

VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501

Richmond, Virginia 23219

IN RE: SOUTHERN VIRGINIA COMMITTEE

January 8, 2024

4:01 p.m.

HEARD BEFORE: Walter 'Buddy' Shelton, Chair

Delta Hotels by Marriott, Richmond

Kanawha Ballroom

555 East Canal Street

Richmond, Virginia 23219

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1 APPEARANCES:

2 Walter 'Buddy' Shelton, Chair, Presiding

3 Joel Cunningham, Jr.

4 Watt Foster, Jr. (remote)

5 Richard Hite, Jr.

6 Jay D. Jennings

7 Delegate Danny Marshall

8 William Pace

9 Gary D. Walker

10 ABSENT COMMITTEE MEMBERS:

11 Delegate Leslie Adams

12 Senator Louise Lucas

13 Secretary Caren Merrick

14 Senator Joseph Morrissey

15 COMMISSION STAFF

16 James Campos

17 Stephen Versen

18 Stephanie Kim

19 Vicki Humphreys

20 Sara Williams

21 Sarah Capps

22 Jerry Silva

1 COMMISSION STAFF (con't.):

2 Jordan Butler

3 Suzette Patterson

4 Emily Van Pelt

5 Adrians Counts

6 Hannah Franke-Fuller

7 Joyce Knight

8
9 COUNSEL FOR COMMISSION

10 Elizabeth Myers

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1 (The Southern Virginia Committee meeting
2 commenced at 4:01 p.m., and the Committee's agenda
3 commenced as follows:)

4
5 MR. SHELTON: All right. We will
6 call this meeting of the Southern Virginia
7 Committee to order. The first order of
8 business is -- Deputy Director Versen, would
9 you call the roll?

10
11 MR. VERSEN: Thank you. Good
12 afternoon. Buddy Shelton.

13
14 MR. SHELTON: Here.

15
16 MR. VERSEN: Joel Cunningham.

17
18 MR. CUNNINGHAM: Here.

19
20 MR. VERSEN: Watt Foster. He's
21 listening in. Richard Hite.

22
23 MR. HITE: Here.

24
25 MR. VERSEN: Jay Jennings.

1 MR. JENNINGS: Here.

2
3 MR. VERSEN: Senator Lucas.

4 Delegate Marshall.

5
6 DELEGATE MARSHALL: Here.

7
8 MR. VERSEN: Secretary Merrick
9 designee. Senator Morrissey. Will Pace.

10
11 MR. PACE: Here.

12
13 MR. VERSEN: Gary Walker.

14
15 MR. WALKER: Here.

16
17 MR. VERSEN: We have a quorum.

18
19 MR. SHELTON: Thank you. The
20 minutes from our October the 11th meeting
21 were posted on the web site. Are there any
22 additions or corrections? Or if not, I'll
23 entertain a motion to approve as published.

24
25 MR. PACE: So moved.

1 MR. WALKER: Second.

2
3 MR. SHELTON: We have a motion and
4 a second to approve the meetings as
5 published. All those in favor, signify by
6 saying aye.

7
8 COMMITTEE MEMBERS: Aye.

9
10 MR. SHELTON: Any opposed? Minutes
11 are approved. Is there any public comment
12 at this time? Anything specific to any of
13 the proposals that we'll be discussing
14 later?

15 There will be an opportunity
16 along with those proposals, but any general
17 public comment at this time from the
18 gallery? Hearing none, we'll proceed on
19 with our agenda. I -- we will move into our
20 grant projects --

21
22 MR. PACE: Mr. Chairman.

23
24 MR. SHELTON: -- as summarized on
25 -- on page 31.

1 MR. PACE: I make a technical
2 motion that we push back the closed session
3 matter until after the two other items we
4 can get done first. To postpone the closed
5 session --

6
7 MR. SHELTON: We have a motion. Is
8 there a second?

9
10 MR. HITE: Second.

11
12 MR. SHELTON: All right. We have a
13 motion and a second that we move the
14 confidential project discussion to the end
15 of the meeting and proceed with the -- the
16 listed projects. All those in favor,
17 signify by saying aye.

18
19 COMMITTEE MEMBERS: Aye.

20
21 MR. SHELTON: Any opposed? Hearing
22 none, that motion carries. So Sarah, we
23 will start off with the discussion of the
24 projects that are listed. And anyone --
25 when Sarah gets through the projects, if

1 there's anyone here to speak to those
2 specific projects, please -- please stand so
3 you can be recognized.

4
5 MS. CAPP: Mr. Chairman, members
6 of the Committee, we've got two applications
7 that were tabled at the October Southern
8 Virginia meeting that are before you today.
9 The first one is the Southside Virginia
10 Fruit and Vegetable Producers Association.

11 And this is request No. 4210.

12 It's a request for \$105,000.00 grant. It is
13 matched by \$105,000.00 USDA Rural Business
14 Development Grant funding.

15 The project out -- outputs
16 include completion of build-out of the
17 interior of the Producers Association's
18 aggregation center.

19 This includes the purchase and
20 installation of a cooler to be used for
21 retail sales, to purchase equipment and also
22 to relocate an existing building to be used
23 by the Association for additional storage.
24 The goals -- the agribusiness goals include
25 increasing the current 28-member farms by an

1 additional 60%. So that would be adding 16
2 additional farms to the Association. The
3 aggregate direct sales revenue projections
4 would need to increase from \$496,000.00
5 annually to over \$1M.

6 So as I mentioned, this
7 request was tabled in October. It was a
8 much larger request at that time. And when
9 we tabled it, we invited the applicant to
10 submit a new funding request with a revised
11 scope and budget.

12 And that's what's before you
13 today. This is a more modest request that
14 represents the essential needs of the
15 cooperative to get the aggregation facility
16 in operation.

17 The Commission provided a
18 \$176,000.00 grant in January of 2020 that
19 was used towards this shell building itself.
20 It's a 6,000 square-foot building. It is in
21 place with a concrete floor.

22 The interior needs to be built
23 out and the coolers for the cold storage
24 need to be added. The grant, at that time,
25 was submitted but -- based on what they

1 could match for a grant at that time.
2 Because we were doing a 1:1 match with the
3 department. The Association does have a
4 business plan from 2019 and they are working
5 with Longwood Small Business Development
6 Center in Virginia. And VAFAIRS to update
7 the business plan based on the financial
8 projections.

9 They have committed to
10 providing the updated plan to -- to staff.
11 Staff supports the project. We are
12 recommending approval of \$105,000.00 grant
13 award contingent on the final budget being
14 approved by Commission staff, and contingent
15 on the revised business plan be provided
16 prior to disbursement of grant funds. The
17 -- if anybody has some questions, I'll try
18 to answer them.

19
20 MR. SHELTON: Are there any
21 questions on this project, or is there
22 anyone here to speak specifically to this
23 project? Okay, Sarah, why don't you go
24 ahead with the next one.

1 MS. CAPPAS: The -- the next project
2 is from the Town of Blackstone. This is
3 Making Ends Meet. It is request No. 4165.
4 This is a -- the request amount was reduced.
5 The original request was for \$247,000.00.

6 Blackstone has reduced that
7 request to \$121,383.00, which is 50% of the
8 cost for equipping their hospitality
9 training facility. You all may recognize
10 this project.

11 We approved and the Commission
12 approved a \$581,000.00 grant in January of
13 last year that is going towards the \$3.78M
14 estimated renovation cost for the Harris
15 Memorial Armory, which is being turned into
16 an education center and multi-purpose event
17 space.

18 The focus on the hospitality
19 training is to address the boom restaurants
20 and lodging in Blackstone and the
21 surrounding area that have resulted from the
22 FASTC training facility at Fort Barfoot.
23 It's -- the -- the building itself is 16,400
24 square feet. There's two main floors and a
25 basement level and a balcony on the west end

1 of the building. When we approved the grant
2 last year to go towards construction, there
3 was a contingency for a hospitality
4 education training plan to be developed, to
5 be approved by the Commission with details
6 on certifications and credentials that would
7 be offered by the education partners.

8 We put that in place just to
9 make sure the project would result in
10 outcomes that were of interest to the
11 Commission. We wanted to just have
12 confidence in -- in the use of the space for
13 the hospitality training.

14 They've had two -- one primary
15 partner, which is Virginia Union University.
16 And Virginia Union has a technical college
17 and they have -- they are committing to
18 short term certification training programs.

19 And that information has been
20 submitted to the Commission for approval.
21 The funding request is to equip the culinary
22 arts kitchen and the other educational
23 supplies and furnishings that are needed to
24 train the hospitality students. We did get
25 a detailed budget that was developed in the

1 partnership with Virginia State University's
2 head of hospitality. They are working with
3 Virginia State University to do -- to offer
4 hospitality internships, as well as with
5 their architect -- their architects.

6 Staff has recommended approval
7 of the requested \$121,383.00 of grant funds,
8 which is 50% of the costs for equipping the
9 -- the costs. We are recommending grant
10 award for 50% of the equipping costs for
11 establishing the hospitality career center.

12
13 MR. SHELTON: All right. Are there
14 any questions or comments on this or is
15 there anyone here to speak specifically to
16 this project? Okay. And if you would,
17 please state your name and your affiliation
18 for the record, please.

19
20 MR. VANNOORBEECK: I'm Philip
21 Vannoorbeeck. I'm the town manager in
22 Blackstone and I'm here to answer any
23 questions if you have them. And we would
24 like to thank your staff and Sarah. She's

25

been very helpful with the process. And we

1 appreciate your previous efforts. And if
2 there's something I can explain or try to
3 let you know or get you the schedule or any
4 of this kind of things, I can do it.

5
6 MR. CUNNINGHAM: A question, sir.

7
8 MR. VANNOORBEECK: Come closer so I
9 can hear you.

10
11 MR. CUNNINGHAM: Okay. You can't
12 hear me with the microphone? All right. So
13 the question is, is training of -- for
14 students, how many would you train? What's
15 the -- what's the projection per year?

16
17 MR. VANNOORBEECK: The number of
18 students? I'm going to ask Chastiddy. Can
19 you join us real quick? Chastiddy Bryant is
20 our community development director with the
21 Town of Blackstone. And she worked very
22 closely with Virginia Union University. The
23 question is how many students are expected
24 to be trained, if you have the number.

25

1 MS. BRYANT: Yes. So with Virginia
2 State University, they'll be offering a
3 four-year bachelor's degree, fully
4 accredited online, starting with roughly 10
5 students.

6 Whereas Virginia Union
7 University will do in-person for their
8 certification courses as well as associate's
9 degree. And they're looking at roughly 20
10 students to begin this program.

11
12 MR. HITE: I have a question.

13
14 MR. SHELTON: Yes, sir.

15
16 MR. HITE: So has a study been done
17 to see that 20 -- are they going to find
18 jobs in -- in -- it says in the area or
19 surrounding area. And we know about how --
20 how big the surrounding area's going to be.

21
22 MR. VANNOORBEECK: Well, the Town
23 of Blackstone has been very fortunate
24 recently that the United States Department
25 of State has decided to locate its Foreign

1 Affairs Security Training Center at Fort
2 Barfoot, adjacent to the Town of Blackstone.
3 When that project started in 2011, they
4 intended on having the hospitality side
5 located on the -- on Post.

6 Senator Kaine was very helpful
7 and came back to us and said, we're not
8 going to give them the money to do that.
9 It's going to be on the economy.

10 So there have been over 325
11 new hotels rooms built in the Town of
12 Blackstone and are in operation today. Some
13 are short stay, some are apartments, some
14 are -- a hotel.

15 But what it is, is there's
16 10,000 students a year that cycle through
17 the facility. And we met that benchmark
18 last year.

19 And we have 10,000 students
20 coming through, so any of you that are
21 familiar with the Virginia United Methodists
22 Assembly Center that was located in
23 Blackstone has been converted to the Inn at
24 Blackstone. It was 113-room hotel. And
25 there have been several others that have

1 been constructed. So really, the
2 hospitality industry in Blackstone is a
3 little new to us because we hadn't had this
4 kind of demand before.

5 But yes, there are permanent
6 jobs that we believe in the Town of
7 Blackstone -- and in partnership with County
8 and Hospitality, which is the operator of
9 the Inn at Blackstone, they're going to
10 hopefully provide internships and those kind
11 of things. But they are on our planning
12 group.

13
14 MR. CUNNINGHAM: So does Blackstone
15 and the county, do they have a hotel/motel
16 occupancy tax? And do you have a meals tax?

17
18 MR. VANNOORBEECK: We have both.
19 The Town of Blackstone has a six and half
20 percent meals tax, which -- believe it or
21 not in the Town of Blackstone, is our
22 largest single tax collection that we have.
23 And it really does fund our general fund,
24 our police, fire, those kind of things.
25 It's -- it's a new part of what we do. And

1 lodging tax, yes. However, these
2 facilities -- for the most part -- do not
3 pay lodging tax.

4 Some rooms do pay it, some
5 rooms don't. If the rooms are reserved
6 through the federal government, there's a
7 tax exemption.

8 If those rooms are reserved
9 individually, then lodging taxes apply. So
10 the lodging tax is not as -- as potentially
11 lucrative as the meals tax.

12
13 MR. CUNNINGHAM: Thank you.

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ON: Any other questions or comments from
the Commission? Thank you for explaining
M
on these two staff recommendations.

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V

A MR. PACE: I'll give it a shot.

N
All right. Mr. Chair, I move to approve the
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O two projects as staff recommends in block to
the full Commission.

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1 MR. HITE: Second.

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3 MR. SHELTON: We have a motion and
4 a second to approve the staff
5 recommendations, 4210 and 4165. Any further
6 discussion? Hearing none -- all those in
7 favor, signify by saying aye.

8
9 COMMITTEE MEMBERS: Aye.

10
11 MR. SHELTON: Any opposed? Hearing
12 none, both of those projects are approved as
13 staff recommends. Sarah, I believe we have
14 one extension request.

15
16 MS. CAPPAS: Yes. If you can go to
17 page 35. We have an extension request from
18 the Institute for Advanced Learning and
19 Research.

20 This is for the controlled
21 environmental agriculture project that was
22 approved in January of 2020. It's a
23 \$365,520.00 grant. They are requesting a
24 fifth-year extension. The initial delays
25 were related to filling of post-doc position

1 which occurred in the third quarter of the
2 first year. And then they had restrictions
3 on gatherings during COVID, so that delayed
4 some of the activities that the project is
5 supporting.

6 They did host a -- their --
7 they did report they had 200 attendees for
8 -- and 17 trade show exhibitors, and 240
9 attendees and 20 trade show exhibitors
10 respectively for their CEA Summit East that
11 they held in 2022 and 2023.

12 There is a balance of about
13 \$239,000.00 on the grant project account.
14 The institute is a little overdue in
15 submitting the reimbursement requests to us.
16 We have been tightening the reins on them a
17 little bit.

18 And I did get confirmation
19 from them this morning that they are
20 submitting a reimbursement request today,
21 supposedly -- in the mail to me, they did
22 call. They do have about \$64,000.00 of
23 expenses that have not been submitted for
24 reimbursement. The balance on the grant
25 would be used towards their CEA East Summit

1 -- Summit East in 2024. They're also making
2 plans to hold a new CEA conference in 2024
3 that would focus on entrepreneurship and
4 start-up businesses.

5 And I would, just for the
6 record, I would expect a reasonable amount
7 of that balance to be remaining at the end
8 of next year that could be -- likely be
9 de-obligated -- that would not be needed for
10 the project.

11 But staff is recommending
12 approval of an extension through January
13 31st, 2025.

14
15 MR. SHELTON: Are there any
16 questions or comments on this extension
17 request? Hearing none, what's the
18 Committee's pleasure?

19
20 MR. CUNNINGHAM: Move to accept the
21 staff recommendation for the approval of the
22 extension to January 31 of 2025.

23
24 MR. HITE: Second.

25

1 MR. SHELTON: We have a motion and
2 a second to approve the extension, project
3 3590. All those in favor, signify by saying
4 aye.

5
6 COMMITTEE MEMBERS: Aye.

7
8 MR. SHELTON: Any opposed? Hearing
9 none, that extension request is granted.
10 And I believe that concludes all our
11 business other than the confidential
12 project, which is appropriate for closed
13 session. And we need a motion to take this
14 committee into proper closed session.

15
16 MR. PACE: Mr. Chairman, I have a
17 motion. Mr. Chairman, I move that we enter
18 closed session course through the Virginia
19 Freedom of Information Act.

20 The purposes of this closed
21 session is to discuss the expansion of an
22 existing business or industry where no
23 previous announcement has been made of the
24 business or industry's interest in expanding
25 its facilities in the community. The

1 subject of this closed session is the
2 expansion of an agriculture business. The
3 applicable exemption for the open meeting
4 parts under the Freedom of Information Act
5 is Title 2.2 Section 3711, Paragraph A,
6 subparagraph 5. I so move.

7
8 MR. SHELTON: We have a motion. Is
9 there a second?

10
11 MR. CUNNINGHAM: Second.

12
13 MR. SHELTON: We have a motion and
14 a proper second. All those in favor,
15 signify by saying aye.

16
17 COMMITTEE MEMBERS: Aye.

18
19 MR. SHELTON: Any opposed? Now
20 that motion's approved. We will now move to
21 closed session.

22
23 (The Southern Virginia Committee went into
24 closed session at 4:18 p.m., and resumed at 5:38 p.m.

25 Committee business resumed as follows:)

1 MR. SHELTON: Is that everyone?

2
3 MS. CAPPAS: Yes. The lobby's
4 empty.

5
6 MR. SHELTON: All right. Do we
7 have a motion to come out of closed session?

8
9 MR. PACE: Mr. Chairman, I move
10 that we vote on and record our
11 certifications that to the best of each
12 members' knowledge, only public business
13 matters lawfully exempted from open meeting
14 requirements under this Chapter, and only
15 such public business matters as we -- as
16 were identified in the motion by which the
17 closed meeting was convened, were heard,
18 discussed or considered in the closed
19 meeting. That's my motion.

20
21 MR. SHELTON: All right. Do we
22 have a second?

23
24 MR. CUNNINGHAM: Second.

1 MR. SHELTON: We have a motion and
2 a second to come out of closed session. And
3 I believe this requires a roll call.
4 Mr. Versen.

5
6 MR. VERSEN: Mr. Shelton.

7
8 MR. SHELTON: Yes.

9
10 MR. VERSEN: Mr. Cunningham.

11
12 MR. CUNNINGHAM: Yes.

13
14 MR. VERSEN: Mr. Hite.

15
16 MR. HITE: Yes.

17
18 MR. SHELTON: Coming out of closed
19 session.

20
21 MR. HITE: Yes.

22
23 MR. VERSEN: Mr. Jennings.

24
25 MR. JENNINGS: Yes.

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MR. VERSEN: Delegate Marshall.

DELEGATE MARSHALL: Yes.

MR. VERSEN: Mr. Pace.

MR. PACE: Yes.

MR. VERSEN: Mr. Walker.

MR. WALKER: Yes.

MR. VERSEN: All right. That's it.

MR. SHELTON: All right. We're back in public session again now. Do we have a motion as to the business that we conducted?

MR. PACE: Mr. Chairman. I move that the Committee recommend to the Commission the approval of a grant of \$1.4M from the Southern Virginia Fund for respective business discussed during closed session, and that the Commission accept all

1 staff recommended as such, approved by the
2 Board.

3
4 MR. SHELTON: Do we have a second?

5
6 MR. CUNNINGHAM: Second.

7
8 MR. SHELTON: All right. We have a
9 motion and a proper second that we grant
10 \$1.4M with the contingency that Mr. Pace
11 stated. All those in favor, signify by
12 saying aye.

13
14 COMMITTEE MEMBERS: Aye.

15
16 MR. SHELTON: Any opposed?

17
18 MR. WALKER: Mr. Chair, I need to

19 --

20
21 MR. SHELTON: Any opposed?

22
23 MR. WALKER: -- abstain.

24
25 MR. SHELTON: Hearing none, we have

1 one abstention from Mr. Walker. So hearing
2 that, the recommendation passes. I believe
3 that is all of our grant project business.
4 Do we have any other business, Director
5 Versen, at this time?

6
7 MR. VERSEN: No, sir.

8
9 MR. PACE: Adjourn.

10
11 MR. SHELTON: Hearing none, then we
12 will accept Mr. Pace's recommendation to
13 adjourn. Thank you.

14
15 (The Southern Virginia Committee meeting
16 adjourned at 5:40 p.m.)

CERTIFICATE OF COURT REPORTER

I, Debroah Carter, hereby certify that I was the Court Reporter at the SOUTHERN VIRGINIA COMMITTEE MEETING, heard in Richmond, Virginia, on January 8th, 2024, at the time of the committee meeting herein.

I further certify that the foregoing transcript is a true and accurate record of the testimony and other incidents of the committee meeting herein.

Given under my hand this 15th day of January, 2024.



Debroah Carter, CMRS, CCR
Virginia Certified
Court Reporter

My certification expires June 30, 2024.