

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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9 **Full Commission Meeting**

10 Tuesday, May 22, 2018

11 11:30 A.M.

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14 Longwood University

15 Farmville, Virginia

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- 1 **APPEARANCES:**
- 2 The Honorable Terry G. Kilgore – Chairman
- 3 The Honorable Frank M. Ruff – Vice Chairman
- 4 Ms. Gayle F. Barts
- 5 Mr. Ed Blevins
- 6 The Honorable Kathy J. Byron
- 7 The Honorable Charles W. Carrico, Sr.
- 8 Ms. Cassidy Rasnick
- 9 The Honorable A. Benton Chafin, Jr.
- 10 Ms. Gretchen Clark
- 11 Ms. Becky Coleman
- 12 The Honorable James E. Edmunds, II
- 13 Dr. Alexis I. Ehrhardt
- 14 Ms. Julie Hensley
- 15 The Honorable Daniel W. Marshall, III
- 16 Mr. Robert Mills, Jr.
- 17 The Honorable James W. (Will) Morefield
- 18 The Honorable Edward Owens
- 19 Ms. Sandy Ratliff
- 20 Mr. Cecil E. Shell
- 21 Mr. Buddy Shelton
- 22 Mr. Robert Spiers
- 23 The Honorable William M. Stanley, Jr.
- 24 Mr. Richard R. Sutherland
- 25 The Honorable Thomas C. Wright

1 **APPEARANCES: (cont'd)**

2 COMMISSION STAFF:

3 Mr. Evan Feinman – Executive Director

4 Mr. Andy Sorrell – Deputy Director

5 Mr. Timothy S. Pfohl – Grants Director

6 Ms. Stephanie S. Kim – Director of Finance

7 Ms. Sarah K. Capps – Grants Program Administrator,
8 Southside Virginia

9 Ms. Sara G. Williams – Grants Program Administrator,
10 Southwest Virginia

11 Ms. Jessica Stamper – Grants Assistant, Southwest Virginia

12 Ms. Stacey Richardson – Administration Supervisor

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15 COUNSEL FOR THE COMMISSION:

16 Ms. Elizabeth Myers, Assistant Attorney General
17 Richmond, Virginia.

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1 DELEGATE KILGORE: All right, we're
2 going to call to order the full Commission meeting. Evan, I'll
3 ask you to call the roll.

4 MR. FEINMAN: Ms. Barts?

5 MS. BARTS: Here.

6 MR. FEINMAN: Mr. Blevins?

7 MR. BLEVINS: Here.

8 MR. FEINMAN: Delegate Byron?

9 DELEGATE BYRON: Here.

10 MR. FEINMAN: Senator Carrico?

11 SENATOR CARRICO: Here.

12 MR. FEINMAN: Senator Chafin?

13 SENATOR CHAFIN: Here.

14 MR. FEINMAN: Ms. Clark?

15 MS. CLARK: Here.

16 MR. FEINMAN: Ms. Coleman?

17 MS. COLEMAN: Here.

18 MR. FEINMAN: Mr. Cunningham?

19 MR. CUNNINGHAM: [No response.]

20 MR. FEINMAN: Delegate Edmunds?

21 DELEGATE EDMUNDS: Here.

22 MR. FEINMAN: Dr. Ehrhardt?

23 DR. EHRHARDT: Here.

24 MR. FEINMAN: Mr. Harris?

25 MR. HARRIS: Here.

1 MR. FEINMAN: Ms. Hensley?
2 MS. HENSLEY: Here.
3 MR. FEINMAN: Delegate Kilgore?
4 DELEGATE KILGORE: Here.
5 MR. FEINMAN: Ms. Jennings?
6 MS. JENNINGS: [No response.]
7 MR. FEINMAN: Delegate Marshall?
8 DELEGATE MARSHALL: Here.
9 MR. FEINMAN: Mr. Mills?
10 MR. MILLS: Here.
11 MR. FEINMAN: Delegate Morefield?
12 DELEGATE MOREFIELD: Here.
13 MR. FEINMAN: Mr. Owens?
14 MR. OWENS: Here.
15 MR. FEINMAN: Ms. Ratliff?
16 MS. RATLIFF: Here.
17 MR. FEINMAN: Ms. Rasnick?
18 MS. RASNICK: Here.
19 MR. FEINMAN: Senator Ruff?
20 SENATOR RUFF: Here.
21 MR. FEINMAN: Mr. Shell?
22 MR. SHELL: Here.
23 MR. FEINMAN: Mr. Shelton?
24 MR. SHELTON: Here.
25 MR. FEINMAN: Mr. Spiers?

1 MR. SPIERS: Here.

2 MR. FEINMAN: Senator Stanley?

3 SENATOR STANLEY: Here.

4 MR. FEINMAN: Mr. Sutherland?

5 MR. SUTHERLAND: Here.

6 MR. FEINMAN: Delegate Wright?

7 DELEGATE WRIGHT: Here.

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

9 Chairman.

10 DELEGATE KILGORE: All right. Do I

11 have a motion that we approve the minutes from March 8,

12 2018?

13 SENATOR CHAFIN: So moved.

14 MR. OWENS: Second.

15 DELEGATE KILGORE: All those in favor

16 say aye. (Ayes.) Opposed? (No response.) The minutes are

17 approved.

18 Next we go to Executive Committee,

19 Senator Ruff.

20 SENATOR RUFF: Mr. Chairman, I move

21 to approve an increase in the salary of the Commission's

22 Executive Director to \$146,000, effective January 10, 2018 as

23 recommended by the Executive Committee.

24 DELEGATE KILGORE: Any discussion

25 on that motion? All those in favor of that motion say aye.

1 (Ayes.) Opposed? (No response.) All right, that motion
2 carries.

3 SENATOR RUFF: Mr. Chairman, the
4 next motion deals with the amount of money to take out of the
5 endowment. Whereas the Code of Virginia provides for a
6 portion of the corpus of the Tobacco Indemnification and
7 Community Revitalization Endowment to be paid annually to
8 the Tobacco Indemnification and Community Revitalization
9 Fund upon request of the Tobacco Region Revitalization
10 Commission; and whereas the endowment was funded from
11 proceeds of certain tax-free Tobacco Settlement Asset-Backed
12 Bonds, Series 2005, the use of which is subject to certain
13 restrictions and was further funded with additional proceeds
14 of certain taxable Tobacco Settlement Asset-Backed Bonds,
15 Series 2007, the use of which is not subject to restrictions;
16 and whereas the Treasurer of Virginia has determined that on
17 February 28, 2018 for the purposes herein, the value of the
18 corpus of the Endowment was \$244,642,206.17; now,
19 therefore be it resolved, that the Commission hereby requests
20 that for the fiscal year ending June 30, 2018, the Treasury
21 Board pay from the Endowment to the Fund a sum equal to
22 4.4% of the Endowment value as of February 28, 2018, and
23 that said payment be made not later than June 30, 2018, and
24 that the amount so paid not be subject to restrictions. We will
25 need a roll call vote for this.

1 DELEGATE KILGORE: So what they're
2 saying is we invade the endowment for 4.4% and as Evan has
3 stated, we have been invading the Endowment in recent years
4 but we want to extend the life of the Commission and we can
5 do it with 4.4% and this 4.4 will be used to fund projects to
6 move forward this year. That will have to be a roll call vote
7 according to statute. Is there a second?

8 MR. OWENS: Second.

9 MR. FEINMAN: Ms. Rasnick?

10 MS. RASNICK: Yes,

11 MR. FEINMAN: Ms. Barts?

12 MS. BARTS: Yes.

13 MR. FEINMAN: Mr. Blevins?

14 MR. BLEVINS: Yes.

15 MR. FEINMAN: Delegate Byron?

16 DELEGATE BYRON: Yes.

17 MR. FEINMAN: Senator Carrico?

18 SENATOR CARRICO: Yes.

19 MR. FEINMAN: Senator Chafin?

20 SENATOR CHAFIN: Yes.

21 MR. FEINMAN: Ms. Clark?

22 MS. CLARK: Yes.

23 MR. FEINMAN: Ms. Coleman?

24 MS. COLEMAN: Yes.

25 MR. FEINMAN: Delegate Edmunds?

1 DELEGATE EDMUNDS: Yes.
2 MR. FEINMAN: Dr. Ehrhardt?
3 DR. EHRHARDT: Yes.
4 MR. FEINMAN: Mr. Harris?
5 MR. HARRIS: Yes.
6 MR. FEINMAN: Ms. Hensley?
7 MS. HENSLEY: Yes.
8 MR. FEINMAN: Delegate Marshall?
9 DELEGATE MARSHALL: Yes.
10 MR. FEINMAN: Mr. Mills?
11 MR. MILLS: Yes.
12 MR. FEINMAN: Delegate Morefield?
13 DELEGATE MOREFIELD: Yes.
14 MR. FEINMAN: Mr. Owens?
15 MR. OWENS: Yes.
16 MR. FEINMAN: Ms. Ratliff?
17 MS. RATLIFF: Yes.
18 MR. FEINMAN: Senator Ruff?
19 SENATOR RUFF: Yes.
20 MR. FEINMAN: Mr. Shell?
21 MR. SHELL: Yes.
22 MR. FEINMAN: Mr. Shelton?
23 MR. SHELTON: Yes.
24 MR. FEINMAN: Mr. Spiers?
25 MR. SPIERS: Yes.

1 MR. FEINMAN: Senator Stanley?

2 SENATOR STANLEY: Yes.

3 MR. FEINMAN: Mr. Sutherland?

4 MR. SUTHERLAND: Yes.

5 MR. FEINMAN: Delegate Wright?

6 DELEGATE WRIGHT: Yes.

7 DELEGATE KILGORE: All right, Senator
8 Ruff?

9 SENATOR RUFF: Mr. Chairman, on page
10 77 you will see the proposed budget for the coming year. I
11 move to approve the Fiscal Year 19 Budget totaling \$21.2
12 million as shown in the Commission book.

13 MR. OWENS: Second.

14 DELEGATE KILGORE: This is the budget
15 that we went over with the Executive Committee a couple of
16 weeks ago and the total is \$21.2 million on page 77. Any
17 questions, comments on the budget? Can I have a second?

18 DELEGATE MARSHALL: Second.

19 DELEGATE KILGORE: All those in favor
20 of adopting this budget on page 77 say aye. (Ayes.) Opposed?

21

22 DELEGATE WRIGHT: No.

23 DELEGATE KILGORE: That motion
24 carries. Moving along to Education Committee, Senator Ruff.

25 SENATOR RUFF: Mr. Chairman, the

1 Education Committee met and we dealt with a number of
2 proposals. I will read those that we approved funding for and
3 when I finish reading them if anybody wants to withdraw one
4 from the block, please say so.

5 #3417, the nursing program at Averett
6 University, \$214,860; #3418, the Cyber-UP Averett University,
7 \$83,000; #3424 Implementing a New Mechatronics Program
8 for the Manufacturing Workforce, \$120,783; #3425, which is
9 the Industry 4.0/Robotics Integration: Training for Modern
10 Manufacturing and Beyond, \$443,712; #3415, Patrick Henry
11 Community College Advanced Manufacturing Expansion,
12 \$141,478.

13 #3419, Workforce Readiness Capacity
14 building: Curriculum and Technical Trainer Development,
15 \$79,100; #3410, Elevating Southside Virginia Community
16 College's Power Line Worker Program, \$400,000; #3413
17 Southside Race to GED/NEDP Grant, \$80,000 and that covers
18 the entire southern Virginia high schools.

19 #3411, Automotive Diagnostics and
20 Repair Center, \$195,000; #3423, Regional Advanced
21 Technology and Workforce Development Center, \$300,000;
22 #3442, GCAPS Information Technology Apprenticeship
23 Program, \$50,000; #3412, Creative Digital Workforce
24 Development at William King Museum of Art, \$56,000; #3427,
25 Wytheville Community College Metrology Education Project,

1 \$72,204. And the total recommendation is \$2,236,137. I
2 move those be accepted.

3 DELEGATE KILGORE: Anyone need to
4 take any of those out of the block?

5 MR. OWENS: #3419.

6 DELEGATE KILGORE: Remove \$3419.
7 Any others out of the block? Are you ready to vote on the
8 block other than #3419? All those in favor say aye. (Ayes.)
9 Opposed? (No response.)

10 MR. OWENS: I so move.

11 DELEGATE KILGORE: We have a motion
12 to approve #3419, \$79,100. All those in favor of supporting
13 that say aye. (Ayes.) Opposed? (No response.) We have one
14 abstention.

15 SENATOR RUFF: Mr. Chairman, I move
16 that the Commission accept the Education Committee's
17 recommendation to grant an extension to May 21, 2020 for
18 grant number 3024, which is Implementation of a Physical
19 Therapy Assistant Program at the Southside Virginia
20 Community College. There is a delay being able to get the
21 right person in that position.

22 DELEGATE KILGORE: Do I have a
23 second? All right. All those in favor of approving an extension
24 to May 21, 2020 say aye. (Ayes.) Opposed? (No response.)

25 SENATOR RUFF: Mr. Chairman, I move

1 that the Commission accept the Education Committee's
2 recommendation and the Commission approve \$2,755,000 for
3 the following workforce financial aid grants as described on
4 pages 43 through 56 in the Commission book.

5 SENATOR CHAFIN: Mr. Chairman, I
6 move that grant 3436 come out of the block.

7 DELEGATE KILGORE: Out of the block,
8 New River Community College.

9 SENATOR CHAFIN: I'd like to discuss
10 that matter before the entire amount is approved.

11 MR. OWENS: Second.

12 DELEGATE KILGORE: All right.

13 SENATOR CHAFIN: The reason I ask
14 that this come out of the block is because New River
15 Community College last year requested one year while other
16 colleges were granted two years and actually they want to
17 double their request and go to the two year request and would
18 put them in line with, when you look at 3438, John Tyler
19 Community College, \$120,000 and down here 3434 Western
20 Community College, they would be asking for \$130,000. Right
21 now it's providing tuition assistance. If it's approved without
22 the cap relating to last year's funding it would go to, it would
23 be 92 students. The current request is for \$65,000 and at 92,
24 it would take it to \$130,000. I'd like to move that we allow
25 them an amendment to their application.

1 DELEGATE MOREFIELD: Second.

2 SENATOR RUFF: Ben, does this just
3 cover Floyd County?

4 SENATOR CHAFIN: This covers all their
5 applications.

6 DELEGATE KILGORE: Only from the
7 New River?

8 SENATOR CHAFIN: Yes, and the same
9 thing –

10 SENATOR RUFF: How many counties
11 does that cover?

12 DELEGATE KILGORE: I know it's Floyd
13 County.

14 SENATOR RUFF: I mean no harm but
15 the reality is John Tyler covers Amelia, Dinwiddie and I think
16 Virginia Western covers Franklin and wherever else they
17 cover. I hope we're not getting into a bidding war that we
18 shouldn't be doing.

19 SENATOR CHAFIN: If the Chairman or
20 others have questions, you can ask the representative.

21 SENATOR RUFF: What counties are
22 covered?

23 UNIDENTIFIED: Floyd County is the
24 only one in our footprint. Last year was the first year we
25 participated in the Tobacco Commission funding through the

1 scholarship program. They've been looking at a two-year
2 cohort and our grant last year was for one year. And this year
3 the cap being unique to us and it limited us to only serving
4 one year of students versus two years like the other colleges
5 are doing. We were limited with the cap and we want to even
6 the playing field with our sister colleges.

7 MR. OWENS: Can we approve the block?

8 DELEGATE KILGORE: We have a motion
9 and a second, we haven't approved the block yet. There's a
10 motion and a second to remove the remaining block, you've
11 already pulled this out. It would be \$2.820 if we approve
12 Senator Chafin's request or amendment.

13 MR. FEINMAN: But we have budgeted
14 for that program.

15 DELEGATE MARSHALL: My question
16 would be how many does grant number 3436 serve last year
17 compared to the other ones?

18 UNIDENTIFIED: In this program, we are
19 looking at access to a community college education and we're
20 in the high school and we're creating a culture of that anyone
21 can go to college and talking about programs we can do. Last
22 year our number was about forty and we're expecting about
23 50 students to apply for this upcoming fall semester. So it
24 has increased.

25 SENATOR CHAFIN: What we're asking

1 for, Mr. Chairman, is just to put this county on the same page
2 as all the other community colleges that are using the two-
3 year program. The first time they got in they used just one
4 year. When we took action, it affected our growth. I made a
5 substitute motion and it was seconded, I believe, by Senator
6 Stanley.

7 DELEGATE KILGORE: You're making a
8 motion that 3436 to \$130,000? Do you have a motion and a
9 second to adjust the figure 2.820 to increase it? All those in
10 favor of approving the workforce financial aid grants described
11 on pages 43 to 56 say aye. (Ayes.) Opposed? (No response.)
12 Motion carried.

13 SENATOR RUFF: That completes the
14 Education report.

15 DELEGATE KILGORE: Next is Delegate
16 Byron, R&D.

17 DELEGATE BYRON: Mr. Chairman, I
18 have several motions that are basically for extensions. I move
19 we accept the Committee's recommendation. The first one is
20 grant number 2699 Litesheet to allow reimbursement of
21 March 2018 expenses as described on page 18 in your
22 Commission book.

23 I also move that we accept the R&D
24 Committee's recommendation to grant a four-month extension
25 until September 2018 for grant number 2831 the Fermata

1 Project as described on page nineteen of your Commission
2 book.

3 I also move that we accept the
4 recommendation to grant an extension request until May 21,
5 2019 to grant number 2832 Bristol Compressors International
6 as described on page nineteen of your Commission book.

7 I also move the Commission accept the
8 Committee's recommendation for grant number 3336
9 Advanced Coatings to Enable Next Generation Products to
10 revise the budget and amend the scope as proposed by the
11 grantee found on your handout that would put out line item
12 detailed budget grant number #3336, and I so move.

13 DELEGATE KILGORE: All those in favor
14 say aye. (Ayes.) Opposed? (No response.)

15 DELEGATE BYRON: Mr. Chairman, our
16 Committee recommended an affirmation of our conversation
17 and to remind people that are applying for grants what the
18 policies are and what our principles are based on the existing
19 evaluations of principles that we put in place. I don't know if
20 we need to vote on that or not.

21 MR. FEINMAN: I don't think so.

22 MS. COLEMAN: Can you read that from
23 the book?

24 DELEGATE BYRON: The Tobacco
25 Commission's share of total project costs must be spent on

1 activities in the Tobacco Region; at least fifty percent of total
2 project cost must be provided by non-Commission sources;
3 use of grant funds for capital expenses is preferred; equipment
4 purchased with grant funds shall be located within the
5 Commission's footprint and ownership of equipment shall be
6 by the eligible applicant; personnel salaries, if requested, shall
7 be cost-shared dollar-for-dollar with the private employer; no
8 more than ten percent of Tobacco Commission funds may be
9 used for general and administrative purposes including legal,
10 marketing, clerical and other non-scientific activities.

11 Mr. Chairman, that's my report.

12 DELEGATE KILGORE: Thank you.

13 DELEGATE WRIGHT: Mr. Chairman, the
14 Southside Economic Development Committee met yesterday
15 afternoon and we had one item, a grant application. And I
16 move that the Commission accept the Southside Economic
17 Development Committee's recommendation for request
18 number 3444, Cumberland County Business Park Sewer
19 System, for \$24,841 contingent upon a sewage solution being
20 provided and as described on pages six through sixteen of
21 your Commission book. And I so move.

22 MR. OWENS: Second.

23 DELEGATE KILGORE: Any discussion?
24 All those in favor of the Southside Economic Development
25 approval of the Cumberland County Business Park say aye.

1 (Ayes.) Opposed? (No response.)

2 DELEGATE WRIGHT: I have one other
3 item and I move the Commission accept the Southside
4 Economic Development Committee's recommendation to grant
5 an extension to June 30, 2019 for grant number 2623, Prince
6 Edward County Prospect Depot, as described on page seven of
7 your Commission book.

8 MR. OWENS: Second.

9 DELEGATE KILGORE: All those in favor
10 of that motion say aye. (Ayes.) Opposed? (No response.)

11 DELEGATE WRIGHT: Mr. Chairman,
12 that completes the Southside report.

13 DELEGATE KILGORE: All right.
14 Southwest, Senator Carrico?

15 SENATOR CARRICO: I move that the
16 Commission accept the Southwest Economic Development
17 Committee's recommendation to grant extensions to December
18 31, 2018 for grant numbers 1642 and 2117, both for the Scott
19 County EDA, Daniel Boone Interpretive Center Exhibits.
20 Those are the only items we have on the agenda.

21 DELEGATE KILGORE: Do I have a
22 second?

23 DELEGATE MOREFIELD: Second.

24 DELEGATE KILGORE: All those in favor
25 say aye. (Ayes.) Opposed? (No response.) That motion

1 carries. All right, now we have Special Projects. Delegate
2 Marshall?

3 DELEGATE MARSHALL: Special Projects
4 Committee met this morning and we had one out of cycle
5 request so I move that the Commission accept the Special
6 Projects Committee's recommendation for request number
7 3445 Cumberland County Business Park Sewer System for
8 \$975,039 as described on page 64 through 74 of your
9 Commission book.

10 MR. MILLS: Second.

11 DELEGATE KILGORE: I have a motion
12 and a second, any more discussion on that? All those in favor
13 of grant 3445 Cumberland County say aye. (Ayes.) Opposed?
14

15 SENATOR CARRICO: No.

16 DELEGATE KILGORE: Now we have a
17 report from the Strategic Planning Committee, Becky
18 Coleman.

19 MS. COLEMAN: Two years ago if you
20 remember, we underwent an expansive strategic planning
21 process including our Southside partners involving both the
22 regions. The Commission gave final approval for the strategic
23 planning in May of 2016 and then undergoing another
24 strategic planning process two years later. And having done
25 that, we again looked at it because we wanted to make some

1 new choices and we kind of scaled down that version of the
2 strategic planning process. And we had a small meeting in
3 Southside and a small meeting in Southwest and we had staff
4 and a group from each region and many commissioners that
5 were good enough to come and attend the meetings. Those
6 meetings generated substantive discussions and some very
7 good ideas and so we deeply appreciate all of you who helped
8 us with that process. Those changes were compiled by the
9 staff. We appreciate that. Based on those meetings and the
10 input that we had, we've come up with a recommendation.
11 Some of these things we thought were better handled in each
12 individual committee after our discussions and meeting. So
13 I'm going to turn it over to Alexis.

14 DR. EHRHARDT: Thank you, Becky.
15 First, I want to thank the staff for their work. They had to do
16 a lot in a short period of time and did an excellent job going
17 through a lot of the data that we got in those discussions and
18 the use of email and that sort of thing as well. So a summary
19 of the changes, I won't read them line by line. We moved
20 infrastructure from the Commission's third highest priority to
21 the second. Education ahead of entrepreneurship and
22 economic development. Economic development has moved
23 from second to third priority. We clarified that example
24 projects in each category are not themselves a list of priorities,
25 they are just that – examples. We updated the Committee's

1 descriptions and structures to the core committees, updated
2 Committee descriptions to reflect the R&D Committee's on
3 broadband, updated Committee descriptions to reflect the
4 TROF projects and to a revenue returning tax sharing
5 agreement with local partners, updated Committee
6 descriptions and structures to reflect certain agribusiness,
7 Southside Economic Development and Southwest Economic
8 Development and Special Project applicants may also be
9 subject to a revenue return or tax sharing.

10 We clarified the language regarding out of
11 cycle requests. We updated the logic requests that underline
12 our various programs and working on metrics, the last mile
13 broadband chart. We updated the budgeting and financial
14 management section to clarify projects that generate tax
15 revenues for localities will be subject to a tax sharing
16 agreement between the Commission and locality. This will be
17 a target of the Commission receiving fifteen percent of local
18 tax receipts but we do acknowledge everyone is different and
19 we'll have to be flexible with this particular change. This plan
20 will provide a stronger foundation for the Commission as we
21 move forward and along with the increased loan activity to
22 ensure that we are able to support the Region well into the
23 future.

24 DELEGATE KILGORE: Thank you.

25 MS. COLEMAN: So I move to adopt the

1 Commission's strategic plan dated May 2018 and distributed
2 to the Commission electronically Friday, May 18, 2018 and
3 revised May 22, 2018 and as distributed at this meeting.

4 MR. FEINMAN: I think maybe we should
5 read that language, it was changed.

6 DR. EHRHARDT: The language reads as
7 follows: applications received outside of the budget cycle will
8 be heard only at the discretion of the Committee chair and
9 continue with available funding. Any proposal received
10 outside of the regular grant commission timeframe may not
11 receive a staff recommendation, any unsolicited out of cycle
12 request will not be heard by the Commission, supervised
13 certification that would change the content of the message to
14 provide clarity and that has been changed. The Commission
15 may at its discretion request an out of cycle application and
16 take action on that application. Unsolicited applications or
17 applications received without opportunity for meaningful staff
18 review will not be heard by the Commission.

19 DELEGATE KILGORE: Go ahead and do
20 your motion.

21 MS. COLEMAN: I move to adopt the
22 Commission's strategic plan dated May 2018 and distributed
23 to the Commission electronically on Friday, May 18, 2018 with
24 the addition of the out of cycle applications read by Dr.
25 Ehrhardt approved by the Committee.

1 DELEGATE KILGORE: We have a motion
2 and a second, any further discussion? All in favor say aye.
3 (Ayes.) Opposed? (No response.) That motion carried.

4 Now, the TROF Committee, we met this
5 morning and we had a recommendation that, and we accept
6 the TROF Committee's recommendation and approve the
7 guideline incentives for the three and five year scenarios for
8 Cumberland County Project Dragon, which is described on
9 pages 59 and 60 of your Commission book and allowing staff
10 to work with VEDP on which scenario would work best. I have
11 a motion and a second. Any more discussion? All in favor say
12 aye. (Ayes.) Opposed? (No response.) That motion carried.

13 MR. FEINMAN: Now we have the election
14 of the Chair and Vice Chair. From time to time we are obliged
15 to reappoint leadership of the Commission and this is that
16 time. I think first we should open the floor for nominations for
17 Vice Chair and the nominations for Chair.

18 DELEGATE WRIGHT: I make a motion to
19 nominate Senator Frank Ruff as our Vice Chairman.

20 DELEGATE MARSHALL: Second.

21 MR. FEINMAN: There's a motion and a
22 second to nominate Senator Ruff as Vice Chairman. All those
23 in favor say aye. (Ayes.) Opposed? (No response.) All right.

24 Similarly, we need a nomination for
25 Chairman. The floor is open for nominations regarding the

1 Chairman.

2 SENATOR CHAFIN: I move we nominate
3 Delegate Kilgore as our Chairman.

4 MR. OWENS: Second.

5 MR. FEINMAN: We have a motion and a
6 second, any further discussion? If not, all those in favor say
7 aye. (Ayes.) Opposed? (No response.) Delegate Kilgore is our
8 Chairman. You will remain as Chairman, Mr. Chairman. All
9 right, now we have opportunity zones. Eric Johnson has been
10 before us before.

11 MR. JOHNSON: Good morning,
12 everybody. I'm Eric Johnson, director of Virginia Department
13 of Housing and Community Development. I'm honored to be
14 with you all today and I thank Chairman Kilgore and Vice
15 Chairman Senator Ruff for inviting me. In our task and
16 DHCD, we really enjoy working on behalf of the Tobacco
17 Commission. We're interested in the same projects and same
18 communities.

19 As you all know at the Department of
20 Housing fifty percent of our budget comes from the federal
21 government and that money is used for localities across the
22 state. Our mission and work is closely aligned with yours.
23 Our federal partners at the Appalachian Regional Commission
24 have told us and Virginia is very well-positioned to work on
25 items that you all are working on and with our state resources

1 we are very competitive in terms of looking for federal
2 opportunities as well. One of the big ones out there is the fifty
3 million dollars that the Appalachian Regional Commission has
4 competitively put out there for this year and you all have been
5 partnering with us on that and making sure we get a good
6 pipeline of projects. We had 26 pipeline projects to come in.

7 I want to jump into some opportunities
8 and I don't want to take up too much of your time. The first
9 piece that I want to let you all know about and that's the
10 opportunity fund and the tax package the president signed.
11 And there's a small piece in there that I think that was
12 overlooked but it was put into play by Senator Booker and
13 Senator Jim Scott and Senator Warner from Virginia and he
14 was involved with that legislation to basically have a federal
15 tax incentive to invest with these other opportunities and a tax
16 deferral on capital gains. So the governor came into office and
17 each governor was tasked with identifying a little less than
18 25%. So there was 901 eligible census tracts and they stop at
19 county and city boundaries and crisscross among the towns. I
20 actually brought a map with me I'll pass around and it has the
21 final information. That's an [HTTP:Maptest/VIP.ly](http://Maptest/VIP.ly), VA
22 Opportunity. You can tune into the zones that were
23 nominated by the governor and take a look at where those
24 came up. The governor has worked with the General
25 Assembly and many of you are involved in how we go about

1 nominating.

2 One thing I think that sets Virginia apart
3 from other states is that we have a dual process and nearly
4 every location in the state has an eligible census tract. Your
5 localities in the Tobacco Commission are very active in that
6 along with the planning district commissions, economic
7 development organization. You can see on the map, some of
8 these are multiple zones together and you can see it better on
9 the website. In Southwest Virginia, there were 94 eligible and
10 22 tracts were nominated, 109, 25 nominated by the governor
11 and in Southside 94 tracts, 23 nominated. The governor
12 wanted to make sure each region had a proportional share of
13 eligible tracts nominated and then balancing the selection
14 process and also making sure if there's an area that has a real
15 need. I know there's other local and state efforts going on but
16 we want to make sure we have the best chance to attract
17 federal money to keep this pipeline going.

18 This is a federal program in terms of the
19 guidance and rule-making and we expect that information to
20 come out pretty soon in the next quarter, we hope. I think a
21 lot of this private capital could take advantage of this. So we
22 need to take advantage of that along with the tax advantage.

23 Just in a nutshell, what is the
24 opportunity? Private capital has about a six trillion dollar
25 mark, national and private capital and the capital gains tax. If

1 you have an investment vehicle you can create an opportunity
2 fund with legislation and people can park that money or it can
3 be through a local bank. You have to set that up in your area,
4 the vehicle to attract money, both state and national investors.
5 It has to be in that geographical area and the investments
6 have to do three major things; capital profits and interest and
7 the domestic partnership, stock in the domestic corporation or
8 tangible property used in the business. You also invest in real
9 property. The rules aren't quite set on that so folks want to
10 know if they can partner that with some of the tax advantages.
11 The home builders association, of course, are very interested
12 in this and play a big part. However, the rules will be coming
13 out and we appreciate the leadership in the state and we're
14 trying to work together of how we can make sure we educate
15 both our local government partners that provide feedback on
16 this so that the communities can take advantage of this.

17 I know in the pipeline case, I think a case
18 could be made we have local and state priorities with this
19 additional federal money. I'm not sure with our personnel and
20 the opportunity fund whether we're going to make or break
21 the difference and be transformational in any of these zones
22 partnering with traditional sources. But you have to partner
23 together to make a difference.

24 MR. FEINMAN: If any source of capital is
25 used to invest in real property, a partnership or corporate

1 entity in any one of these zones and they sit on that
2 investment for ten years, regardless of how much money they
3 make and whether they owe capital gains.

4 MR. JOHNSON: You have a five year and
5 I think seven years is fifty percent. What I tell people
6 concerning the opportunity zones, the bottom line is that there
7 will be a lot of capital flowing through this program and I
8 think this is very big in the urban areas but what the governor
9 looks at in terms of economic development and for every
10 region and that is increasing their economic opportunity.
11 Because there is a pipeline of projects in some of these zones
12 and if it's smaller then we need to do a good job of telling the
13 story about them and how they can take advantage of this
14 especially with tax credits. A lot of money goes to the urban
15 areas where there is bigger deals but we need to make sure
16 that smaller deals are considered.

17 Before I take questions, I want to talk
18 about Go Virginia and I know you're familiar with some of the
19 projects. They've come before you. But the main thing I
20 wanted to convey to you is we're very bullish on the future of
21 Virginia and if you look at the timeline of the startup and each
22 of the localities across the state got their first money and
23 began budgeting and setting up their organization. Those
24 people met last June. From last June through now, the east
25 region has had per capita projects and the General Assembly

1 put forth \$10.9 million across each of the nine regions.
2 Delegate Kilgore and Senator Ruff serve on the Go Virginia
3 board at the state level and they've been instrumental in
4 making sure some of these projects that they're good out of
5 the gate.

6 The Southwest, they had a project
7 approved for region one, sixteen school districts working
8 together to create internships so that folks and kids in that
9 region see the potential for higher paying jobs. The goal of Go
10 Virginia is to get localities working together and get higher
11 paying jobs in the region based on their local priorities. So
12 those Southwest Virginia internships has real potential that
13 Go Virginia funded for \$250,000. And the region is real
14 excited about connecting for youth in that region to higher
15 paying jobs.

16 In the New River Valley, which is region
17 two to Lynchburg, there was a \$300,000 grant recently located
18 in Bedford.

19 Also, I want to mention region three,
20 Southside Go Virginia and that region put together \$648,000
21 project focusing on higher education, regional training for
22 careers and doing a lot of things you are doing in the region.
23 So Go Virginia, we're working in partnership. And the two big
24 ones is the Virginia Economic Development Partnership and
25 when localities partner, they do better. And all this is

1 transformational that we're seeing with localities and sharing
2 revenue and not battling each other for it. We're also working
3 on entrepreneurialism; creating new companies starting out
4 small and we're trying to create some more opportunities like
5 that especially with CIT.

6 I'm going to leave you with this map and
7 I'll now ask you if you have any questions.

8 DELEGATE KILGORE: Thank you for the
9 job you all are doing. So thank you very much.

10 MR. FEINMAN: Now, we have another
11 matter before you. We need to talk about the policy on
12 electronic meeting participation. The Executive Committee
13 reviewed this and bringing it to the full Commission.
14 Recently, the open meeting clause was reviewed and this was
15 done to permit remote participation by a member for no
16 excuse and you don't have to call and say you got a flat tire.
17 The benefit of that is, you guys will be able to participate
18 remotely and we'll be able to offer more public access. We'll
19 have a public conference line as well. We have to adopt a
20 formal policy.

21 That policy is before you and that's been
22 updated but we need a motion and a second to adopt it.

23 MS. HENSLEY: I'd like to ask a question.
24 In the fourth paragraph, I don't understand that.

25 MR. FEINMAN: The issue there is that

1 you're limited to, there is two meetings, you can skip two
2 meetings for an emergency or look at a different section of the
3 Code would allow you to skip more. The open meeting clause
4 has been proceeding on two tracks for years and years and
5 they merged and they are now competing clauses.

6 Under the policy we adopt, there's
7 reasons you could give for missing a meeting and you can
8 participate remotely. You have the emergency exception and
9 then also under our policy you would be able to do additional
10 meetings. You could say these are emergency missed
11 meetings and these are non-emergency.

12 MS. HENSLEY: At the risk of perhaps
13 being a ---, whichever is fewer or the other option for missing
14 meetings, what is the reason for that?

15 MR. FEINMAN: We're trying to mimic the
16 Code language. My understanding is that Delegate Marshall
17 chaired the bill and has worked on that to where we are now.

18 MS. HENSLEY: I'm not contesting that. I
19 just wanted a clarification.

20 MR. OWENS: My question is you cannot
21 participate in a closed session?

22 DELEGATE KILGORE: Into an executive
23 session?

24 MR. OWENS: That's right.

25 MS. MYERS: The question agency and

1 local public bodies are asking themselves, what if the policy is
2 implemented and today we had the public step out of the
3 room so the body can go into a closed session. When you do
4 that, the idea might be you have one separate phone call, one
5 number for a closed session line but the practicality of that,
6 you'll have to figure out. And what this policy does is allow
7 someone who cannot attend a meeting or something is
8 scheduled and there's a problem and if they can't miss
9 something, then they could call in and actually participate,
10 vote, make motions, et cetera, which without this policy you're
11 not allowed to do.

12 MR. OWENS: But in the Code section if
13 somebody calls in, does the policy state that you cannot
14 participate in a closed session?

15 MR. FEINMAN: We can certainly add
16 that.

17 MR. OWENS: Please do.

18 DELEGATE KILGORE: A motion to add if
19 you're on the phone you cannot participate in the closed
20 session. I move to adopt the TRCC FOIA Police on Electronic
21 Meeting Participation dated May 2018 and distributed to the
22 Commission electronically Friday, May 18, 2018 as found in
23 the Commission book.

24 MR. OWENS: So moved.

25 UNIDENTIFIED: Second.

1 DELEGATE KILGORE: Any more
2 discussion? All those in favor say aye. (Ayes.) Opposed? (No
3 response.) The motion carries.

4 MR. FEINMAN: We've got some guests
5 here to give us a quick update on their progress.

6 DR. JOHNSON: My name is Jason
7 Johnson of the College of Veterinary Medicine in Lee County.
8 We want to say thank you to the Commission because you
9 have previously helped us. And we've had a six year
10 relationship with the Tobacco Commission and again, we
11 thank you and we've been wildly successful. With your help,
12 we put up a 100,000 square feet facility in Lee County,
13 Virginia for our College of Veterinary Medicine. We started out
14 with 400 applicants and last year we had 1400 applicants to
15 the College, which is in the top ten in our nation and we're
16 pretty excited about it. We've got four classes, 422 students
17 at this point, and that represents 42 states. We have about
18 500 people on campus on an everyday basis. Thirty percent of
19 our students have come from the Appalachia footprint and
20 we're really excited.

21 We graduated our first class Saturday,
22 which was a super-special moment and we held it together.
23 Thirty percent of the graduating class will be in the
24 Appalachia footprint. Forty percent of all our graduates are
25 doing mixed animal and rural medicine and we couldn't be

1 more excited about that. We've had over fifteen this past year
2 in the community and agriculture stakeholders, anything from
3 small animals on up including artificial insemination training.
4 And we've had a couple of conferences out our way, some
5 veterinary conferences in the Cumberland Gap and that gives
6 us a lot of flexibility here in Virginia. The people involved in
7 agriculture in the region said we're a magnet and people are
8 just coming out and we're helping them and just making it
9 better.

10 We had somebody come through a few
11 weeks ago and one of our board members attracted Sonny
12 Perdue, the Secretary of Agriculture and wanted to talk to
13 some of the best students. Sonny Perdue was there and
14 speaking to our students and we were really excited about
15 that.

16 We're pulling for growth and we're
17 continuing to do but our biggest problem down there is the
18 sewer capacity and the Corps of Engineers and they're
19 running a sewer down to where we are and houses are going
20 up and there's a real demand for housing. We're just so
21 excited about all this. We've got enough capacity now for the
22 time being but we do have to expand that capacity in order to
23 take this all to the next step.

24 So with that, I'll turn it over to the
25 Chairman of the Board of Trustees, Pete DeBusk from Lee

1 County, Virginia.

2 MR. DEBUSK: I'm from Rose Hill,
3 Virginia. I'm not nearly as fast as Dr. Johnson, so I'll slow up
4 a little bit. My name is Pete DeBusk. I'm Chairman of the
5 Board of LMU and I'm from Rose Hill, Virginia originally and
6 Lee County. I also own DeRoyal Industries and we're the
7 largest employer in Lee County. But anyhow, I'm a visionary
8 type person and I'm looking ahead how can we grow and what
9 can we do and how can we win.

10 I think you will find that when we tell you
11 we're going to do something, we do it. I think our history
12 shows it. We had no idea that this veterinary medical school
13 was going to be as successful as it is. That's not my message
14 to Terry Kilgore, that's to all of you, okay.

15 Now, what we'd like to do, the new
16 sewage system along with the Army Corps of Engineers and
17 what happens when that comes through Lee County and right
18 by the new veterinary school and that's what you need to grow
19 and we've got that secured and that's happening. But what
20 we'd really like to do is to double this thing. There's a lot
21 going on out there and there's a shortage of people to take
22 care of animals. It's just unbelievable. Every kid that
23 graduated had ten dogs, that's unbelievable. This thing is
24 going to grow and grow and we're located in the prettiest part
25 of the world, no doubt about it.

1 What we'd like to do is we'd like to build
2 30,000 square feet of new space and have it there at the
3 veterinary medicine school and we'd like to take a lot of the
4 island schools in their fourth year and by law they have to
5 come back to the United States. We're looking to really
6 increase the place. We estimate that 30,000 square feet
7 would cost about \$12 million dollars for building and
8 equipment and that's what we're going to be shooting for in
9 the future. The sewage system makes all that possible. And
10 without that, it's not possible. And we've got that secured and
11 that will progress.

12 Now, one little sidebar, the University of
13 Kentucky two hours and fifteen minutes up the road and in
14 Kentucky they don't have a veterinary medicine school. That
15 doesn't make sense, does it? But up there in the horse
16 country of Lexington, you've got the Luck Center, which is the
17 largest research equestrian in the world. You've got the
18 busiest diagnostic center in the world and they have a lot of
19 animals and they don't have a veterinary medicine school.
20 And you ask yourself why. Well, up there if you're a sheik,
21 you're charged by the value of the horse and it's an unusual
22 business and it's a billion dollar business or so. They've
23 always refused to house a veterinary medicine school there
24 but we've got one in Lee County, Virginia.

25 We've started to work with the University

1 of Kentucky and they're rotating our students through all that
2 and it's unbelievable. The education capabilities are
3 unlimited. Sometimes it's good to be in the right place at the
4 right time. But in this particular case, that's what we're going
5 to be shooting for and we certainly hope that you all can help
6 us with this and that's our story. Thank you.

7 SENATOR CARRICO: For those that have
8 never been to this facility, it's really remarkable when you're in
9 Virginia just to see this facility there. Mr. DeBusk when he
10 says we would like to see a 30,000 square foot facility that
11 means he's going to build it. When he says he likes to do
12 something, he's a visionary and will make it happen. I can tell
13 you working with him from day one for this facility to get
14 going, it has been phenomenal to see how quickly they were
15 able to attract people to come there and go to school there and
16 all that. If you work as fast as Pete DeBusk, you'd never have
17 a problem. We appreciate everything you've done for
18 Southwest Virginia and look forward to things happening.

19 DELEGATE KILGORE: Thank you.

20 DELEGATE MARSHALL: Jason, we keep
21 talking about the sewer, do you have public water?

22 DR. JOHNSON: Yes. When you talk
23 about the sewer and the public water, yes.

24 DELEGATE MARSHALL: I suggest we go
25 to Southwest Virginia for our fall meeting. I came in the early

1 days and I'd like to see it again. I don't know if you could put
2 us all up.

3 MR. DEBUSK: We'll find a way.

4 DELEGATE MARSHALL: I would
5 encourage staff to make that happen.

6 MR. DEBUSK: Thank you.

7 DELEGATE KILGORE: All right, next.

8 MR. FEINMAN: The next group has had
9 many names, startup Southwest Virginia. The Executive
10 Committee has been requested to spend as much as \$4.5
11 million from this year's budget to support this project. It's
12 undergone a number of different permutations and yesterday
13 we printed out for you some more details and representatives
14 from the project are here. Rather than have me do it and a
15 less thorough job, I'll hand it over to these fine folks.

16 MR. SPITZ: Good afternoon. My name is
17 Doug Spitz. I'm one of the cofounders of MPowerVA. It looks
18 like a combination of nomenclature of Southside and
19 Southwest long encompassing opportunity.

20 I am currently the president of a
21 company in Chantilly, Virginia called Performance Net
22 Management Group and we bring emerging technology to the
23 U.S. government. I sit on multiple advisory boards in Silicon
24 Valley. I sit on these boards with folks like the CEO of
25 Microsoft, the CIO of HP, some of the Fortune 100 companies.

1 We're utilizing this ecosystem in the valley, if you will, to
2 empower the government to become more efficient and
3 emerging portfolio technology company. In the last three
4 years have participated in a billion dollars of U.S. government
5 programs.

6 The other cofounder of MPowerVA, one is
7 the former CIO of the CIA, who is currently the CEO of Ricks
8 Technology, Next Generation Analytics Company that is
9 providing analytics at two hundred times the speed in which
10 all other analytics are done and who also is a personal
11 consultant to both Elon Musk and Jeff Bezos. Another
12 cofounder is the former chief technologist of Google, who
13 currently runs a \$200 million venture fund in the national
14 capital region investing in technology to support national
15 defense. And lastly is a current president of a multi-billion
16 dollar IT services organization who has provided IT services to
17 the government. Luckily, we've been able to have an
18 individual join us, Peggy Evans here, who is the executive
19 director of MPowerVA and has a long history in government
20 and manufacturing and production as well as venture with
21 Elaine Chon-Baker and the secretary of technology under ---.

22 This is a group that understands the
23 impact that technology is going to have in the future from not
24 only the way we work and business today but the social
25 impact of technology. We're looking at creating an economic

1 opportunity in the state of Virginia very much like the
2 economic environment and ecosystem that's in Silicon Valley
3 today. It's going to be for the most part pick and shovel work
4 building a foundation brick by brick and creating an
5 ecosystem with everyone's participation for education, for all
6 the pieces all the way up the rolodex, which all the
7 leadership has in the T. So when we can bring Elon Musk and
8 Jeff Bezos and John Chambers and look at who is on the
9 advisory board, you'll see that the ecosystem that we're going
10 to be able to create and that's going to create opportunities.
11 We'll also see a self-propelling prophecy because these people
12 don't fail when they put their minds to it.

13 Peggy is going to give a programmatic
14 approach as to how this is going to be done and I think we'll
15 be able to define a little bit more with the Q and A session that
16 will follow.

17 MS. EVANS: Page two, the mission
18 statement, which I think Doug kind of covered that. And page
19 three really talks about how the program will evolve and what
20 the organization is. It's a non-profit, which means that it is
21 independent and relies on substantive analysis and program
22 assessment without any particular or other types of self-
23 disciplines and organizations. It's also important to know that
24 the goals here are not to continue to come to the
25 Commonwealth for money. The goal here is to establish an

1 ecosystem and then the partnership beginning with the
2 training and education or the training and education
3 ultimately leads to businesses in the region with outside
4 investment.

5 The returns in a non-profit over time will
6 allow for the non-profit to be self-sustaining and continue in
7 the region in Virginia.

8 It's important to recognize that you have
9 to start with the education, a wonderful program. We are
10 working with various partners that already have the type of
11 curriculum that will enhance the ability to develop a workforce
12 that will be attractive. Some of the companies that we want to
13 bring in and will receive feedback and bringing employees that
14 those companies can use. We think Virginia, because we
15 think there are some smart, dedicated people here, including
16 folks like you, we really want to make a difference, part of the
17 heritage here and there's interest in all levels of government
18 and the population has really helped mold Virginia and
19 heading toward a digital economy.

20 The initial program that we'll invest in,
21 the first year funds went to make a statement and initial
22 training cohort to begin to prepare the reports for these types
23 of jobs. We're very much looking forward to having the
24 Commission helping us where the initial investment should go
25 and what the content of them should be. And we will spend a

1 lot of time speaking to folks like yourselves and the leaders in
2 the area to make decisions that are meaningful and focused.

3 The photographs on page five is self-
4 explanatory and initially what it is, and it's an opportunity to
5 see different types of technologies from the high-tech 3D
6 printers and bioelectronics all the way through the tech sector
7 until we get to the type of equipment that everything from the
8 woodworking, metalworking, farming and other things that
9 can bless the culture of the region.

10 The outcome that the whole point here is
11 to make investments that we can join up and create a
12 workforce and lead a workforce that and all the external
13 investments and types of companies and foundations and
14 other nonprofits to see Virginia as a flagship to develop this
15 kind of economy.

16 Page seven talks about the type of
17 leadership profile and that goes through page eleven and all
18 talk about some of the specific advisors I mentioned, which
19 you're welcome to ask questions about. And we have partners
20 on page twelve that have already signed up to provide funding
21 and/or in-kind support to MPowerVA. Autodesk is a software
22 company that produces software and 3D printing. Missionu,
23 that could be immediately used in the education and training
24 cohort. Venture For America is another. They want to partner
25 with us and they largely do programs in inner cities but they

1 would help support one another. Techonomy is a collection of
2 leading edge entrepreneurs in the technology area, just like
3 Microsoft. But this is the types of companies to be able to
4 bring in the type of support that Doug was alluding to earlier.
5 NationalSolar wants to work with the nonprofit and they bring
6 research and development and new type and more efficient
7 solar panels. They are an innovator and this is an application
8 we believe would be beneficial in the area. And that's just a
9 brief overview.

10 MR. SPITZ: I have one thing to add that
11 relates why Virginia and this is personal. I live here and the
12 technology I see coming out of the Valley is scary. Ninety
13 percent of what I knew is artificial intelligence and it's very
14 close and very vertically integrated into this. I'm now seeing
15 artificial intelligence that can fit across the entire business
16 operation of very large enterprises. This means that artificial
17 intelligence in a very short period of time can replace as much
18 as twenty percent of the knowledge workers. A board that I
19 participated in two weeks ago in Palo Alto concerned the
20 impact of artificial intelligence. What are we going to do when
21 machine learning and artificial intelligence take over many
22 jobs? My team wants to position Virginia to take advantage of
23 this technology and take advantage of this new economy and
24 new industry where people are not going to be concerned
25 about let me collect the social contract because I no longer

1 have a job. But to position themselves to now take advantage
2 in this world and be part of it.

3 SENATOR CHAFIN: I've met these folks
4 on two or three occasions and been on the phone with them
5 on numerous occasions, Mr. Chairman. And this program I
6 think can offer a big probability of success that we've never
7 seen in Virginia as far as helping our economies in Southside
8 and Southwest and in the Southwest especially with the coal
9 industry and Southside with the furniture industry. This
10 project offers the ability to put together an ecosystem from
11 which we can build back up and create employment through
12 work training. We have a tremendously successful group of
13 individuals who are dedicated to bringing jobs to Virginia and
14 bringing resources to Virginia in ways, repatriating and when
15 it comes to government a lot of things that have gone overseas.

16 I'm very excited and very supportive of
17 this prospect. We've done great things for many years but
18 they have not created a new ecosystem.

19 DELEGATE KILGORE: The funding for
20 this came from Southwest and the prospect incentive fund.

21 SENATOR CARRICO: Yes, the proposed
22 funding.

23 MR. FEINMAN: The money set aside to
24 fund this project. The prospect incentive fund and we tap into
25 that.

1 UNIDENTIFIED: How much from
2 Southwest?

3 DELEGATE KILGORE: \$2 million from
4 Southwest and \$2.5 from the –

5 MS. CLARK: This is one year?

6 DELEGATE KILGORE: Yes.

7 DELEGATE MARSHALL: So when we
8 approve the budget, this is on that?

9 MR. FEINMAN: The money was set
10 aside.

11 DELEGATE KILGORE: The money is set
12 aside. We've set it aside but I think we need an affirmative
13 vote on it.

14 SENATOR CHAFIN: Mr. Chairman, I'm
15 ready to move forward on the project and I make a motion that
16 we do the project.

17 DELEGATE KILGORE: And allow staff to
18 work out the details?

19 SENATOR CHAFIN: Allow staff to work
20 out the contract language and all the details.

21 MR. FEINMAN: Well, by statute we're
22 required to have a one to one match for projects that we fund.
23 That's required by statute. We're going to work on that.

24 MR. SPITZ: We have a very large
25 ecosystem of Fortune 100 companies that want to participate.

1 As early as two weeks ago, I spent some time in Colorado, I
2 had the CIO of HP, who has a real passion for education and I
3 didn't realize his passion for education as it relates to this
4 direction of technology. I approached him and told him what
5 we were going to do here in Virginia and he said sign me up, I
6 want to participate. We're getting a lot of this type of
7 involvement from many of our folks.

8 As it relates to matching funds, a lot of
9 the funds come because people want to build value but there
10 has to be structure and once structure is in place, we can
11 then start creating this value and then we'll see exponentially
12 as far as the matching funds because they want to see
13 Virginia go forward.

14 DELEGATE MARSHALL: Did we get a
15 second?

16 DELEGATE KILGORE: We got a second.

17 SENATOR RUFF: Benton, does your
18 motion include staff working out measurable results that can
19 be weighed at the end of six months or twelve months?

20 SENATOR CHAFIN: I think it does. It
21 includes the match language that we require and we can show
22 those and some way allocate any successes. This is a different
23 type of proposal than we've ever looked at. It's not like we're
24 just going to build a building and it's going to be a challenge
25 for staff to quantify a building of this type of, or building a

1 workforce and it's going to be a challenge for all of us.

2 SENATOR RUFF: Mr. Chairman, I think
3 it is extremely important that we define the measurable
4 results. It's awfully easy, and no offense to you all, it's awful
5 easy to get up there and say all kinds of things but if there is
6 no way of tracking what you're doing moving forward then you
7 can come back to us next year and said hey, we did what we
8 said we were going to do. So I think it's important for the staff
9 to work out a real, measurable results.

10 MR. SPITZ: I can tell you that the initial
11 budget that was put forth, which is much more sizable and a
12 much longer duration allowed us to act with more direction to
13 create opportunities sooner than what the budget you have in
14 front of you today. The ability to create and let me give you an
15 example of the next generation thinking impacts us all. I'm an
16 alumnus of VMI and VMI is very proud of its computer science
17 program and it's several years old. What's interesting is that
18 at Stanford, Stanford no longer offers a computer science
19 degree. They're now above computer science in delivering
20 technology that utilizes computer science if you will has
21 plummeted. So we're very inclined to develop metrics because
22 all of the leadership on this team is very goal oriented. We
23 just want to make sure that the metrics are defined in a way
24 that allows us to create the foundation, the ecosystem. If
25 we're going to outcome in twenty jobs, I don't think the

1 ecosystem then is part of the discussion. Then we'll have to
2 do a runoff and say let's look at this one project and fund the
3 project for jobs. What we're looking to do is to change the
4 thought process of how we're going to approach technology
5 and Virginia as an incubator and have an environment where
6 we go around the country and people are going to say yes,
7 Virginia is a startup. When I travel around the country, that's
8 not what I hear but we're trying to change all that.

9 DELEGATE KILGORE: I think we'll work
10 with the staff to set those measurables up and outcomes.

11 MR. SPITZ: We're more than willing to
12 set goals and the goals that we're trying to achieve and we'll
13 describe what that goal is and how we see us getting to the
14 next level.

15 MS. COLEMAN; Mr. Chairman, I think
16 we need to look at this whole thing and this is a very, very
17 important process and we have to be very careful that we're
18 spending our money on things that are to have our money
19 spent on. And that needs to be part of the motion as well.
20 We've got to make sure that this money is spent wisely.

21 SENATOR CHAFIN: I made the motion
22 and the motion is going to include the match language,
23 quantifiable results. It's a tough project and I agree with that.
24 This project has the capability of changing a lot for our
25 constituents.

1 MS. COLEMAN: Mr. Chairman, my
2 problem is that this project is still lacking specifics.

3 DELEGATE WRIGHT: Mr. Chairman, I
4 appreciate Senator Chafin's remarks and concerns and this
5 being a new-type project and so forth. I'm just concerned and
6 when you talk about outcomes, it's very difficult for me to get
7 my mind around this project and how it will actually work.
8 And I'm not sure it's something that the Tobacco Commission
9 should be funding in things like education and high speed
10 internet. Those are things that we've been involved in and we
11 need to move forward more on the high speed internet. I do
12 have some reservations about it.

13 MS. HENSLEY: How much money would
14 there be for Southwest in next year's budget?

15 MR. FEINMAN: There's a carry forward
16 balance for Southwest of \$700,000.

17 DELEGATE KILGORE: Well, we have a
18 motion.

19 SENATOR CHAFIN: I've made the motion
20 and we have a second.

21 DELEGATE KILGORE: All those in favor
22 of the motion say aye. (Aye.) Opposed? (Nos.) We'll need a
23 roll call.

24 MR. FEINMAN: Ms. Barts?

25 MS. BARTS: Yes.

1 MR. FEINMAN: Mr. Blevins?
2 MR. BLEVINS: Yes.
3 MR. FEINMAN: Delegate Byron?
4 DELEGATE BYRON: [No response.]
5 MR. FEINMAN: Senator Carrico?
6 SENATOR CARRICO: Yes.
7 MR. FEINMAN: Senator Chafin?
8 SENATOR CHAFIN: Yes.
9 MR. FEINMAN: Ms. Clark?
10 MS. CLARK: Yes.
11 MR. FEINMAN: Ms. Coleman?
12 MS. COLEMAN: No.
13 MR. FEINMAN: Delegate Edmunds?
14 DELEGATE EDMUNDS: Yes.
15 MR. FEINMAN: Dr. Ehrhardt?
16 DR. EHRHARDT: No.
17 MR. FEINMAN: Mr. Harris?
18 MR. HARRIS: No.
19 MR. FEINMAN: Ms. Hensley?
20 MS. HENSLEY: No.
21 MR. FEINMAN: Delegate Marshall?
22 DELEGATE MARSHALL: Yes.
23 MR. FEINMAN: Mr. Mills?
24 MR. MILLS: Yes.
25 MR. FEINMAN: Delegate Morefield?

1 DELEGATE MOREFIELD: Yes.
2 MR. FEINMAN: Mr. Owens?
3 MR. OWENS: Yes.
4 MR. FEINMAN: Ms. Ratliff?
5 MS. RATLIFF: Yes.
6 MR. FEINMAN: Senator Ruff?
7 SENATOR RUFF: No.
8 MR. FEINMAN: Mr. Shell?
9 MR. SHELL: No.
10 MR. FEINMAN: Mr. Shelton?
11 MR. SHELTON: Yes.
12 MR. FEINMAN: Mr. Spiers?
13 MR. SPIERS: No.
14 MR. FEINMAN: Senator Stanley?
15 SENATOR STANLEY: [No response.]
16 MR. FEINMAN: Mr. Sutherland?
17 MR. SUTHERLAND: Yes.
18 MR. FEINMAN: Delegate Wright?
19 DELEGATE WRIGHT: No.
20 MR. FEINMAN: The motion passes.
21 DELEGATE KILGORE: Any public
22 comments? I have a motion that we adjourn, well there is one
23 more thing.
24
25 NOTE: A RESOLUTION OF APPRECIATION FROM THE

1 MECKLENBURG ELECTRIC COOPERATIVE IS READ TO THE
2 COMMISSION IN APPRECIATION FOR THE WORK THE
3 COMMISSION HAS DONE.

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PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

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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 Tuesday, May 22, 2018 at 11:30 a.m. at
Longwood University, Farmville, Virginia.**

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 7th day of June,
2018.

Medford W. Howard
CCR #0313137

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