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

SOUTHERN VIRGINIA COMMITTEE
MAY 11, 2022
3:15 P.M.

MARSHA SELF, CERT
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1 APPEARANCES

- 2 Walter "Buddy" Shelton, Chair
- 3 T. Jordan Miles, Vice Chair
- 4 Joel Cunningham, Jr.
- 5 Dr. Alexis Ehrhardt
- 6 Frank Harris
- 7 Richard Hite, Jr.
- 8 Sen. Louise Lucas
- 9 Del. Danny Marshall
- 10 Edward Owens
- 11 Sen. Frank Ruff
- 12 Cecil Shell

13 COMMISSION STAFF

- 14 Andy Sorrell
- 15 Stephanie Kim
- 16 Sarah Capps
- 17 Sara Williams
- 18 Jordan Butler
- 19 David Bringman
- 20 Jessica Stamper
- 21 Emily Van Pelt
- 22 Joyce Knight

23 COUNSEL FOR THE COMMISSION

- 24 Elizabeth "Liz" Myers
- 25

1 This is Session Two of the Virginia Tobacco Region
2 Revitalization Commission, which was held on May 11, 2022, at
3 9:30 a.m. at The Sessions Hotel in Bristol, Virginia.

4 CHAIRMAN SHELTON: Good afternoon. The Southern Virginia
5 Committee will come to order. Andy, call the roll, please.

6 MR. SORRELL: Thank you, Mr. Chairman. (Calls the Roll.)

7 CHAIRMAN SHELTON: Welcome everyone. It's a few minutes
8 past, so we'll get started with the Southern Virginia Committee
9 this afternoon.

10 I want to welcome everyone. We have a beautiful day here
11 in a beautiful section of our Commonwealth. So, it's good to
12 see everybody back here again face-to-face.

13 Just a few housekeeping announcements before we start. If
14 you do need, again, if anyone's just coming in now, the
15 bathrooms are out the door just past the elevator down the
16 hallway that way there.

17 Have an update here from Joyce. Question from a couple of
18 folks having trouble with WiFi. The password is Vision.
19 V-I-S-I-O-N. So, we want to make sure you get logged into the
20 host WiFi if you should need it.

21 If you do speak, please use the microphone and identify
22 yourself, please, for the record. At this time, if Andy would,
23 let's see if we have a quorum.

24 MR. SORRELL: All right. Thank you, Mr. Chairman.

25 (CALLS THE ROLL.)

1 MR. SORRELL: We have a quorum, Mr. Chairman.

2 CHAIRMAN SHELTON: Thank you, Andy. As you did notice, we
3 do have Mr. Miles and Mr. Hite that are online joining us.
4 Chairman Owens, we do have I believe, for the Commissioners and
5 Committees. Do you want to make any announcement before we
6 start?

7 MR. EDWARD OWENS: No. We just wanted to welcome Delegate
8 Byron to the Southside Committee.

9 DELEGATE BYRON: Thank you.

10 MR. EDWARD OWENS: Welcome aboard.

11 CHAIRMAN SHELTON: Thank you for a familiar face and glad
12 to have you back.

13 DELEGATE BYRON: Just delighted to be back again. Thank
14 you, so much.

15 CHAIRMAN SHELTON: All right. Thank you. Approval of the
16 minutes. They are published on the website of our January 6th
17 meeting. Are there any additions or corrections?

18 And if none, is there to approve as published?

19 MR. SHELL: So moved.

20 DELEGATE MARSHALL: Second.

21 CHAIRMAN SHELTON: Okay. Was that Mr. Shell, I believe,
22 and Delegate Marshall was the second. Any other discussion? If
23 none, all of those signify by saying aye.

24 (ALL AFFIRM.)

25 CHAIRMAN SHELTON: Any oppose?

1 (NO RESPONSE.)

2 CHAIRMAN SHELTON: Motion carries. The minutes are
3 approved.

4 Is there any public comment before this Committee at his
5 time? And I would remind you, if there is any specifically
6 pertaining to the grant application, we will entertain that as
7 we go through that, but is there any general public comment at
8 this time?

9 (NO RESPONSE.)

10 CHAIRMAN SHELTON: Hearing none, we'll have public comment
11 for this part of the meeting closed.

12 And one thing before we move on, we do have a new staff
13 member here, and I think maybe there will be more coming as far
14 as some information from their resume and whatnot in the
15 morning's full session, but I know several of you may meet her
16 this afternoon at the reception tonight.

17 So, would you introduce yourself briefly, just so we can
18 put a name with a face, please?

19 MS. VICKI HUMPHREYS: Yes. I'm Vicki Humphreys. I'm
20 delighted to join you all as the new Grants Program Director.

21 CHAIRMAN SHELTON: And we thank you. We're glad to have
22 you on board and look forward to meeting with you more as this
23 session goes on.

24 All right. This time we will go through our grant
25 applications. We have several good applications that Sarah and

1 her staff sorted through for us and then some extensions and
2 modification requests.

3 So, at this time, Sarah, I'll turn it over to you to go
4 through these applications.

5 MS. SARAH CAPPS: Thank you, Mr. Chairman. We have nine
6 applications before you today for loan considerations that were
7 submitted for the March 2nd application deadline for the Southern
8 Virginia Program.

9 As a point of clarification (I've shared this with Mr.
10 Shelton and with Andy) just for the Committee's reference, we
11 filtered 41 inquiries leading up to the application submission,
12 so we wanted to let you know that the interest in the program
13 far exceeds those that get submitted.

14 We try to do a lot of work on the frontend to discourage
15 the projects that are not eligible or the ones that aren't
16 ready.

17 And, often, what we like to see, is the results of a solid
18 batch of applications, and we feel we had a very good batch of
19 applications this time.

20 So, we have nine on our list. I'm going to dive right in.

21 The first one is in the Business Development category.
22 This application is from Patrick County Economic Development
23 Authority, and this is a \$500,000 request towards the 1.7
24 million costs for the first and primary phase of renovations
25 to a property that will be developed into a business

1 development center.

2 This is a 16,000 square-foot blighted commercial property
3 in downtown Stuart. It has two store fronts. The EDA acquired
4 the building in November of 2020.

5 The Commission has seen this project previously and when we
6 evaluated it in September of 2020, we chose to provide funding
7 for a market assessment and feasibility study. That was
8 completed, and that is what has led to this ready, more
9 comprehensive project with a plan for the use of the building.

10 So, the EDA is good, but the feasibility study was
11 completed. It was noted that all of the organizations that were
12 interviewed have closely aligned visions for the potential of
13 this building for the community.

14 The highest priority for the users was access to
15 Broadband and for the business service provisions including
16 reception services, printing, co-working space, semi-private
17 work- stations, private offices and meeting rooms and
18 collaborative spaces.

19 The matching funds for this project, they have submitted a
20 request for \$700,000 from federal funds to the Appalachian
21 Regional Commission. We're waiting for that decision hopefully
22 this month.

23 In addition, Patrick County has committed \$505,000 for the
24 space.

25 The facility is going to provide services and centralized

1 resources for entrepreneurs and small businesses to expand and
2 grow. And they do have a commitment from Total Action for
3 Progress to provide staffing at the center to help with business
4 development support.

5 Within three years of opening, they are expected to be able
6 to assist 30 businesses with 10 of them leasing space, five new
7 businesses created, and at least 15 jobs retained, and 30 jobs
8 created.

9 And, so, those are just the initial outcome projection for
10 the project.

11 Staff is supportive of this request. We are recommending
12 an approval of a \$500,000 grant award contingent on the
13 applicant securing all required funding to complete the first
14 phase of renovations.

15 DELEGATE MARSHALL: Mr. Chair?

16 CHAIRMAN SHELTON: Yes.

17 DELEGATE MARSHALL: Do you want to take questions at the
18 end, or what's your preference?

19 CHAIRMAN SHELTON: What -

20 DELEGATE MARSHALL: When would you like to take questions?

21 CHAIRMAN SHELTON: What is the Committee's - why don't we
22 do these, Sarah, by category? Delegate Marshall, does that
23 satisfy you?

24 DELEGATE MARSHALL: Since it's only one in that category.

25 CHAIRMAN SHELTON: Since it's only one, when we do this

1 one, we will, but if that's agreeable to the Committee, we will
2 break them by category, and we can handle them that way.

3 DELEGATE MARSHALL: All right. So, I would ask, with the
4 Chairman's permission, that maybe people from Patrick County
5 could give us a little bit more information about what we
6 haven't heard? Why is this important to Patrick County?

7 CHAIRMAN SHELTON: Just please recognize yourself before
8 you speak?

9 MR. SEAN ATKINS: Good afternoon. Shawn Atkins. Director
10 of Economic Building. Do you have questions, or would you like
11 for me to expand upon it?

12 DELEGATE. MARSHALL: Expand upon it, please.

13 MR. ATKINS: It's actually - we're turning what was the
14 former namesake of the community from an old family hardware
15 store for decades into what we hope is a future mainstay in the
16 building center.

17 But to put it, I guess, bluntly, we currently have citizens
18 that are parking outside in the parking lot just for access to
19 the Internet. As we work on other things to get that up to
20 speed, it's a very significant and different level of a problem
21 than it is in many other communities.

22 And for this space to be open and available, not only do
23 existing businesses that are having trouble with it, but also
24 existing businesses that might be fine but don't quite know
25 where to go next.

1 We also don't have a rentable or location. We have no
2 office space really in the county right now, and this would
3 represent not only just a win for the opportunity for local
4 entrepreneurs or even younger students, but also for the image
5 and really momentum. And it's not a cliché, I can promise you
6 that now.

7 The community, thanks to Delegate Williams and the work
8 you've been able to do in recent months, we've got some really
9 positive momentum for the first time in a very long time as far
10 as I'm concerned.

11 I really don't want to repeat anymore what Sarah said. I
12 think that, you know, you all have seen it. But we do realize
13 this is no insignificant decision by you, and it's not an
14 insignificant moment for us.

15 So, I'd be happy to answer any questions.

16 DELEGATE WREN WILLIAMS: I'm Wren Williams. I'm the
17 Delegate from the 9th District that covers Patrick, Franklin, and
18 Henry Counties, and I wanted to come here today to support this
19 important funding for Patrick County.

20 Patrick County is a rural community and one of the biggest
21 influxes that we have right now are retirees or people who are
22 looking to work from home.

23 We're still struggling with Broadband, but we have fiber
24 broadband right in the middle of town. And this building is
25 basically right in the middle of uptown Stuart. Right now, we

1 have a number of folks who have what I like to call, side
2 hustles or, you know, online style businesses including our
3 photographers, videographers, some of our graphic web design,
4 and they told me, you know, 48 to 72 hours later, they finally
5 get all of their product uploaded to the Internet when they're
6 at home.

7 So, this is going to be a real opportunity for our
8 community to be able to come together and continue to develop
9 the smaller businesses and provide the much-needed fast Internet
10 locally.

11 And I strongly support this. You are not throwing your
12 money away on this project, and we would really appreciate it if
13 you would approve the funding.

14 Thank you. I'd be glad to answer any questions.

15 CHAIRMAN SHELTON: Thank you. Are there any other comments
16 from the gallery or comments from the Committee?

17 DELEGATE MARSHALL: Mr. Chair, I have a motion.

18 CHAIRMAN SHELTON: Yes, sir.

19 DELEGATE MARSHALL: I move that we approve number 3960.

20 MS. MYERS: Second.

21 CHAIRMAN SHELTON: All right. We have a motion by Delegate
22 Marshall and a second by Delegate Byron to approve 3960 with the
23 Staff recommends \$500,000.

24 Any discussion? Hearing none, all those in favor signify
25 by saying aye?

1 (ALL AFFIRM.)

2 CHAIRMAN SHELTON: Any oppose?

3 (NO RESPONSE.)

4 CHAIRMAN SHELTON: Hearing none, that motion carries. All
5 right. Sarah, we'll move on to the sites and infrastructure,
6 and we'll go through this whole section, and then we'll break
7 for any comments or questions at that time.

8 MS. CAPP: Sounds good. There are six projects under
9 Sites and Infrastructure.

10 The first one on the list is from Brunswick County. This
11 is for the Stonewall Site Development Project. 50 percent of
12 the \$54,000 of engineering due-diligence costs are requested for
13 the Stonewall Industrial Park property.

14 This is a 398-acre site directly - it's right on US 58 and
15 located across from the Dominion Natural Gas Power Plant.
16 Completion of the due-diligence activities will allow the site
17 to receive a Tier 4 certification of the VEDP's business sites
18 program.

19 This is the first time that the Commission has been asked
20 to invest in this property. This is the New Industrial Park
21 property for us. We have had conversations with the county over
22 the last two years.

23 We were anticipating that we would see a request. So, we
24 are familiar with the site in that way.

25 They are targeting this for the Advanced Manufacturing,

1 Aviation, Data Centers, Distribution and Logistics, Health
2 Care, Plastics and Polymers, etcetera. One of the questions
3 that we asked about the cost that the Commission is supporting
4 were for three of the five items are to move the site from
5 Tier 2 to Tier 3.

6 We did clarify that the other two, the one-inch Topographic
7 Survey and Traffic Impact Analysis. We did confirm that that
8 engineering work had been completed.

9 We also confirmed that the due-diligence to move the site
10 from Tier 3 to Tier 4 was also underway. So that's - usually,
11 you start with the Tier 2, 3 costs, and then you go from the
12 Tier 3 to the Tier 4.

13 In this case, for various reasons, this piece is waiting to
14 be accomplished now.

15 We did review a couple of different development plans for
16 this site. One that could accommodate 2.8 million square feet
17 such as a large data center. We also reviewed another
18 development plan that showed two large distribution center
19 buildings for distribution in which is this.

20 We felt like this was a modest request to move the site
21 from a Tier 2 to Tier 3, and, ultimately, to a Tier 4 which will
22 allow it to be marketed by the VEDP.

23 This falls in Virginia's growth alliance region. And
24 because Microsoft has essentially claimed all of the large sites
25 in that area, Virginia's Growth Alliance has identified a need

1 to develop more large-acreage sites. This is one of their
2 priorities.

3 Staff is recommending a grant of \$27,000.

4 The next project on the list is from Franklin County. This
5 is a \$1.5 million request for about 30 percent of the \$4.9
6 million estimated cost to grade a 55-acre building pad ready
7 site on the Dogwood site within the Summit View Business Park
8 which is in northern Franklin County.

9 This is right off of US 220. It's a 550-acre site. The
10 County has already been successful in attracting three companies
11 to make movements to Summit View; Traditional Medicinal, Valley
12 Star Credit Union, and Stik-Pack Contract Packing and this is
13 the next site that they're targeting for development.

14 They were successful in receiving over a million dollars
15 from VDEP through the Business Ready Site Program. That was
16 approved in January to go towards the \$4.9 million dollar costs.

17 This is one of very few large sites in the Roanoke Regional
18 Partnership Economic Development Region, and it has proven to be
19 highly attractive. VDEP, by its definition, considers it a mega
20 site.

21 Staff is in favor of this project. We have invested in
22 this property before. We've got four grants totaling about
23 \$1.5 million. Two of those are active grants that we're in
24 the process of getting closed out on and one of those is
25 supporting cost for an access road and another related to sewage

1 extension. And we'll probably have those closed out in the next
2 month.

3 The Franklin County has invested about \$16 million in this
4 property, so there's been a lot of local investment as well as
5 other state and federal resources that have invested.

6 Staff recommends approval of a \$1.5 million grant award.

7 The third project on the list is submitted by Greensville
8 County. This is a \$279,033 request.

9 This is for 50 percent of the estimated cost to replace a
10 force main to provide sewer service to a commercial development
11 on the west side of I-95 at the Exit 4 interchange. It will be
12 replacing the existing undersized pipe of a 1.5" forcemain with
13 a new 4" forcemain.

14 This is off-site infrastructure, and it's also
15 infrastructure that serve the commercial development. The
16 Commission, with our current strategic plan, we limit
17 investments and infrastructure for water and sewage projects to
18 those that serve as strategic economic development site.

19 We also limit funding consideration for off-site utility
20 construction costs to be as loans.

21 This project, in general, because of its focus on
22 commercial development is not a priority under our strategic
23 plan and it does not meet our requirements for our Southern
24 Virginia Program for serving an economic development site.

25 For that reason, it is ineligible to be recommended for

1 grant funding.

2 Staff does suggest that the applicant can apply for loan
3 assistance through the Commission's Community Business and
4 Lending Program.

5 And Staff is recommending no award.

6 The fourth project is from Prince Edward County. This is
7 for - this is request for 100 percent of A&E costs for design of
8 a water tank and booster pump station at the Heartland
9 Innovation Technology Park in Prince Edward County just outside
10 of the town of Farmville.

11 This was a top ranked site for location of a data center
12 from a study that Mid-Atlantic Broadband conducted with Timmons
13 back in 2018 that evaluated 65 sites in Southern Virginia.

14 The Prince Edward Industrial Development Authority
15 purchased the property in 2019 with the intent to develop it as
16 a data center site. It's located along two Dominion
17 Transmission lines which is what makes it compelling for a data
18 center - or most compelling for a data center.

19 The matching funds for this project is an award from the
20 Virginia Business Ready Sites Program and those funds are being
21 used to design the water and sewage connections to the park
22 and connecting those with the Town of Farmville's utility
23 system.

24 This is the first - this would be like the first request
25 that the Commission has received for this park. So, this is a

1 new industrial park for us to invest in. And similar to the
2 Brunswick County site, this is identified as a priority by the
3 Virginia's Growth Alliance in their goal to try and have one of
4 the sites available because their inventory has been depleted.

5 So, the Staff did inquire about the due-diligence to move
6 the park to a Tier 3 designation and that is expected to be
7 completed in June of this year.

8 The costs supported by the request of the Commission and
9 with the VEDP are part of the engineering costs that are
10 necessary to receive a Tier 4 classification.

11 Staff is recommending approval of this project and a
12 \$530,000 grant award.

13 The next project on the list is from the Town of Rocky
14 Mount. This is a \$44,940 request for 50 percent of the
15 estimated costs for due-diligence engineering on the Cox
16 Property. This is a 38-acre parcel within the Franklin County
17 Rocky Mount Industrial Park.

18 This is an Industrial Park that's - it's got a total of 167
19 acres. It's the home of six businesses that employ over 500
20 workers. It's a successful business park with food and beverage
21 companies, manufacturing, and value-added forestry product
22 companies.

23 This is the next - the town is focused on this as the next
24 phase of expanding the acreage available in that park. It's
25 expected to result in - there's a targeted area of about 15

1 acres that can be developed that the town is considering two
2 smaller five-acre pad sites or, at least, that's what their
3 consideration is for this property.

4 The sites already have access to public utilities, fiber,
5 and electricity. It's also adjacent to the Norfolk Southern
6 Rail Line.

7 The economic development projections for the two pads that
8 are targeted for near 15 acres are estimated at 100 new jobs and
9 \$27 million private capital investment. And those projections
10 are based on the averaging of two recent expansions announced in
11 the Business Park.

12 Staff is supportive of this request and are recommending
13 approval of the \$44,940 grant award.

14 The last one in the Sites and Infrastructure is the
15 Virginia's Heartland Regional Industrial Facilities Authority
16 requests for \$112,400.

17 This is the Heartland Park that's located in Charlotte
18 County. It's a regional partnership of six counties. There are
19 two aspects of this request.

20 The first is for the A&E costs to complete site planning on
21 Lot 10. It's identified as about an eight-acre site development
22 as well as planning and design documents to raise the entire
23 part from a Tier 2 to a Tier 4 designation.

24 The site plans for the Lot 10 are being prepared to adjust
25 the needs of an active prospect that the VHRIFA has been working

1 with for over a year. And the VHRIFA is providing dollar for
2 dollar match for those costs.

3 The Heartland Industrial Park is - they do target
4 agriculture, food processing, timber and wood product industries
5 that align well with the resources and workforce in the
6 community.

7 This is a site the Commission has invested in in the past.
8 We've got about \$3.3 million in this site. Starting back with
9 the first grant awards that the Commission ever made back in
10 January 2001.

11 The most recent grant award, we did award a grant in
12 September of 2021. It was a \$20,000 grant. And that is
13 supporting preliminary engineering to establish an onsite water
14 supply which is one of the critical needs in order to attract
15 the industry that they are targeting.

16 So, that was supported previously. At that time, we did
17 inquire about the due-diligence work and that priority, and I
18 think that priority that they - they did identify that need as
19 well.

20 And that's what's being requested here. We are supportive
21 of this request and recommending approval of an \$112,400 grant
22 award.

23 SENATOR RUFF: Mr. Chairman?

24 CHAIRMAN SHELTON: Yes. Senator Ruff.

25 SENATOR RUFF: I would like to return to the Prince Edward

1 Program. On each of the others, you have matching funds from
2 localities.

3 MS. CAPPS: Right.

4 SENATOR RUFF: Sarah, what I want to ask - she wants to get
5 even with me. On each of the other projects, you show local
6 matching money.

7 On the Prince Edward Program, all you see is state matching
8 money. Can you explain why there is a difference?

9 MS. CAPPS: Yes. In this case, part of our consideration
10 was the fact that the county had invested the 1.5 million to
11 acquire the property so that they had made an investment in the
12 acquisition.

13 We're also aware that they have been investing in the other
14 A&E due-diligence work to the site from a Tier 2 to a Tier 3.

15 So, while the request to us only represents the water and
16 sewer A&E costs, there are other costs as part of the total
17 development costs for the site that the county has been
18 contributing to.

19 Does that answer your question?

20 SENATOR RUFF: I guess so.

21 CHAIRMAN SHELTON: Any other comments or questions from the
22 Commission, or is there anyone here to speak to any of these
23 proposals in this category? Yes, sir. Please recognize
24 yourself.

25 DELEGATE WILLIAMS: I'm Wren Williams. Delegate for the 9th

1 District that also includes Franklin County. So, I was going to
2 speak to the Franklin County tier project. That \$1.5 million
3 would really go a long way, so Franklin County - as I talked to
4 Beth Simmons, EDA Director back here, you know, it's not a
5 situation where it's a "Build it, and they will come."

6 This is a situation where they want in. We need to try to
7 get it built as fast as possible. So, that's why we are asking
8 for this so that we can ready those pads and we can keep making
9 progress in Franklin County.

10 Same situation with the Town of Rocky Mount. They are
11 trying to increase their tier threshold, and this is probably
12 just the first step to make sure that we can use the rest of
13 that industry park to make sure that we're continuing to develop
14 local jobs.

15 So, I appreciate it, but I know Franklin County would
16 appreciate it as well. Thank you.

17 CHAIRMAN SHELTON: Any other questions or comments?

18 DELEGATE MARSHALL: I have a question, I guess, for Andy.
19 Andy, I know, if I read the newspaper locally, Pittsylvania
20 County just approved 3,000 acres of solar. I see that Charlotte
21 County has approved 6,000 acres of solar with more acreage
22 coming.

23 My question is, what if a locality is trying to get the
24 quick gain and take one of the industrial sites and say, "We're
25 going to make this a solar field." Do we have any provisions

1 that they can't do that, or either they've got to pay us the
2 money back?

3 MR. SORRELL: Thank you, Delegate Marshall. I think the
4 bottom line is if a locality is looking to take an industrial
5 park and, you know, utilize it for solar, that's not an idea use
6 particularly if the Commission has invested funds and
7 infrastructure and things like that for water, sewer, and things
8 of that nature.

9 So, that would definitely need to be something that we
10 would talk to them about and encourage them to consider other
11 options.

12 DELEGATE MARSHALL: Should we - well, their lawyers are
13 going to be better than our lawyers, so our lawyers are going to
14 be with the best. We know that we don't have the best lawyers.

15 (LAUGHS.)

16 MS. LIZ MYERS: Thank you, Delegate.

17 DELEGATE MARSHALL: So, should we put a provision in our
18 agreement that they can't do that, so we just take it off the
19 table to start with?

20 MS. LIZ MYERS: That would certainly be an option.
21 Generally, we wouldn't specify exactly what cannot be done to a
22 piece of property in which the Commission has an interest
23 because that would be, you know, be an encyclopedia law beyond
24 the agreement.

25

1 But if there's a sum that a piece of property might be used
2 for something that would not be the intent of the Commission,
3 for it to be used for that purpose, we certainly could add a
4 provision in the agreement that if the property is used, that's
5 a breach of the agreement, and then concerted back to the
6 Commission.

7 DELEGATE MARSHALL: Okay.

8 MR. OWENS: Mr. Chairman?

9 CHAIRMAN SHELTON: Ms. Myers.

10 MR. OWENS: But, if we already have a performance
11 agreement, can you amend it, or do you have to go with whatever
12 you have so far?

13 MS. MYERS: I would have to look at the current performance
14 agreement to see exactly what terms are not being fulfilled.

15 MR. OWENS: Okay.

16 MS. CAPPS: I'll just add the security interest clause of
17 our grant agreement does require our grantees to seek our
18 executive director's approval for sale, lease, appropriation,
19 etcetera, any assets where the Tobacco Commission Funds were
20 invested, so when we become knowledgeable of a situation such as
21 what you're describing, then we would have the ability to follow
22 up on it to evaluate what's next.

23 DELEGATE MARSHALL: So, follow-up question then. So, does
24 our agreement say that - we mostly do these for manufacturing
25 jobs.

1 MS. CAPPS: That's correct.

2 DELEGATE MARSHALL: And certainly, a solar panel, unless
3 they're a manufacturing thing, so we haven't heard that, but,
4 so, does our agreement say that it's got to be manufacturing
5 jobs, or is it kind of open?

6 MS. CAPPS: I believe it's open. Yes, sir. We are aware
7 of the current situation, and we have requested more
8 information.

9 DELEGATE MARSHALL: Okay. All right. It's in the Minutes.

10 CHAIRMAN SHELTON: Okay. I'd like to move it on. Is there
11 any that need to be broken out of this block? Any request for
12 that? Or is there a possible motion to move as a block? What
13 is the pleasure of the Committee?

14 MR. MILES: Mr. Chairman, this is Jordan Miles. I'd like
15 to offer a motion to move the block forward that's 3956, 3957,
16 and 58, 61, 62, and 64, in a block recommend - the Staff
17 recommendations to accept all six for the Full Commission.

18 CHAIRMAN SHELTON: I think probably everyone heard that,
19 but just to repeat. That was Vice-Chairman Miles remotely and
20 did offer a motion to accept all six of these applications as
21 recommended by Staff.

22 Is there a second?

23 DR. EHRHARDT: Second.

24

25

1 CHAIRMAN SHELTON: Okay. We have a motion by Mr. Miles and
2 a second by Dr. Ehrhardt. Is there any further discussion on
3 this motion? Hearing none, we will proceed to vote.

4 All of those in favor signify by saying aye.

5 (ALL AFFIRM.)

6 Any oppose?

7 (NO RESPONSE.)

8 CHAIRMAN SHELTON: Hearing none, that motion carries. So,
9 3956, 57, 58, 61, 62, and 64 carries as recommended by
10 Staff.

11 All right. Sarah, moving on the Tourism section.

12 MS. CAPP: Okay. We have two applications that were
13 submitted with Tourism. The first one is Old Brunswick Circuit
14 Foundation. This is a non-profit formed that focuses on
15 preserving and interpreting key historical sites along the 18th
16 and 19th century Methodist Brunswick Circuit.

17 One of the properties that this group is focused on is the
18 Dromboogle House which is a 19th century southern Virginia home.
19 And it shows off the authenticity of that era.

20 This property is located near the border of North Carolina
21 and a very rural setting. Their goal is to establish a tourist
22 attraction, a historic retreat center for small groups of about
23 48 to 50 persons.

24 Their request to the Commission is to support
25 infrastructure for the residential building that would be

1 necessary to accommodate visitors including establishing a well
2 and waterlines, septic system, and connecting the building to
3 electricity.

4 The matching funds are from a federal award from Virginia
5 Department of Historic Research which will be used towards the
6 historic - to complete the nomination process for Historic
7 recognition of the property and the Historic Research Funding
8 will also be used to stabilize the structure.

9 While the objectives of this project are well intended,
10 preservation of historic properties is not a priority for the
11 Commission and, in addition, the Commission requires for tourism
12 and - requirements for tourism investments are to make
13 investments in sites that have the ability to attract national
14 and international visitors and to significantly increase the
15 amount of disbursed spending in the region.

16 We did not feel it met that criteria. Staff is
17 recommending no award on this one.

18 The next application is from the Town of Stuart. This is a
19 \$7,500 request for 50 percent of the costs for a market study
20 and a business plan for establishing the Star Theatre as a
21 destination for visitors to the region.

22 The Star Theatre is in downtown Stuart. It's considered
23 anchor institution as part of the newly designated downtown
24 Stuart Historic District.

25

1 Development of this cultural asset is part of a larger
2 downtown revitalization effort that the town and the county and
3 what my planning district commission has undertaken with DHCD.

4 And Patrick County is interested in evaluating whether this
5 is feasible. They do have a private partner who is contributing
6 funding toward the feasibility study, and they would potentially
7 be the operator/owner - potentially operator and owner of the
8 Theatre.

9 So, Staff felt like this was a modest request to determine
10 the viability of using the Theatre for this purpose to attract
11 visitors.

12 We've made it clear from the beginning that we are really
13 interested in investing if they have the ability to attract
14 national and international visitors. They agree that that's
15 their goal.

16 And Staff is recommending an approval of a \$7,500 grant for
17 50 percent of the study costs. The Town did clarify in the
18 application that their intention, if additional funds were
19 needed for acquisition or renovation of the Theatre, then that
20 would be a loan application.

21 CHAIRMAN SHELTON: Okay. Any questions or comments from
22 the Commission, or do we have anyone here to speak to either one
23 of these?

24 MR. BRYCE SIMMONS: Mr. Chairman, my name is Bryce Simmons,
25 and I am the Town Manager for Stuart, Virginia. First off, I

1 would like to thank the Delegates, Commissioners, Staff, and all
2 others representing the Southern Virginia Committee of the
3 Tobacco Commission for allowing me to be here today to speak on
4 behalf of the project in the Town of Stuart.

5 Having spent the majority of my life in the southern
6 Virginia area of the Tobacco Commission, I have witnessed some
7 of the more transformational projects that this commission has
8 supported.

9 I vote and more importantly believe that with the
10 recommendation of this Committee, we can add another success
11 story to the Commission Portfolio.

12 The Star Theatre is a contributing building to the newly
13 formed Stuart Downtown Historic District directly across from
14 the Stuart's Farmers Market, and also happens to be at the
15 center of ongoing Business Revitalization Planning by Patrick
16 County.

17 This Theatre center model for community investment is not
18 uncommon across our region, and, in many cases, has generated
19 private investment in our small Virginia towns.

20 Tourism is extremely important to Patrick County with
21 facilities like Primland that generate important revenue for the
22 local government. The 58-Corridor across Patrick and Henry
23 Counties has become a sort of music festival mega with events
24 like Floyd Fest, Rooster Walk, Front Porch Fest, and the Beach
25

1 Music Festival drawing in tens of thousands of people that spend
2 millions of dollars over the course of four days.

3 This is truly an experienced economy driven by a grassroots
4 community and highlighting some of the most talented artists in
5 the world. A venue would only help to showcase that talent more
6 often.

7 One distinction that I would like to make about this
8 project is the readiness of the Star Theatre as a venue. And I
9 mean ready in a way that, due to heavy rains this past Friday,
10 one family productions were able to move the first Friday music
11 event to the Star Theatre with less than 24-hours' notice.

12 It is my belief that the funding of a market and
13 feasibility study for the Star Theatre will show that local
14 investment into this anchor institution will generate cross-
15 state revenues beneficial to the local governments and to the
16 Commonwealth.

17 I also further believe that a future loan to the Town of
18 Stuart will generate operating funds for the Commission.

19 Again, I appreciate the Committee's time and will gladly
20 take any questions regarding this project.

21 CHAIRMAN SHELTON: Thank you. Any concerns or questions
22 from the Commission?

23 MR. SIMMONS: Thank you.

24 CHAIRMAN SHELTON: Thank you.

25 MS. CAPPS: That's all from me.

1 CHAIRMAN SHELTON: All right. What is the pleasure of the
2 Committee on the Tourism category?

3 DELEGATE MARSHALL: Mr. Chair, I move that we accept the
4 Staff recommendations number 3963.

5 MR. SHELL: Second.

6 CHAIRMAN SHELTON: Okay. We have a motion by Delegate
7 Marshall and Mr. Shell with the second. So, I guess Delegate
8 Marshall, we'll accept all of the recommendations, since there
9 was zero on the other one. Is that what we're -

10 DELEGATE MARSHALL: Yes, sir. Yes, sir.

11 CHAIRMAN SHELTON: So, the motion that we are accepting
12 Staff recommendations for 3959 and 3963. Any further
13 discussions?

14 (NO RESPONSE.)

15 CHAIRMAN SHELTON: Hearing none, all of those in favor
16 signify by saying aye.

17 (ALL AFFIRM.)

18 CHAIRMAN SHELTON: Any opposed?

19 (NO RESPONSE.)

20 CHAIRMAN SHELTON: Hearing none, that motion passes. All
21 right. I believe we have some Extension requests, Sarah.

22 MS. CAPPS: We have some other business, and I'm going to
23 pass the mic to Andy to cover the first one.

24 MR. SORRELL: Yes. Thank you, Mr. Chairman. This is a
25 project because of their interest in a loan I helped manage.

1 But if you recall back in, I guess it was this time last year,
2 the Commission considered a Broadband proposal with EMPOWER
3 that's located in Mecklenburg County.

4 The condition that's attached to this particular project
5 was that prior to the Commission offering an \$880,000 loan to
6 the applicant, there needed to be an action on an application to
7 the Virginia - to VATI with the DHCD where other Broadband
8 funding is.

9 And it was anticipated that if funding was received from
10 VATI, that they would do not be interested in a low-interest
11 loan from the Commission.

12 As it turns out, they were, and there was a particular
13 condition that noted that if the project did not get their
14 funding from VATI or from other state funding, then, that is
15 when we could offer the loan.

16 Since the applicant is still interested in the loan and
17 because it would be a low interest loan through our program, the
18 recommendation from Staff would be extending a loan for an
19 amount of - the same amount that the Commission approved back in
20 May - last May, \$880,643 to EMPOWER Broadband at an interest
21 rate and a term acceptable to the Executive Director.

22 Now, since this was a project that, you know, we reviewed
23 it with the Chairman and to make sure that, you know, there was
24 - we have provided the information on this project over to our
25 underwriters and the VRA to begin the process understanding the

1 project, reviewing it, but no other funds or anything like that
2 were going to go out until the Commission considered taking
3 action on it.

4 So, that's why we wanted to bring it back to you to make
5 sure that this was something that you still were interested in
6 providing a loan for even though they did receive from the
7 funding from VATI.

8 Happy to answer any questions.

9 (NO RESPONSE.)

10 CHAIRMAN SHELTON: No questions. But we do need a vote for
11 approval?

12 MR. SORRELL: Yes. A recommendation.

13 CHAIRMAN SHELTON: Okay. We have a motion of
14 recommendation that we proceed with this loan.

15 SENATOR RUFF: I vote that we accept the Staff
16 recommendation to extend the loan.

17 MR. OWENS: Second.

18 CHAIRMAN SHELTON: I have a motion by Senator Ruff, and a
19 second by Chairman Owens.

20 Is there any further discussion on this matter?

21 (NO RESPONSE.)

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

23 (ALL AFFIRM.)

24 CHAIRMAN SHELTON: Any opposed?

25 (NO ANSWER.)

1 CHAIRMAN SHELTON: None. The motion carries. And, Sarah,
2 I believe we'll go to the Extension ones.

3 MS. CAPPS: All the remaining ones are Extensions. So, the
4 next one on the list is the City of Danville. This is the
5 Industrial Shell Building grant. It's grant number 3360.

6 The City has requested a six-month extension. The current
7 project and date on this is - it's actually January of 2022.
8 The City did reach out to us just prior to our January meeting
9 to ask for an extension, and then we did not have time to get
10 into the Staff Report for that meeting, and that's why we are
11 bringing it to you today.

12 This grant is for construction of a 30,000 square foot
13 building. It's going to be a shell building that's going to
14 located in the Danville Cyber Park.

15 The reason for the initial delays the City was evaluating
16 whether the Cyber Park was the best location. They evaluated
17 more than one industrial park and also wanted to make sure their
18 plans for the building were going to meet the needs of active
19 prospects that they had.

20 We did approve a fourth extension on this one previously.
21 Danville did enter into a construction contract late in 2021.
22 We did visit the site. The shell building is under construction
23 now. We visited the site in April, and we've also been working
24 with the City to make sure we were caught up on the
25 reimbursement request for the grant.

1 And, at this point, there remains a balance of about
2 \$794,000 on the project account. The six-month extension would
3 take the grant through July 31, 2022. And after visiting the
4 site, it just seems like it would be safer to just go ahead and
5 grant a full one-year extension just to make sure the project
6 isn't rushed and that the contractor has plenty of time to
7 complete it.

8 And, so, Staff is suggesting a full one-year extension on
9 the grant recognizing that we can always close it out early.

10 The last update that we had received that the estimated
11 time for the building to be completed was in August.

12 Staff is recommending approval of a one-year extension to
13 January 31, 2023.

14 I'm just going to go on to the next one. The next request
15 is from the Danville-Pittsylvania RIFA. This is for the Water
16 system Improvements Phase II. The Virginia System for the Berry
17 Hill mega site. This is grant 3011.

18 This is a \$2.2 million grant that was awarded from the Mega
19 Site Program back in May of 2015. The scope of the project does
20 include construction of water infrastructure from the North
21 Carolina line to the Berry Hill site and into the site.

22 When the RIFA started finishing the contract for the
23 construction of the waterline, there was a point where they
24 realized that the prospect interest in this site required that
25 they reconsider the routing in the industrial site.

1 That's why the brakes were put on on the project initially.
2 And now the waterline within the park location has been
3 redesigned and they are ready to proceed with that
4 construction.

5 There remains a balance of about \$1,220,000 on the project
6 account. This would be used towards the \$4.8 million estimated
7 costs to expand the 20-inch water main from Berry Hill Road to
8 the proposed Oak Hill pumping station and water tank location.

9 In this case, they do need an additional two years to
10 complete the construction of the waterline infrastructure within
11 the park.

12 Staff is recommending approval of the two-year extension to
13 May 31, 2024.

14 The next extension on the list, and this covers two grants.
15 This is the Prince Edward County Industrial Access Road Project.
16 It's grant 3089 and 3145.

17 Both of these have end dates that are in May. May 21st and
18 May 24th of this year. They are - the county is requesting an
19 extension to October 31st, 2023.

20 I am glad to report that the construction - you all may be
21 familiar with this project because it's, I don't know, there
22 have been extensions in the past.

23 There's new leadership in the county. They were quick to
24 start advancing this project to secure the VDOT access road
25 funding and they are in that process of working with VDOT

1 including \$650,000 in state funding from VDOT. So, you have to
2 go through that process which does sometimes take a while.

3 They have submitted the final construction plans. They
4 were submitted in February. They also have 10 other agreements
5 in place with the property owners for right-of-way acquisition.

6 The construction contract is scheduled to be awarded in
7 August of 2022 and projected to be completed by June 2023.

8 The County requests an extension until October 31st, 2023,
9 to still allow additional time in case there are unanticipated
10 delays with VDOT or otherwise.

11 Staff is recommending an approval of the extension on grant
12 3089 and grant 3145 until October 31, 2023, to allow time for
13 construction to be completed.

14 There is one final Extension requests. This is the
15 Danville-Pittsylvania Regional Industrial Facility Authority.
16 It's the Berry Hill Mega Park grant number 2264.

17 This is our oldest grant that I have as an active grant.
18 It was awarded in January of 2021 - I'm sorry. 2011. January
19 of 2011. We've provided a number of extensions on it.

20 The good news is we're about to close it out, so their work
21 is in the final stage. The scope of the project included design
22 and engineering and ROW acquisition for the electric, utilities,
23 and road infrastructure.

24 The work with AEP is going to be the electric provider for
25 that site. The work with AEP has been completed. They've been

1 working on the access road and negotiations for the right-of-way
2 acquisition, and there is only one remaining property that they
3 need to close on for the roadway acquisition, and that's
4 scheduled for this month.

5 The RIFA is requesting a six-month extension to allow time
6 for that closing to happen. In the process of reviewing this
7 grant and the progress and the status we did, we have gotten
8 caught up on the financials to be sure we were clear on the
9 level of funding from the balance that was needed and that cost
10 us - we did identify that the total project cost had gone down.

11 When we originally awarded it, our \$2.7 million was towards
12 a \$3.7 million cost, and the total - the total of that cost has
13 been reduced by about a million dollars. That did allow us to
14 de-obligate about \$700,000 on the grant, so that the City is
15 handling those financials and they've been working close with us
16 on that.

17 The remaining balance would be used for that closing on the
18 property.

19 Staff recommends approval of a six-month extension to July
20 21, 2022.

21 Those are the extensions.

22 CHAIRMAN SHELTON: Okay. Sarah, as a point of interest, if
23 I am reading this correctly and from our discussion, that's just
24 about finished now. It is the oldest project that's on the
25 books right now. Is that what you're saying?

1 MS. CAPPS: Yes. It's been open for 11 years. Everybody
2 that has been on the Commission - I think Delegate Marshall
3 knows - there were long delays - this started our funding for
4 the Mega site really to the core of engineering approval
5 process. I don't know. It could've been delayed about five
6 years.

7 DELEGATE MARSHALL: Ten years. It was 10 years. The Corp
8 of Engineers held the project up 10 years.

9 MS. CAPPS: Yeah. So, part of it, the reason this has such
10 a long date is completely out of their control.

11 CHAIRMAN SHELTON: But the end is in sight?

12 MS. CAPPS: Yeah. And they did come back to us. They have
13 really done a good job of managing their available resources and
14 I think they - what was it? The Goodfellow Funding for the road
15 access. NEMO funding - NECO funding that they received to link
16 to the access road.

17 I guess we're ready to get it closed out, and I think they
18 are, too.

19 CHAIRMAN SHELTON: Received the Staff's recommendation of
20 extensions for these four projects here. Any questions or
21 comments from the Commission or anyone in the gallery?

22 MR. OWENS: Mr. Chairman?

23 CHAIRMAN SHELTON: Mr. Chairman.
24
25

1 MR. OWENS: I note in the description they talk about the
2 following extension on both grants 3089 and 3145. It says "an
3 extension" in the recommendation.

4 So, we're saying this is going to be a final extension of
5 those two grants, is that correct? Is that what your
6 recommendation is?

7 MS. CAPPS: That modification is fine.

8 MR. OWENS: Okay. So, I just wanted to make sure when we
9 do this that we recognize the fact that it is going to be a
10 final extension. Right down here it says - this -

11 MR. SHELL: So, what you are clarifying there, Chairman,
12 the extensions for 3089 and 3145, we reword it - the word
13 interpreted as a final extension?

14 MR. OWENS: Right. Exactly.

15 CHAIRMAN SHELTON: All right. I'll entertain a motion to
16 that extent. Pleasure of the Committee?

17 MR. OWENS: So moved.

18 MR. RUFF: Second.

19 CHAIRMAN SHELTON: Okay. We have a motion by Chairman
20 Owens and a second by Senator Ruff. And the only clarification
21 is that we add the word "final" on those two in that.

22 Any further discussion on those extensions?

23 DELEGATE MARSHALL: Are we voting on the added "final,"
24 correct?

25

1 CHAIRMAN SHELTON: Yes. Chairman Owens, are all those
2 recommendations with the exception we add the word "final" to
3 those two?

4 MR. OWENS: Yes.

5 CHAIRMAN SHELTON: All those in favor signify by saying
6 aye?

7 (ALL AFFIRM.)

8 CHAIRMAN SHELTON: Any opposed?

9 (NO RESPONSE.)

10 Hearing none, that motion to grant these extensions with
11 the addition of the word "final" on those two is noted is
12 carried.

13 Okay. Sarah, I believe that is all of your business.
14 Thank you once again for your work, and the rest of your staff.
15 It certainly makes the work of this Commission a lot of easier
16 with the work that you do.

17 Next on the agenda is other business, but I don't believe
18 we have any other business.

19 MR. SORRELL: The only other business I have, Mr. Chair, is
20 that our counsel has additional information on Delegate
21 Marshall's earlier question.

22 MS. MYERS: Thank you, Mr. Chair. Delegate Marshall, I
23 apologize to your earlier question regarding the Commission's
24 rights on the misuse of a use of property unless the Commission
25 has an interest.

1 My mind was on fog because, in general, the performance
2 metrics in those agreements is what I deal with, but in these
3 non TROF agreements, there is a provision that protects the
4 Commission that gets misused of the awards.

5 Sets out the rights of the Commission including termination
6 of the grant and retaining any unspent or reimbursed grant funds
7 as well as any back funds that have already been reimbursed

8 DELEGATE MARSHALL: So, is misuse defined?

9 MS. MYERS: It's not - probably not within the project
10 parameters as approved by this Commission.

11 DELEGATE MARSHALL: Okay. For the non-lawyers in the room,
12 that's clear as mud. (Laughs.)

13 DELEGATE RUFF: Mr. Chairman. I would propose that the
14 Commission come up with some language to be put in there so
15 there's no gray area.

16 SECRETARY LOHR: Second.

17 MS. MYERS: Certainly. Mr. Secretary, to my knowledge,
18 that has never occurred.

19 CHAIRMAN SHELTON: That's correct.

20 MS. MYERS: But that is certainly something that we will
21 address.

22 CHAIRMAN SHELTON: Any other comments from the Commission?

23 (NO RESPONSE.)

24 CHAIRMAN SHELTON: All right. We will open this
25

1 proceeding back to another session of public comments should
2 there be any.

3 (NO RESPONSE.)

4 CHAIRMAN SHELTON: Hearing none, we will close this session
5 of public comment.

6 Before we adjourn, Andy, anymore announcements or
7 scheduling for this evening or directions before we adjourn?

8 MR. SORRELL: Thank you, Mr. Chairman. I just wanted to
9 remind folks that in the space between now and our reception,
10 which will be in this same room at 6:00 p.m., the Birthplace of
11 Country Music Museum is open for touring. It's very close over
12 here. It's within walking distance. If anybody would like to
13 take a tour on their own.

14 It's a facility the Commission has funded in the past, and
15 it would be a worthwhile tour if that was an interest of you.
16 So, I wanted to remind you of that.

17 Again, our reception tonight will be in this room. We're
18 going to push the tables this way, and that begins at 6:00 p.m.

19 That's all I have, Mr. Chairman.

20 CHAIRMAN SHELTON: Thank you. Hearing no other comment, I
21 will entertain a motion to adjourn.

22 MR. OWENS: So, moved.

23 MEMBER: Second.

24 CHAIRMAN SHELTON: Motion to move and seconded. I thank
25 you all for your participation. I'll see you tonight.

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(END OF SECOND SESSION AT 4:18 P.M.)

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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 the Southern Virginia Committee of the Virginia Tobacco Region Revitalization Commission held on May 11, 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

Given under my hand this 6th day of July, 2022.

Marsha Self, CERT

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My Commission Expires: February 28, 2023.

State Notary Registered Number: 174126