

1                   **TOBACCO REGION REVITALIZATION COMMISSION**

2                                   701 East Franklin Street, Suite 501

3                                   Richmond, Virginia 23219

4

5

6

7

8                                   **Full Commission Meeting**

9                                   Thursday, March 8, 2018

10                                  8:30 o'clock p.m.

11

12

13

14

                                  Homewood Suites

15

                                  Richmond, Virginia

16

17

18

19

20

21

22

23

24

25

**CRANE-SNEAD & ASSOCIATES, INC.**

                                  4914 Fitzhugh Avenue, Suite 203

                                  Richmond, Virginia 23230

                                  Tel. No. (804) 355-4335

                                  Fax No. (804) 355-7922

1     **APPEARANCES:**

2     The Honorable Terry G. Kilgore, Chairman  
3     The Honorable Frank M. Ruff, Vice Chairman  
4     Ms. Gayle F. Bartz  
5     Mr. Ed Bevins  
6     The Honorable Kathy J. Byron  
7     The Honorable Charles W. Carrico, Sr.  
8     The Honorable A. Benton Chafin, Jr.  
9     Ms. Gretchen Clark  
10    Ms. Becky Coleman  
11    Mr. Joel Cunningham  
12    The Honorable James E. Edmunds, II  
13    Dr. Alexis J. Ehrhardt  
14    The Honorable Franklin D. Harris  
15    Ms. June Jennings  
16    The Honorable Esther C. Lee  
17    The Honorable Daniel W. Marshall, III  
18    The Honorable Will Morefield  
19    The Honorable Edward Owens  
20    Ms. Sandy Ratliff  
21    The Honorable Bettina Ring  
22    Mr. Cecil E. Shell  
23    Mr. Buddy Shelton  
24    Mr. Robert Spiers  
25    The Honorable Thomas C. Wright, Jr.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COMMISSION STAFF:

- Mr. Evan Feinman, Executive Director
- Mr. Timothy S. Pfohl, Grants Program Administration Director
- Ms. Stephanie S. Kim, Director of Finance
- Ms. Sarah K. Capps, Grants Program Administrator -  
    Southside Virginia
- Ms. Sara G. Williams, Grants Program Administrator -  
    Southwest Virginia
- Ms. Stacey Richardson, Administrative Supervisor

COUNSEL FOR THE COMMISSION:

- Ms. Elizabeth B. Myers, Assistant Attorney General  
    Richmond, Virginia 23219

1 March 8, 2018

2

3

DELEGATE KILGORE: All right, we're going to call to  
4 order the Full Commission Meeting.

5

Evan, I'll ask you to call the roll.

6

MR. FEINMAN: Ms. Bartz.

7

MS. BARTZ: Here.

8

MR. FEINMAN: Mr. Blevins.

9

MR. BLEVINS: Here.

10

MR. FEINMAN: Delegate Byron.

11

DELEGATE BYRON: Here.

12

MR. FEINMAN: Senator Carrico.

13

SENATOR CARRICO: Here.

14

MR. FEINMAN: Senator Chafin.

15

SENATOR CHAFIN: Here.

16

MR. FEINMAN: Ms. Clark.

17

MS. CLARK: Here.

18

MR. FEINMAN: Ms. Coleman.

19

MS. COLEMAN: Here.

20

MR. FEINMAN: Mr. Cunningham.

21

MR. CUNNINGHAM: Here.

22

MR. FEINMAN: Delegate Edmunds.

23

DELEGATE EDMUNDS: Here.

24

MR. FEINMAN: Dr. Ehrhardt.

25

DR. EHRHARDT: Here.

1 MR. FEINMAN: Mr. Harris.  
2 MR. HARRIS: Here.  
3 MR. FEINMAN: Delegate Kilgore.  
4 DELEGATE KILGORE: Here.  
5 MR. FEINMAN: Ms. Jennings.  
6 MS. JENNINGS: Here.  
7 MR. FEINMAN: Secretary Lee.  
8 SECRETARY LEE: Here.  
9 MR. FEINMAN: Delegate Marshall.  
10 DELEGATE MARSHALL: Here.  
11 MR. FEINMAN: Mr. Mills.  
12 MR. MILLS: (No response).  
13 MR. FEINMAN: Delegate Morefield.  
14 DELEGATE MOREFIELD: Here.  
15 MR. FEINMAN: Mr. Owens.  
16 MR. OWENS: Here.  
17 MR. FEINMAN: Ms. Ratliff.  
18 MS. RATLIFF: Here.  
19 MR. FEINMAN: Secretary Ring.  
20 SECRETARY RING: Here.  
21 MR. FEINMAN: Senator Ruff.  
22 SENATOR RUFF: Here.  
23 MR. FEINMAN: Mr. Shell.  
24 MR. SHELL: Here.  
25 MR. FEINMAN: Mr. Shelton.

1 MR. SHELTON: Here.

2 MR. FEINMAN: Mr. Spiers.

3 MR. SPIERS: Here.

4 MR. FEINMAN: Senator Stanley.

5 SENATOR STANLEY: (No response).

6 MR. FEINMAN: Delegate Wright.

7 DELEGATE WRIGHT: Here.

8 MR. FEINMAN: You have a quorum, Mr. Chairman.

9 DELEGATE KILGORE: All right. Do I have a motion to  
10 approve the 1-9-18 minutes?

11 MR. FEINMAN: Mr. Chairman, I would strongly advise  
12 against it. We'll take care of that.

13 DELEGATE KILGORE: I understand we had a meeting  
14 of the R&D Committee earlier, and there were some suggested  
15 motions.

16 Delegate Byron, do you have a motion from the R&D  
17 Committee?

18 DELEGATE BYRON: I do. We just adjourned a few  
19 minutes ago. Would you like me to repeat it again?

20 DELEGATE KILGORE: I think for the record we do.

21 DELEGATE BYRON: For the record, I'll name off all  
22 the numbers.

23 DELEGATE KILGORE: I think we need to state the  
24 numbers and then I'm going to ask if we can vote them in a  
25 block. Then if you have a conflict on one, we'll pull it out of the

1 block.

2 DELEGATE BYRON: We approved, and I'll certainly  
3 take any corrections if I get an error. 3389, 3387, 3392, 3377,  
4 3384, 3385, 3378, 3391, and 3379.

5 DELEGATE KILGORE: What's your motion on that?

6 DELEGATE BYRON: My motion is to approve those  
7 grants in a block.

8 DELEGATE KILGORE: There's a motion. Is there a  
9 second?

10 UNIDENTIFIED: Second.

11 DELEGATE KILGORE: Does anyone need to take any  
12 of these out of the block?

13 UNIDENTIFIED: 3384.

14 DELEGATE KILGORE: Which one?

15 UNIDENTIFIED: 3384.

16 DELEGATE KILGORE: 3384 is removed from the  
17 block. Those of you who either have a problem or have a  
18 conflict, we need to remove it from the block.

19 MR. FEINMAN: That would be for the purpose of  
20 abstention, if you have a conflict or involved financially or if you  
21 are familiar with that in the block.

22 DELEGATE KILGORE: If you need to abstain or you  
23 want to vote no, we need to take it out of the block or you'll vote  
24 against all of them. Is that the only one?

25 MS. COLEMAN: Mr. Chairman, can we add one to the

1 block? It wasn't approved by the Committee.

2 MR. FEINMAN: Mr. Chairman, Ms. Coleman, the  
3 Committee recommendations to the Commission are just that,  
4 they're recommendations and they're recommendations in total.  
5 The Full Commission could decide to fund each of the grant  
6 projects that the Committee didn't want to fund and not fund the  
7 ones that the Committee did want to fund. I'm going to make  
8 one more run at this.

9 The balance of the Committee in a close vote was that  
10 grants were preferable to loans. I would suggest that given  
11 limited resources there are three orders of magnitude smaller  
12 than the size of the problem that this Commission is tasked with  
13 solving. Loans are a more responsible use of funds, particularly  
14 at the beginning of solving this problem. You can make loans  
15 and then make grants, you can't make grants and then make  
16 loans.

17 DELEGATE KILGORE: Ms. Coleman, did you have a,  
18 Ms. Coleman, did you have an agreement or a --

19 MS. COLEMAN: I did want to add a project to the  
20 block, and the project I wanted to add to the block is the  
21 Industrial Development Project in Russell County, Virginia. The  
22 reason I would like to add it to the block is that in hearing a  
23 description of the reason that we added Carroll, Grayson, and  
24 Galax Regional Industrial Facility when not recommended by  
25 Staff initially. The reasons were identical to the reasons that we



1 would add the Russell County project except that the Russell  
2 County project is in the mountains and costs a heck of a lot more  
3 money to deploy than something in the flat areas.

4 So, given that reason, my motion is that we include  
5 that in the block.

6 DELEGATE KILGORE: Okay, so that would be a  
7 substitute motion. Do I have a second on the substitute motion?  
8 I have a second.

9 UNIDENTIFIED: Second.

10 DELEGATE KILGORE: I have a second.  
11 Delegate Wright.

12 DELEGATE WRIGHT: Mr. Chairman, did you ask for a  
13 motion before us? What is that?

14 DELEGATE KILGORE: The motion before us would be  
15 her substitute motion, to add Grant Number 3390 to the block,  
16 and that's the substitute motion that is before us. Are we  
17 prepared to vote on that substitute motion? If that substitute  
18 motion passes, then it would be added to the block. If it fails, we  
19 would go back to the original motion, which is the block.

20 SENATOR CARRICO: I don't think I understood that  
21 the same as Ms. Coleman. I think the way that that was  
22 explained was that Carroll, Grayson, and Galax went to a  
23 wireless, not a hard line, or it's the other one does. And the  
24 highest mountain in Southwest Virginia is in Grayson County,  
25 have the most, that's very mountainous, Carroll and Grayson,

1 but they went to a wireless, not a hard wire.

2 DELEGATE MOREFIELD: The Senator's question, the  
3 project in question, 3390, is hybrid, it's hard wire and wireless.

4 DELEGATE KILGORE: The motion before us, ladies  
5 and gentlemen, would be to add Number 3390. All those in favor  
6 of adding 3390, say aye. (Ayes). Opposed, no? (Noes). The  
7 noes have it. We're back to the original motion.

8 DELEGATE MARSHALL: I have a substitute motion.  
9 Are you ready for the substitute motion?

10 DELEGATE KILGORE: I'm ready.

11 DELEGATE MARSHALL: All right. I move that all of  
12 the applications in the block be loans and not grants.

13 DELEGATE KILGORE: Do I have a second? I have a  
14 motion and two seconds.

15 MR. SPIERS: Mr. Chairman, may I make a comment?

16 DELEGATE KILGORE: You may.

17 MR. SPIERS: I think we're all in agreement that we  
18 would like to extend broadband throughout the Footprint, I think  
19 all of us agree on that. I think we have determined that it's very  
20 difficult. I think there's a different cost structure in wireless and  
21 in fiber projects and it's a different cost structure depending on  
22 the topography. I brought up earlier that most of the  
23 committees already have a standing policy that if there was  
24 income generated, it would first be looked at as a loan, and then  
25 if it was turned down, it would come back and be looked at as a

1 grant. It's very obvious that some of these would not qualify for  
2 a loan and would be probably favorably looked at as a grant.

3 Again, I find it difficult that we would not make loans  
4 to groups that would go forward if they could get a very  
5 favorable loan and it would extend the time somewhat to go  
6 through the loan process. But I think it's also you can vett some  
7 of these and know that they would not be eligible for loans and  
8 they would go into the grant pile, if you will, without a great deal  
9 of decision-making.

10 To me, this has been a very unusual meeting. I'm  
11 somewhat disappointed that we went away from, I think to the  
12 policy that we've had that I think would have worked and  
13 accomplished the goals that we're talking about for a very, very  
14 difficult project.

15 DELEGATE BYRON: Mr. Chairman --

16 DELEGATE KILGORE: Delegate Edmunds.

17 DELEGATE EDMUNDS: I'll talk loud. My observation  
18 here is that if these grants come in under the \$10 million mark,  
19 we would have rubber-stamped them right out of here. I think  
20 the problem we have is we've got more projects than we've got  
21 money, so let's do the best we can with what we have. I'm not  
22 for the loan, that was not how it was advertised as such for the  
23 projects, and that's how I'm going to vote.

24 DELEGATE KILGORE: Delegate Byron.

25 DELEGATE BYRON: The only thing I'll add because we

1 just spent a couple of hours talking about this, and we talked  
2 about the couple of hours in the last meeting and kicked it down  
3 the road another month and a half and agreed to come back here  
4 because I screamed and whined about it to get us all back here.  
5 But I just think you're making a, if you don't vote for the grants,  
6 then you can't possibly be serious because I do not think that  
7 loans will ever work and that all these projects are just going to  
8 go away. I realize that we have the prerogative to come in front  
9 of the Full Board after we've argued it out in the Committee and  
10 looked for initial votes for what we've trying to do, but I'm a little  
11 bit disappointed in my friends for using that venue when we  
12 spent such a long time in committee going over this very  
13 process.

14 DELEGATE KILGORE: Delegate Wright.

15 DELEGATE WRIGHT: Mr. Chairman, I've sat here and  
16 listened to all of the discussions back and forth, and I support the  
17 agreement that came out the motion, that came out of the R&D  
18 Committee for the grant.

19 DELEGATE KILGORE: All right. The motion before us,  
20 the substitute motion before us is to change all these to loans, all  
21 right, that's the motion.

22 Go ahead and call the roll.

23 MR. FEINMAN: Ms. Bartz.

24 MS. BARTZ: No.

25 MR. FEINMAN: Mr. Blevins.

1 MR. BLEVINS: No.  
2 MR. FEINMAN: Delegate Byron.  
3 DELEGATE BYRON: No.  
4 MR. FEINMAN: Senator Carrico.  
5 SENATOR CARRICO: No.  
6 MR. FEINMAN: Senator Chafin.  
7 SENATOR CHAFIN: No.  
8 MR. FEINMAN: Ms. Coleman.  
9 MS. COLEMAN: No.  
10 MR. FEINMAN: Mr. Cunningham.  
11 MR. CUNNINGHAM: No.  
12 MR. FEINMAN: Delegate Edmunds.  
13 DELEGATE EDMUNDS: No.  
14 MR. FEINMAN: Ms. Ehrhardt.  
15 MS. EHRHARDT: No.  
16 MR. FEINMAN: Mr. Harris.  
17 MR. HARRIS: No.  
18 MR. FEINMAN: Ms. Jennings.  
19 MS. JENNINGS: No.  
20 MR. FEINMAN: Secretary Lee.  
21 SECRETARY LEE: Yes.  
22 MR. FEINMAN: Delegate Marshall.  
23 DELEGATE MARSHALL: Yes.  
24 MR. FEINMAN: Mr. Mills.  
25 MR. MILLS: (No response).

1 MR. FEINMAN: Delegate Morefield.

2 DELEGATE MOREFIELD: No.

3 MR. FEINMAN: Mr. Owens.

4 MR. OWENS: No.

5 MR. FEINMAN: Ms. Ratliff.

6 MS. RATLIFF: No.

7 MR. FEINMAN: Secretary Ring.

8 SECRETARY RING: No.

9 MR. FEINMAN: Senator Ruff.

10 SENATOR RUFF: Yes.

11 MR. FEINMAN: Mr. Shell.

12 MR. SHELL: No.

13 MR. FEINMAN: Mr. Shelton.

14 MR. SHELTON: No.

15 MR. FEINMAN: Mr. Spiers.

16 MR. SPIERS: Yes.

17 MR. FEINMAN: Senator Stanley.

18 SENATOR STANLEY: (No response).

19 MR. FEINMAN: Delegate Wright.

20 DELEGATE WRIGHT: No.

21 MR. FEINMAN: The noes have it, Mr. Chairman.

22 DELEGATE KILGORE: So, the motion before us is the  
23 block absent 3384. Are members prepared to vote now? All  
24 those in favor of the block, say aye. (Ayes). Opposed? The ayes  
25 have it.

1                   Now, do I have a motion on 3384? Do we have a  
2 motion, approve 3384, it was taken out of the block.

3                   UNIDENTIFIED: I move 3384.

4                   DELEGATE KILGORE: I have a motion and a second  
5 that we approve 3384. All those in favor, say aye. (Ayes).  
6 Opposed or abstention? (Note: Two abstentions). That motion  
7 passes.

8                   DELEGATE BYRON: Mr. Chairman, I just have a  
9 question for Staff. Since we are going forward with grants, and I  
10 know we used the guidelines that were in line with what the  
11 CHDC loans are with the State. So that the localities also  
12 understand that we want a 30-day public comment or hearing.  
13 That was one of the big things that we've learned over the last  
14 couple of years, for people to come forward if, to say if it's not an  
15 unserved area, so that we're not distributing the, the intent of  
16 the loans were to be in unserved areas. And I know one of the  
17 issues that arose in those other grants was they were going into  
18 areas that were served, that they're competing with, and that  
19 was not the intent.

20                  MR. FEINMAN: If I understand, Delegate Byron, the  
21 instruction for Staff from the Commission is in making the  
22 performance agreements for these grants, we will require the  
23 local partner to have a 30-day comment period in which anyone  
24 providing broadband service to the area, providing the area  
25 promised for this build can come forward so we can insure that

1 there's not an overbuild in any of the projects.

2 DELEGATE BYRON: Unless anyone has an objection  
3 and it keeps us from having people coming forward after the  
4 fact.

5 DELEGATE KILGORE: Do we have any other business  
6 to come before the Committee? Do we have any public  
7 comments?

8 MR. SHELL: Mr. Chairman, I would just like to ask  
9 because I think I heard it said that we would probably go back to  
10 the loans that were not approved and we would revisit those, so I  
11 just asking to see if that would be done?

12 DELEGATE KILGORE: I think, I think it's going to be  
13 done, isn't it, Madam Chairman?

14 DELEGATE BYRON: The Committee had talked about  
15 that, and we were going to direct the Staff to relook at those  
16 because I think there was mixed communication that was  
17 expressed about the loans and also a couple that needed to be  
18 further looked at in regard to the changes that were made along  
19 the way. The answer is yes.

20 DELEGATE KILGORE: And, also, I would say this  
21 would have to be taken up, of course, in the budget that comes  
22 before us in May. If that's going to be a recommendation from  
23 Staff, it would need to be included in the budget.

24 MR. FEINMAN: I'll put a lot in front of you guys for  
25 consideration.



1 DELEGATE BYRON: Mr. Chairman, just one last thing,  
2 this has been a rough thing because this is all new for us, and I  
3 know that I have my own personal feelings, if it weren't that, if  
4 some of my colleagues.

5 DELEGATE KILGORE: No, I didn't notice that.

6 DELEGATE BYRON: I really do believe, I mean you  
7 can go home and actually say that we're really doing something  
8 good for our constituents in the Tobacco Region after the fact  
9 and all the debate and everything we went through to get here.  
10 So, I just want to thank everyone.

11 DELEGATE KILGORE: Do we have anybody in the  
12 public?

13 DELEGATE MARSHALL: When and where is our next  
14 meeting?

15 DELEGATE KILGORE: It'll be at Longwood University,  
16 21 May, 22 May.

17 Do we have any public comment? Do I have a motion  
18 we adjourn?

19 I have a motion that we're adjourned.

20

21

22

---

**PROCEEDINGS CONCLUDED.**

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**CERTIFICATE OF THE COURT REPORTER**

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the **Tobacco Region Revitalization Commission, Full Commission Meeting**, when held on Thursday, March 8, 2018, at 6:30 o'clock a.m., at the Homewood Suites by Hilton, Richmond, Virginia 23219.

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

Given under my hand this \_\_\_\_\_ day of March, 2018.

\_\_\_\_\_

Medford W. Howard  
Registered Professional Reporter  
Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2018.