

VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501

Richmond, Virginia 23219

SOUTHWEST VIRGINIA COMMITTEE MEETING

Wednesday, January 4, 2023

4:29 p.m.

Homewood Suites by Hilton Richmond Downtown

700 East Main Street

Richmond, Virginia

## APPEARANCES:

- 1 Delegate Will Morefield, Chairman
- 2 Julie Hensley, Vice Chair
- 3 Edward Blevins
- 4 Gretchen Clark
- 5 Amanda Cox
- 6 Delegate Terry Kilgore
- 7 Secretary Matthew Lohr
- 8 William Pace
- 9 Sandy Ratliff (by phone)
- 10 Delegate Will Wampler
- 11 Sarah Wilson
- 12
- 13 Staff:
- 14 Mr. Andy Sorrell, Deputy Director
- 15 Ms. Sara Williams, Southwest Regional Director
- 16
- 17 Others present
- 18 The Honorable James E. Campos, Deputy Secretary of
- 19 Commerce & Trade and Acting Executive Director
- 20 Ms. Stephanie Kim, Finance Director
- 21 Ms. Sara Williams, Southwest Regional Director
- 22 Ms. Liz Myers, OAG Counsel
- 23 Mr. Jordan Butler, Public Relations Director
- 24 Ms. Suzette Patter, Grants System Administrator
- 25 Ms. Joyce Knight, Meeting Coordinator
- Ms. Adrian Counts, Grant Assistant
- Ms. Emily Van Pelts, Grant Assistant

1 MR. SORRELL: Good afternoon. Call  
2 the Southwest Virginia Committee to order.

3 Roll call. Thank you, Mr. Chairman.

4 Delegate Morefield. Ms. Hensley.

5 Mr. Blevins. Ms. Clark. Ms. Cox. (Inaudible).

6 Delegate Kilgore. Secretary Lohr. Mr. Pace.

7 Sandy Ratliff. She should be on the line. Delegate

8 Wampler. Ms. Wilson.

9 We have a quorum. Mr. Chairman.

10 (Committee Members present.)

11 CHAIRMAN MOREFIELD: Okay. Thank  
12 you. I think in order for Ms. Ratliff to participate  
13 remotely, we do have --

14 DELEGATE KILGORE: Thank you,  
15 Mr. Chairman. I move that Chairman Morefield's  
16 approval of Commissioner Ratliff's request to  
17 participate remotely in this meeting is in conformance  
18 with the Commission's adopted electronic policy, and  
19 the voices of the remotely participating member can be  
20 heard by all persons at the primary meeting location.

21 UNIDENTIFIED SPEAKER: I agree.  
22 Thank you.

23 CHAIRMAN MOREFIELD: Second?

24 UNIDENTIFIED SPEAKER: Second.

25 CHAIRMAN MOREFIELD: All right. Now we

1 have approval. All in favor, say aye.

2 (Response.)

3 CHAIRMAN MOREFIELD: All opposed?

4 (No response.)

5 CHAIRMAN MOREFIELD: Now we have

6 approval of the October 5th meeting minutes.

7 UNIDENTIFIED SPEAKER: Motion.

8 DELEGATE WAMPLER: Second.

9 CHAIRMAN MOREFIELD: We have a motion  
10 and a second.

11 All in favor, say aye.

12 (Response.)

13 CHAIRMAN MOREFIELD: All opposed?

14 (No response.)

15 Just as a reminder, please speak  
16 clearly for the reporter, and then also when you're  
17 speaking into the microphone, you have to hold the  
18 button down while you're speaking.

19 CHAIRMAN MOREFIELD: Now we are on to  
20 public comment. Do we have any public comment?

21 (No response.)

22 CHAIRMAN MOREFIELD: No public  
23 comment.

24 We'll move forward with the Business  
25 Applications. Sara.

1 MS. WILLIAMS: Okay. Thank you. Can  
2 you all hear me?

3 Before we get started on the  
4 applications, just as a little bit of background  
5 information, there is a copy of the program guidelines  
6 and RFP on Page 73 of the Board book, if you have  
7 questions about what is eligible, or anything about  
8 the program, you can find it in that document.

9 We received 14 applications to the  
10 October 20th deadline. Two of those withdrew, and  
11 then we also had one project that was tabled in May.  
12 That brings us to the 13 applications you'll be  
13 hearing about today.

14 To get started, there are two  
15 projects under the Agribusiness category. The first  
16 is #4098. It's from Abingdon Feeder Cattle  
17 Association, Improving Genetics, Health and Management  
18 of Small Ruminants in Southwest Virginia, requesting  
19 \$299,880. Funds were requested to continue a cost  
20 share program focused on small ruminants production.

21 The program supports genetic  
22 improvements to herds, as well as facilities and  
23 equipment for better herd management.

24 Commission funds reimburse at a 33  
25 percent rate for a maximum of \$3,000 per participant.

1                   This project is probably familiar to  
2 you because we approved the first round of it in May  
3 2022. At that time, staff recommended a reduced  
4 award. We recommended just around half of that  
5 request amount because we had some concerns that  
6 previous cost share programs supporting small ruminant  
7 producers were not, there wasn't a lot of  
8 participation in those. So we really wanted to  
9 approve a smaller amount, and that way we could  
10 determine if there was sufficient demand for the  
11 program.

12                   It is easy to say, yes, absolutely,  
13 there was sufficient demand for this program. The  
14 amount that was approved in May was enough to fund 70  
15 producers, if all 70 were to receive maximum cost  
16 share amount.

17                   At time of application, 76 producers  
18 had been approved for the program, and there are an  
19 additional 50 applications that are pending that can  
20 be approved once additional funding from this grant  
21 becomes available.

22                   So staff recommends approval of  
23 \$299,880 grant award to support a second and final  
24 round of this cost share program.

25                   The next project is #4128. It is

1 from Carroll County. It is the Vacuum Cooler-Value  
2 Added Project requesting \$96,000.

3 Commission funds are requested to  
4 support 25 percent of the cost of vacuum-cooling and  
5 related equipment for Virginia Produce Company. It is  
6 a private enterprise located in Carroll County to  
7 assist them with the costs associated with installing  
8 vacuum-cooling equipment in their facility.

9 The RFP limits support for privately  
10 owned value-added processing facilities at 25 percent  
11 of equipment expenses. That is what they have asked  
12 for. The total equipment cost is \$384,000.  
13 Additional support will come from Carroll County.  
14 There is a pending \$50,00 pending AFID application for  
15 the project. And of course, VPC will be contributing  
16 to the project as well.

17 Vacuum coolers are significantly more  
18 efficient than traditional chillers. That efficiency  
19 helps to increase the shelf life for this produce. It  
20 makes it more like that the produce actually makes it  
21 to a retailer. Virginia Produce pays their suppliers,  
22 the farmers, once the product is sent to a retailer.  
23 So the longer that they can hold that to adjust for  
24 fluctuations and supply and demand, the greater chance  
25 there is that it makes it to the retailer and the

1 farmer gets paid.

2                   These awards do require a performance  
3 agreement because it is a privately owned facility.  
4 Performance agreement could require repayment if the  
5 performance metrics are not met.

6                   Virginia Produce has been in  
7 operation for over 20 years. We feel that this is a  
8 fairly safe investment. We have no reason to suspect  
9 that there would need to be a repayment. But that  
10 performance agreement is a requirement.

11                   We ask for some flexibility for the  
12 executive director to work with Virginia Produce to  
13 determine what the appropriate performance metrics  
14 could be.

15                   You know, one issue that they have is  
16 recruiting additional growers. There is a very  
17 limited supply of growers that can provide them with  
18 produce, because those producers have to be certified.

19                   You may remember there is another  
20 cost share program underway in Southwest Virginia to  
21 try to increase the number of GAP certified producer  
22 growers.

23                   Virginia Produce has been very, very  
24 supportive of that program, and has, you know,  
25 commented to me that we'll take as many new growers



1 and you can help us find.

2                   There is already an additional level  
3 of protection. Due to the fact that AFID funding will  
4 be involved, that provides another layer of vetting  
5 for the project, but also just assurance that it is a  
6 viable project and that the public interest can be  
7 protected. So you'll see that reflected in a  
8 contingency.

9                   Staff recommends approval of a  
10 \$96,000 grant award, contingent upon the following  
11 conditions: One, the approval of the pending AFID  
12 application; and Two, the execution of a performance  
13 agreement with performance measures to be set by the  
14 executive director.

15                   Would you like me to continue?

16                   CHAIRMAN MOREFIELD: Yes, please. We  
17 are going to take all of these up in a block.

18                   MS. WILLIAMS: Okay. So next, we  
19 move on to the Sites and Infrastructure section.  
20 There were two applications submitted under Sites and  
21 Infrastructure. The first is # 4109, Blue Ridge  
22 Crossroads Economic Development Authority, Wildwood  
23 Commerce Park Site 1 Due Diligence and Design  
24 Services. They requested \$188,750 to support 50  
25 percent of due diligence and design for Site 1 at the

1 Wildwood Commerce Park. Site 1 is the only remaining  
2 property at that regional industrial park. All of the  
3 other sites have been taken. This is a high priority  
4 need. There is quite a bit of work that needs to be  
5 done to get this site where it can be marketed to  
6 prospects.

7                   The Commission is being asked to  
8 support the due diligence. However, there is another  
9 application, a concurrent application for the actual  
10 construction work of that site that has been submitted  
11 VDP's Virginia Business Ready Site Program and is  
12 pending.

13                   Due diligence has to be completed  
14 before construction can begin. So this request is  
15 really critical, not only to help make the VDP  
16 application more competitive, but also to keep on  
17 schedule toward development.

18                   Staff recommends a grant of \$188,750  
19 for 50 percent of due dill and design activities  
20 required for site planning.

21                   Next, we have #4127, Washington  
22 County, Oak Park, Lot and Railway Extension requesting  
23 \$500,000. The funding is requested to support 50  
24 percent of the cost to add a rail extension to serve  
25 Lot 9 at Oak Park.

1           The lack of rail service is something  
2 that has been noted by several prospects as a reason  
3 for not selecting Lot 8. The application listed 10  
4 instances where the prospects said they declined to  
5 locate there because of the lack of rail service.

6           We recognized that the addition of  
7 rail service to Lot 8 would make the site more  
8 competitive. However, we did have some issues with  
9 the fact that we're being asked to pay 50 percent of  
10 the total cost there.

11           There is another program that exists,  
12 the VDP, Virginia Rail Industrial Access Program.  
13 That exists to help with rail projects such as this.

14           The Oak Park Project does not  
15 currently qualify because the Rail Access Program is  
16 an incentive program. There has to be an active  
17 prospect for the site. Oak Park would be speculative,  
18 and that does not qualify right now.

19           However, we did want to recognize  
20 that there is a program that is more appropriate,  
21 really, to fund these types of projects.

22           As a reminder, in May of 2022, this  
23 Committee approved \$800,00 for a rail extension in  
24 Wythe County for Progress Park. That award was 50  
25 percent of the cost that remained after the VDP Rail

1 Access funds were used. We felt it was important to  
2 maintain consistency with the expectations about the  
3 funding sources for these types of projects.

4 So you know, we also wanted, we  
5 considered, should we table this, should we decline  
6 it? We thought, in lieu of doing that, it may be  
7 better to go ahead and recommend support for this  
8 project, contingent, with contingencies that require  
9 eventual application to that program. This allows the  
10 applicant to have committed funds for the project that  
11 can be used to document prospects that the rail  
12 extension can be added to the property in a timely  
13 manner. But also, you know, includes the eventual use  
14 of the VDP money.

15 Staff recommends approval of a grant  
16 award of up to \$500,000 for 50 percent of remaining  
17 costs after the following conditions have been met:  
18 One, the identification of a prospect for the site;  
19 and Two, a successful application to the Virginia Rail  
20 Industrial Access Program.

21 Now we move on to Regional Economic  
22 Development Marketing Initiatives.

23 We have Request #4120 from LENOWISCO  
24 Planning District Commission for LENOWISCO InvestSWVA  
25 3.0. They have requested \$400,000.

1                   This funding will support a third  
2 round of Southwest Virginia the Regional Marketing  
3 Initiative.

4                   Grant funds will be used to cover  
5 contractual services with Coalfield Strategies. The  
6 grant will fund the initiative for two additional  
7 years, July 2023 through June 2025. That phase of the  
8 project will focus on accelerating lead generation and  
9 project development of work in the region.

10                   There are several projects that are  
11 currently in the pipeline. And the additional time  
12 will allow for those to be fully developed and to  
13 reach resolution.

14                   The two previous phases, including  
15 this current phase that we're in the middle of, have  
16 resulted in the commitment of five companies to the  
17 region, and these companies will create an estimated  
18 789 jobs.

19                   The Phase 3 application estimates  
20 that four new companies will commit during the project  
21 period.

22                   Staff recommends awarding a grant of  
23 \$400,000, contingent upon the following conditions to  
24 encourage equitable marketing efforts across the  
25 region. One, executive director's approval of the

1 terms of the renewed contract between the applicant  
2 and its consultants; and Two, staff's continued  
3 participation in Invest Southwest Virginia's  
4 leadership and strategy development.

5           Moving on to Tourism. We have five  
6 proposals submitted under the Tourism category. The  
7 first is #4100, The Barter Foundation, Barter Theatre  
8 Regional Marketing Campaign. They have requested  
9 \$105,000 to continue support for two additional years  
10 of contractual services to implement a regional  
11 marketing campaign to support Barter's post-Covid  
12 recovery.

13           They are working to restore  
14 attendance to the pre-pandemic levels, and then they  
15 have a goal of increasing attendance by 10 percent  
16 each year.

17           We already support this project under  
18 the Phase 1 grant that was approved a year ago. So  
19 January 2022. After that award was made, Barter  
20 selected a public relations firm, Anat Gerstein. They  
21 assisted with the development of the campaign.

22           The second phase will allow them to  
23 continue to refine that marketing campaign. There has  
24 already been a few changes from the Phase 1  
25 application.

1 Phase 1 was intended to focus on  
2 markets within an approximate six hour radius of  
3 Abingdon. Their work with Anat has said that it may  
4 be more appropriate to focus on slightly closer  
5 locations. So markets such as Charlotte, Asheville,  
6 Roanoke, Knoxville.

7 They are also working on concept  
8 where they market to the performers hometowns. So  
9 those markets would then change with every  
10 performance.

11 All these new locations that still  
12 fit the requirements that tourism projects result in  
13 visitation from national and international markets.

14 The increased attendance will result  
15 increased revenue for Barter, which will make it more  
16 stable, and would also will allow them to assume  
17 responsibility for this Anat contract at the end of  
18 the grant.

19 Staff recommends the approval of a  
20 \$105,000 grant award.

21 Next is #4103, Birthplace of Country  
22 Music, Birthplace of Country Music Museum Expansion.  
23 It requested \$500,000.

24 This funding will be used to support  
25 construction costs focused on the expansion of the

1 museum.

2 In 2015, they acquired the building  
3 directly adjacent to the museum. It is now called the  
4 Annex.

5 So this phase of the project is for  
6 renovation of the Annex. It will greatly increase  
7 size. In particular, it will provide a lot more space  
8 for exhibits and other things.

9 The estimated cost to complete  
10 development of the building is approximately \$3.58  
11 million. The museum is really one of the premier  
12 tourism venues in the region.

13 Since 2014, they have had thousands  
14 of visitors from all 50 states and 45 foreign  
15 countries, which certainly meets the program's  
16 requirement for national and international visitation.

17 Matching funds will be provided from  
18 a variety of sources, including private foundations  
19 and tax credits. They did recently learn they did not  
20 receive a \$1 million Industrial Revitalization Fund  
21 request. However, they did receive some additional  
22 federal money. They are very, very close, if they  
23 receive this money to achieve their fundraising goals.

24 Staff recommends a grant award of  
25 \$500,000 for last dollar construction costs associated



1 with the redevelopment of the Annex property.

2 #4101, Town of Haysi, Haysi Trails  
3 Center, requesting \$650,206. This request is for last  
4 dollar funding to complete the renovation of the Haysi  
5 Trails Center Building. This is the former Haysi  
6 Theater Building. The building is under redevelopment to  
7 serve visitors of the town, which is actually  
8 located along or adjacent to six major outdoor  
9 recreation destinations.

10 Currently Haysi does not have any  
11 infrastructure or businesses to serve the thousands of  
12 visitors that are already coming there each year. So the  
13 Trails Center will have a cafe. It will also have space for  
14 artisans to sell their products. Most  
15 importantly, it provides an opportunity for Haysi to capture  
16 the economic impact of those thousands of  
17 visitors.

18 This project was already fully funded  
19 with grants from ARC and VCEDA, until additional  
20 flood proofing requirements were discovered for the  
21 second floor. That is what Commission's funds will be used  
22 for, to make up that deficit caused as the result of those  
23 flood proofing requirements. It is a large  
24 request, relative to what we usually see here. But  
25 this project is ready to go. It is undergoing final

1 designs. They want to begin construction this winter.  
2 So within just a few months. The Commission support  
3 will help to ensure that the project proceeds as  
4 scheduled.

5 Staff recommends approval of a grant  
6 award of \$650,206.

7 #4116, Song of the Mountains, Song of  
8 the Mountains Revitalization. The original request  
9 was for \$240,000. You will note that that has been  
10 reduced to \$120,000.

11 This is an another Covid recovery  
12 project, similar to the one we just discussed for  
13 Barter. It is to assist a live performance venue with  
14 increasing their attendance.

15 Commission funds will be used to  
16 allow South of the Mountain to pay booking fees for  
17 popular bands. These bands will be selected because  
18 they have the potential to be large draw events.

19 The goal is to fill seats in the  
20 Lincoln Theater where the Song of the Mountain program  
21 is produced.

22 Grant funds will fund 50 percent of  
23 the cost of each booking fee. Matching funds will be  
24 provided by Song of the Mountain through sponsorships  
25 for these shows. That is the reflection of the --

1 That is why there is that reduction. That will now be  
2 50/50 split.

3 The ticket sales resulting from the  
4 increased attendance will be used for program  
5 operating support, and will help the program become  
6 financially stable again.

7 Song of the Mountain has been  
8 broadcast for cast 18 years. It is shown on 139 PBS  
9 affiliated stations across the nation. Song of the  
10 Mountain, along with the Lincoln, has had a huge  
11 impact on the revitalization of Downtown Marion.

12 The business vacancy rates are less  
13 than 5 percent. The meals tax revenues have doubled  
14 over the past decade. And so Song of the Mountain is  
15 really critical to keeping Downtown Marion vibrant.

16 Staff recommends a grant award of  
17 \$120,000 to reimburse 50 percent of booking fees.

18 Next is #3975, Sunset Holler, Inc.,  
19 Southern Gap Amphitheater Project: Construction  
20 Documents and Construction, requesting \$500,000.

21 Commission funds are requested for  
22 the development of an amphitheater at Southern Gap in  
23 Buchanan County. The amphitheater will have the  
24 capacity for 4000 attendees. They will use it for a  
25 variety of music and live performance events.

1                   The total cost for the project is  
2 estimated at \$5 million. This is a request that  
3 should be familiar to most of you. It was tabled in  
4 May. The reason the decision to table it was made was  
5 because, at that time, there were three large grant  
6 applications outstanding. One to ARC for \$700,000, an  
7 application to US EDA for just under \$4 million. And  
8 the Virginia Energy AMLER Program, there was a request  
9 for \$1 million. Only the ARC application was funded.  
10 However, they do plan to reapply to both AMLER and US  
11 EDA.

12                   EDA did advise them that they should  
13 reapply once they had raised sufficient funds where  
14 they could then request less than \$3 million from EDA.

15                   If the Commission approves this  
16 request, it does provide additional leverage and could  
17 strengthen those reapplication efforts. If those  
18 efforts are successful, they will be very close to  
19 achieving their fundraising goals.

20                   However, if they're not successful,  
21 there will be a large funding gap that remains.

22                   The Commission's standard letter of  
23 agreement requires that all projects obtain all  
24 necessary matching funds within a year. So we thought  
25 that to insure that the Committee's recourses are not

1 tied up indefinitely, it would be good to reiterate  
2 that in a contingency.

3 So the staff recommendation is, staff  
4 recommends a grant award of \$500,000, contingent upon  
5 the successful reapplication to EDA and/or the  
6 achievement of full project funds within 12 months.

7 No, we are moving on to Business  
8 Development. The first is #4110 for Blue Ridge Public  
9 Television, Inc., PBS Appalachia, Virginia requesting  
10 \$530,000.

11 Commission funds are requested for  
12 the startup operating support for the new PBS  
13 Appalachia Station that is scheduled to launch in June  
14 of this year. The station will be based completely in  
15 the region and will produce content that highlights  
16 positive stories from Southwest Virginia.

17 The project has potential to benefit  
18 both tourism and business development efforts in the  
19 region. Although, the precise outcomes are difficult  
20 to quantify.

21 The grant will be used over a two  
22 year period for a variety of operating expenses,  
23 salaries, equipment, continuous charges.

24 Since the project was announced in  
25 July 2022, operating support as been provided from a

1 \$500,000 Virginia DOE appropriation. The application  
2 also states that they anticipate receiving an  
3 additional \$1.25 million of DOE appropriations in the  
4 future.

5 They are also planning to apply to  
6 Appalachian Regional Commission for additional  
7 support.

8 Our funding, the funding  
9 recommendation you'll note was reduced by \$130,000.  
10 That reflects that we excluded the expected producer  
11 salary that had been included. That position has been  
12 filled since the project's announcement in July, and  
13 is currently paid through the DOE appropriation.

14 So the Commission's general  
15 non-eligible uses of funds states that Commission  
16 funds should not be used or plan other state or  
17 federal funds to which the applicant is eligible.  
18 That policy really should apply to any expense in this  
19 application's budget that is already being paid under  
20 that DOE allocation.

21 With that in mind, Commission support  
22 is best focused on new direct costs associated with  
23 the establishment of the station.

24 Grant funds will reimburse each  
25 eligible expense at a 50 percent rate over the two

1 year project with matching funds covering the  
2 remaining 20 percent costs.

3 Staff recommends a grant award of  
4 \$400,000 to support 50 percent of direct new costs for  
5 establishing the PBS Appalachia Virginia station.

6 CHAIRMAN MOREFIELD: Sara, I  
7 apologize. I do believe that we have some  
8 representatives from PBS Appalachia here today. They  
9 are going to request that we amend the application.  
10 If we could have them come forward please, and explain  
11 that.

12 MS. NEWMAN: Hello. My name is Julie  
13 Newman. I am of the General Manager of the PBS  
14 Appalachia Station.

15 Special thanks to the Commission for  
16 hearing us today for our proposed funding for this new  
17 venture that will support all of Southwest Virginia.  
18 Special thanks to Sara for her guidance with this  
19 process and to get started.

20 So we would like to request, in  
21 addition to the \$400,000 recommended by staff, an  
22 additional \$135,000 over a two year period, which  
23 would go to creat a couple of key positions in the  
24 organization that would help us to launch more quickly  
25 and to have more products available by the deadline.

1                   The first of the \$65,000 salary for a  
2 Senior Producer, the reason that salary is at that  
3 level is because of the quality of the content of the  
4 product that we want to put out there is, in our  
5 opinion, exceptional quality that is going to be a  
6 national quality production. So it is going to  
7 require someone with a lot of training and talent in  
8 that field. We think that that will increase the  
9 quality of our production, and also help us expedite  
10 production so that when we launch on June 10th, we  
11 have a larger library to put out to the public upon  
12 launch.

13                   Also, we think that by having a third  
14 been on staff in the Production Department, it will  
15 expedite the material.

16                   In addition to that, we are seeking  
17 funding for a second position. It is a \$70,000 salary  
18 in a digital marketing capacity. What is really  
19 innovative about this production, this position, is  
20 that in addition to marketing for us, it would also be  
21 a source of identifiable revenue stream, as we would  
22 looked to serve other organization who come to us for  
23 digital marketing. So it is one of the ways that we  
24 want to become independently sustainable after the two  
25 years that this hopefully helps us fund.



1                   We intend to be self-sufficient and  
2 self-sustaining, and not having to look for future  
3 grants. This is startup money that will help us get  
4 up on our feet.

5                   So with those two positions, over a  
6 two year period, that means an additional \$135,00 ask  
7 for a total of \$535,000.

8                   CHAIRMAN MOREFIELD: I think we would  
9 need a motion to accept their proposal in the form of  
10 an amendment.

11                   DELEGATE KILGORE: I will make that  
12 amendment with the provision that staff -- I would  
13 make that amendment that staff approve the new  
14 position to make sure they fit within our guidelines.

15                   MS. WILLIAMS: Yes. We would like to  
16 vet that new portion of the project.

17                   CHAIRMAN MOREFIELD: Delegate  
18 Marshall?

19                   DELEGATE MARSHALL: Mr. Chair, I'm  
20 not a member of this group. But I don't that I've  
21 ever heard that someone has come to the podium to  
22 change their application.

23                   Has staff, of the two positions, has  
24 staff vetted those yes?

25                   DELEGATE KILGORE: That's why I said

1 it.

2 CHAIRMAN MOREFIELD: No. They  
3 haven't vetted. That's why I wanted them to come and  
4 explain it. We were going to make the motion to amend  
5 the amount awarded, but I thought it would be  
6 appropriate.

7 DELEGATE KILGORE: I would like to  
8 further say \$530,000. \$535,00 is \$5,000 more than  
9 they asked for. So \$530,000 should be, not \$535,000.  
10 But that is contingent on the vetting by staff.

11 CHAIRMAN MOREFIELD: Okay. We have a  
12 motion and a second.

13 All in favor, say I.

14 (Response.)

15 CHAIRMAN MOREFIELD: All opposed?

16 (No response.)

17 CHAIRMAN MOREFIELD: Okay. Thank  
18 you.

19 MR. BLEVINS: Just for confirmation,  
20 we are just going back to the original amount?

21 CHAIRMAN MOREFIELD: Yes. Yes.

22 We'll go on to the next. Thank you.

23 MS. WILLIAMS: #4117, Mendota  
24 Community Association, Revitalization of Former  
25 Mendota. They are requesting \$38,485.

1                   Commission funds are requested to  
2 support additional planning fees for the redevelopment  
3 of the former Mendota school building and grounds.  
4 This building has operated as a community center in  
5 the Mendota community for over 40 years. It serves a  
6 variety of uses. There's actually a lot of activity  
7 in that building. There is a branch of Washington  
8 County Public Library. There is a food pantry.  
9 There's a variety of events that are held there.

10                   The community association has been  
11 working for several years to explore additional uses  
12 for the property and to allow it to continue to meet  
13 the highest needs of the Mendota Community.

14                   It is one the few locations there  
15 with broadband internet. So when I visited, they were  
16 telling me stories of small business owners that have  
17 to come there to take care of payroll and things like  
18 that. They said that when schools were shut down  
19 during the Covid pandemic that it was a place -- There  
20 were a lot of students that came there to do their  
21 online learning.

22                   There's also a cafeteria and a  
23 theater that could be redeveloped for another purpose.

24                   Initially, Mendota is becoming  
25 something of an outdoor recreation hub in Washington

1 County. It is located along the North Folk of the  
2 Holston River. It is the terminus of the Mendota  
3 Trail that stretches from Bristol to Mendota. I think  
4 the trail actually ends on that property.

5 There are few, if any, amenities in  
6 Mendota currently to serve any of the visitors that  
7 would be coming as a result of this outdoor recreation  
8 opportunity.

9 So there's a lot of potential for  
10 this facility to be redeveloped into, and to serve any  
11 of those needs.

12 There is a preliminary engineering  
13 report that was developed in 2019 using funding  
14 provided by DHCD. That report outlines a number of  
15 potential uses for the property. It provided some  
16 general cost estimates for building upgrades.

17 At that time, it was estimated that  
18 it would cost around \$2.3 million to renovate that  
19 building, but that it could be accomplished in phases.

20 The scope of the Commission request  
21 is to support additional planning needs. However, our  
22 view of the proposal -- We struggled to identify how  
23 the scope of this planning differed from the planning  
24 that was accomplished in 2019. We were not able to  
25 understand how the additional planning, which was to

1 determine the best future uses for the property and to  
2 develop a prioritized strategy for renovation could  
3 move the project forward in a substantial way.

4           There were also a few concerns about  
5 the match. Our program guidelines require that these  
6 planning projects, Commission funds support 50 percent  
7 of the third party contracted amount.

8           The matching funds provided in this  
9 application reflected the Washington County Board of  
10 Supervisors commitment of funding for HVAC upgrades,  
11 and so it wasn't really an eligible match for the  
12 planning portion of the project.

13           Additionally, we didn't receive an  
14 estimate or a scope of work from a contractor who  
15 would be performing this work. So that left us with a  
16 lot of questions about exactly what the scope of this  
17 would be.

18           It is a project that we do see a lot  
19 of potential for. We would like to have some  
20 additional time to continue to work with Mendota to  
21 help them shape their application and to help them  
22 know which attachments and other things that they need  
23 to include. This was a pretty quick turnaround for  
24 them on the application.

25           I feel that if the project is tabled,

1 and we have some time to work with them, we can have a  
2 much stronger proposal for them before the Committee  
3 meets again.

4 Staff recommends that this request be  
5 tabled to allow additional time to work with the  
6 applicant to refine the scope of the project and to  
7 identify appropriate matching funds.

8 CHAIRMAN MOREFIELD: Sara, just for  
9 clarification. We are going to have another meeting  
10 after this. So for time sake, we'll leave all  
11 questions after she goes over the applications.

12 MS. WILLIAMS: We're almost done.

13 Last project is #4097, Virginia  
14 Coalfield Coalition, Virginia Coalfields Cell Coverage  
15 Assessment Planning Grant, requesting \$40,000 to  
16 conduct a planning project to identify remaining  
17 wireless needs in the Coalfield Region. That is  
18 Buchanan, Dickinson, Lee, City of Norton, Russell,  
19 Scott, Tazewell, and Wise County. So a really large  
20 section of Southwest Virginia. It is estimated that  
21 40 percent of that region lacks wireless service.

22 The Commission funds will support  
23 \$40,000 of the total \$144,000 project cost. The  
24 applicant will issue a competitive bid process to  
25 select the provider.

1                   Wireless coverage is generally  
2 considered to be basic infrastructure these days.  
3 It's an important thing to have from an economic  
4 Development point of view. It is also very important  
5 for the outdoor tourism industry that is developing in  
6 Southwest Virginia. You know, tourists expect to  
7 remain connected. Maybe more importantly is the  
8 safety issue. Because when there is an accident or  
9 first aid or first responders need to be contacted,  
10 there is no way to do it with without this service.

11                   Staff recommends approval of a  
12 \$40,000 grant award.

13                   That completes the presentation of  
14 the new applications.

15                   CHAIRMAN MOREFIELD: Okay. Now,  
16 we'll open up to any questions on the applications.

17                   (No response.)

18                   CHAIRMAN MOREFIELD: There's no  
19 questions.

20                   I'd like to have a motion to adopt  
21 all of these in a block.

22                   DELEGATE WAMPLER: Move to adopt all  
23 in block.

24                   MS. HENSLEY: Second.

25                   CHAIRMAN MOREFIELD: We have a motion

1 and a second.

2 MR. PACE: Sorry. We need to, as  
3 amended.

4 CHAIRMAN MOREFIELD: I think we  
5 already acted on the amending the staff  
6 recommendation. We are just adopting the  
7 recommendations.

8 So we have a motion and a second.  
9 All in favor, say aye.

10 (Response.)

11 CHAIRMAN MOREFIELD: Opposed?

12 (No response.)

13 CHAIRMAN MOREFIELD: Okay.

14 Now on to extensions --

15 MS. COX: Mr. Chairman, we need to  
16 have matter removed from the block.

17 CHAIRMAN MOREFIELD: Okay. What  
18 application number?

19 MS. COX: It is #4120.

20 MR. KILGORE: Mr. Chairman, I think  
21 we have adopted, except one from the block. We vote  
22 on voting as a block with the exception.

23 UNIDENTIFIED SPEAKER: Second.

24 CHAIRMAN MOREFIELD: We have a motion  
25 and second. All in favor, say aye.



1 (Response.)

2 CHAIRMAN MOREFIELD: All opposed?

3 (No response.)

4 CHAIRMAN MOREFIELD: Okay. I have a  
5 motion to approve all the applications, except for  
6 #4120.

7 DELEGATE KILGORE: So moves.

8 UNIDENTIFIED SPEAKER: Second.

9 CHAIRMAN MOREFIELD: We have a motion  
10 and a second. All in favor, say aye.

11 (Response.)

12 CHAIRMAN MOREFIELD: All opposed?

13 (No response.)

14 DELEGATE KILGORE: Mr. Chairman, I  
15 would move that we approve #4120.

16 CHAIRMAN MOREFIELD: Do we have a  
17 second?

18 DELEGATE WAMPLER: Second.

19 CHAIRMAN MOREFIELD: We have a motion  
20 to approve and a second. All in favor, say aye.

21 (Response.)

22 CHAIRMAN MOREFIELD: All opposed?

23 MS. COX: One abstention.

24 CHAIRMAN MOREFIELD: One abstention.

25 Okay. Now on to Extensions and

1 Modifications.

2 MS. WILLIAMS: We have one project  
3 that requested an extension. It is grant #3368. It  
4 is Blue Ridge Plateau Initiative, Meat Processing  
5 Facility. This project was approved for \$500,000 in  
6 January 2018. The full balance remains available.  
7 Again, they have requested fifth year extension.

8 This is a project that we have been  
9 familiar with many, many years. I think we may have  
10 funded the feasibility study as far as back as 2007.

11 In 2019, the Commission stepped  
12 forward to be the first funders committed to the  
13 construction project, you know, to see this project  
14 actually be built, get it opened. We all know that  
15 the lack of meat processing capacity is a huge, huge  
16 issue for the region. And we hoped by putting some  
17 money out there that it would encourage other funders  
18 to also commit to the project.

19 Unfortunately, though, the project  
20 really has made little to no progress at all during  
21 that four year period. There are currently no  
22 additional funds committed for the project.

23 They were hoping to receive a \$4  
24 million congressional allocation. They just found out  
25 that they didn't receive that money. So there is no

1 funding committed.

2                   At this point, they're considering  
3 several sites. One is privately owned. It is  
4 expensive to purchase, but would cost less to develop.  
5 The other sites that they are considering are county  
6 owned property, but may cost more to actually  
7 construct the building. So there is really no firm  
8 estimate for what it will actually cost to do this.  
9 There is no clear plan for what exactly they are  
10 doing.

11                   As you all know, the next round for  
12 the Southwest Committee will focus entirely on meat  
13 processing capacity. With that in mind, we thought it  
14 best to go ahead and close this project and to take  
15 this \$500,000 balance and add it to the amount  
16 available for that meat processing round and allow  
17 this project to really start to define their business  
18 plan, and to start to put together a clean application  
19 that could be vetted alongside all of the others. So  
20 that is reflected in the staff recommendation.

21                   Staff recommends no additional  
22 extension for this project. The grant will be  
23 deobligated and added to the \$2 million previously set  
24 aside for the meat processing funding round.

25                   SECRETARY LOHR: Sara, I don't know a

1 lot about this. Who are the principles of Blue Ridge  
2 Plateau? Who are they?

3 MS. WILLIAMS: That is Danny Boyer  
4 and Jerry -- I'm drawing a blank on Jerry's last name.  
5 The new county administrator, Mike Watson, at Carroll  
6 County has been pretty involved with them since he  
7 joined the county. And I think that is encouraging.  
8 But I do wonder sometimes if they could benefit from a  
9 project manager or somebody who could really help them  
10 move the project forward.

11 CHAIRMAN MOREFIELD: Okay. Any  
12 further questions?

13 (No response.)

14 CHAIRMAN MOREFIELD: Do we have a  
15 motion to approve staff recommendation?

16 MS. HENSLEY: Second.

17 CHAIRMAN MOREFIELD: Do you have a  
18 motion to approve?

19 MS. HENSLEY: Oh. You have a motion.

20 CHAIRMAN MOREFIELD: Second?

21 DELEGATE KILGORE: Second.

22 CHAIRMAN MOREFIELD: We have a motion  
23 and a second.

24 DELEGATE KILGORE: You need a motion  
25 with a no action.

1 CHAIRMAN MOREFIELD: Okay.

2 On to other business.

3 MS. WILLIAMS: The only other  
4 business is that I did want to give the Committee a  
5 very quick update on the status of the next round  
6 focused on meat processing.

7 The program RFP is nearly complete.  
8 I hope to have that published in the next few weeks.  
9 I'm anticipating a June 1st deadline. I wanted to try  
10 to give as much time as possible to develop those  
11 projects.

12 And then if all goes according to  
13 plan, those projects will be presented to you at the  
14 September meeting.

15 CHAIRMAN MOREFIELD: Thank you.

16 Do we have any further questions or  
17 comments from the Committee.

18 (No response.)

19 CHAIRMAN MOREFIELD: Public comment?  
20 Any comments from the public?

21 (No response.)

22 CHAIRMAN MOREFIELD: No public  
23 comment.

24 Meeting is adjourned.

25 CONCLUDED

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CERTIFICATE OF THE COURT REPORTER

I, Sheryl Rainey, Certified Court Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the Southwest Virginia Committee, when held on Wednesday, January 4, 2023, at 3:45 p.m., at Hampton Inn & Suites, Richmond, Virginia.

I further certify that this is a true and accurate transcript, to the best of my ability to hear and understand the proceedings.

Given under my hand this 27th day of January, 2023.



---

Sheryl Rainey  
Certified Court Reporter  
Notary Public  
for the State of Virginia at Large

My Commission expires: April 30, 2026

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