

VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501

Richmond, Virginia 23219

IN RE: FULL COMMISSION

January 9, 2024

11:15 a.m.

HEARD BEFORE: Senator Frank Ruff, Chair

Delta Hotels by Marriott, Richmond

Kanawha Ballroom

555 East Canal Street

Richmond, Virginia 23219

COMMONWEALTH REPORTERS, LLC

P. O. Box 13227

Richmond, VA 23225

804-859-2051 (ofc.) 804-291-9460 (fax)

1 APPEARANCES:

2 Senator Frank Ruff, Chair, Presiding

3 Delegate James "Will" Morefield, Vice

4 Chair  
Edward Blevins

5 Gretchen Clark

6 Amanda Cox

7 Joel Cunningham, Jr.

8 Lee "Randy" Everett

9 Richard Hite, Jr.

10 Jay Jennings

11 Delegate Terry G. Kilgore

12 Secretary Matthew Lohr

13 Delegate Daniel Marshall

14 Secretary Caren Merrick

15 Arthur 'Dale' Moore

16 William Pace

17 Sandy Ratliff

18 Walter Shelton

19 Otto Wachsmann

20 Gary Walker

21 Delegate William "Will" Wampler

22 Sarah Wilson

23 Delegate Thomas Wright

24

25

1 ABSENT COMMISSION MEMBERS:

2 Senator John Edwards

3 Watt Foster (medical)

4 Julie Hensley

5 Senator Louise Lucas

6 Senator Joe Morrissey

7 COMMISSION STAFF:

8 James Campos

9 Stephen Versen

10 Stephanie Kim

11 Vicki Humphreys

12 Sarah Capps

13 Sara Williams

14 Jerry Silva

15 Jordan Butler

16 Suzette Patterson

17 Emily Van Pelt

18 Adrian Counts

19 Hannah Franke-Fuller

20 Joyce Knight

21 COUNSEL FOR THE COMMISSION

22 Elizabeth Myers

23 GUEST PRESENTER:

24 Joe Shearin, Executive Director

25 Virginia Small Business Financing Authority

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Adjournment	

1 (The Full Commission meeting commenced at  
2 11:15 a.m., and the Commission's agenda commenced as  
3 follows:)

4  
5 SENATOR RUFF: Let's come to  
6 order. James, call the roll.

7  
8 MR. CAMPOS: Welcome back.  
9 Senator Frank Ruff.

10  
11 SENATOR RUFF: Here.

12  
13 MR. CAMPOS: Delegate Will  
14 Morefield.

15  
16 SENATOR RUFF: Will's here.

17  
18 DELEGATE MOREFIELD: Here.

19  
20 MR. CAMPOS: Edward Blevins.

21  
22 MR. BLEVINS: Here.

23  
24 MR. CAMPOS: Gretchen Clark.  
25

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MS. CLARK: Here.

MR. CAMPOS: Amanda Cox.

MS. COX: Here.

MR. CAMPOS: Jason Powell

MR. POWELL: Present.

MR. CAMPOS: Joel Cunningham.

MR. CUNNINGHAM: Here.

MR. CAMPOS: Senator Joel. Senator  
John Edwards.

SENATOR EDWARDS: No response.

MR. CAMPOS: Randy Everett.

MR. EVERETT: Here.

MR. CAMPOS: Watt Foster. No response.  
Julie Hensley. Richard Light -- Hite.

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MR. HITE: Here.

MR. CAMPOS: Jay Jennings.

MR. JENNINGS: Here.

MR. CAMPOS: Delegate Terry  
Kilgore.

DELEGATE KILGORE: Here.

MR. CAMPOS: Secretary Lohr.

MR. LOHR: Here.

MR. CAMPOS: Senator Louise  
Lucas. Delegate Danny Marshall.

DELEGATE MARSHALL: Here.

MR. CAMPOS: Secretary Caren  
Merrick.

MS. MERRICK: Here.

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MR. CAMPOS: Dale Moore.

MR. MOORE: Here.

MR. CAMPOS: Senator Joe  
Morrisey. William Pace.

MR. PACE: Here.

MR. CAMPOS: Sandy Ratliff.

MS. RATLIFF: Here.

MR. CAMPOS: Buddy Shelton.

MR. SHELTON: Here.

MR. CAMPOS: Otto Wachsmann.

DELEGATE WACHSMANN: Here.

MR. CAMPOS: Gary Walker.

MR. WALKER: Here.

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1 MR. CAMPOS: Delegate Will  
2 Wampler.

3  
4 DELEGATE WAMPLER: Here.

5  
6 MR. CAMPOS: Sara Wilson.

7  
8 MS. WILSON: Here.

9  
10 MR. CAMPOS: Delegate Timmy  
11 Wright. Tommy Wright.

12  
13 DELEGATE WRIGHT: Present.

14  
15 MR. CAMPOS: We have a quorum.

16  
17 SENATOR RUFF: Thank you. The  
18 October minutes were posted on the web  
19 site. Is there a motion?

20  
21 MR. BLEVINS: I make a motion  
22 to approve the October 12, 2023  
23 minutes.

24  
25 SENATOR RUFF: Is there a

1 second?

2  
3 MR. PACE: Second.

4  
5 SENATOR RUFF: All in favor,  
6 say aye.

7  
8 COMMISSION MEMBERS: Aye.

9  
10 SENATOR RUFF: Okay. Public  
11 comment. I don't see nobody racing up.  
12 Will, would you give the Executive  
13 Committee report.

14  
15 DELEGATE MOREFIELD:

16 Mr. Chairman, I believe that all of us  
17 were in the room during the Executive  
18 Committee meeting, so I make a motion  
19 to approve the Committee  
20 recommendation.

21  
22 DELEGATE KILGORE: Second.

23  
24 SENATOR RUFF: Does that  
25 include any executive committee

1 decisions that -- that held last month?

2  
3 MR. VERSEN: Say yes.

4  
5 DELEGATE MOREFIELD: Yes.

6  
7 SENATOR RUFF: Okay. Any  
8 further conversations? Hearing none.  
9 All in favor, say aye.

10  
11 COMMISSION MEMBERS: Aye.

12  
13 SENATOR RUFF: All opposed?  
14 Okay. Approved. Danny, you want to do  
15 the Incentives and Loans?

16  
17 DELEGATE MARSHALL: Sure. And  
18 so first of all, I'm going to ask Joe  
19 Shearin to come up and give a brief  
20 synopsis of what we talked about today  
21 in Incentives and Loans Committee.

22  
23 MR. SHEARIN: Okay.

24  
25 DELEGATE MARSHALL: Introduce

1           yourself.

2  
3                   MR. SHEARIN: I will. Good  
4 morning, everyone. I'm Joe Shearin.  
5 I'm the executive director of the  
6 Virginia Small Business Financing  
7 Authority. Been in business since  
8 1978.

9                   We talked this morning and  
10 -- at Virginia [Small] Business  
11 Financing Authority, we lend to small  
12 businesses. That's what we were put in  
13 place to do.

14                   We were established in  
15 1978. We've been doing that throughout  
16 the State of Virginia since then. What  
17 we proposed to the Tobacco Commission  
18 is -- our expertise is small business  
19 lending.

20                   That's what we do. And  
21 you, as the Tobacco Commission, have  
22 been granting money. And your money is  
23 not infinite, so at some point -- you  
24 continue to grant -- you're going to  
25 run out of money, right? So our

1 proposal, and we've been working with  
2 the staff for several months on trying  
3 to put together a program for you, on  
4 how we put a perpetual fund in place to  
5 help you recoup some of your money --  
6 instead of just giving it away.

7 So we've come up with a  
8 loan product that we would be  
9 administering for you. And we do this  
10 for other agencies.

11 We just received a \$250M  
12 grant from U. S. Treasury that we will  
13 be granting out over the next 10 years.  
14 So it's been part of our history of  
15 doing this.

16 We also have a grant  
17 through the Department of Education for  
18 child care funding that we do loans  
19 banks won't do. Playground equipment,  
20 servicing of the playground equipment.

21 We do that for them under  
22 their parameters. That's our expertise  
23 is handling the operations and handling  
24 the processing and servicing. So what  
25 we would do -- we're requesting a \$10M

1 fund we'd put aside as a beta test to  
2 go out into the marketplace and see if  
3 we can market this product for you. We  
4 did -- we target industries, small  
5 business, agribusiness, energies, IDAs,  
6 EDAs, non-profits in the tobacco  
7 region.

8 We have lenders out in  
9 these regions that we call on companies  
10 all the time. We work very closely  
11 with banks. We're banks' best friends.

12 One of our programs is a  
13 loan guarantee where we guarantee loans  
14 for banks that they typically wouldn't  
15 make.

16 There might be a shortfall  
17 in collateral. There might be a  
18 shortfall in a weak guarantor. We  
19 would go in as a guarantee and  
20 guarantee that loan for the bank.

21 They would then make that  
22 loan to where they would not make it  
23 without our helping out and assistance.  
24 I know all of you've heard of the Small  
25 Business Administration, SBA. We are

1 the Virginia SBA. We have been a well  
2 kept secret throughout the state for  
3 the last several years. We have been  
4 gearing ourselves up. I came in March.

5 Secretary Merrick -- I'm a  
6 41-year banker. I retired, she  
7 convinced me to come out of retirement  
8 and try to help out. And I haven't  
9 regretted it so far.

10 It's been a lot of fun.  
11 And we now are running this agency just  
12 like a small bank. We invest our  
13 funds, we lend money out.

14 I've reconstructed the  
15 agency, we have a new chief credit  
16 officer who worked for me for 12 years  
17 in the private sector. My operations  
18 manager worked for me.

19 So we are a small  
20 community bank and that's the way we  
21 operate. We have the underwriting  
22 criteria. We have credit policies. We  
23 have everything you need. So what we  
24 would propose is the funds would reside  
25 here at the Tobacco Commission -- the

1       \$10M fund. We would go out and we  
2       would underwrite, we would source --  
3       with your staff. If you bring us  
4       loans, we'll do it, too.

5                 But we typically would  
6       take the application, meet with the  
7       customer. Get all the financial  
8       information, analyze the credit,  
9       underwrite the credit.

10                We then would write a  
11       credit memo that would -- present it to  
12       your staff with our recommendation,  
13       whether to approve or deny.

14                If it's our recommendation  
15       to approve, then it goes to you for the  
16       approval process that you would put in  
17       place.

18                Credit policy would be  
19       written based on our credit policy  
20       today, but can be modified depending on  
21       what you would like for us to do.

22                The rate would be set by  
23       your staff or by -- we would recommend.  
24       But it would be below market on a  
25       typical basis. Because we want to



1 entice people to use this money. And  
2 the rate would be set, let's just say  
3 at six percent. Our fee to do this for  
4 you -- all the underwriting, all the  
5 credit analysis, the operations,  
6 collection, billing, everything would  
7 be 50 basis points on every line.

8 So we charge half -- a  
9 half percent on every payment that came  
10 in. We take our slice -- whatever rate  
11 you want to charge -- you can charge  
12 six, you can charge five, you can  
13 charge three.

14 We're taking 50 basis  
15 points. That's our fee. That's it.  
16 We'll charge an application fee,  
17 probably a \$250.00-\$300.00. But other  
18 than that, there are no hidden fees.

19 All the things you hear  
20 about Congress now about banks charging  
21 hidden fees. We don't do that.  
22 Everything will be above board, 50  
23 basis points. If the loan is not made,  
24 you don't pay a penny. We go through  
25 all the expenses and underwriting in

1 getting it done. We're doing this in  
2 partnership because we have the  
3 expertise. We have a new loan system  
4 we're putting in place, and we've got  
5 the capacity to handle these loans.

6 And we believe it's  
7 something that adds value to the  
8 regions you operate in, and it adds  
9 value to us. Also, we'd be willing to  
10 -- some of the deals we might do might  
11 be part grant, part loan.

12 It could be part your  
13 money, it could be part Virginia Small  
14 Business Financing Authority money that  
15 we would partner with you to do the  
16 transactions on.

17 So it would be very  
18 flexible. We will not compete with  
19 banks. That's one of the things  
20 everybody worries about when you start  
21 talking about loans.

22 We are banks' best  
23 friends. We help banks make loans they  
24 typically wouldn't make because we  
25 guarantee them. Or if they don't want

1 to make them, they send them to us on  
2 start-up's. We do start-up loans up to  
3 \$150,000.00 where a bank typically  
4 wouldn't do.

5 Our job is to get that  
6 loan underwritten, do the proper  
7 structure form so that within eight  
8 months, 12 months, 18 months it becomes  
9 a bank-able loan.

10 The bank pays us out.  
11 They keep the deposits. We don't have  
12 deposits, we fund ourselves. We get no  
13 money from the General Assembly on an  
14 appropriations bill.

15 We're self-funded. We get  
16 grants to lend money out. So we would  
17 have some prohibitive lending areas  
18 where that would be set by you, however  
19 you wanted to do that.

20 Again, the loan approval  
21 process would be similar to your TROF  
22 process now I'm told, where we would  
23 make the recommendations. We would  
24 sent it in to the staff for them to  
25 decide what to do. And then it would

1 go through your normal process that you  
2 would set in place for approvals. We  
3 only recommend. We do not approve your  
4 loans for you.

5 Also, anything we deny  
6 will come through it as well. We would  
7 do a credit package write-up on denial  
8 loans as well as approved loans. You  
9 get to look at them.

10 And if you say, no, we  
11 want to do it anyways, fine with us.  
12 We'll do it for you. We might not like  
13 it, but we will do it for you.

14 It's your money. We're  
15 here to help. And then we think we can  
16 roll this thing out as soon as you're  
17 ready.

18 We've got to put together  
19 a memorandum of understanding, I guess  
20 is what they're called here -- or MOU  
21 in banking business -- it's really a  
22 bad thing. It makes me shudder when I  
23 hear those. That's a regulatory issue.  
24 But here, I think it's supposed to be  
25 good. So we can put that together, we

1 can use our existing credit policy we  
2 have in place. But again, we promote  
3 the program throughout your region. We  
4 assist in all the underwriting. We do  
5 the credit analysis. We're going to do  
6 quick, efficient responses.

7 Today if we get a credit  
8 package from a bank, our response time  
9 is 48 hours with a -- with an approval  
10 or a denial. We want to do the same  
11 here. It might take a little longer.

12 It might take five days.  
13 But once we get a complete package from  
14 all the financials, we can make a quick  
15 decision.

16 And again, what this is  
17 going to do -- we've got 40 years of  
18 experience in lending in my old shop.  
19 I got 41. My lender, who's my chief  
20 credit officer got 27.

21 So we've underwritten just  
22 about every type loan you can think of.  
23 Because we've run a \$3.5B bank. We  
24 were making loans up to \$50M-\$60M. So  
25 we've got the experience. So what this

1 partnership does is spur new  
2 investments, job creation. And we're  
3 going to support you with  
4 infrastructure loans. And we're going  
5 to leverage your funds, so it's  
6 perpetual.

7 We're going to lend it  
8 out, get it back. Lend it out, get it  
9 back. And it's a \$10M basis -- again,  
10 I don't give you a money back guarantee  
11 because I can't.

12 But I can tell you any  
13 time if you don't like the program, all  
14 you got to do is call me and say, we  
15 don't want to do this any more.

16 But our goal is to get  
17 \$10M out and I'm back here in six  
18 months saying, you want to give me more  
19 or not? That's our whole goal. To get  
20 it out in the streets for you.

21  
22 MR. CAMPOS: Acting Director  
23 James Campos. About a year ago, I came  
24 on board and I mentioned this earlier  
25 in other sessions. But it was told to

1 me at that point that there was concern  
2 with our present loan program. And we  
3 were going to put it, more or less, on  
4 hold until further notice. Through the  
5 wisdom and -- and foresight of  
6 Secretary Caren Merrick, Joe came on  
7 board.

8 And we had a great  
9 discussion and -- about, you know,  
10 breaking down the silos of government  
11 and cooperating more with each other,  
12 especially within commerce and trade.

13 So Joe and I quickly got  
14 together and I talked to Joe about this  
15 issue or -- if you want to call it that  
16 -- that the Commission, and trying to  
17 figure out how we can kind of re-vamp  
18 it.

19 Or think about other ways  
20 of doing business more effectively. We  
21 spent a few months, as Joe has  
22 mentioned, talked about presently what  
23 we receive in our funds that exist at  
24 the moment -- about 2.4% historically  
25 sitting in the treasury. And that we

1           could, one, do better than that. Two,  
2           keep alive the funds here, increase the  
3           funds, or you know, make it available  
4           for many more generations or decades to  
5           come. And we -- we sat down and said,  
6           well listen.

7                         Right now at the moment,  
8           loans are pretty high in the  
9           marketplace -- anywhere between seven  
10          and a half to eight and a half,  
11          depending.

12                        And that makes it  
13          exclusionary for a lot of particular  
14          entities to go out and seek funding,  
15          again, being ground developments  
16          purposes.

17                        And this is pretty much  
18          the forecast, as I've been told, for --  
19          you know, the next coming few years.  
20          So we really want to do something that  
21          was going to provide economic  
22          assistance to the localities and do  
23          something meaningful. So again, we sat  
24          down, we talked about this -- the  
25          interest rate and how we are able to



1 set the interest rate. Work with  
2 banks, not compete with those banks.  
3 Work with different entities, stack  
4 opportunities. You know, be the -- the  
5 first mile, be the last mile on these  
6 particular projects.

7 But be an economic driver  
8 to the regions. And since the money  
9 had already been allocated --  
10 originally, sent in \$5M. It's gone  
11 down now a little bit from our -- our  
12 loans that we did provide in the past.  
13 And we're at \$31.7M. And  
14 -- and that isn't money that's already  
15 been allocated. And again, it's  
16 sitting there and just right now making  
17 a good 2.4%.

18 We can do better than  
19 that. We can do better by providing  
20 this economic stimulus, of sorts, to  
21 the -- to these individual  
22 organizations or businesses. And I  
23 think that this is really much needed  
24 at this juncture, given the interest  
25 rates that we're experiencing. And

1           also, just given the general economic  
2           environment. We can really make a  
3           great -- a great progress in -- in  
4           economic development.

5                        But you know, also it's --  
6           it's worth stating that we didn't have  
7           the backbone prior at the Tobacco  
8           Commission.

9                        We didn't have the  
10          facilities, we didn't have the credit  
11          rating process. We didn't have any of  
12          the systems in place to really do loans  
13          correctly.

14                      Now through -- through Joe  
15          and his operation, we have this. So it  
16          was something that we really thought  
17          was important to present and go through  
18          the process with us.

19                      And provide us another  
20          arrow to our quiver, to provide those  
21          opportunities to those localities that  
22          I think really much need this sort of  
23          economic assistance.

24  
25                      SENATOR RUFF: Okay. Any

1 questions or comments? Okay.

2  
3 MS. MERRICK: Mr. Chair.

4  
5 SENATOR RUFF: Yes.

6  
7 MS. MERRICK: I would like to  
8 reiterate a comment that I made earlier  
9 which is, thank you, Joe, for  
10 partnering with -- with the Tobacco  
11 Commission.

12 I'd like for you and the  
13 team to work together to help us  
14 understand how we can promote this,  
15 what's the strategic plan, what  
16 industries are we focusing on.

17 What's the ideal -- who  
18 are the ideal customers? And how we're  
19 going to take this show on the road, if  
20 you will, and promote this to -- to  
21 achieve the strategic plan that we want  
22 for this program.

23  
24 DELEGATE MARSHALL: So this is  
25 -- what's occurring with the loans.

1           And so one of the things we're going to  
2           have to do is we're going to -- we are  
3           -- the Committee's going to have to do  
4           a little homework along with staff to  
5           define that.

6                           And so I guess the first  
7           thing we'll look at is the parameters  
8           of TROF. For example, TROF will, you  
9           know, incentivize for economic  
10          development.

11                           But we don't do fast food  
12          restaurants. And so what we can -- and  
13          we have a clean sheet of paper right  
14          now. So we can make this as broad or  
15          as narrow as we want to.

16                           So we have \$10M out of  
17          that that's already been allocated, so  
18          we'll just move it from one pot to  
19          another pot. So this is -- this is  
20          just a start. So...

21  
22                           SENATOR RUFF: Other  
23          questions? Anything else? Is that a  
24          motion?  
25

1 DELEGATE MARSHALL: Oh, I've  
2 got one coming. So I move that we  
3 direct the Executive Director to  
4 proceed with creating a new loan  
5 program in partnership with the  
6 Virginia Small Business Financing  
7 Authority to support small businesses  
8 and any other public organizations,  
9 with the footprint that's outlined by  
10 the presentation that we heard today --  
11 to the Committee today, especially --  
12 it's on page 52 through 56. So that's  
13 the motion.

14  
15 SENATOR RUFF: Is there a  
16 second?

17  
18 MR. BLEVINS: I'll second it.

19  
20 SENATOR RUFF: All right. Any  
21 further discussion? Hearing none. All  
22 in favor, say aye.

23  
24 COMMISSION MEMBERS: Aye.  
25

1           SENATOR RUFF: Opposed.

2  
3           DELEGATE MARSHALL: And  
4 further, I move that \$10M from the  
5 Commission's existing loan program be  
6 committed to support this program.

7  
8           SENATOR RUFF: Is there a  
9 second?

10          MS. CLARK: Second.

11  
12          SENATOR RUFF: Properly moved  
13 and seconded. Any further discussion?  
14 Hearing none. All in favor, say aye.

15  
16          COMMISSION MEMBERS: Aye.

17  
18          SENATOR RUFF: All right. And  
19 so, I have two extensions and  
20 modifications.

21  
22          MR. SHEARIN: Am I through?

23  
24          SENATOR RUFF: You're through.

1 MR. SHEARIN: Thank you.

2  
3 DELEGATE MARSHALL: All right.  
4 I move that the Commission accept the  
5 Incentives and Loans Committee  
6 recommendation to approval of the final  
7 -- the final performance extension for  
8 Oran Safety Glass, Project No. 3295, to  
9 June 30, 2024.

10  
11 MR. BUTLER: Smyth County is  
12 September. Oran Safety Glass is ending  
13 in June.

14  
15 SENATOR RUFF: You've heard  
16 the motion, is there a second?

17  
18 MR. SHELTON: Second.

19  
20 SENATOR RUFF: Any further  
21 discussion? Hearing none. All in  
22 favor, say aye.

23  
24 COMMISSION MEMBERS: Aye.

1 SENATOR RUFF: All opposed?

2  
3 DELEGATE MARSHALL: All right.

4 The final one, Mr. Chair, is I move the  
5 Commission accept the Incentives and  
6 Loans Committee recommendations for  
7 approval of performance extension for  
8 Smyth County Machine County Machine  
9 Fabrication, Project 3485, through June  
10 30th of 2024.

11  
12 MR. BUTLER: That's September.  
13 That one is September.

14  
15 DELEGATE MARSHALL: That's  
16 September. Okay.

17  
18 SENATOR RUFF: Is there a  
19 second?

20  
21 MS. CLARK: Second.

22  
23 SENATOR RUFF: Properly moved  
24 and seconded that that extension be  
25 authorized. All in favor, say aye.



1 COMMISSION MEMBERS: Aye.

2  
3 SENATOR RUFF: Opposed? All  
4 right. We're going to backtrack a  
5 little bit. If I can talk Will to  
6 present -- I'll let him do his  
7 executive committee Report.

8  
9 DELEGATE MOREFIELD: Yes,  
10 Mr. Chairman. My previous  
11 recommendation -- I was trying to save  
12 time to -- in order to satisfy counsel,  
13 only let me read. So Mr. Chairman, I  
14 have a motion.

15 I move that Commission  
16 approve the new energy and agri -- I'm  
17 sorry, agribusiness grant programs  
18 presented today by staff on pages 59  
19 through 90 of the Board book.

20 I also move that the full  
21 Commission approve \$121,143.00 in  
22 administrative costs for fiscal year  
23 '24 for grant 2789 for the Southwest  
24 Virginia Higher Education Center to  
25 continue to administer loans and to

1 fund our student fund forgiveness  
2 program. In addition, I also move the  
3 Commission approve the creation of a  
4 full time senior administrative  
5 specialist position as presented today  
6 by staff and described upon pages 91  
7 through 92 of the Board book.

8  
9 SENATOR RUFF: If there's no  
10 objection to that, is there a second to  
11 that multiple motion?

12  
13 DELEGATE MARSHALL: Second.

14  
15 SENATOR RUFF: Properly moved  
16 and seconded. Any further discussion  
17 on any part of that? Hearing none.  
18 All in favor, say aye.

19  
20 COMMISSION MEMBERS: Aye.

21  
22 SENATOR RUFF: Opposed. Okay,  
23 thank you. Buddy, I think you're up  
24 next.

1 MR. SHELTON: Thank you,  
2 Mr. Chairman. The Southern Committee  
3 had a quite engaged meeting yesterday  
4 afternoon. We had a closed session  
5 discussion of confidential agribusiness  
6 project.

7 And I will move that the  
8 Commission approve a grant award of  
9 \$1.4M from the Southern Virginia fund  
10 for the perspective business discussed  
11 during closed session. And that the  
12 Commission accept all staff-recommended  
13 positions of such an award.

14  
15 MR. BLEVINS: Second.

16  
17 SENATOR RUFF: Any further  
18 discussion? Hearing none. All in  
19 favor, say aye.

20  
21 COMMISSION MEMBERS: Aye.

22  
23 MR. SHELTON: And  
24 Mr. Chairman, I move that the  
25 Commission approve the Southern

1 Virginia Committee's recommendations to  
2 accept staff recommendations for  
3 Project No's 4210 and 4165 as described  
4 in pages 31 through 35 of the  
5 Commission book.

6  
7 MR. BLEVINS: Second.

8  
9 SENATOR RUFF: Properly moved  
10 and seconded. Any further discussion?  
11 Hearing none. All in favor, say aye.

12  
13 COMMISSION MEMBERS: Aye.

14  
15 SENATOR RUFF: Opposed? Okay.

16  
17 MR. SHELTON: And finally,  
18 Mr. Chairman, I move that the  
19 Commission accept the Southern Virginia  
20 Committee's recommendation for the  
21 extension request by the Institute for  
22 Advanced Learning and Research for the  
23 CEA Project No. 3590 to January 31st,  
24 2025.

1 MR. BLEVINS: Second.

2  
3 SENATOR RUFF: Properly moved  
4 and seconded. Any further discussion?  
5 Hearing none. All in favor, say aye.

6  
7 COMMISSION MEMBERS: Aye.

8  
9 MR. SHELTON: That concludes  
10 our business.

11  
12 SENATOR RUFF: Thank you.  
13 Will, get back up again for Southwest.

14  
15 DELEGATE MOREFIELD: Yes, sir,  
16 Mr. Chairman. Southwest Virginia  
17 Committee meeting met. I move the  
18 Commission accept Southwest Virginia  
19 Committee recommendations, taking the  
20 action recommended by the Southwest  
21 Committee listed on pages four through  
22 27 of the Commission book with respect  
23 to the following projects as listed in  
24 your Commission book. In addition, I  
25 also move the Commission accept the

1 Southwest Virginia Committee  
2 recommendation and provide a final  
3 extension to Blue Ridge Public  
4 Television, Incorporated, Project No.  
5 3602 through July 30th, 2024.

6  
7 SENATOR RUFF: Is there a  
8 second?

9  
10 DELEGATE KILGORE: Second.

11  
12 SENATOR RUFF: Any further  
13 discussion? Hearing none. All in  
14 favor, say aye.

15  
16 COMMISSION MEMBERS: Aye.

17  
18 SENATOR RUFF: Okay. That's  
19 the end of that. Stephen, any further  
20 business?

21  
22 MR. VERSEN: I don't believe  
23 so. Stephanie, do we need -- did you  
24 want to say anything regarding --

1 MS. KIM: Just one thing on  
2 that last one. There was an amendment  
3 to the -- to the staff recommendation.  
4

5 SENATOR RUFF: Backing up.  
6 Let's do Southwest again. Will, I'll  
7 withdraw that motion.  
8

9 DELEGATE MOREFIELD:  
10 Mr. Chairman, I move to adopt the  
11 Committee recommendations for all  
12 projects listed in the Board book,  
13 excluding Project No. 4188, and also to  
14 include the recommendation to extend  
15 Blue Ridge Public Television,  
16 Incorporated, Project No. 3602 through  
17 July 30th, 2024.  
18

19 SENATOR RUFF: Is there a  
20 second?  
21

22 MR. BLEVINS: Second.  
23

24 DELEGATE WACHSMANN:  
25 Mr. Chairman.

1 MR. RUFF: Yes.

2  
3 DELEGATE WACHSMANN: Point of  
4 clarification. Did you say the project  
5 -- the dental project in Southwest that  
6 was being removed from the block?

7  
8 DELEGATE MOREFIELD: Yes, sir.  
9 We -- we will be voting on that next.

10  
11 SENATOR RUFF: Is there any  
12 further discussion? Hearing none. All  
13 in favor, say aye.

14  
15 COMMITTEE MEMBERS: Aye.

16  
17 SENATOR RUFF: All opposed.  
18 Okay.

19  
20 DELEGATE MOREFIELD:  
21 Mr. Chairman, I move the Committee  
22 adopt the subcommittee recommendation  
23 for Project 4188, Appalachian Highlands  
24 Community Dental Center for the amount  
25 of \$178,070.00.



1 MS. KIM: There's a condition.

2  
3 DELEGATE MOREFIELD: With the  
4 condition that they are able to  
5 demonstrate the recommendations the  
6 subcommittee made to the organization  
7 on providing that they can prove the  
8 project and recruit dentists to remain  
9 in the area.

10  
11 DELEGATE KILGORE: I like this  
12 form of condition incentive.

13  
14 DELEGATE MOREFIELD: I believe  
15 we gave the -- the --

16  
17 DELEGATE KILGORE: Stephen has  
18 the conditions, yes.

19  
20 DELEGATE MOREFIELD: Yes,  
21 Stephen has those conditions.

22  
23 MS. KIM: The contingency was  
24 for the clinic to provide a recruitment  
25 plan and to report on the results of

1 maintaining dental residents in the  
2 region on an annual basis.

3  
4 MR. BLEVINS: Who will do that  
5 -- sorry.

6  
7 MS. KIM: The grantee.

8  
9 MR. BLEVINS: They're going to  
10 check themselves, okay.

11  
12 MS. KIM: Well, we're going to  
13 -- they're going to report and we're  
14 going to check the report.

15  
16 SENATOR RUFF: All right. Any  
17 further discussion?

18  
19 DELEGATE KILGORE: I need to  
20 abstain -- back up on 4197. But I  
21 guess staff is taking that down.

22  
23 SENATOR RUFF: Yep. Staff,  
24 have you got that or do we need to go  
25 vote?

1 MS. KIM: I think that's --

2  
3 SENATOR RUFF: That's good. I  
4 didn't think of that. All right, thank  
5 you. Any further discussion on the  
6 dentists? Hearing none. All in favor,  
7 say aye.

8  
9 COMMISSION MEMBERS: Aye.

10  
11 SENATOR RUFF: Opposed? Okay.  
12 Steve, what else?

13  
14 MR. VERSEN: Any other  
15 business, Stephanie, or just a need for  
16 --

17  
18 MS. KIM: Citizen members, you  
19 should've received an email yesterday  
20 from the Ethics Council that your  
21 financial disclosure forms are due  
22 February 1st.

23 Contact me if you did not  
24 get that email or if -- if you have any  
25 troubles, I can also assist you.

1 MR. BLEVINS: And you'll file  
2 it for them, is that what you're  
3 saying? Thanks, Stephanie.  
4

5 SENATOR RUFF: Now, is that  
6 the conclusion?  
7

8 MR. VERSEN: Yes, sir.  
9

10 SENATOR RUFF: Are there any  
11 other issues before the -- before we  
12 close?  
13

14 MR. CAMPOS: Joyce, can you  
15 give us an update on the BMW's lights  
16 as well as where we're going for lunch.  
17

18 MS. KNIGHT: I hope that  
19 person went out and cut their lights  
20 off. I'm not going to give you a ride  
21 home, but -- but somebody left their  
22 lights on and it was a BMW. The  
23 license plate number was --  
24

25 MS. MERRICK: Thank you.

1 Thank you, Joyce. I -- Mr. Chair, that  
2 was my car. I had it serviced on  
3 Sunday. And they broke it. So I have  
4 to do a number of -- the whole business  
5 process has changed in turning off my  
6 lights. But I went down and turned  
7 them off.

8  
9 SENATOR RUFF: Thank you,  
10 Joyce.

11  
12 MR. CAMPOS: Joyce, tell us  
13 about lunch.

14  
15 MS. KNIGHT: Okay. Lunch will  
16 be ready at 12:00, and it will be pizza  
17 and a tossed salad and drinks for the  
18 Commission and the staff.

19 Parking, you need to see  
20 me if you need to get your parking  
21 validated for those that did not stay  
22 at the hotel. So please see me,  
23 otherwise we will not be paying for  
24 your parking.

1                   SENATOR RUFF: Thank you,  
2                   Joyce. And with that, we are  
3                   adjourned.

4  
5                   (The Tobacco Commission meeting concluded at  
6 11:44 a.m.)

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CERTIFICATE OF COURT REPORTER

I, Debroah Carter, hereby certify that I was the Court Reporter at the FULL COMMISSION MEETING, heard in Richmond, Virginia, on January 9th, 2024, at the time of the Full Commission meeting herein.

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

Given under my hand this 19th day of January, 2024.



Debroah Carter, CMRS, CCR  
Virginia Certified  
Court Reporter

My certification expires June 30, 2024.

## Winter 2024 Tobacco Commission Meeting – Summary of Final Motions

The following tables summarize the actions the Full Commission made at its January 9 meeting regarding recommendations from the Executive Committee, Incentives & Loans Committee, Southern Virginia Committee and Southwest Virginia Committee. These tables are attached to and made a part of the minutes of the meeting. Unless otherwise noted, all motions were unanimously accepted by the Commission by voice vote.

### Commission Action on Executive Committee Recommendations:

The Commission took the following actions based on the recommendations of the Executive Committee:

Item	Commission Approved Action
Proposed Grant Guidelines	The Commission approved the new Energy and Agribusiness grant programs presented today by staff on pages 59-90 of the board book.
Loan Forgiveness Administration Costs	The Commission approved \$121,143 of administrative costs for FY24 from grant #2789 (scholarship work incentive fund) for the Southwest Virginia Higher Education Center to continue to administer loans under the former Student Loan Forgiveness Program.
New Senior Administrative Specialist Position:	The Commission approved the creation of a full-time Senior Administrative Specialist position, as presented by staff and described on pages 91-92 of the Board book.

### Incentives & Loans Committee

The Commission took the following actions based on the recommendations of the Incentives & Loans Committee:

Item	Commission Approved Action
Oran Safety Glass, Inc., Project #3295	The Commission approved to accept the Incentives & Loans Committee recommendation for approval of a final performance extension for Oran Safety Glass, Inc., Project #3295, through June 30, 2024.
Smyth County Machine and Fabrication, LLC, Project #3485	The Commission approved the Incentives & Loans Committee recommendation for approval of a performance extension for Smyth County Machine and Fabrication, LLC, Project #3485, through September 30, 2024.



VSBFA Loan Partnership	<p>The Commission directed the Executive Director to proceed with creating a new loan program in partnership with the Virginia Small Business Financing Authority to support small businesses and economic development organizations in the footprint as outlined VSBFA's presentation to the Committee, specifically pages 51-56 of board book.</p> <p>Further, the Commission approved that \$10M from the Commission's existing loan fund be committed to support this program.</p>
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### Southern Virginia Committee

The Commission took the following actions based on the recommendations of the Southern Virginia Committee:

Req #	Organization	Project Title	Requested Amount	Staff Recommendation	Commission Decision
<b>Closed Session</b>					
n/a	n/a	n/a	n/a	n/a	The Commission approved a grant award of \$1.4M from the Southern Virginia Fund for the prospective business discussed during closed session, and that the Commission accept all staff recommended conditions of such award.  <b>Gary Walker abstained.</b>
<b>Agribusiness</b>					
4210	Southside Virginia Fruit and Vegetable Producers Association	Southside Virginia Fruit and Vegetable Producers Association Aggregation Capacity Improvements	\$105,000	\$105,000	The Commission approved a \$105,000 grant award contingent on the final budget being approved by Commission staff, and contingent on the revised Business Plan being provided prior to disbursement of grant funds
<b>Tourism</b>					
4165	Town of Blackstone	Making Ends Meet	<del>\$247,217</del> \$121,383	\$121,383	Commission approved a \$121,383 grant award for 50% of the equipping costs for establishing the hospitality training center.

The Commission took action on one project extension and modification from the Southern Virginia Committee:

Item	Commission Approved Action
Institute for Advanced Learning and Research, Controlled Environmental Agriculture: Increasing and Diversifying Agribusiness in Southern Virginia Project #3590	Commission approved extension to January 31, 2025



## Southwest Virginia Committee

The Commission took the following actions based on the recommendations of the Southwest Virginia Committee:

Req #	Organization	Project Title	Requested Amount	Recommended Amount	Commission Decision
<b>Agribusiness</b>					
4190	Appalachian Sustainable Development	ASD Agricultural Campus Site Development Plan	\$39,000	\$29,435	Recommended Amount Approved
4195	Grayson County	Gold Hill Farm Cidery	\$50,000	\$50,000	Recommended Amount Approved contingent on executive director's approval of final third-party performance agreement.
4192	Lee County Livestock Association	Forage Production Initiative for Southwest Virginia	\$525,000	\$262,500	Recommended Amount Approved
4201	Tazewell County IDA	Ponderosa 2	\$100,668	\$100,668	Recommended Amount Approved contingent on executive director's approval of final third-party performance agreement.
<b>Business Development</b>					
4193	City of Galax	Project Light Community Center and Business Incubator	\$74,000	\$74,000	Recommended Amount Approved conditioned upon the Grant's Director's approval of a final project scope identifying the use of Commission funds, and God's Storehouse Soup Kitchen achieving good standing with the State Corporation Commission.
4184	Theatre Guild of Buchanan County	Renovations and Improvements at The CAM	\$485,000	\$317,000	Recommended Amount Approved
<b>Other Economic Development</b>					
4196	Mount Rogers Regional Partnership	Mount Rogers Regional Site Identification and Evaluation Process	\$140,000	\$140,000	Recommended Amount Approved

One “Other Economic Development” project was pulled out for additional discussion and separate approval.

Other Economic Development					
Req #	Organization	Project Title	Requested Amount	Staff Recommendation	Commission Decision
4188	Appalachian Highlands Community Dental Center	Appalachian Highlands Community Dental Center: Clinic Expansion II	\$365,039	\$0	Commission Approved award of \$178,070 with condition that awardee provide staff a recruitment plan for bringing dental professionals to the region, and report annually on recruitment figures.

### Southwest Virginia Committee Continued

Req #	Organization	Project Title	Requested Amount	Recommended Amount	Commission Decision
<b>Sites and Infrastructure</b>					
4189	LENOWISCO Planning District Commission	Speculative Data Center Building at Project Intersection	\$656,416	Tabled	Recommended To Table
4185	LENOWISCO Planning District Commission	20,000 SF Building at Project Intersection	\$800,000	\$800,000	Recommended Amount Approved
4197	Russell County Industrial Development Authority	Russell County Industrial Complex Due Diligence Project	\$112,750	\$112,750	Recommended Amount Approved <b>Kilgore, Wampler abstained</b>
4200	Scott County Economic Development Authority	Scott County Regional Business and Technology Park	\$97,780	\$97,780	Recommended Amount Approved
4198	Virginia Highlands Airport	Westside Development - Phase II	\$225,000	\$225,000	Recommended Amount Approved
<b>Tourism</b>					
4191	Birthplace of Country Music	Birthplace of Country Music Museum Expansion: New Core Exhibit Development and Design	\$100,000	\$0	Recommended Amount Approved
4183	City of Bristol	Bristol Downtown Connector for Mendota Trail - Feasibility Study	\$70,000	\$0	Recommended Amount Approved
4187	Friends of Southwest Virginia	Gateways to Southwest Virginia: An Outdoor Economy Recreation Plan	\$100,000	\$55,000	Recommended Amount Approved <b>Morefield abstained</b>

4194	Scott County Economic Development Authority	Carter Fold 50th Anniversary Celebration	\$80,000	\$80,000	Recommended Amount Approved, contingent upon provision of cost estimates/quotes and the Grant Director's approval of a detailed marketing plan.
4186	Southwest Regional Recreation Authority	Southwest Regional Recreation Authority Multi-State Economic Impact and Marketing Initiative	Withdrawn	Withdrawn	No action taken
4199	Virginia's Heritage Music Trail: The Crooked Road	The Crooked Road: Musical Milestones	\$30,000	\$30,000	Recommended Amount Approved

The Commission took action on one project extension and modification from the Southwest Virginia Committee:

Item	Commission Approved Action
Blue Ridge Public Television, Inc. , Project #3602	The Commission approved the Southwest Virginia Committee recommendation to provide a final extension to Blue Ridge Public Television, Inc. for project #3602 through July 30, 2024.