

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

4

5

6

7

8 **Business Support Committee Meeting**

9 Thursday, June 6, 2019

10 9:30 o'clock a.m.

11

12

13

14 Institute for Advanced Learning and Research

15 150 Slayton Avenue

16 Danville, Virginia 24540

17

18

19

20

21

22

23

24

25

26

1 APPEARANCES:

2 The Honorable Daniel W. Marshall, III, Chairman

3 Mr. Ed Blevins

4 Mr. Joel Cunningham

5 Dr. Alexis I. Ehrhardt

6 Ms. Julie Hensley

7 Mr. Robert Mills, Jr.

8

9 COMMISSION STAFF:

10 Mr. Evan Feinman, Executive Director

11 Mr. Andy Sorrell, Deputy Executive Director

12 Ms. Sarah K. Capps, Grants Program Administrator -

13 Southside Virginia

14 Ms. Michelle Faircloth, Grants Assistant

15 Southside Virginia

16 Ms. Sara Williams, Grants Program Administrator -

17 Southwest Virginia

18 Ms. Jessica Stamper, Grants Assistant

19 Southwest Virginia

20 Ms. Stephanie Kim, Finance Director

21

22 COUNSEL FOR THE COMMISSION:

23 Ms. Elizabeth B. Myers, Assistant Attorney General

24 Richmond, Virginia 23219

25

1 June 6, 2019

2

3

DELEGATE MARSHALL: Good morning, I'm going to call the Business Support Committee to order and ask Evan to call the roll.

6

MR. FEINMAN: Delegate Marshall.

7

DELEGATE MARSHALL: Here.

8

MR. FEINMAN: Mr. Blevins.

9

MR. BLEVINS: Here.

10

MR. FEINMAN: Mr. Cunningham.

11

MR. CUNNINGHAM: Here.

12

MR. FEINMAN: Ms. Ehrhardt.

13

DR. ERHHARDT: Here.

14

MR. FEINMAN: Ms. Hensley.

15

MS. HENSLEY: Here.

16

MR. FEINMAN: Mr. Mills.

17

MR MILLS: Here.

18

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

19

20

DELEGATE MARSHALL: The second thing on the agenda is that we had a meeting and we didn't have a quorum at that time, so we need to approve the minutes from the January 8th meeting, not the April 16th meeting.

21

22

23

MR. MILLS: Move to approve.

24

DR. EHRHARDT: Second.

25

DELEGATE MARSHALL: Any discussion? Hearing

1 none, all in favor say aye. (Ayes). Any opposed? (No
2 response). All right, that motion passes.

3 I'll turn it over to Andy right now.

4 MR. SORRELL: First, I think that we're going to have,
5 get the director introduced --

6 DELEGATE MARSHALL: Let's wait for the Full Board
7 meeting, and that'll be about 10:30.

8 MR. SORRELL: Yes. Back in April, we talked about a
9 Small Business Entrepreneur Support Program. We didn't have a
10 quorum, so we weren't able to pass anything, so we couldn't
11 adopt the guidelines. And I'll try to give you a quick overview.

12 Basically, the Commission partnered with the
13 GENEDGE organization and providing funding and providing an
14 opportunity for individuals to come through a process. And we
15 wanted to work with our grantees and particularly the new ones
16 to help them enter into a path of entrepreneurship and then
17 commercialization.

18 The objective of this particular program is to provide
19 young, eligible small businesses in the Footprint and for multi-
20 purposes, as well as the Commission could help support the
21 mentorship, and then, again, like I said, maybe a path towards
22 commercialization. That can bring capital and jobs into our
23 region.

24 The applicants would be evaluated based on the
25 potential of the businesses. That's the idea behind the program.

1 Based on the feedback we got from our Commissioners, we'll go
2 into an application round. Applicants will be evaluated based
3 upon the business potential impact to the Tobacco Region and
4 the applicant's business feasibility. Then there'll be a Staff
5 review, and the finalists will compete in what's called a pitch
6 presentation to the Business Support Committee during one of
7 that Committee's regular public meetings. Each finalist will have
8 15 minutes to pitch their business to the Business Committee,
9 and the Committee will select five companies for inclusion in the
10 program. And the participants for the year shall be no more than
11 ten.

12 The process will be competitive and confidential during
13 this pitch process. The application would be in the form of a
14 template business plan that applicants could fill out online. The
15 pitches would be 15 minutes each. At any time, they could
16 answer questions that the Committee had during this process.

17 Ultimately at the end of the pitch competition, there'll
18 be five for a total of ten and broken up in five and five.

19 Once selected, then you'll be able to go through the
20 GENEDGE process. The applicant would be able to have a
21 mentor relationship with GENEDGE or a Commissioner, and then
22 have ongoing communications in working through this GENEDGE
23 process. It's important to know that the program will not receive
24 any direct grant funding, but this is an opportunity to work
25 through the GENEDGE process and have that mentor/mentee

1 relationship.

2 Prior to being awarded the status from the
3 Commission, we'd ask that you sign a liability waiver to cover the
4 period of the program like the six to twelve months once the
5 applicant has worked with the Commission and GENEDGE. And
6 so each party is responsible for their own.

7 Successful applicants will not receive any grant
8 funding, but awards will be in the form of an individual GENEDGE
9 business assessment membership experience with a member of
10 the Business Support Committee and added exposure upon the
11 successful completion of the program. We will look for applicants
12 that represent the general population of the region of the
13 Tobacco Commission, the general population of the region. It
14 really depends on how many applications we get, and we'll do
15 our best to make sure there's a representative number in all the
16 areas of the Tobacco Footprint.

17 As far as the eligibility criteria, this will give
18 businesses that are at the initial startup phase and the ultimate
19 goals for the businesses, for the business should be able to bring
20 new jobs and outside capital, as we've said. This can be
21 businesses in many different appeals. The ultimate goal is to
22 bring in new jobs and bringing capital into the region. Applicants
23 that would not be eligible are not selected, would not be
24 restricted to being able to apply in the future. Perhaps they'd be
25 eligible for other opportunities.

1 As far as the eligibility criteria, this could be people
2 located in the area or agreeing to locate here and working in an
3 economic sector. We had some criteria like not more than five
4 years in business, so far, 20 or fewer employees. Now, this
5 could or wouldn't be enough to begin stretching the comfortable
6 control span of one or two owners. No more than \$1 million in
7 total annual receipts. Small businesses that are realizing
8 revenue but not yet fully into the next stage of maturity.

9 With the application evaluation, when they come into
10 the Commission, we would review and select the top ten finalists
11 that we then present to the Business Support Committee and
12 what we would basically evaluate them on, their business impact
13 on the Commission and overall Footprint, as well as the general
14 business feasibility. That would be evidenced by the
15 management team, the size of the market opportunity, sales and
16 marketing strategy, the business model used, strength of
17 intellectual property owned by the company, capital
18 requirements, customer analysis, and the company's stage of
19 development. Those would be basically what we were looking
20 for.

21 No specific details of any business plan or other
22 proprietary business information will be made public. Once
23 these applications and information is presented, it would not be
24 made public.

25 Once the finalists are selected, they'd have an

1 opportunity to pitch their business to the Support Committee, the
2 short presentation. And after that, the Committee would have a
3 very short scoring criteria in order to conduct the pitch
4 competition.

5 Then the Committee will have some criteria when
6 selecting the small business to work with. A description of their
7 product, their service, value proposition, size of the market,
8 competitive advantage, sales and marketing strategy, financial
9 analysis and revenue model, direct job creation, secondary
10 impact on the area, and how the company uses other resources
11 and their fit in the region, and then how the pitch presentation
12 itself went.

13 As far as the program budget and value of awards,
14 this is going to be a pilot program. At this point, funding in the
15 amount of \$50,000 would be utilized for the program from the
16 Commission's administrative budget. That would be the
17 GENEDGE reviews of these businesses. If the program is
18 successful and demand exists, the Commission will consider
19 extending the program past the pilot and create a separate line
20 item for it in the Business Support Committee's annual budget.

21 As I said, there'll be two application rounds per year,
22 and one in the summer and one in the fall. And once the initial
23 folks are selected, then they'll go to the Committee.

24 If the program is approved, we'd have to look at
25 making final funding decisions in September and then January for

1 funding. Then we would have GENEDGE actually start.

2 That's a very quick outline of the program. I might
3 say that working with the folks at the Launchpad in Danville, they
4 were very helpful as we were developing guidelines and the folks
5 at GENEDGE working with our program guidelines and providing
6 feedback on how that program works and operates. We'll have a
7 presentation from GENEDGE in the launch pad at our Full
8 Commission Meeting. They'll tell us a little bit about what they
9 do.

10 So, be glad to answer your questions.

11 DELEGATE MARSHALL: Any questions?

12 MS. HENSLEY: I just have a correction on page 2,
13 and it talks about the application period, spring and fall, spring
14 and fall and everywhere else, it said, it says summer and fall.
15 That's just a correction.

16 MR. SORRELL: Thank you.

17 DELEGATE MARSHALL: Any questions?

18 MR. FEINMAN: I just wanted to say that Andy has
19 done a tremendous amount of work pulling this program
20 together. This was an idea almost a year ago to support
21 entrepreneurship in the Footprint and do it in a way that the
22 public would enjoy and the Commission would enjoy. This would
23 be like two half day shark tanks per year, and then give the
24 benefit of our relationship with GENEDGE, and that's a
25 remarkable consulting organization and provides tremendous

1 benefits to our folks, and as well as a connection to you all.

2 The Commission will be able to support their entering
3 in that way and that's always valuable to have in a relationship
4 and especially if you kind of deal with something complicated.
5 That kind of close contact is very important. You know, it's the
6 kind of thing where I know somebody that does this and maybe
7 they could help you and that type of thing, or it could be up to a
8 pursuing a line of credit or whatever. All that's very important.
9 And that's a way for us with relatively low dollar amount, help
10 grow businesses in our Footprint.

11 DELEGATE MARSHALL: Are there any questions? So,
12 do we need a motion, Evan, or adopt or accept the guidelines?
13 All right. Do we have a motion?

14 MR. MILLS: I move to adopt the guidelines.

15 DELEGATE MARSHALL: Second. Any discussion. All
16 those in favor, say aye. (Ayes). Opposed? (No response).

17 MR. SORRELL: Do you need to approve the budget?

18 UNIDENTIFIED: It's in the Committee's budget.

19 DELEGATE MARSHALL: All right. Any public comment
20 in relation to the Small Business Entrepreneur Support? All right,
21 seeing none, that'll conclude this.

22

23

24

25

PROCEEDINGS CONCLUDED.

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, Business Support Committee Meeting**, when held on Thursday, June 6, 2019, at 9:30 o'clock a.m., at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Danville, Virginia 24540.

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 June, 2019.

Medford W. Howard
CCR