

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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7 **Southside Economic Development Committee Meeting**

8 Wednesday, June 5, 2019

9 2:00 o'clock p.m.

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13 Institute of Advanced Learning and Research

14 150 Slayton Avenue

15 Danville, Virginia

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1 APPEARANCES:

2 The Honorable Thomas C. Wright, Jr., Chairman

3 The Honorable Edward Owens, Vice Chairman

4 Ms. Gayle F. Barts

5 The Honorable Kathy J. Byron

6 Dr. Alexis I. Ehrhardt

7 The Honorable Daniel W. Marshall, III

8 Mr. Robert Mills, Jr.

9 Ms. Cassidy Rasnick

10 The Honorable Frank M. Ruff

11 Mr. Buddy Shelton

12 The Honorable William M. Stanley, Jr.

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14 COMMISSION STAFF:

15 Mr. Evan Feinman, Executive Director

16 Mr. Andy Sorrell, Deputy Executive Director

17 Ms. Sarah K. Capps, Grants Program Administrator,

18 Southside Virginia

19 Ms. Michele Faircloth, Grants Assistant

20 Southside Virginia

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22 COUNSEL FOR THE COMMISSION:

23 Ms. Elizabeth B. Myers, Assistant Attorney General

24 Richmond, Virginia 23219

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1 June 5, 2019

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3 DELEGATE WRIGHT: Good afternoon, everyone. I
4 want to call the Southside Economic Development Committee
5 meeting to order.

6 Evan, would you please call the roll.

7 MR. FEINMAN: Yes, sir, Mr. Chairman.

8 Mr. Owens.

9 MR. OWENS: Here.

10 MR. FEINMAN: Delegate Wright.

11 DELEGATE WRIGHT: Here.

12 MR. FEINMAN: Ms. Rasnick.

13 MS. RASNICK: Here.

14 MR. FEINMAN: Ms. Barts.

15 MS. BARTS: Here.

16 MR. FEINMAN: Delegate Byron.

17 DELEGATE BYRON: Here.

18 MR. FEINMAN: Delegate Edmunds.

19 DELEGATE EDMUNDS: (No response).

20 MR. FEINMAN: Dr. Ehrhardt.

21 DR. EHRHARDT: Here.

22 MR. FEINMAN: Delegate Marshall.

23 DELEGATE MARSHALL: Here.

24 MR. FEINMAN: Mr. Mills.

25 MR. MILLS: Here.

1 MR. FEINMAN: Senator Ruff.

2 SENATOR RUFF: Here.

3 MR. FEINMAN: Mr. Buddy Shelton.

4 MR. SHELTON: Here.

5 MR. FEINMAN: Senator Stanley.

6 SENATOR STANLEY: Here.

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

8 DELEGATE WRIGHT: Thank you. Next, we'll ask for
9 approval of our minutes from January 7th, 2019.

10 MR. MILLS: So moved.

11 MR. OWENS: Second.

12 DELEGATE WRIGHT: The motion is made and
13 seconded to approve the minutes. All in favor, say aye. (Ayes).
14 Opposed? (No response). The minutes are approved.

15 We have an out-of-cycle proposal. I don't see a thing
16 wrong with that or a proposal of this nature. This is a significant
17 project, and I'll turn it over to the Staff at this time.

18 MR. FEINMAN: Thank you, Mr. Chairman. Tim is our
19 grant director, and he couldn't be with us here today. And I'll try
20 to carry this and then turn it over to fill in the gap.

21 What we've got is a Virginia Economic Development
22 opportunity to build upon much of the automotive sector to date.
23 I wish I could report to you that we have partners in the greater
24 Danville area and build upon what we've got down here, and I
25 really don't think that was the goal initially, but this is, in fact, a

1 really good opportunity, and this company also promises to build
2 a pipeline. They are asking for a loan as opposed to a grant. It's
3 the Staff's policy at the direction of this body. So, there is no
4 official Staff recommendation. The language that Tim and I tried
5 to use was the Staff reserves the recommendation, but there's
6 little risk and considerable merit.

7 DELEGATE WRIGHT: Thank you, Mr. Chairman. At
8 this time, I'd call on anyone that would like to speak in favor of
9 this project. Please come to the podium and state your name.

10 MR. ROWE: My name is Matt Rowe. Mr. Chairman
11 and Commission members, the Project G4 before you represents
12 a specialized automotive company which proposes to invest over
13 \$15 million in the Danville area and Pittsylvania County. This
14 project is a new state-of-the-art 100,000 square foot
15 manufacturing facility. There will be many opportunities in
16 precision machining, engine assembly and testing, and
17 manufacturing and automotive engineering design.

18 We're asking the Commission to do something that is
19 somewhat convenient due to the fact the county wants to utilize
20 this as a loan and due to timeliness and that we utilize from the
21 Pittsylvania County Southside allocation. We're requesting a loan
22 of \$2 million. The way this is structured that we had proposed
23 and we're certainly open to comments from the Commission Staff
24 and input from the Commission itself. The way we had proposed
25 this actually going through the Virginia Resources Authority

1 current interest rate 2.9 percent. We would propose that that
2 interest would then be paid, go back into the Tobacco
3 Commission's general fund, and this represents roughly
4 \$306,000 over a ten-year period, amortized over a ten-year
5 period.

6 As far as the securitization of the loan itself,
7 obviously, the County wants to insure that its assets are secured.
8 It will be secured by the privately funded five-million-plus
9 building and the equipment and machinery. So, the way that the
10 arrangement, the building would be, and then the County would
11 have a first lien position on the property, in addition to the direct
12 jobs, 500-plus jobs.

13 The Executive Director, Mr. Feinman, mentioned that
14 this opportunity represents an opportunity for us to be able to
15 take advantage of the investment that the Tobacco Commission
16 and the region have made for this Workforce pipeline, like
17 Advanced Welding and IT. Now, this pipeline is all over Southern
18 Virginia and going into Southwest Virginia. And there's over 750
19 active students. We've already started having conversations and
20 we want to be involved in this automotive field and involving the
21 workforce.

22 With all that being said, I'll defer to any questions that
23 the Commission may have.

24 DELEGATE WRIGHT: Does anyone have any questions
25 of Mr. Matt Rowe?

1 DELEGATE MARSHALL: Mr. Chairman, I move that we
2 approve Project G4, \$2 million loan, contingent upon a G4
3 company moving forward.

4 DELEGATE WRIGHT: We have a motion and a second.
5 Does everyone understand the motion? Or any comments or
6 questions?

7 MR. OWENS: This sounds like a good project for
8 everybody in Southside.

9 DELEGATE WRIGHT: I don't know about a hundred
10 percent, but I think this is a good example how the allocation can
11 be used and how this can enhance the footprint and is a great
12 addition for the locality, and I like the way the Staff has worded
13 this, little risk and considerable merit.

14 MR. OWENS: What about the loan?

15 MR. FEINMAN: The timeframe, I'll remind everybody
16 that we are fully secured like the County.

17 DELEGATE WRIGHT: Any other questions? All those
18 in favor, say aye. (Ayes). Opposed? (No response). The motion
19 carries.

20 The next item of business is the Acquisition and
21 Development of New Industrial Park, Number 3035. There's a
22 request for a sixth year extension through May 21, 2021. At this
23 time, I'll ask the Staff.

24 MS. CAPPS: Mr. Chairman, this is an extension
25 request, this grant was awarded in May of 2015, and this was for

1 property acquisition and site assessment. Staff has been
2 working with the Lunenburg County on this site. This property
3 was formerly a public school. When the Commission awarded
4 this grant back in 2015, it was made contingent on, there was a
5 plan for the continuous use of the property. The proposed use
6 was for small business and light industrial use development.

7 A one-year extension was previously granted and
8 allowing it to remain in an active status. Recently, a new
9 economic development director was hired. We're in the process
10 of receiving some details on the small business and light
11 industrial use. So, they are asking for a sixth extension through
12 May 21 of 2021. Staff is supportive of this approval with the
13 disbursement of the remaining \$483,000 contingent on approval
14 of a revised project budget.

15 DELEGATE WRIGHT: Thank you, sir. Any questions?
16 So, at this time, I would accept the motion.

17 MR. MILLS: I move the extension be granted.

18 DELEGATE MARSHALL: Second.

19 DELEGATE WRIGHT: We have a motion and a second
20 to accept the Staff recommendation. All those in favor, say aye.
21 (Ayes). Opposed? (No response).

22 MR. OWENS: I would ask about May 20, 2021, if this
23 is the sixth year, then there won't be any more extensions?

24 DELEGATE WRIGHT: I'd ask the representative from
25 Lunenburg to come forward and speak to that issue.

1 MR. MILLICAN: I'm Glenn Millican. I don't believe
2 there'll be any more extensions. Lunenburg has gone through a
3 process and we did have some staff turnover. I have great
4 passion for the project myself and great exuberance about this
5 project and we need this space to grow some commercial
6 business and economic development. We'd like to have that
7 yesterday. I have every intention of going forward and getting
8 the project done as quickly as possible, and it's the most efficient
9 use of the funds on the property. I am involved in the
10 administration office of Lunenburg County, so we want to see this
11 project go through.

12 MR. OWENS: I'd like to amend the motion. I would
13 like to have a report back next year on the progress, this is
14 actually a two-year extension, just an annual update.

15 DELEGATE WRIGHT: Would you accept that
16 amendment? All right. Does everyone understand the motion?
17 On the amended motion, report back a year from now on the
18 progress, all in favor, say aye. (Ayes.) Opposed? (No
19 response). Motion carries, thank you.

20 That's our agenda. Is there any brief public
21 comments? If not, we'll stand adjourned.

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PROCEEDINGS CONCLUDED.

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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, Southside Economic Development Committee Meeting**, when held on Wednesday, June 5, 2019, at 2:00 p.m., at the Institute of Advanced Learning and Research, 150 Slayton Avenue, Danville, 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 20th day of June, 2019.

Medford W. Howard
CCR