMAN OWENS: Thank you, Mr. Sorrell. At this time,  
2 we'll take discussion. Stephanie Kim is going to come forward  
3 with the Talent Attraction Program update.

4 MS. STEPHANIE KIM: I just wanted to you a quick update on  
5 Talent Attraction Program. We just finished our recent award  
6 cycle.

7 March 31 was the due date for applications. This is just a  
8 reminder. We have two different programs. One is for  
9 healthcare professionals and then the other is for the non-  
10 healthcare professionals.

11 The application deadline for both was March 31<sup>st</sup> through the  
12 Virginia Department of Health partnership we have in their  
13 existing statement within the program, they received 68  
14 applications, 22 of which were from the Tobacco Committee, and  
15 they just made awards this week that will go out before June  
16 30th.

17 For those who are eligible who did and work in the tobacco  
18 region, we awarded 15 applicants \$379,000. It's a little bit  
19 less than what we normally award, but we made sure in this  
20 year's program that we were last up, so we used federal and  
21 state funds first before any of our Tobacco Commission funds  
22 went to recipients.

23 Now, for the non-healthcare professionals. We had 104  
24 applications received. 77 awards that totaled \$1.4 million, so  
25 the average repayment for two-year commitment was \$18,208.

1           Eighteen percent were not actually from the tobacco region,  
2 so these were actually incentive funds to get them to move to  
3 the region, to work in the region, and volunteer.

4           And just to give you an idea of the distribution, this is  
5 in a pie chart to show that a distribution - this year, you  
6 know, we actually excluded special education teachers, so  
7 you'll see that between this pie chart and the next pie chart,  
8 this year we've seen a large percentage to OTF Speech  
9 Pathologist.

10           And then we still had about 32 percent that went to  
11 teachers. Usually in the STEM area, secondary education,  
12 technical lab, and technical areas.

13           This will give you an idea for the past three years, on the  
14 next line, you can see kind of what the distribution was. And a  
15 large percentage of the prior special education funds, we didn't  
16 split them this year because we felt like a lot of them were  
17 provisionally licensed special ed teachers that were not  
18 actually certified as yet in special education.

19           So, we wanted - and the school systems have told us that  
20 they don't have so much trouble attracting special education  
21 teachers because they can take people who don't have licenses.  
22 So, as long as they have a Provisionals.

23           So, the current eligible opportunity - just so you're aware  
24 of what we've awarded for this year - they're in here. IT

25

1 people. We are focusing on STEM teachers and then speech,  
2 physical, and occupational therapy.

3 We are looking at reassessing whether the eligible  
4 applications for the future for serving any school systems to  
5 see if one they are having the most positions filled.

6 We know there is a teacher shortage in all areas, but we can't  
7 fund all teacher shortages, so we're trying to focus our funds  
8 on the most difficult to fill.

9 We also plan to work with local employers and organizations  
10 for other applications that may be needed.

11 We are also in the process of analyzing the awards for the  
12 first couple of years for localities they were awarded in and  
13 then the number that actually come back and renew for another  
14 two years. So, we would be doing that analysis over the summer.

15 Does anybody have any questions?

16 DR. ERHARDT: Mr. Chairman?

17 CHAIRMAN OWENS: Yes, Dr. Erhardt.

18 DR. ERHARDT: I have two, Stephanie. The first is, I know  
19 we expected getting the word to be a challenge at the beginning  
20 and to open channels. Can you talk a little bit about if you  
21 are in a good place there, is there more that we could be  
22 doing to help, or do you think we're doing a good job at this  
23 point?

24 MS. KIM: I mean, we can always improve. You know, we did  
25 a lot more outreach this time. The field staff really helped

1 with getting the word out. I mean, it would help if we had  
2 state partners who could help us out with getting the word out  
3 so that we could attract more. We still have limited funds  
4 though, so, I mean, we did turn some people away.

5 It would just be more competitive, I think, if we had more  
6 applicants.

7 DR. ERHARDT: I know that one of your requirements to  
8 receive the award is to some type of service. So, not to answer  
9 today, but maybe in the future meetings, one of the slides could  
10 show kind of the types of services that are working and agents  
11 and that would be really interesting for us to know.

12 MS. KIM: We will take note of that. And I'll tell you  
13 generally, just looking that, it has been a wide-range;  
14 everything from CA, high tech - church groups.

15 There have been some local antiques. And, of course, a lot  
16 of schools -

17 DR. ERHARDT: Thank you.

18 CHAIRMAN OWENS: Anybody else have any questions?

19 (NO RESPONSE.)

20 CHAIRMAN OWENS: Thank you. All right. Other business?  
21 Mr. Sorrell?

22 MR. SORRELL: I'll keep that brief. I'll note that we will  
23 be having our fall meeting somewhere in Southern Virginia. We  
24 have yet to determine where and when that will be, but it will  
25 be somewhere in September.

1           And, then, let's see here. Lunch is back there for folks  
2 to have. And, as far as folks that are leaving on the airplane,  
3 I just wanted to note that the first group that's going to be  
4 leaving, will be leaving at 12:30. There's going to be a  
5 shuttle that picks you up and takes you over to the airport.

6           And then, that's the Danville group. And then the group  
7 flying back to Richmond - once they drop the Danville folks off,  
8 they come on back and the Richmond group will be leaving at 3:00  
9 p.m. There will be shuttle that will take you on out from that  
10 point.

11           I was able to get a delayed checkout until about 1:00.  
12 They might be able to work with you on that if that's something  
13 that you'd like.

14           That's all I have.

15           CHAIRMAN OWENS: Thank you. I have a couple of quick  
16 housekeeping notes here. I don't know if I said it when I was  
17 in South Boston, but I wanted to welcome Delegate Adams and  
18 Delegate Wampler to the Commission. And I would like to welcome  
19 Delegate Morefield back to the Commission.

20           DELEGATE MARSHALL: I'm not welcome?

21           (LAUGHS.)

22           CHAIRMAN OWENS: I don't think you ever left.

23           DELEGATE BYRON: We were in your dreams.

24           (LAUGHS.)

25

1 CHAIRMAN OWENS: Something that is kind of hard on my heart  
2 today is we're going to lose some good people at the end of some  
3 terms. Mr. Frank Harris. Start in alphabetical order. Ms.  
4 Becky Coleman. We thank you for everything you've done.  
5 Especially the education part.

6 And then Mr. Frank Harris. Thank you for all your help and  
7 all your work.

8 MR. HARRIS: Thank you.

9 CHAIRMAN OWENS: Cecil Shell. But you get to serve until  
10 they replace you. So, stick around.

11 And then Mr. Rich Sutherland. I know the people in this  
12 southwest part of this district down here - I don't come to all  
13 the southwest meetings, but I tell you what, your name shows up,  
14 so we appreciate all that you have done.

15 (APPLAUSE.)

16 CHAIRMAN OWENS: All right. At this time, any other public  
17 comment? Hearing none - one more thing. I'd like to take this  
18 opportunity to thank the staff. It takes a whole lot of hours  
19 to put this together.

20 (APPLAUSE.)

21 CHAIRMAN OWENS: Any other? So, do I hear a motion to  
22 adjourn?

23 DELEGATE KILGORE: So, moved.

24 CHAIRMAN OWENS: Meeting adjourned.

25 (END OF SESSION FOUR)

AT 11:53 A.M.)

- 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

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

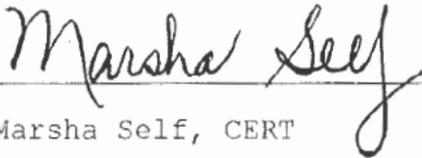
CERTIFICATE

COMMONWEALTH OF VIRGINIA  
COUNTY OF WASHINGTON

I, Marsha Self, Notary Public in and for the Commonwealth of Virginia, at large, do hereby certify that the foregoing transcript of Session 4 of the Full Commission Virginia Tobacco Region Revitalization Commission held on May 12, 2022, was taken before Marsha D. Self at the time and place in the foregoing caption specified, and that the foregoing is a true and correct transcript of the same to the best of my ability.

I further certify that I am not a relative, counsel, or attorney for either party or otherwise interested in the outcome of this action.

Given under my hand this 13th day of June, 2022.

  
Marsha Self, CERT

My Commission Expires: February 28, 2023.  
State Notary Registered Number: 174126

The following tables summarize the actions the Full Commission made at its May 12, 2022 meeting regarding recommendations from the Executive Committee, Education Committee, Incentives & Loans Committee, the Southern Virginia Committee and the Southwest Virginia Committee. These tables are attached to and made a part of the minutes of the meeting.

**Commission Action on Executive Committee Recommendations:**

Item	Commission Approved Action Applicable Conditions	Staff Notes (as needed)
Commission Vice Chairman	Approval of the Honorable Will Morefield as Vice –Chairman of the Commission.	Prior Vice –Chair was Delegate Lashrecse Aird. Her term on the Commission concluded when her legislative term ended in January, 2022. The Commission has not had a vice chair since that time.
Appointment of Acting Director & Compensation	Approval of Andy Sorrell as the Commission’s Acting Director and to provide a temporary salary increase to \$130,000 effective retroactively to January 25, 2022 until an Executive Director is appointed by the Governor.	
Hiring of Grants Program Director	Approval to hire Ms. Vicki Humphreys as the new Grants Program Director effective May 25, 2022.	
15% Corpus Invasion	<p>Adoption of the following resolution:</p> <p><b>Whereas</b>, the Code of Virginia provides for a portion of the corpus of the Tobacco Indemnification and Community Revitalization Endowment (the “Endowment”) to be paid annually to the Tobacco Indemnification and Community Revitalization Fund (the “Fund”) upon request of the Tobacco Region Revitalization Commission (the “Commission”), and</p> <p><b>Whereas</b>, the Endowment was funded with from proceeds of certain tax-free Tobacco Settlement Asset-Backed Bonds, Series 2005, the use of which is subject to certain restrictions (“Restrictions”), and was further funded with additional proceeds of certain taxable Tobacco Settlement</p>	

	<p>Asset-Backed Bonds, Series 2007, the use of which is NOT subject to Restrictions, and</p> <p><b>Whereas</b>, the Treasurer of Virginia has determined that on Feb 28, 2022, for purposes herein, the value of the corpus of the Endowment was \$143,630,295.49; now, therefore, be it</p> <p><b>Resolved</b>, that the Commission hereby requests that for the fiscal year ending June 30, 2022, (i) the Treasury Board pay from the Endowment to the Fund a sum equal to 15% of the Endowment value as of 2/28/2022, (ii) that the said payment be made not later than June 30, 2022, and (iii) that the amount so paid NOT be subject to Restrictions.</p> <p>Adopted on May 12, 2022, by the Tobacco Region Revitalization Commission. Ayes: 23 Nays: 0 Abstentions: 0</p>	
<p>FY 2023 Annual Budget</p>	<p>Approval of the FY 2023 Budget totaling \$35,753,819 as shown on page 47 of the Commission book.</p>	

**Commission Action on Education Committee Recommendations:**

Item	Commission Approved Action Applicable Conditions	Staff Notes (as needed)
WFA Policy: Dual Enrollment	Approval of a policy limiting support for Dual Enrollment programs to: 1) concurrent programs at community college sites taught by college faculty and offered in partnership with high schools in the region; 2) eligible programs will be limited to Advanced Manufacturing and Information Technology career programs; and 3) at least 50% match must be provided toward Dual Enrollment tuition and fees.	
WFA Policy: G3 Eligibility	Approval that the Commission's Workforce Financial Aid funding for G3 Eligible and Non-G3 Eligible, for credit, programs be limited to students with family incomes of up to 500% of Poverty Level for their family size.	

**Workforce Financial Aid Applications: 2022-23 School Year:**

The Commission approved all WFA applications subject to the following six conditions:

- a) Grantees must provide at least dollar-for-dollar matching funds.
- b) Grantees may not seek reimbursement for students enrolled in priority #4 or #5 programs in excess of the approved amounts or for programs not listed. Any unused amounts allocated to priorities #4 or #5 may only be reallocated to priorities #1, #2 or #3
- c) Grantees must report, on an individual student basis, the full distribution of all financial aid and/or other funding used to meet that student's financial responsibility. This documentation may be marked "confidential" to protect student privacy, and the Commission asks that any other data that might make documentation sensitive (such as security numbers, student health or disability status, etc.) be redacted. Grantees are expected to work with the college's financial aid office to track scholarship commitments through the People Soft system.
- d) Grantees must report the program/major for each scholarship recipient in order for TRRC staff to validate eligibility under the approved priorities.
- e) Dual Enrollment funding will be limited to regional high school program offerings at community college facilities. These scholarship funds will be limited to Advanced Manufacturing and Information Technology career programs. At least fifty percent 50% match must be provided toward Dual Enrollment tuition and fees.

- f) Grantees will limit scholarships for G3 Eligible and Non-G3 Eligible for credit programs to students with family income up to 500% of Poverty Level for their family size. Grantees must work with the college's financial aid office in order to verify income eligibility and to track scholarship commitments through the People Soft system.

<b>Req #</b>	<b>Organization</b>	<b>Project Title</b>	<b>Requested</b>	<b>Commission Amt. Awarded</b>	<b>Commission Approved Action Applicable Conditions</b>
3945	Central Virginia Community College Educational Foundation	Workforce Financial Aid 2022-2023: CVCC	\$ 236,250	\$ 236,250	Six conditions listed above.
3946	Danville Community College Educational Foundation, Inc.	DCC Educational Foundation Workforce Financial Aid 2022-2023	\$ 240,000	\$ 240,000	Six conditions listed above.
3947	John Tyler Community College Foundation	2022-23 Tobacco Region Scholarship Program at John Tyler Community College	\$ 100,000	\$ 100,000	Six conditions listed above.
3950	Patrick & Henry Community College Foundation	P&HCC 2022-2023 Workforce Financial Aid	\$ 240,000	\$ 240,000	Six conditions listed above.
3951	Southside Virginia Community College Foundation	Investing in Southside Students	\$ 240,000	\$ 240,000	Six conditions listed above.
3954	Virginia Western Community College Educational Foundation Inc	Workforce Financial Aid and Community College Access Program for Franklin County	\$ 100,000	\$100,000	Six conditions listed above.
3948	Mountain Empire Community College	MECC WORKS	\$ 240,000	\$ 240,000	Six conditions listed above.
3949	New River Community College Educational Foundation	Floyd County ACCE (Access to Community College Education) Program	\$ 75,000	\$ 75,000	Six conditions listed above.
3952	Southwest Virginia Community College	2022-2023 SWCC WFA Tobacco Scholarship Program	\$ 240,000	\$ 240,000	Six conditions listed above.
3953	Virginia Highlands Community College Educational Foundation	Virginia Highlands Community College - Workforce Financial Aid FY23	\$ 240,000	\$ 240,000	Six conditions listed above.

3955	Wytheville Community College	Wytheville Community College Forging Futures Scholarship Program	\$ 240,000	\$ 240,000	Six conditions listed above.
			<b>Subtotal WFA Awards:</b>	<b>\$2,191,250</b>	

**Education Committee Project Extensions:**

<b>Req #</b>	<b>Organization</b>	<b>Project Title</b>	<b>Project Request</b>	<b>Commission Approved Action Applicable Conditions</b>	<b>Staff Notes (as needed)</b>
3413	Southside Virginia Community College Foundation	Southside RACE to GED/NEDP Grant	<b>Extension</b>	Approval of a 5 <sup>th</sup> year extension to May 31, 2023.	

**Commission Action on Incentives & Loans Committee Recommendations:**

<b>Req #</b>	<b>Organization</b>	<b>Project Title</b>	<b>Project Request</b>	<b>Commission Approved Action Applicable Conditions</b>	<b>Staff Notes (as needed)</b>
3266	Wise County Industrial Development Authority	DP Facilities, Inc.	<b>Modification</b>	Approval of the Base Year for TROF # 3266 to include calendar year 2016 and if necessary, negotiate a mutually agreeable repayment agreement between all parties to repay any portion of the grant that remains unearned.	Permits private taxable capital investments made in the calendar year 2016 to be included towards meeting the project's capital investment obligation.
3295	Greensville County	Oran Safety Glass, Inc.	<b>Extension</b>	Approval of a final extension through June 30, 2023.	
3404	Pittsylvania County	Eastern Panel Manufacturing, Inc.	<b>Modification</b>	Approval that TROF # 3404 be modified to permit the acceptance of reported costs (contingent upon submittal, review and approval of invoices/receipts from the Company verifying applicable expenditures) of Machinery & Tools and Tangible Personal Property towards the Company's taxable asset obligation as verified in writing by the local Commissioner of Revenue.	Permits the reported costs (as evidenced by invoices & receipts) of private taxable investment to be utilized towards meeting the project's capital investment obligation.

**Commission Action on Southern Virginia Committee Recommendations:**

**Southern Virginia FY 22 Applications:**

<b>Req #</b>	<b>Organization</b>	<b>Project Title</b>	<b>Requested</b>	<b>Commission Amt. Awarded</b>	<b>Grant</b>	<b>Loan</b>	<b>Commission Approved Action Applicable Conditions</b>
3960	Patrick County Economic Development Authority	Patrick County Business Development Center	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>	Award a grant of \$500,000 contingent on the applicant securing all required funding to complete the first phase of renovations.
3956	Brunswick County	Stonewall Site Development Project	<b>\$27,000</b>	<b>\$27,000</b>	<b>\$27,000</b>	<b>\$0</b>	Award a grant of \$27,000.
3957	Franklin County	Tier Improvements of Dogwood Site at Summit View Business Park	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$0</b>	Award a grant of \$1,500,000.
3958	Greensville County	Interstate Interchange Utility Improvements	<b>\$279,033</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	No award.
3961	Prince Edward County	Water Tank - Prince Edward Heartland Innovation Technology Park	<b>\$530,100</b>	<b>\$530,100</b>	<b>\$530,100</b>	<b>\$0</b>	Award a grant of \$530,100.
3962	Town of Rocky Mount	Cox Site Master Plan - Franklin County - Rocky	<b>\$44,940</b>	<b>\$44,940</b>	<b>\$44,940</b>	<b>\$0</b>	Award a grant of \$44,940

		Mount Industrial Park					
3964	Virginia's Heartland Regional Industrial Facilities Authority	VHRIFA Business Readiness - Virginia's Heartland Regional Industrial Park	\$112,400	\$112,400	\$112,400	\$0	Award a grant of \$112,400
3959	Old Brunswick Circuit Foundation	Dromgoole House Historic Retreat Center	\$50,000	\$0	\$0	\$0	No award.
3963	Town of Stuart	The Star Theatre Economic and Market Feasibility Study	\$7,500	\$7,500	\$7,500	\$0	Award a grant of \$7,500 for 50% of study costs.
				<b>Southern Virginia Awards:</b>	<b><u>Grants:</u></b>	<b><u>Loans:</u></b>	
			<b>Subtotal – Southern Virginia</b>	<b>\$2,721,940</b>	<b>\$2,721,940</b>	<b>\$0</b>	

**Southern Virginia Project Extensions:**

Req #	Organization	Project Title	Project Request	Commission Approved Action Applicable Conditions	Staff Notes (as needed)
3752	Mecklenburg County	EMPOWER	<b>Modification</b>	Award a loan for an amount up to \$880,643 at an interest rate and term acceptable to the Executive Director.	Commission approved a loan award in May of 2021 for \$880,643 conditioned upon the Applicant not receiving a VATI award. The applicant did receive such an award and remained interested in the loan

					which required a modification to the Commission's prior approval. Funds had been obligated (but not disbursed) in May 2021.
3360	City of Danville	Industrial Shell Building	<b>Extension</b>	Approval of a one year extension to January 31, 2023.	
3011	Danville-Pittsylvania Regional Industrial Facility Authority	Water System Improvements Phase II (Virginia System) / Berry Hill	<b>Extension</b>	Approval of a two year extension to May 31, 2024.	
3089	Prince Edward County	Prince Edward County Industrial Access Road	<b>Extension</b>	Approval of a FINAL extension to October 31, 2023 to allow time for construction to be completed.	
3145	Prince Edward County	Prince Edward County Industrial Access Road	<b>Extension</b>	Approval of a FINAL extension to October 31, 2023 to allow time for construction to be completed.	
2264	Danville-Pittsylvania Regional Industrial Facility Authority	Berry Hill Mega Park	<b>Extension</b>	Approval of a six month extension to July 31, 2022.	

**Commission Action on Southwest Virginia Committee Recommendations:**

**Southwest Virginia FY 22 Applications:**

<b>Req #</b>	<b>Organization</b>	<b>Project Title</b>	<b>Requested</b>	<b>Commission Amt. Awarded</b>	<b>Grant</b>	<b>Loan</b>	<b>Commission Approved Action Applicable Conditions</b>
3966	Abingdon Feeder Cattle Association	Improving Genetics, Health, and Management of Small Ruminants in SWVA	<b>\$428,400</b>	<b>\$215,000</b>	<b>\$215,000</b>	<b>\$0</b>	Award a grant of \$215,000 contingent upon no more than 2% of the total award to be allocated for administration.
3970	Grayson County	Sheep Wool Baler	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$0</b>	Award a grant of \$2,500 contingent upon successful receipt of the intended AFID grant.
3968	Floyd County EDA	Planning Expansion of the Floyd Innovation Center	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$0</b>	Award a grant of \$20,000.
3971	Historic Pocahontas, Inc.	Engineering Study of Pocahontas Fuel Building and Dr. Ballard Building	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$0</b>	Award a grant of \$50,000 to support the development of preliminary engineering reports for the Ballard and Fuel buildings. Any funds not needed for PER work may, with the approval of the Executive Director, be repurposed for other planning or rehabilitation work on either building.
3974	Russell County Industrial Development Authority	ACME Building Renovations	<b>\$189,000</b>	<b>\$189,000</b>	<b>\$0</b>	<b>\$189,000</b>	Refer to VRA for an \$189,000 loan from the Commission's revolving loan fund program for consideration of a 0% interest loan to be payable over a ten year period.

3972	Joint IDA of Wythe County, VA	Extension of Rail in Progress Park	\$800,000	\$800,000	\$800,000	\$0	Award a grant of \$800,000.
3973	Mount Rogers Development Partnership	Mount Rogers Regional Partnership: Talent & Industry Attraction Program	\$300,000	\$300,000	\$300,000	\$0	Award a grant of \$300,000.
3967	Town of Big Stone Gap	Regional Outdoor Recreation, Connecting Appalachia, Big Stone Gap, Norton, and Scott County	\$300,000	\$300,000	\$300,000	\$0	Award a grant of \$300,000 contingent upon documentation of the availability of a minimum of \$2M matching funds sufficient to complete the project as described.
3969	Friends of Southwest Virginia	Southwest Virginia Regional Marketing Campaign	\$140,000	\$140,000	\$140,000	\$0	Award a grant of \$140,000 contingent upon the Executive Director's approval of a final budget reflecting adequate cash match, focused on new activities, to meet TRRC's 1:1 match requirement. In kind match may be allowed up to the Commission's 25% limit.
3975	Sunset Holler, Inc.	Southern Gap Amphitheater Project - Construction Documents & Construction	\$500,000	\$0	\$0	\$0	Table this request until decisions from all pending applications are available.
				<b>Southwest Virginia Awards:</b>	<b>Grants:</b>	<b>Loans:</b>	
			<b>Subtotal – SW Virginia</b>	<b>\$2,016,500</b>	<b>\$1,827,500</b>	<b>\$189,000</b>	