



▪ **IN-PERSON MEETING** ▪

A G E N D A

EXECUTIVE COMMITTEE

**Virginia Tobacco Region Revitalization Commission
Conference Room**

**701 East Franklin Street, Suite 501, 5th Floor
Richmond, VA 23219**

Tuesday, April 16, 2024, 2:00 P.M.

If participating in the meeting by phone, dial: **1-434-230-0065** and enter Access Code: **107622632#**.

The Commission will not change the method by which it chooses to meet without providing a new meeting notice that is in accordance with the Virginia Freedom of Information Act. If you experience problems calling in, please contact: **Hannah Franke-Fuller** at (804) 894-9659 or hfranke-fuller@revitalizeva.org or **Roz Stein** at (804) 894-9651.

Welcome and Call to Order

The Honorable Will Morefield, Vice Chair

Call of the Roll

*The Hon. James E. Campos, Acting Exec. Director
and Deputy Secretary of Commerce & Trade*

Approval of the 1/9/24 Minutes

(published on website)

Public Comment

The Honorable Will Morefield, Vice Chair

**Economic Development Housing
Incentive Pilot Program Introduction**

*The Hon. James E. Campos, Acting Exec. Director
and Deputy Secretary of Commerce & Trade,
Mr. Stephen Versen, Deputy Director, and
Bryan Horn, Director, Virginia Department of Housing &
Community Development*

Personnel: Acting Executive Director

*The Honorable Caren Merrick, Secretary of
Commerce & Trade*

Energy Update

*Jerry Silva, Director of Regional Energy Development and
Innovation*

VSBF Loan Program Update

*The Hon. James E. Campos, Acting Exec. Director and
Deputy Secretary of Commerce & Trade, and Mr. Stephen
Versen, Deputy Director*

Closed Session: Confidential Project Discussion *Mr. Stephen Versen, Deputy Director*

Foundation Creation Update

Ms. Stephanie Kim, Finance Director

Proposed FY2025 Budget

Ms. Stephanie Kim, Finance Director

Meeting Planning Discussion

Mr. Stephen Versen, Deputy Director

Other Business

Mr. Stephen Versen, Deputy Director

Adjournment

Economic Development Workforce Housing Incentive Pilot Program

Total allocations: \$2 million, Maximum award: \$1 million

Purpose: Enhance the appeal of the Tobacco Region for major economic development projects by incentivizing localities to develop affordable housing options for incoming/expanding company employees.

Incentive structure:

- Applications are made by political subdivisions of the Commonwealth on behalf of the housing developer, which may be for-profit or non-profit.
- Applications received and evaluated on a rolling basis.
- Funds require a minimum three-to-one match and generally follow existing Tobacco Commission funding policies.
- The maximum incentive award is \$35,000 per unit with funds spent on site development, infrastructure, or direct housing construction costs.
- New employer must be within 30-minute drive time of the applicant's project.
- Units can be for rent or for sale.

Minimum qualifications for award:

- Award must be tied to a competitive economic development project in the Tobacco Region and will be considered part of the Commonwealth's overall incentive package. Project must also be eligible for Virginia's Major Business Facility Job Tax Credit, which requires a 50-job threshold for non-distressed localities, a 25-job threshold for distressed localities, and that the threshold number of jobs be created within a 12-month period.
- Recipient locality must have a workforce housing plan in place or commit to creating a plan that meets the needs of the incoming employer.
- The new housing development must, in part, target middle-income households (generally 80-120% of Area Median Income) and meet affordability requirements (i.e. housing budget is generally 30% of income).
- The new units should be densely constructed, such as multifamily and duplexes, so as to improve affordability.
- Applicant must show a demand for housing and explain how the new jobs will impact that demand; applicant must also show proof of funding gap with completed pro-forma that shows demonstrated utilization of different funding sources.

Stronger proposals will include:

Employer participation in the housing project, such as:

- Savings match for employees to help build up their ability to purchase the unit
- Monthly housing payment-matching program to help employees keep housing costs below 30% of their total household income
- Direct financial investment by the employer into the new housing units

- Employer-provided or -subsidized transportation to and from work for residents of the new units

Innovative and meaningful support from the locality for new workforce housing, such as:

- Establishment of a Tax Increment District to help pay for the infrastructure on which the new workforce housing will be built
- The rezoning and up-zoning of parcels that are in easy commuting distance from the employer to allow for more dense and affordable housing construction
- Making significant steps in implementing the locality's workforce housing plan
- Meaningful public investment in the project, such as cash, land donation, infrastructure improvements, waived fees

Involvement from multiple partners leveraging one another's investment into the effort, such as:

- The participation of key state and Federal housing resource organizations such as Virginia Housing, Department of Housing and Community Development, and HUD
- The participation of local and regional housing organizations, including non-profits and community development organizations
- Being eligible for financing from Virginia Housing
- Achieving other community development goals, such as being mixed-use, being located in a revitalization zone, or redeveloping an historic structure
- Building on previous efforts to improve housing in the region (e.g., CIG planning grants, inclusionary zoning, zoning/policy analysis and changes to promote housing) and featuring meaningful public engagement and regional collaboration

1 **FOUNDATION FOR THE ADVANCEMENT OF**
2 **SOUTHERN AND SOUTHWEST VIRGINIA, INC.**
3 **A Virginia Nonstock Corporation**

4
5 **BYLAWS**

6
7 **Adopted _____, 2024**
8 **Revised _____, 2024**
9

10
11 **ARTICLE I**

12 MEMBERS

13 Section 1.1 No Members. As provided in the Articles of Incorporation, the
14 Foundation for the Advancement of Southern and Southwest Virginia, Inc. (the
15 “Foundation”) shall have no members.

16 **ARTICLE II**

17 TRUSTEES

18 Section 2.1 General Powers. The Foundation shall have a Board of Trustees. All
19 corporate powers shall be exercised by or under the authority of, and the business affairs
20 of the Foundation shall be managed under the direction of, its Board of Trustees, subject
21 to any limitation set forth in the Articles of Incorporation, including limitations on any
22 action or inaction that may jeopardize the Foundation’s status as a qualifying entity under
23 Section 501(c)(3) of the Internal Revenue Code. Further, the Board of Trustees shall limit
24 investments, grants, funding, and otherwise support for its projects, grants and other
25 business affairs resulting from any grant from the Tobacco Region Revitalization
26 Commission (“TRRC”) to only those investments, grants, funding, and otherwise support
27 measures that are located in the jurisdictional footprint of TRRC.

28 Section 2.2 Number. As provided in the Articles of Incorporation, the number of

29 trustees constituting the Board of Trustees shall be in a range from a minimum of five (5)
30 to a maximum of nine (9).

31 Section 2.3 Election and Term. After the terms of each trustee set forth in the
32 Articles of Incorporation, trustees shall be elected in the manner and for the terms set forth
33 in the Articles of Incorporation and as provided herein. Despite the expiration of a trustee’s
34 term, such trustee shall serve until a successor is elected and qualifies or until such trustee’s
35 position is eliminated by a decrease in the number of trustees. A decrease in the number
36 of trustees shall not shorten an incumbent trustee’s term. In addition to the limitations of
37 the qualifications of eligibility of trustees to serve pursuant to Section 5(b) of the Articles
38 of Incorporation, at all times the election of successor trustees pursuant to Section 4(b) of
39 such Articles and this Section 2.3 shall ensure that a majority of the trustees then-serving
40 shall not be comprised of members and staff of the TRRC”.

41 A vacancy in the trustee position designated as a TRRC member shall be filled only
42 by TRRC. In all other cases, annually and at least sixty (60) days prior to expiration of a
43 term or in any case of mid-term vacancy in a trustee position, the Board of Trustees shall
44 seek from TRRC nominees for Trustees whose term is expiring or vacant. The Board of
45 Trustees is not required to fill a vacancy from such nominee list.

46 In addition to consideration of the nominee list provided by TRRC, the Board of
47 Trustees in the filling of trustee positions shall consider such person’s nexus with the
48 jurisdiction, responsibility, and goals of TRRC. Such factors include but are not limited
49 to, such person’s residence location within the jurisdictional footprint of TRRC; balance
50 among the representative areas within the TRRC region between what is commonly
51 referred to as Southside and Southwest Virginia; knowledge, skills and abilities supporting

52 the TRRC's goals and objectives, needed expertise among the Board of Trustees and
53 balance and professional and experiential diversity among the other trustees.

54 A majority of the Board shall elect and fill each expired trustee position at the next
55 meeting of the Board following the expiration of the term.

56 Section 2.4 Removal and Vacancies. The Board of Trustees may remove any
57 trustee, with or without cause. A vacancy on the Board of Trustees, including a vacancy
58 resulting from the removal of a trustee or an increase in the number of trustees, may be
59 filled by the Board of Trustees and in the case of a resignation that will become effective
60 at a specified later date, be filled before the vacancy occurs, but the new trustee may not
61 take office until the vacancy occurs.

62 Section 2.5 Meetings. An annual meeting of the Board of Trustees shall be held
63 for the purpose of electing officers and carrying on such other business as may properly
64 come before the Board. Such annual meeting shall be in person. Regular meetings shall
65 be held at such times and at such places, within or without the Commonwealth of Virginia,
66 as the Chairman or the Board of Trustees shall designate from time to time. If no place is
67 designated, regular meetings shall be held at the principal office of TRRC. At each meeting
68 of the Board of Trustees, the Chairman of the Foundation, or, in the Chairman's absence a
69 trustee chosen by the Chairman, shall preside as chairman of the meeting.

70 Section 2.6 Special Meetings. Special meetings of the Board of Trustees may be
71 called by the Chairman or a majority of the Trustees of the Foundation and shall be held at
72 such times and at such places, within or without the Commonwealth of Virginia, as the
73 person or persons calling the meetings shall designate. If no such place is designated in
74 the notice of a meeting, it shall be held at the principal office of the TRRC.

75 Section 2.7 Notice of Meetings. Unless required by resolution of the Board of
76 Trustees, notice of any regular meeting of the Board of Trustees need not be given. Notice
77 of any special meeting shall be given to each trustee at least seventy-two (72) hours before
78 such meeting. Every such notice shall state the time, place and purpose of the meeting. No
79 notice of the reconvening of any adjourned or recessed meeting need be given except as
80 contained in the resolution or ruling directing the adjournment or recess.

81 Section 2.8 Waiver of Notice of Meeting. A trustee may waive any notice
82 required by law, the Articles of Incorporation, or these Bylaws before or after the date and
83 time stated in the notice, and such waiver shall be equivalent to the giving of such notice.
84 Except as provided in the next paragraph of this Section 2.8, the waiver shall be in writing,
85 signed by the trustee entitled to the notice and filed with the minutes or corporate records.

86 A trustee's attendance at or participation in a meeting waives any required notice
87 of the meeting unless the trustee at the beginning of the meeting or promptly upon arrival,
88 objects to holding the meeting or transacting business at the meeting and does not thereafter
89 vote for or assent to action taken at the meeting.

90 Section 2.9 Quorum and Manner of Voting. One-half of the number of trustees
91 who are serving shall constitute a quorum for the transaction of business at a meeting of
92 the Board of Trustees. If a quorum is present when a vote is taken, the affirmative vote of
93 a majority of the trustees present is the act of the Board of Trustees. A trustee who is
94 present at a meeting of the Board of Trustees or a committee of the Board of Trustees when
95 corporate action is taken is deemed to have assented to the action taken unless (i) such
96 trustee objects at the beginning of the meeting, or promptly upon arrival, to holding it or
97 transacting specified business at the meeting; or (ii) votes against, or abstains from, the

98 action taken. In the absence of a quorum, the trustees present may adjourn the meeting
99 from time to time until a quorum is present.

100 Section 2.10 Compensation. Trustees shall not be entitled to receive compensation
101 for their duties as trustees, but shall be entitled to reimbursement for reasonable expenses
102 incurred in connection with the performance of such duties. Such expenses, including
103 travel expenses, shall comply with the travel and expense policies set forth by TRRC for
104 its member and staff expenses.

105 Section 2.11 Action by Trustees Without a Meeting. Any action required to be
106 taken at a meeting of the Board or which may be taken at a meeting of the Board or of a
107 committee established in accordance with these Bylaws, may be taken without a meeting
108 if a consent in writing, setting forth the action so taken, shall be signed before or after such
109 action by all of the trustees or all of the members of the committee. Such consent shall
110 have the same force and effect as a unanimous vote.

111 Section 2.12 Telephonic Meetings. Any or all trustees may participate in a regular
112 or special meeting or conduct the meeting through the use of, any means of communication
113 by which all trustees participating may simultaneously hear each other during the meeting.
114 A trustee participating in a meeting by this means is deemed to be present in person at the
115 meeting.

116 **ARTICLE III**

117 COMMITTEES OF TRUSTEES

118 Section 3.1 Committees. The Chairman of the Foundation may establish one or
119 more committees, including an Executive Committee, a Nominating Committee, and an
120 Audit Committee and appoint members of the Board of Trustees to serve on them.

121 (a) Executive Committee. The Chairman of the Foundation shall be the
122 Chairman of the Executive Committee. The Executive Committee shall have and exercise
123 the authority of the Board in the management of the business and affairs of the Foundation,
124 subject to the restrictions hereinafter set out or as the Board may, from time to time, impose.
125 In no event shall the Executive Committee, or any of its subcommittees, have authority to
126 approve an amendment to the Articles of Incorporation or Bylaws, a plan of merger or
127 consolidation, a sale, lease, exchange, mortgage, pledge or other disposition of all or
128 substantially all, the property and assets of the Foundation, the voluntary dissolution of the
129 Foundation, or revocation of voluntary dissolution proceedings. The Executive Committee
130 shall have the authority to appoint subordinate officers, remove officers, accept the
131 resignation of officers and fill vacancies in any office. The Executive Committee shall
132 have the power to authorize the seal of the Foundation to be affixed to all papers which
133 may require it.

134 The Chief Executive Officer of the Foundation shall serve as advisor to
135 the Executive Committee and may attend its meetings. As advisor, the Chief Executive
136 Officer shall be heard at the Executive Committee meetings but shall not by reason of
137 his/her status as Chief Executive Officer have the power to vote.

138 (b) Nominating Committee. The Nominating Committee shall recommend
139 to the Board persons for election as officers and trustees of the Foundation, subject to the
140 restrictions hereinafter set out in Section 2.3 and further subject to such limitations upon
141 its authority as the Board may from time to time impose.

142 (c) Audit Committee. The Chairman shall be a member of the Audit
143 Committee. The Audit Committee shall be comprised solely of trustees who are free from

144 any relationship that, in the opinion of the Board of Trustees, would interfere with the
145 exercise of independent judgment as a committee member. Trustees who are officers
146 (except for the Chairman) or employees of the Foundation or its subsidiaries shall not be
147 eligible for Audit Committee membership. A trustee who was formerly an officer of the
148 Foundation or any of its subsidiaries may qualify for membership if, in the opinion of the
149 Board, such person will exercise independent judgment and will materially assist the
150 function of the Committee.

151 The Audit Committee shall provide the Board with the report of the
152 Foundation's outside auditors, shall examine such reports, consult with the auditors with
153 respect to their report and the standards and procedures employed by them in their audit,
154 report to the Board the results of its study and recommend the selection of auditors for each
155 fiscal year.

156 Section 3.2 General Matters.

157 (a) Composition. Each committee of the Board shall be composed of (i)
158 the Chairman as an ex-officio member and (ii) not less than two trustees.

159 (b) Notice. The provisions of these Bylaws which govern meetings, action
160 without meetings, notice and waiver of notice, and quorum and voting requirements of the
161 Board of Trustees shall apply to committees.

162 (c) Quorum. A majority of a committee shall constitute a quorum for the
163 transaction of business, and the act of a majority of those present at any meeting at which
164 a quorum is present shall be the act of the committee. Members of a committee shall act
165 only as a committee and the individual members shall have no power as such.

166 (d) Change in Composition, Vacancies, etc. The Chairman shall have the

167 power at any time to change the members of, fill vacancies in, and discharge a committee,
168 with or without cause. The appointment of any trustee to a committee, if not sooner
169 terminated otherwise, shall automatically terminate upon cessation of membership on the
170 Board.

171 **ARTICLE IV**

172 **OFFICERS**

173 Section 4.1 Officers. The officers of the Foundation shall be a Chairman, a Chief
174 Executive Officer, a Secretary and a Treasurer, and in the discretion of the Board of
175 Trustees, one or more Vice-Presidents and other officers and assistant officers as may be
176 deemed necessary or advisable to carry on the business of the Foundation. Any two or
177 more offices may be held by the same person. TRRC staff, members and officers are
178 eligible to serve as officers or staff of the Foundation.

179 Section 4.2 Election; Term. Officers shall be elected at the annual meeting of the
180 Board of Trustees and may be elected at such other time or times as the Board of Trustees
181 shall determine. They shall hold office, unless removed, until the next annual meeting of
182 the Board of Trustees or until their successors are elected. Any officer may resign at any
183 time upon written notice to the Board of Trustees, and such resignation shall be effective
184 when notice is delivered unless the notice specifies a later effective date.

185 Section 4.3 Removal of Officers. The Board of Trustees may remove any officer
186 or assistant officer at any time, with or without cause.

187 Section 4.4 Vacancies. A vacancy in any office caused by death, resignation,
188 removal, disqualification or any other reason shall be filled for the unexpired portion of the
189 term by vote of the Board of Trustees.

190 Section 4.5 Chairman. The Chairman shall have general supervision over the
191 policies of the Foundation, subject to the approval and control of the Board of Trustees. In
192 general, the Chairman shall perform all duties incident to such office and shall have such
193 other powers and authorities as are elsewhere in these Bylaws conferred upon the
194 Chairman.

195 Section 4.6 Chief Executive Officer. The Chief Executive Officer of the
196 Foundation shall have general supervision of the business of the Foundation, the
197 responsibility to implement the policies of the Board and to administer the Foundation in
198 all its activities and departments, subject, however, to the control of the Board, the
199 Executive Committee, and the Chairman. In general, the Chief Executive Officer shall
200 perform all duties incident to such office and such other duties as may from time to time
201 be assigned to him by the Board, the Executive Committee or the Chairman, and shall have
202 such other powers and authorities as are elsewhere in these Bylaws conferred upon the
203 Chief Executive Officer.

204 Section 4.7 Vice Presidents. A Vice President shall perform such duties as may
205 from time to time be assigned by the Board, the Executive Committee or the Chairman and
206 shall have such other powers and authorities as are elsewhere in these Bylaws conferred
207 upon Vice Presidents.

208 Section 4.8 Treasurer. Except as may otherwise be specifically provided by the
209 Board or the Executive Committee, the Treasurer shall have the custody of, and be
210 responsible for, all funds and securities of the Foundation; receive and receipt for money
211 paid to the Foundation from any source whatsoever; deposit all such monies in the name
212 of the Foundation; against proper vouchers, cause such funds to be disbursed by check or

213 draft on the authorized depositaries of the Foundation regularly enter or cause to be entered
214 in the books to be kept by the Treasurer or under the Treasurer's direction, full and adequate
215 accounts of all monies received and paid by the Treasurer for the Foundation; in general,
216 perform all the duties incident to the office of Treasurer and such other duties as from time
217 to time may be assigned to the Treasurer by the Board, the Executive Committee or the
218 Chairman; and have such other powers and authorities as are elsewhere in these Bylaws
219 conferred upon the Treasurer.

220 Section 4.9 Secretary. The Secretary shall act as Secretary of all meetings of the
221 Board; shall keep the minutes thereof in the proper book or books to be provided for that
222 purpose; shall see that all notices required to be given by the Foundation are duly given
223 and served; shall be the custodian of the seal of the Foundation and shall affix the seal or
224 cause it to be affixed to all documents the execution of which on behalf of the Foundation
225 under its corporate seal is duly authorized in accordance with the provisions of these
226 Bylaws; shall have charge of the books, records and papers of the Foundation relating to
227 its organization and management as a corporation, and shall see that any reports or
228 statements relating thereto, required by law or otherwise, are properly kept and filed; shall,
229 in general, perform all the duties incident to the office of Secretary and such other duties
230 as from time to time may be assigned by the Board, the Executive Committee or the
231 Chairman; and shall have such other powers and authorities as are elsewhere in these
232 Bylaws conferred upon the Secretary.

233 Section 4.10 Assistant Treasurers and Assistant Secretaries. Assistant Treasurers
234 and Assistant Secretaries shall perform such duties as shall be assigned to them by the
235 Treasurer and by the Secretary, respectively, or by the Board, the Executive Committee,

236 the Chairman or the Chief Executive Officer; and shall have such other powers and
237 authorities as are elsewhere in these Bylaws conferred upon them.

238 Section 4.11 Bonds. Every officer, agent or employee of the Foundation who may
239 receive handle or disburse money for its account or who may have custody of or be
240 responsible for the safety or preservation of any of the Foundation’s property, may be
241 required, at the discretion of the Board of Trustees, to give bond, with such sureties and in
242 such form as shall be satisfactory to the Board of Trustees and in such sum as shall be
243 decided by the Board, for the faithful performance of the duties of the office held and for
244 the restoration of the Foundation.

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246 **ARTICLE V**

247 **CONFLICTS OF INTEREST POLICY**

248 Section 5.1 Purpose. The purpose of the conflict of interest policy is to protect the
249 Foundation’s interest as a tax-exempt organization when it is contemplating entering into
250 a transaction or arrangement that might benefit the private interest of an officer or trustee
251 of the Foundation or might result in a possible excess benefit transaction. This policy is
252 intended to supplement but not replace any applicable state and federal laws governing
253 conflict of interest applicable to nonprofit and charitable organizations.

254 Section 5.2 Definitions.

255 (a) “Interested Person” - Any trustee, principal officer, or member of a
256 committee with governing board delegated powers, who has a direct or indirect financial
257 interest, as defined below, is an interested person.

258 (b) “Financial Interest” - A person has a financial interest if the person has,
259 directly or indirectly, through business, investment, or family:

- 260 i) An ownership or investment interest in any entity with which the
261 Foundation has a transaction or arrangement,
- 262 ii) A compensation arrangement with the Foundation or with any
263 entity or individual with which the Foundation has a transaction or arrangement, or
- 264 iii) A potential ownership or investment interest in, or compensation
265 arrangement with, any entity or individual with which the Foundation is negotiating a
266 transaction or arrangement. Compensation includes direct and indirect remuneration as
267 well as gifts or favors that are not insubstantial.

268 A financial interest is not necessarily a conflict of interest. Under
269 Section 5.3(2), a person who has a financial interest may have a conflict of interest only if
270 the appropriate governing board or committee decides that a conflict of interest exists.

271 Section 5.3 Procedures.

272 1. Duty to Disclose

273 In connection with any actual or possible conflict of interest, an interested
274 person must disclose the existence of the financial interest and be given the opportunity to
275 disclose all material facts to the Board of Trustees and members of committees with
276 governing board delegated powers considering the proposed transaction or arrangement.

277 2. Determining Whether a Conflict of Interest Exists

278 After disclosure of the financial interest and all material facts, and after any
279 discussion with the interested person, he/she shall leave the governing board or committee
280 meeting while the determination of a conflict of interest is discussed and voted upon. The
281 remaining board or committee members shall decide if a conflict of interest exists.

282 3. Procedures for Addressing the Conflict of Interest

283 (a) An interested person may make a presentation at the governing
284 board or committee meeting, but after the presentation, he/she shall leave the meeting
285 during the discussion of, and the vote on, the transaction or arrangement involving the
286 possible conflict of interest.

287 (b) The chairperson of the governing board or committee shall, if
288 appropriate, appoint a disinterested person or committee to investigate alternatives to the
289 proposed transaction or arrangement.

290 (c) After exercising due diligence, the governing board or committee
291 shall determine whether the Foundation can obtain with reasonable efforts a more
292 advantageous transaction or arrangement from a person or entity that would not give rise
293 to a conflict of interest.

294 (d) If a more advantageous transaction or arrangement is not reasonably
295 possible under circumstances not producing a conflict of interest, the governing board or
296 committee shall determine by a majority vote of the disinterested trustees whether the
297 transaction or arrangement is in the Foundation's best interest, for its own benefit, and
298 whether it is fair and reasonable. In conformity with the above determination it shall make
299 its decision as to whether to enter into the transaction or arrangement.

300 4. Violations of the Conflicts of Interest Policy

301 (a) If the governing board or committee has reasonable cause to believe
302 a member has failed to disclose actual or possible conflicts of interest, it shall inform the
303 member of the basis for such belief and afford the member an opportunity to explain the
304 alleged failure to disclose.

305 (b) If, after hearing the member's response and after making further
306 investigation as warranted by the circumstances, the governing board or committee
307 determines the member has failed to disclose an actual or possible conflict of interest, it
308 shall take appropriate disciplinary and corrective action.

309 Section 5.4 Records of Proceedings. The minutes of the governing
310 board and all committees with board delegated powers shall contain:

311 (a) The names of the persons who disclosed or otherwise were found to
312 have a financial interest in connection with an actual or possible conflict of interest, the
313 nature of the financial interest, any action taken to determine whether a conflict of interest
314 was present, and the governing board's or committee's decision as to whether a conflict of
315 interest in fact existed.

316 (b) The names of the persons who were present for discussions and
317 votes relating to the transaction or arrangement, the content of the discussion, including
318 any alternatives to the proposed transaction or arrangement, and a record of any votes taken
319 in connection with the proceedings.

320 Section 5.5 Compensation.

321 (a) A voting member of the governing board who receives
322 compensation, directly or indirectly, from the Foundation for services is precluded from
323 voting on matters pertaining to that member's compensation.

324 (b) A voting member of any committee whose jurisdiction includes
325 compensation matters and who receives compensation, directly or indirectly, from the
326 Foundation for services is precluded from voting on matters pertaining to that member's
327 compensation.

328 (c) No voting member of the governing board or any committee whose
329 jurisdiction includes compensation matters and who receives compensation, directly or
330 indirectly, from the Foundation, either individually or collectively, is prohibited from
331 providing information to any committee regarding compensation.

332 Section 5.6 Annual Statements. Each trustee, principal officer and member of a
333 committee with governing board delegated powers shall annually sign a statement which
334 affirms such person:

- 335 (a) Has received a copy of the conflicts of interest policy,
- 336 (b) Has read and understands the policy,
- 337 (c) Has agreed to comply with the policy, and
- 338 (d) Understands the Foundation is charitable and in order to maintain
339 its federal tax exemption it must engage primarily in activities which accomplish one or
340 more of its tax-exempt purposes.

341 Section 5.7 Periodic Reviews. To ensure the Foundation operates in a manner
342 consistent with charitable purposes and does not engage in activities that could jeopardize
343 its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a
344 minimum, include the following subjects:

- 345 (a) Whether compensation arrangements and benefits are reasonable,
346 based on competent survey information, and the result of arm's length bargaining.
- 347 (b) Whether partnerships, joint ventures, and arrangements with
348 management organizations conform to the Foundation's written policies, are properly
349 recorded, reflect reasonable investment or payments for goods and services, further

350 charitable purposes and do not result in inurement, impermissible private benefit or in an
351 excess benefit transaction.

352 Section 5.8 Use of Outside Experts.

353 When conducting the periodic reviews as provided for in Section 5.7, the
354 Foundation may, but need not, use outside advisors. If outside experts are used, their use
355 shall not relieve the governing board of its responsibility for ensuring periodic reviews are
356 conducted.

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ARTICLE VI

MISCELLANEOUS PROVISIONS

359
360 Section 6.1 Corporate Seal. The corporate seal of the Foundation shall be circular
361 and shall have inscribed thereon, within and around the circumference, “FOUNDATION
362 FOR THE ADVANCEMENT OF SOUTHERN AND SOUTHWEST VIRGINIA.” In the
363 center shall be the word “SEAL.”

364 Section 6.2 Fiscal Year. The fiscal year of the Foundation shall be the year
365 beginning July 1 and ending June 30.

366 Section 6.3 Interpretation. For the purpose of construing these Bylaws, unless the
367 context indicates otherwise, words in the singular number shall be deemed to include words
368 in the plural and vice versa, and words in one gender shall be deemed to include words in
369 other genders.

370 Section 6.4 Amendments; Waiver. Except as otherwise provided in the Articles of
371 Incorporation, these Bylaws may be amended or repealed, and new Bylaws may be made
372 at any regular or special meeting of the Board of Trustees only upon at least thirty (30)
373 days’ advance notice to all Trustees. Except as otherwise provided in the Articles of

374 Incorporation, in any regular or special meeting a requirement or provision in these Bylaws
375 may be waived upon unanimous approval or unanimous consent of the Board of Trustees.

376 Section 6.5 Financial Reports. Financial Reporting will conform to any
377 Compliance Policy of TRRC, unless otherwise required by law or regulation.

378 *[EXECUTION PAGE FOLLOWS]*
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*[EXECUTION PAGE FOR BYLAWS OF THE FOUNDATION FOR THE
ADVANCEMENT OF SOUTHERN AND SOUTHWEST VIRGINIA, INC.]*

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, consisting of all the directors of the Foundation for the Advancement of Southern and Southwest Virginia, Inc., a corporation incorporated, organized and existing under the laws of the Commonwealth of Virginia, do hereby certify that the foregoing Bylaws, which supersede and replace, in their entirety, any prior bylaws of the corporation, were duly adopted as the Bylaws of the said corporation.

IN WITNESS WHEREOF, we have executed our names this ____ day of February, 2024.

[NAME]

[NAME]

[NAME]

[NAME]

[NAME]

[NAME]

426 KNOW ALL MEN BY THESE PRESENTS:

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428 That I, the undersigned, the duly elected, and acting Secretary of the Foundation
429 for the Advancement of Southern and Southwest Virginia, Inc., do hereby certify, that the
430 above and foregoing Bylaws were adopted as the Bylaws of said corporation on the
431 _____ day of February, 2024.

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433 IN WITNESS WHEREOF, I have executed my name this _____ day of February,
434 2024.

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_____, Secretary

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3 **ARTICLES OF INCORPORATION**
4 **FOR**

5
6 **FOUNDATION FOR THE ADVANCEMENT OF**
7 **SOUTHERN AND SOUTHWEST VIRGINIA, INC.**
8

9 A Virginia Nonstock Corporation

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11 1. **Name.** The name of the corporation is

12 **FOUNDATION FOR THE ADVANCEMENT OF**
13 **SOUTHERN AND SOUTHWEST VIRGINIA, INC.**
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16 2. **Purposes.** The Foundation for the Advancement of Southern and Southwest
17 Virginia, Inc. (the "Foundation") is organized exclusively for educational, scientific
18 and charitable purposes as defined in Section 501(c)(3) of the Internal Revenue Code
19 or the corresponding provision of any future federal tax statute (the "Code"),
20 specifically, to provide financial and other support to the initiatives, programs,
21 activities, and goals of the Tobacco Region Revitalization Commission the ("TRRC"), a
22 Virginia public body constituted by statute as a political subdivision of the
23 Commonwealth of Virginia. Subject to the limitations set forth below, the
24 Foundation may conduct any or all lawful affairs, not required to be stated
25 specifically in these Articles, for which corporations may be incorporated under the
26 Virginia Nonstock Corporation Act.

27 3. **Activities and Powers.** (a) The Foundation shall not be operated for profit. It
28 may engage only in activities that may be carried on by an organization exempt from
29 federal income tax under Section 501(c)(3) of the Code and by a corporation to which
30 contributions are deductible under Sections 170(c), 2055 and 2522 of the Code. To
31 the extent consistent with Section 501(c)(3) of the Code, the Foundation may exercise
32 any and all powers conferred upon nonstock corporations by Sections 13.1-826 and -
33 827 of the Virginia Nonstock Corporation Act.

34 (b) No substantial part of the activities of the Foundation shall be the
35 carrying on of propaganda, or otherwise attempting, to influence legislation
36 (except as otherwise permitted by Section 501(h) of the Code); and the
37 Foundation shall not participate in, or intervene in (including the publishing
38 or distributing of statements), any political campaign on behalf of, or in
39 opposition to, any candidate for public office.
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41 (c) No part of the net earnings of the Foundation shall inure to the benefit
42 of any trustee or officer of the Foundation or any person having a personal or
43 private interest in the activities of the Foundation, except that the Foundation
44 may pay reasonable compensation for services rendered and may make
45 payments or distributions in furtherance of the purposes set forth in Article 2.

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4. **Members.** The Foundation shall have no members. All voting power, including without limitations power to vote on amending these Articles of Incorporation, shall be vested in the Board of Trustees.

5. **Trustees.** (a) The Board of Trustees shall consist of not less than five (5) and not more than nine (9) members. The initial Board of Trustees shall consist of the following nine (9) individuals:

| <u>Name</u> | <u>Address</u> | <u>Term Ends</u> |
|---------------------------------------|---|--|
| The Honorable Daniel W. Marshall, III | P.O. Box 439 Danville, VA 24543 | <i>Ex Officio</i> (TRRC Designee) |
| The Honorable James E. Campos | 701 E. Franklin St., Ste. 501 Richmond, VA 23219 | <i>Ex Officio</i> (TRRC Staff Designee) |
| The Honorable Don Merricks | 1180 Astin Lane Danville, VA 24540 | 2025 |
| Shannon R. Blevins | One College Ave. Wise, VA 24293 | 2025 |
| Becky Coleman | P.O. Box 217 Gate City, VA 25251 | 2025 |
| The Honorable Ed Owens | P.O. Box 946 South Boston, VA 24592 | 2026 |
| Jeff Haley | 109 Fenton Pl. Danville, VA 24541 | 2026 |
| Butch Hamlet | 405 Riverside Drive Bassett, VA 24055 | 2026 |
| The Honorable Amanda Pillion | 125 West Valley Street Abingdon, VA 24210 | 2026 |

b) Each initial Trustee shall serve for a term expiring at the annual meeting of the Board in the year set opposite his or her name above, except that two (2) Trustee will serve in an *ex-officio* capacity: (i) a designee Commission member from the TRRC or his or her designee and (ii) a designated staff member of the TRRC or his or her designee with full voting privileges for as long as he or she serves the TRRC in their respective capacity. At any time, the TRRC can replace such designated trustee with another person meeting the requirements of such *ex-officio* trustee positions. As the terms of the initial Trustees and their successors expire, the Board of Trustees shall elect Trustees for two-year terms as set forth in the Bylaws of the Foundation. Vacancies on the Board shall be filled by majority vote of the remaining Trustees. At all times, at least

66 one Trustee must be a member of TRRC, but in no case may a majority of a
67 quorum (inclusive of *Ex Officio* Trustees) of the Board of Trustees be
68 comprised of TRRC members and staff. Annually and at least sixty (60) days
69 prior to expiration of a term, the Board of Trustees shall seek from TRRC
70 nominees for Trustees whose term is expiring, but the Board of Trustees is
71 not required to fill a vacancy from such nominee list.

72 c) No Trustee shall be eligible to serve more than three consecutive two-
73 year terms; but an initial Trustee named in these Articles for a shorter term or
74 a Trustee elected to fill a vacancy may thereafter serve two full terms if
75 elected.

76 d) Staff of TRRC shall also be eligible to serve as a Trustee.

77 6. **Business Office, Registered Office, and Agent.** The business offices where the
78 books and records of the Foundation are kept shall be 701 East Franklin Street, Suite
79 501, Richmond, Virginia 23219. The registered office of the Foundation shall be 13207
80 Broncroft Court, Midlothian, Virginia 23113. The registered agent shall be Howard P.
81 Estes, Jr., who is a resident of Virginia and a member of the Virginia State Bar and
82 whose office is the Foundation's registered office.

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84 7. **Dissolution.** Upon the dissolution of the Foundation and the winding up of
85 its affairs, the net assets of the Foundation shall be distributed exclusively to TRRC
86 or one or more foundations dedicated to its support. If TRRC may not receive such
87 distributions and no foundation dedicated to the support of TRRC is described in
88 Sections 170(c)(2) and 501(c)(3) of the Code when distributions are to be made to it,
89 the net assets of the Foundation shall be distributed to one or more entities organized
90 and operated exclusively for charitable, scientific, or educational purposes and then
91 so described, to be used to support economic development in the communities
92 located within the service boundaries of TRRC.

93 8. **Indemnification.** (a) In this Article:

94 "applicant" means the person seeking indemnification pursuant to this
95 Article;

96 "expenses" includes counsel fees;

97 "liability" means the obligation to pay a judgment, settlement, penalty, fine,
98 including any excise tax assessed with respect to an employee benefit
99 plan or reasonable expenses incurred with respect to a proceeding;

100 "party" includes an individual who was, is or is threatened to be made a
101 named defendant or respondent in a proceeding; and

102 "proceeding" means any threatened, pending, or completed action, suit, or
103 proceeding, whether civil, criminal, administrative, or investigative and
104 whether formal or informal.

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106 (b) In any proceeding brought by or in the right of the Foundation, no
107 Trustee or officer of the Foundation shall be liable to the Foundation for
108 monetary damages with respect to any transaction, occurrence or course of

109 conduct, whether prior to or subsequent to the effective date of this Article,
110 except for liability resulting from such person's having engaged in willful
111 misconduct or a knowing violation of the criminal law or any federal or state
112 securities laws.

113 (c) The Foundation shall indemnify (i) any person who was or is a party
114 to an proceeding, including a proceeding as in the right of the Foundation, by
115 reason of the fact that he is or was a Trustee or officer of the Foundation or
116 (ii) any Trustee or officer who is or was serving at the request of the
117 Foundation as a director, trustee, partner or officer of another corporation,
118 partnership, joint venture, trust, employee benefit or other enterprise, against
119 any liability incurred by him in connection with such proceeding unless he
120 engaged in willful misconduct or a knowing violation of the criminal law. A
121 person is considered to be serving an employee benefit plan at the
122 Foundation's request if his duties to the Foundation also impose duties, or
123 otherwise involve services by him, to plan or to participants in or beneficiaries
124 of the plan. The Board of Trustees is hereby empowered, by a majority vote
125 of disinterested Trustees, to enter into contract to indemnify any Trustee or
126 officer in respect of any proceedings arising from any act or omission,
127 whether occurring before or after execution of such contract.

128 (d) The provisions of this Article shall be applicable to all proceedings
129 commenced after the adoption hereof, arising from any act or omission,
130 whether occurring before or after such adoption. No amendment or repeal of
131 this Article shall have any effect on these rights provided under this Article
132 with respect to any act or omission occurring prior to such amendment or
133 repeal. The Foundation shall promptly take all such actions, and make all
134 such determinations, as shall be necessary or appropriate to comply with its
135 obligation to make any indemnity under this Article and shall promptly pay or
136 reimburse all reasonable expenses, including *attorneys' fees*, incurred by any
137 such Trustee or officer in connection with such actions and determinations or
138 proceedings of any kind arising there from.

139 (e) The termination of any proceeding by judgment, order, settlement,
140 conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of
141 itself create a presumption that the applicant did not meet the standard of
142 conduct described in Section (b) or (c) of this Article.

143 (f) Any indemnification under section (c) of this Article (unless ordered
144 by a court) shall be made by the Foundation only as authorized in the specific
145 case upon a determination that indemnification to the applicant is proper in
146 the circumstances because he has met the applicable standard of conduct set
147 forth in section The determination shall be made:

148 (i) By the Board of Trustees by a majority vote of a quorum
149 consisting of Trustees not at the time parties to the proceeding.

150 (ii) If a quorum cannot be obtained under subsection (i) of

151 this section, by majority vote of a committee duly designated
152 by the Board of Trustees (in which designation Trustees who
153 are parties may participate), such committee consisting solely
154 of two or more Trustees not at the time parties to the
155 proceeding; or

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157 (iii) By special legal counsel:

158 (A) Selected by the Board of Trustees or its
159 committee in the manner prescribed in subsection (i) or
160 (ii) of this section, or

161 (B) If a quorum of the Board of Trustees cannot be
162 obtained, under subsection (i) of this section and a
163 committee cannot be designated under subsection (ii) of
164 this section, selected by majority vote of the full Board of
165 Directors, in which selection Directors who are parties
166 may participate.

167 Any evaluation as to reasonableness of expenses shall be made in the same
168 manner as the determination that indemnification is appropriate, except that if
169 the determination is made by special legal counsel, such evaluation as to
170 reasonableness of expenses shall be made by those entitled under subsection
171 (iii) of this section (f) to select counsel.

172 (g) (i) The Foundation shall pay for or reimburse the
173 reasonable expenses incurred by any applicant who is a party to a proceeding
174 in advance of final disposition of the proceeding in advance of final
175 disposition of the proceeding or the making of any determination under
176 section (f) if the applicant furnishes the Foundation:

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178 (A) A written statement of his good faith belief that
179 he has met the standard of conduct described in section
180 (c); and

181 (B) A written undertaking, executed personally or on
182 his behalf, to repay the advance if it is ultimately
183 determined that he did not meet such standard of
184 conduct.

185 (ii) The undertaking required by paragraph (B) of
186 subsection (a) of this section shall be an unlimited general
187 obligation of the applicant but need not be secured and maybe
188 accepted without reference to financial ability to make
189 repayment.

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191 (iii) Authorizations of payments under this section shall be
192 made by the persons specified in section (f).

193 (h) The Board of Trustees is hereby empowered, by majority vote of the
194 quorum consisting of disinterested Trustees, to cause the Foundation to
195 indemnify or contract to indemnify any person not specified (c) of this Article
196 who was, is or may become a party to any proceeding, by reason of the fact
197 that he is or was an employee or agent of the Foundation, or is or was serving
198 at the request of the Foundation as director, trustee, officer, employee, or
199 agent of another corporation, partnership, joint venture, trust, employee
200 benefit plan or other enterprise, to the same extent as if such person were
201 specified as one to whom indemnification is granted under section (c). The
202 provisions of sections (c) through (g) of this Article shall be applicable to any
203 indemnification provided pursuant to this section (h).

204 (i) The Foundation may purchase and maintain insurance to indemnify it
205 against the whole or any portion of the liability assumed by it in accordance
206 with this Article and may also procure insurance, in such amounts as the
207 Board of Trustees may determine, on behalf of any person who is or was a
208 Trustee, officer, employee or agent of the Foundation, or is or was serving at
209 the request of the Foundation as a Trustee, officer, employee or agent of
210 another corporation, partnership, joint venture, trust, employee benefit plan or
211 other enterprise, against any liability asserted against or incurred by him in
212 any such capacity or arising from his status as such, whether or not the
213 Foundation would have power to indemnify him against such liability under
214 the provisions of this Article.

215 (j) Every reference herein to directors, trustees, officers, employees or
216 agents shall include former directors, trustees, officers, employees and agents
217 and their respective heirs, executors and administrators. The indemnification
218 hereby provided and provided hereafter pursuant to the power conferred by
219 this Article on the Board of Trustees shall not be exclusive of any other rights
220 to which any person may be entitled, including any right under policies of
221 insurance that may be purchased and maintained by the Foundation or others,
222 with respect to claims, issues or matters in relation to which the Foundation
223 would not have the power to indemnify such person under the provisions of
224 this Article. Such rights shall not prevent or restrict the power of the
225 Foundation to make or provide for any further indemnity, pursuant to one or
226 more indemnification agreements, bylaws, or other arrangements (including,
227 without limitation, creation of trust funds or security interests funded by
228 letters of credit or other means) approved by the Board of Trustees (whether
229 or not any of the Trustees of the Foundation shall be a party to or beneficiary
230 of any such agreements, bylaws or arrangements); provided however, that
231 any provision of such agreements, bylaws or other arrangements shall not be
232 effective if and to the extent that is contrary to this Article or applicable laws
233 of the Commonwealth of Virginia.

234 (k) Each provision of this Article shall be severable, and an adverse
235 determination as to any such provision shall in no way affect the validity of
236 any other provision.

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Dated: _____, 20__

**FOUNDATION FOR THE ADVANCEMENT OF
SOUTHERN AND SOUTHWEST
VIRGINIA, INC.**

Howard P. Estes, Jr., Incorporator

DRAFT

Tobacco Region Revitalization Commission Proposed FY2025 Budget

| | <u>FY2024</u> |
|--|----------------|
| Endowment Balance July 1, 2023 | \$ 122,085,751 |
| Minus June corpus invasion | (18,312,863) |
| Ending Endowment Balance June 30, 2024 | \$ 103,772,888 |
| Corpus Invasion--> | 15.0% |

| <u>SOURCES of Funds</u> | <u>FY2024</u> | | <u>Proposed FY2025</u> | <u>% of Budget</u> |
|---|----------------------|--|----------------------------|------------------------|
| Interest Earnings | \$ 3,762,348 | | \$ 4,300,000 | |
| TICR Endowment | - | | 18,312,863 | |
| Lending Program | 18,208,351 | | | |
| Carryforward | 5,965,701 | | 2,827,376 | |
| Total Sources | \$ 27,936,400 | | \$ 25,440,239 | |
| <u>USES of Funds</u> | | | | |
| Administration | | | | |
| Salaries, Benefits, Per Diems | \$ 1,432,900 | | \$ 1,706,500 | |
| Contractual Services, Travel | 237,800 | | 258,000 | |
| Supplies and Materials | 11,000 | | 10,000 | |
| Transfer Payments | 334,300 | | 323,800 | |
| Rent, Insurance, Agency Svc Charges | 213,400 | | 340,050 | |
| Furniture and Equipment | 7,000 | | 6,000 | |
| Total Administration | \$ 2,236,400 | | \$ 2,644,350 | 15.7% |
| | | Unobligated Balance as of 2/28/2024 | | |
| Tobacco Region Opportunity Fund | \$ - | \$ 21,892,204 | \$ - | 0.0% |
| Education | | | | |
| Competitive | \$ 2,000,000 | \$ 2,173,582 | \$ - | |
| Talent Attractions Programs | \$ - | 4,067,750 | - | |
| Workforce Financial Aid | 2,200,000 | 3,867,827 * | 2,200,000 | |
| | \$ 4,200,000 | \$ 10,109,159 | \$ 2,200,000 | 13.1% |
| Economic Development | | | | |
| Southern Va Committee | \$ 6,000,000 | \$ 29,870,189 * | \$ 6,000,000 | |
| Southwest Va Committee | 3,500,000 | 5,094,587 * | 6,000,000 | |
| Total Economic Development | \$ 9,500,000 | \$ 34,964,776 | \$ 12,000,000 | 71.2% |
| Megasite Prospect Incentive Fund | \$ - | \$ 17,375,889 | \$ - | 0.0% |
| Lending Program | \$ - | \$ 21,696,319 | \$ (3,500,000) | -20.8% |
| Energy Innovation Fund | \$ 12,000,000 | \$ 12,000,000 * | \$ - | 0.0% |
| Agribusiness | \$ - | \$ - | \$ 1,500,000 | 8.9% |
| Economic Dev Housing Pilot | \$ - | \$ - | \$ 2,000,000 | 11.9% |
| General Account | \$ - | \$ 2,827,376 | \$ - | 0.0% |
| Total Uses | \$ 27,936,400 | \$ 120,865,723 | \$ 16,844,350 | 100.0% |

*Awards anticipated in May 2024