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**TOBACCO REGION REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501  
Richmond, Virginia 23219

**Full Commission Meeting**

Thursday, June 6, 2019  
10:30 o'clock a.m.

Institute for Advanced Learning and Research  
150 Slayton Avenue  
Danville, Virginia 24540

1     **APPEARANCES:**

2     The Honorable Terry G. Kilgore, Chairman

3     Ms. Gayle F. Barts

4     Mr. Ed Blevins

5     The Honorable Kathy J. Byron

6     The Honorable Charles W. Carrico, Sr.

7     The Honorable A. Benton Chafin, Jr.

8     Ms. Gretchen Clark

9     Ms. Becky Coleman (By phone)

10    Mr. Joel Cunningham, Jr.

11    Dr. Alexis I. Ehrhardt

12    Ms. Julie Hensley

13    Ms. Jennings

14    The Honorable Daniel W. Marshall, III

15    Mr. Robert Mills, Jr.

16    The Honorable James W. (Will) Morefield

17    The Honorable Edward Owens

18    Ms. Cassidy Rasnick

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 L. Sutherland

25    The Honorable Thomas C. Wright

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COMMISSION STAFF:

- Mr. Evan Feinman, Executive Director
- Mr. Andy Sorrell, Deputy Director
- Ms. Stephanie Kim, Director of Finance
- Ms. Sarah K. Capps, Grants Program Administrator -  
    Southside Virginia
- Ms. Michele Faircloth, Grants Assistant -  
    Southside Virginia
- Ms. Sara Williams, Grants Program Administrator -  
    Southwest Virginia
- Ms. Jessica Stamper, Grants Assistant -  
    Southwest Virginia

COUNSEL FOR THE COMMISSION:

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

1 June 6, 2019

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3 DELEGATE KILGORE: Good morning, everyone, I'm  
4 going to call our Full Commission meeting to order, and I'll ask  
5 Evan to call roll.

6 MR. FEINMAN: Ms. Rasnick.

7 MS. RASNICK: Here.

8 MR. FEINMAN: Ms. Barts.

9 MS. BARTS: Here.

10 MR. FEINMAN: Mr. Blevins.

11 MR. BLEVINS: Here.

12 MR. FEINMAN: Delegate Byron.

13 DELEGATE BYRON: Here.

14 MR. FEINMAN: Senator Carrico.

15 SENATOR CARRICO: Here.

16 MR. FEINMAN: Senator Chafin.

17 SENATOR CHAFIN: Here.

18 MR. FEINMAN: Ms. Clark.

19 MS. CLARK: Here.

20 MR. FEINMAN: Ms. Coleman.

21 MS. COLEMAN: Here.

22 MR. FEINMAN: Mr. Cunningham.

23 MR. CUNNINGHAM: Here.

24 MR. FEINMAN: Delegate Edmunds.

25 DELEGATE EDMUNDS: (No response).

1 MR. FEINMAN: Dr. Ehrhardt.  
2 DR. EHRHARDT: Here.  
3 MR. FEINMAN: Mr. Harris.  
4 MR. HARRIS: (No response).  
5 MR. FEINMAN: Ms. Jennings.  
6 MS. JENNINGS: Here.  
7 MR. FEINMAN: Delegate Kilgore.  
8 DELEGATE KILGORE: Here.  
9 MR. FEINMAN: Delegate Marshall.  
10 DELEGATE MARSHALL: Here.  
11 MR. FEINMAN: Mr. Mills.  
12 MR. MILLS: Here.  
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: (No response.)  
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. Chairman.

9 DELEGATE KILGORE: Do I have a motion we approve  
10 the minutes of January 8, 2019? I have a motion and a second.  
11 All those in favor, say aye. (Ayes). Opposed? (No response).  
12 The minutes are approved.

13 The first item on the agenda is our budget. There  
14 have been some transfers made. The first item on the agenda is  
15 the Executive Committee, and we discussed the budget, and  
16 there were some transfers that we made and discussed the  
17 corpus invasion. If you look on the screen and page 3 in your  
18 book, and you'll see the budget, and you'll see that figure,  
19 \$19,779,250, and that's the budget we'd ask for your approval  
20 on.

21 You look at the Tobacco Opportunity Fund and Special  
22 Projects, Agriculture, Education, Southside, and Southwest, and  
23 Megasite was \$500,000, General Account \$500,000.

24 The first item we need approval of, we need to do the  
25 transfer of unobligated balances reserve funds, \$6,476. Do I

1 have a motion to do the transfer \$6,476? All those in favor, say  
2 aye. (Ayes). Opposed? (No response). That motion carries.

3 On the budget, and the 15 percent corpus invasion,  
4 we'll have to have a two-thirds majority approval, and we'll go  
5 through that in a minute, but we'll need to adopt the budget first.

6 Any questions or comments on the budget by  
7 members of the Commission?

8 MR. OWENS: Mr. Chairman, my concern about the  
9 budget, I know, in the Executive Committee Meeting on the  
10 budget, but it looked like here, and then you're talking about  
11 investing \$25 million, so you get a better return?

12 DELEGATE KILGORE: Yes, that's the bottom figure.

13 MR. OWENS: Well, you have to have a two-thirds  
14 majority for that and trying to get 15 percent, is that right?

15 DELEGAE KILGORE: Yes. The reason we're trying to  
16 get a better return is that we want to grow the monies.

17 MR. FEINMAN: Mr. Chairman and members of the  
18 Committee, the reason we suggest a 15 percent corpus invasion  
19 as opposed to a 4.4 corpus invasion, the programs in accordance  
20 with our strategic plan has a relatively low rate of return, and the  
21 programs that you see before you, they're budgeted with the  
22 sustainability plan. In the strategic plan that this body adopted,  
23 and I believe and having adopted that strategic plan. But we are  
24 obliged to create a strategic plan and to stick to it. We're  
25 allowed to do a larger corpus invasion and the idea of all that and

1 if we took some of this money, we might be obligated to or take  
2 additional revenues and give them to something like a foundation  
3 or a couple of foundations.

4           You're talking eight percent compared to one or two  
5 percent, but the idea is if we want to sustain our goals but we'll  
6 be working with people concerning the investments to try to get  
7 a better return. Leaving money on the table doesn't help us.  
8 The idea is we'll set back \$25 million. And over the course of the  
9 summer, the Staff and I will be reaching out to a variety of  
10 potential partners and we'll put before you in September the  
11 investment plan for that funding, but I think we should regard  
12 that as separate, the programs.

13           But specifically, Mr. Owens, we'll address your  
14 concerns. But the funds before you and the uses of the funds is  
15 what we have to use this year, and we're going to stick to the  
16 financial sustainability guidelines that we set up. When you look  
17 at the carry-forward balances and the committees. One of the  
18 reasons we have one of the differences is for the specific  
19 committees this year, and last year we had a healthy TROF, so  
20 we didn't need to make a deposit in the TROF account. But this  
21 year, we've been transferring from our Prospect Incentive Fund  
22 into the TROF to cover those expenses toward the end of the  
23 fiscal year. But to put \$3 million back into TROF and we're  
24 putting before you the best budget we could concerning the  
25 needs and the carry-forward balances.



1           If, within that column, and you want to move money  
2 around, we'll do the best we can, but, ultimately, it's all your  
3 decision.

4           MR. OWENS: In moving this money, are these  
5 restricted or unrestricted funds, how does that work?

6           MR. FEINMAN: I can give you an overview and then  
7 go deeper into the numbers. And we can go deeper into the law  
8 and we can talk about bonds. The money to be moved are  
9 unrestricted funds. There are some constraints in what you can  
10 and cannot do. But on the treasury side, and we're concerned  
11 about how we can get a better return on our restricted bonds.

12           DELEGATE KILGORE: I know it's a reduction in money  
13 for Southside and Southwest and especially Southwest, and  
14 we're trying to get through this process. This is an opportunity  
15 hopefully to make some more money on an interest rate and  
16 hopefully we'll see some better budgets in the next few years.

17           MR. OWENS: I agree we can always use more money,  
18 but the way this budget was set up, did the Staff talk to any of  
19 the committees here, are they for it or finding out what the  
20 needs are?

21           MR. FEINMAN: Either way, this proposed budget has  
22 been dialogued with the committee chairs throughout. The  
23 Executive Committee met and the Executive Committee, you  
24 know what the Executive Committee is composed of and the way  
25 we do it is we have recommendations on the budget or on a

1 specific set of grants in setting up the budget. But I think this is  
2 the way to go, so we can generate more income. But this was  
3 discussed.

4 MR. OWENS: I'm on the Executive Committee. I  
5 understood you were going to have another conversation before  
6 we presented this. I can't support this budget as it is. I think it's  
7 a lopsided way to divide the money up.

8 DELEGATE KILGORE: You can make a motion and we  
9 have a way to move things around and I'm not sure how you  
10 want to move it around, but if you want to make a motion on it.

11 DELEGATE WRIGHT: Mr. Chairman, I did vote for this  
12 budget at the last Executive Committee meeting, but I was under  
13 the impression also we were going to have further discussions. I  
14 wasn't consulted and, of course, not that I have to be, or  
15 advised, this cut for Southside Economic Development, and those  
16 funds.

17 I saw yesterday that Pittsylvania County had an  
18 opportunity to work on some industries to come there and the  
19 presentation we have this morning. But it seems like we're  
20 running out of money prematurely, and I'm not saying wasted,  
21 but I think a meeting as such as far as economic development  
22 and training and education and other things, we need to be sure  
23 that there's money there for those things. You could save  
24 money 20 years from now, but some things you need now.

25

1 I just don't want to see Southside run out of economic  
2 development funds, and I don't think our allocation should be  
3 cut, and I know several times we've been on a waiting list, and  
4 each time if we resist that, then it seems to me that, and what  
5 we're doing now is, so when we take an allocation away from  
6 Southside, and I don't think we should do it. And that's my  
7 comments on it.

8 DELEGATE KILGORE: What are the unobligated  
9 balances right now at Southside and Southwest?

10 MR. FEINMAN: One point one, and you can see the  
11 current unobligated balances, \$1.2 million Southwest to carry  
12 forward. Twenty-five million two hundred and thirty-two  
13 thousand, Southside Economic Development. To the extent the  
14 new budget would be cut to those committees only to the  
15 amount we added to the committee balances last year. Those  
16 committees had a very healthy balance and able to do many  
17 projects that we're aware of or that we see coming down the  
18 pike.

19 If you look at the carry-forward in Agribusiness, 1.2  
20 carry-forward nearly \$3 million. So, and Education, we're about  
21 to approve that. A little spending in R&D.

22 DELEGATE WRIGHT: In response to that, I would say  
23 I would encourage Southwest and Southside Economic  
24 Development Committee be frugal with the money. In other  
25 words, don't waste it and then be penalized also for not using it.

1 Some projects come along and they have to be acted on, and  
2 that could send the wrong message. And I think it is in cutting  
3 back on Economic Development funds.

4 One of the core priorities of this Commission has been  
5 Economic Development and the indemnification of the Tobacco  
6 farmers and the restoration of Tobacco-dependent communities  
7 was the main goals for the Commission and that was finished in  
8 2009, I believe. I appreciate your explanation, but people on the  
9 Executive Committee that were not consulted, maybe they  
10 should raise their hand and maybe people were consulted or they  
11 weren't.

12 DELEGATE BYRON: Continuing on the discussion, I  
13 had some concerns in the Executive Committee about Economic  
14 Development because a lot of these balances or unobligated or a  
15 good portion of it and those areas that have larger quotas than  
16 others. Some of the smaller areas are really going to be affected  
17 by having to build up over a much longer period of time to get  
18 back to the point where there's anything worthwhile for them to  
19 apply for.

20 The other thing is I had a question about the  
21 education and an unobligated balance, I believe it was \$9 million,  
22 and then the new budget puts in additional money.

23 MR. FEINMAN: That unobligated balance does not  
24 take into account the education portion that just ended.

25 DELEGATE BYRON: So, the \$12.9 is obligated?

1 MR. FEINMAN: Some of it. The R&D spending --

2 DELEGATE BYRON: It might be helpful to look at  
3 what's obligated, not just by date, because obligated is obligated.  
4 Sometimes it's hard to understand when these figures are here  
5 when you're trying to make a decision.

6 MR. FEINMAN: I appreciate that. Technically, the  
7 Education funding would be, it remains not obligated until this  
8 body acts on the Education Committee's report. The Staff does  
9 not have a monopoly on good ideas. And if members have an  
10 idea about how to make the money getting spread around in a  
11 way or better reflects the Commission's priorities, we're happy to  
12 listen and implement.

13 But referring specifically to the Southside localities  
14 that don't have a large allocation, and that's what the Budget  
15 Committee is for. One of the reasons we tried to hold the Special  
16 Projects funding is, that is the safety valve, if you will, for those  
17 Southside localities and the way the Southside formula dedicates  
18 those funds.

19 DELEGATE KILGORE: I'm willing to entertain a  
20 motion, it doesn't matter to me, we can come up with a way to  
21 do it.

22 MR. OWENS: Mr. Chairman, what happens if we don't  
23 pass the budget?

24 DELEGATE KILGORE: We have a budget today to  
25 operate July 1<sup>st</sup>.

1 DELEGATE MARSHALL: If we pass the budget today,  
2 then we could amend it.

3 MR. FEINMAN: Any Commissioner, the Commission  
4 can amend or make transfers and, in fact, we've been in  
5 situations in which a large project came up and we needed to  
6 make a change and a priority and maybe try to figure out a way  
7 to get the resources available to meet a change.

8 DELEGATE KILGORE: We can do that if you all want  
9 to, or come up with a plan, and I wouldn't be against it, or  
10 Southside, I wouldn't be against it. If you can come up with a  
11 way to fund it.

12 MR. OWENS: But you want to pass this today.

13 DELEGATE KILGORE: We've got to pass something  
14 today to keep us from coming back immediately.

15 MR. OWENS: I thought I could make a motion,  
16 amend this budget today, and move a million dollars out of TROF  
17 back into Southside Economic Development.

18 THE COURT REPORTER: Can you please use the  
19 microphone.

20 MR. FEINMAN: My submission is that the \$3 million in  
21 TROF would probably not get us through this year as it stands.  
22 TROF is the only grant program, is done on a rolling basis as  
23 opposed to submitting applications. It's designed to make our  
24 region more competitive economically than the rest of Virginia by  
25 having an existing business extension or business attraction that

1 we may offer otherwise.

2           Secondarily, I believe that, Mr. Owens, you may lose if  
3 you put the same amount in Southwest and Southside.

4           DELEGATE KILGORE: I'll just say I don't have a  
5 problem doing what you're asking because I think it serves two  
6 purposes. We can come back and put more money into TROF if  
7 we can find the sources for that. And if you want to make a  
8 motion, I think your motion was 600,000 in Southside and  
9 \$400,000 in Southwest, or five hundred, that way, we might get  
10 Delegate Wright on that.

11           DELEGATE MOREFIELD: Is there a limit on that?

12           DELEGATE KILGORE: Yes, up to 15 percent.

13           DELEGATE MOREFIELD: Is there a limit on how many  
14 times?

15           DELEGATE KILGORE: Once a year.

16           MR. FEINMAN: But I also remind you we've adopted  
17 the strategic plan and we have to consider the sustainability, 4.4  
18 percent. That's similarly a constraint on the Commission.

19           The reason the balances are low is because the  
20 Commission says yes more frequently than no and to grant  
21 requests.

22           DELEGATE MOREFIELD: I think the general consensus  
23 about the Committee members is that some of the members  
24 weren't consulted.

25           DELEGATE KILGORE: Maybe we all bear some

1 responsibility, and I think we did say we'd talk more about it and  
2 we can talk right now.

3 Now, the first motion you made for --

4 MR. OWENS: I'll withdraw that.

5 DELEGATE MOREFIELD: Did you say later or did the  
6 Executive Director say that, and if approved today, this money  
7 would be set aside until September?

8 DELEGATE KILGORE: No, you're talking about the  
9 investment money here? Yes, that'll give us until September to  
10 come up with a plan for the investment. We may be able to find  
11 more money for TROF.

12 DELEGATE MOREFIELD: Just to clarify any confusion  
13 and adopting the original budget at the original four percent and  
14 the corpus invasion and then you're trying to look out for the  
15 investment and negotiate some type of investment deal and then  
16 come back in September and approve that?

17 MS. KIM: The corpus invasion is done by fiscal year  
18 June 30<sup>th</sup>. In order to get the corpus invasion for this year and  
19 to fund next year's budget, you need to do it now. None of the  
20 money for investments would go out without coming back to the  
21 Full Commission for you to vote on.

22 DELEGATE KILGORE: It's not going anywhere.

23 MS. KIM: That's right. It stays invested along with all  
24 of our money. So the -- will come back to the Board at the next  
25 Full Commission meeting for the Executive Committee.



1 MR. FEINMAN: Yes. The Full Board, the opinion of  
2 the body and maybe a more robust conversation on the budget  
3 needs to be done. This is the fifth year we've done this and we  
4 did it the same way this year as we have in years past. Email  
5 the budget to the Executive Committee well in advance of the  
6 meeting and in the Executive Committee talking about the  
7 budget. The Executive Committee made a motion to adopt a  
8 budget, and this Full Commission has a safety valve for any  
9 committee action and come before the Full Commission. I'm  
10 certainly happy to hear any positive comments. What I'm  
11 hearing is more direct outreach, and if that's the will, that's what  
12 we can do moving forward. But this budget process is not a  
13 deviation from the way we've been doing it since I've been here.

14 MS. HENSLEY: I understood there's been a motion to  
15 fund the TROF, and then it was stated more money might be  
16 needed for the TROF?

17 DELEGATE KILGORE: Yes.

18 MS. HENSLEY: And that could be found in --

19 MR. FEINMAN: -- Yes --

20 MS. HENSLEY: -- What's the source?

21 MS. KIM: There's line items, special projects, or  
22 education.

23 MR. FEINMAN: We can do that.

24 MS. KIM: Returns are refunded.

25 MS. CLARK: So, the \$25 million to be transferred or

1 reinvested, is that a number or could that be reduced?

2 DELEGATE KILGORE: Yes.

3 MS. KIM: I think a return would limit the  
4 administrative budget, and the four percent is in the bylaws, the  
5 remainder.

6 DELEGATE KILGORE: Yes, that's where it would be.

7 DELEGATE WRIGHT: In reference to the motion  
8 earlier and the amendment, one million or that the million dollars  
9 would be appropriated to Southside and Southwest according to  
10 the formula.

11 MR. OWENS: Well, I make a motion that we move a  
12 million dollars from the TROF funds and move it to Economic  
13 Development, using the same formula, \$2.5 million.

14 DELEGATE KILGORE: That would be seventy thirty.  
15 Do we have a second on that? We do have a second. Any more  
16 discussion? All those in favor, say aye. Any more discussion?  
17 All those in favor moving a million from TROF to Regional  
18 Economic Development, 70 percent Southside, 30 percent  
19 Southwest, say aye. (Ayes). Opposed? No. We have one no.

20 DELEGATE WRIGHT: Mr. Chairman, one thing I want  
21 to be sure of going forward, the Agribusiness Committee, as well,  
22 and in these discussions, I think that --

23 THE COURT REPORTER: Would you please use the  
24 microphone.

25 DELEGATE WRIGHT: And if there's money there for

1 different proposals, I support the farming community, and if  
2 money is there for various proposals, I support that.

3 DELEGATE KILGORE: I think Agri has approximately  
4 \$1.2 for next year, and probably in the future we will have and  
5 will have to revisit that to try to make more investments in Agri,  
6 and it's something that's very needed, very important.

7 MR. SPIERS: As chairman of that Committee, I go  
8 with the comment made earlier. We have projects. We know  
9 the funds are limited. I am of the opinion that if we have  
10 worthwhile projects, the money will be there.

11 MR. OWENS: I'd second that.

12 DELEGATE KILGORE: Any more discussion on the  
13 motion? This was a robust discussion.

14 MS. MYERS: It's three-fourths of the Full Commission  
15 membership. I suggest you read that motion.

16 DELEGATE KILFORE: All right, I'm going to make that  
17 motion. I move to adopt the following resolution:

18 Whereas, the Code of Virginia provides for a portion of  
19 the corpus of the Tobacco Indemnification and Community  
20 Revitalization Endowment (the "Endowment") to be paid annually  
21 to the Tobacco Indemnification and Community Revitalization  
22 Fund (the "Fund") upon request of the Tobacco Region  
23 Revitalization Commission (the "Commission"), and

24 Whereas, the Endowment was funded from proceeds  
25 of certain tax-free Tobacco Settlement Asset-Backed Bonds,

1 Series 2005, the use of which is subject to certain restrictions  
2 (“Restrictions”), and was further funded with additional proceeds  
3 of certain taxable Tobacco Settlement Asset-Backed Bonds,  
4 Series 2007, the use of which is NOT subject to Restrictions, and

5 Whereas, the Treasurer of Virginia has determined  
6 that on February 28, 2019, for the purposes herein, the value of  
7 the corpus of the Endowment was \$233,877,949.10; now,  
8 therefore, be it

9 Resolved, that the Commission hereby requests that  
10 for the fiscal year ending June 30, 2019,

11 One, the Treasury Board pay from the Endowment to  
12 the Fund a sum equal to 15 percent of the Endowment value as  
13 of February 28, 2019,

14 Two, that the said payment be made not later than  
15 June 30, 2019, and

16 Three, that the amount so paid NOT be subject to  
17 Restrictions.

18 We’ll get our 15 percent corpus invasion and allow us  
19 to fund our budget 4.4 percent.

20 DELEGATE MARSHALL: That’s the motion?

21 DELEGATE KILGORE: Yes.

22 DELEGATE MARSHALL: Second.

23 MR. OWENS: Three-fourths or three-fourths of the  
24 Full Commission?

25 MS. MYERS: Full Commission.

1 DELEGATE KILGORE: Full Commission. That's the roll  
2 call vote. All those in favor of that, say aye. (Ayes). Opposed?  
3 That passes.

4 Now, back to the motion. It has to be a roll call.

5 MR. FEINMAN: Ms. Rasnick.

6 MS. RASNICK: Aye.

7 MR. FEINMAN: Ms. Barts.

8 MS. BARTS: Aye.

9 MR. FEINMAN: Mr. Blevins.

10 MR. BLEVINS: Aye.

11 MR. FEINMAN: Delegate Byron.

12 DELEGATE BYRON: Aye.

13 MR. FEINMAN: Senator Carrico.

14 SENATOR CARRICO: Aye.

15 MR. FEINMAN: Senator Chafin.

16 SENATOR CHAFIN: Aye.

17 MR. FEINMAN: Ms. Clark.

18 MS. CLARK: Aye.

19 MR. FEINMAN: Ms. Coleman.

20 MS. COLEMAN: Aye.

21 MR. FEINMAN: Mr. Cunningham.

22 MR. CUNNINGHAM: Aye.

23 MR. FEINMAN: Delegate Edmunds.

24 DELEGATE EDMUNDS: No response.

25 MR. FEINMAN: Dr. Ehrhardt.

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

1 MR. FEINMAN: Mr. Spiers.

2 MR. SPIERS: Aye.

3 MR. FEINMAN: Senator Stanley.

4 SENATOR STANLEY: Aye.

5 MR. FEINMAN: Mr. Sutherland.

6 MR. SUTHERLAND: Aye.

7 MR. FEINMAN: Delegate Wright.

8 DELEGATE WRIGHT: Aye.

9 MR. FEINMAN: The motion is carried, Mr. Chairman.

10 DELEGATE KILGORE: We already made amendments  
11 to the budget, so it'll be a motion to adopt the budget as it is.

12 The same number, \$19,779,250. Do I have a motion?

13 MR. OWENS: So moved.

14 DELEGATE KILGORE: I have a motion and a second.  
15 Any further discussion? All those in favor, say aye. (Ayes).  
16 Opposed?

17 DELEGATE WRIGHT: No.

18 DELEGATE KILGORE: The motion carries.

19 Now, moving forward, I think that's all for the  
20 Executive Committee at this time, and we'll go into the Business  
21 Support.

22 DELEGATE MARSHALL: Thank you, Mr. Chairman.  
23 We have met a couple of times, and at this point, I'm going to  
24 turn it over to Andy.

25 MR. SORRELL: Yes, we met this morning and

1 recommended adopting guidelines for the Small Business  
2 Entrepreneurship, and just to give you a quick overview of that,  
3 actually it's Small Business Entrepreneurship Support Program.  
4 That would be working with the GENEDGE people, and they will  
5 work with us and provide guidance and leadership and help us  
6 with commercialization. This will be an opportunity for a number  
7 of eligible small businesses under the guidance of GENEDGE.  
8 The applicants will be evaluated based on their impact and other  
9 points and once we get applications and go through that process.  
10 And I'll be happy to try to answer any questions.

11 DELEGATE MARSHALL: I'm going to make a motion  
12 that the Commission accept the Business Support Committee's  
13 recommendation to adopt the Small Business Entrepreneurship  
14 Support Program guidelines as amended, described by Staff and  
15 found on pages 5 through 9 of your Commission book as  
16 submitted and as a pilot program for Fiscal Year '20. That's the  
17 motion.

18 MR. MILLS: Second.

19 DELEGATE MARSHALL: Any comments or questions?

20 Delegate Kilgore stepped out, so I'll take over. All  
21 those in favor of the motion, say aye. (Ayes). Opposed? (No  
22 response).

23 Anything else, Andy, on the Business Support?

24 MR. SORRELL: No, sir.

25 DELEGATE MARSHALL: Then let's go to the Education



1 report.

2 SENATOR CHAFIN: The Education Committee met on  
3 May 29<sup>th</sup> in Roanoke, and one of the discussions had to do with  
4 the Talent Attraction Program, which is designed to attract  
5 people in the Tobacco Region.

6 THE COURT REPORTER: Could you please speak up  
7 with the mike, please.

8 SENATOR CHAFIN: And we thoroughly discussed that,  
9 then we also discussed the Virginia Department of Health  
10 Student Loan Repayment Program, and we looked at the Tobacco  
11 Region professional sources in the area of primary care and  
12 mental health care. I'd like to have a motion to approve those  
13 policies.

14 I move that the Commission accept the Education  
15 Committee's recommendation to adopt the Talent Attract  
16 Program (TAP) guidelines as described by Staff, and it's found on  
17 pages 10 through 11 of your Commission book.

18 DELEGATE MARSHALL: We have a motion and a  
19 second to accept the TAP Program. Any questions?

20 DR. EHRHARDT: My question is, will the recipients,  
21 will they be notified 18 months after the application? But the  
22 question is, the rationale for that, and I'm wondering if we  
23 shouldn't extend it so folks that come to the Region and have  
24 them stay. But really, you know, people that come to this  
25 Region and stay or is it five years, or what is the rationale behind

1 that?

2 MR. FEINMAN: Dr. Ehrhardt, the challenge we had is  
3 this. For all of our programs and the design, in a perfect world,  
4 the design would be in the perfect world, as I said, would be  
5 incentives, not rewarding behavior that's already happened, to  
6 incentivize people. The longer lead time you give, the more  
7 likely someone is already set, and those that avail themselves of  
8 this opportunity, and I know there are similar programs around  
9 the country we looked at. This isn't any way a pilot and we'll  
10 certainly be refining it as we go along, but it's my sincere hope  
11 that in two or three years, that we'll have strong data showing  
12 that this is effective and we can prevail upon the members here  
13 who are members of the General Assembly create a program in  
14 the Tobacco Region.

15 We believe this is an excellent program, and the  
16 Education Committee supported it, and we've had others  
17 supported this idea. Considering the health professions and  
18 other professions where we've had trouble attracting people to fill  
19 jobs in the Footprint.

20 So, what we're really saying, people come to the  
21 community to fill jobs. Some of the people come out of school  
22 that have all this debt and we want to try to attract those kind of  
23 people, especially in these hard-to-fill jobs. If we can help you,  
24 we will, and have them become part of our community.

25 So, a two-year commitment through the Department

1 of Health Professions Program, and that's a program that already  
2 exists, and we're going to try to extend the reaches of that  
3 program into our area or targeting professions that might not be  
4 health professions, and some of those professions are hard to fill  
5 and keep professionals or people in the technical endeavors,  
6 some occupational therapists, schools, and some of these  
7 occupations, whether they be technical or not, are just hard to  
8 find people to fill those jobs. Getting people in those jobs. This  
9 is a way for us to fill those gaps.

10 DELEGATE MARSHALL: The question is if someone  
11 meets all the criteria as far as jobs and they don't have college  
12 debt and they have gone out and gotten these jobs and paid all  
13 their education, but they're coming to the table with some debt,  
14 do they still get a check?

15 MR. FEINMAN: Well, they'd have to be in a certain  
16 situation to be done 18 months out. Secondarily, the question of  
17 incentive. If someone has college debt, we know the payment of  
18 the debt would change the way that they or change the  
19 economics. If they don't have debt, it's very hard for us to  
20 distinguish between who gets an extra thousand dollars or if that  
21 would change their behavior. While we recognize there may be  
22 some folks who, and they may be fortunate not to have debt or a  
23 lot of debt. Be that as it may, we know it can affect the financial  
24 plans of folks with debt.

25 We also know that given the income level in the

1 Footprint, it's more likely to be low income, more likely need to  
2 have to take debt.

3 DELEGATE BYRON: On the Education Committee, we  
4 talked about the TAP Program. My question is, are they required  
5 to exhaust all of their funding sources before they turn over  
6 college debt? Some colleges want you to use any other federal  
7 program or whatever funding might be available to you. They  
8 don't see that as a criteria.

9 MR. FEINMAN: Well, some will do some loan  
10 forgiveness work after post-graduation. All we ask is that they  
11 demonstrate that they actually have the debt. If they mislead us  
12 about that, for instance, if the institution was paid off or whether  
13 they have loan debt or not, but if they represent to us they have  
14 loan debt and they don't, I don't know if I can say much about  
15 that.

16 DELEGATE BYRON: So, as a follow-up on that, all this  
17 money wouldn't be approved or given out until after they  
18 graduated?

19 MR. FEINMAN: For this first year, graduation having  
20 occurred, for years in the future though, while they were in  
21 school and if they come to our region, we can help them address  
22 the debt.

23 MR. OWENS: We can help them address their  
24 undergraduate debt.

25 In reviewing this question, and some people don't

1       come back after three years, if it takes three years.

2                   THE COURT REPORTER: Would you please use the  
3       microphone.

4                   MR. OWENS: After 18 months, does it have to be that  
5       long?

6                   MR. FEINMAN: Mr. Owens, this is one that we have  
7       wrestled with internally, the challenges, the fact that the longer  
8       we extend it out, the shorter it is, the more chance we miss  
9       somebody like who would be a great addition to the Footprint.  
10      The longer we extend it out, the less efficient it will be. More  
11      people will wind up who were going to move back anyway, so  
12      that's the balance we struggled with. If we're going to get  
13      anybody that wants to come back anyway, but the question is,  
14      will money add to that? So, if somebody has already coming  
15      back, the hope that that reduction in behavior is the setting of  
16      the 18 months we hope is the right number. That's based on  
17      what other programs around the country are doing, and certainly  
18      it's the will of the Commission. You can amend that.

19                   What I would suggest is that you take applications  
20      over the summer and we could prepare a report, who we have  
21      and who we don't, and have an Education Committee meeting to  
22      discuss our first round of applicants.

23                   MR. OWENS: Relevant to debt, correct, that's what  
24      you're trying to offset the debt. Most people don't have school  
25      debt paid off.

1 MS. KIM: We wanted to prevent people, the bottom  
2 line is the program is really geared toward recent graduates. I  
3 think that's the goal to prevent somebody that's already there,  
4 has been working there three to five years.

5 MS. BARTS: Would this be or maybe a teacher who's  
6 been teaching for five years in the area, and then they decide to  
7 go, want to go back and get a Master's degree, could they be  
8 included, would that person qualify?

9 MR. FEINMAN: Yes.

10 DELEGATE MARSHALL: Any further questions about  
11 the TAP Program?

12 UNIDENTIFIED: Does this replace all of the  
13 scholarship programs?

14 MR. FEINMAN: It does, the four year, so what we've  
15 been doing as a reminder, we were making loans to students  
16 going into the four-year program in the hopes they would come  
17 back to us, the loans would be forgiven.

18 But what we found is that we were spread too thinly,  
19 giving a lot of people a little bit of money doesn't change  
20 anybody's behavior, economic behavior.

21 Number two, there were some problems, and we,  
22 ourselves, through our partners in the Higher Ed. Center, making  
23 a ton of loans. Then we had to do a lot of work like following up  
24 on a lot of people. And tons of folks who were coming back, one  
25 or the other's sad stories, like a terminal illness or problems like

1 that, want to pay it, but just have a lot of problems. We had to  
2 deal with all of those.

3 We have a whole universe of people that can make  
4 loans. And, in fact, those loans, they enjoy a number of factors  
5 that we don't have. But if we just said forgive the loan, but in  
6 essence, though, it's a retargeting of the loan forgiveness that  
7 we were making.

8 Any further questions? We have a motion on the  
9 table, and that motion was to adopt the TAP Program, and we  
10 have a motion and a second. Any further discussion? All those  
11 in favor, oh, you have a question?

12 DELEGATE WRIGHT: My only concern is, and I've said  
13 this earlier and we're talking about this program and health  
14 program, I can go along with it as long as it's in the Footprint.  
15 But I think it should be only people who are in the Footprint now.  
16 The idea of going and getting other people and to get our own  
17 citizens. And I don't want people to be losing jobs, and we've  
18 got people here. And then we go get people outside. I just  
19 wanted to make that clear. I think we should look after the  
20 people here and try to target them. I'm against the concept of  
21 paying student loan debt.

22 People outside the Footprint, I think it should go to  
23 people within the Footprint.

24 DELEGATE MOREFIELD: Are the recipients of this  
25 required to live in the Footprint?

1 MR. FEINMAN: Yes.

2 DELEGATE MOREFIELD: Before and after?

3 MR. FEINMAN: They're required to live and work  
4 here, but the folks from here get the priority. I would suggest  
5 that if we're hiring folks and folks that are here already, if they  
6 can do the job, yes, but in my view, if somebody moves here and  
7 makes a career here, they are from here, and they're  
8 contributing to the Footprint in a big way. And we want to use  
9 people from here and we want folks to move here.

10 But the folks here would get first priority in the Health  
11 Profession Program and other occupations to folks that grew up  
12 here and live here. If we can't find a math teacher or somebody  
13 like that and somebody from some other place in the  
14 Commonwealth or anywhere comes here and wants to fill that  
15 job, they qualify.

16 DELEGATE MOREFIELD: I don't disagree with your  
17 concept and I'm supportive of this and I've heard more  
18 conversation about this program throughout the community than  
19 I have other programs. I'm hoping everyone will approve this.  
20 We do need to provide incentives for people here.

21 DELEGATE MARSHALL: Can you give us a timeline,  
22 what's the next step?

23 MR. FEINMAN: The next step is we will encourage  
24 applications, and that's going to be opening up and students that  
25 graduate and then we'd have to have proof of the debt and proof



1 of employment and residents in the region and a letter outlining  
2 a way in which there are any restrictions that we might ask and  
3 how we can be engaged or how they will engage in the work and  
4 engaged in the community. There's no hard and fast rule about  
5 how they do that. They could coach Little League, PTA, or they  
6 could run for office or join the Rotary, but be engaged in the  
7 community. You get some benefit from them then and, number  
8 two, people that come in just go to work and come home are less  
9 likely to stay at the end of a certain time than those that make a  
10 personal connection and get involved in the community, and  
11 that's what we want, also, besides just work.

12 The Staff will then sit around the table and evaluate  
13 the application and will make awards according to the guidelines  
14 set forth by the Committee. The reason we segregate health  
15 professions from nonhealth professions is that the VDH is already  
16 doing that. They run out of money every year and they can't  
17 support us bringing in more health professionals. But ours is an  
18 incentive to help support health professionals.

19 DELEGATE MARSHALL: I'm glad we got this  
20 verification up and running.

21 DELEGATE BYRON: Would you repeat the motion.

22 SENATOR CHAFIN: The motion is that the  
23 Commission accept the Education Committee's recommendation  
24 to adopt the Talent Attract Program (TAP) guidelines as  
25 described by Staff and as found on pages 10 through 11 of your

1 Commission book.

2 DELEGATE MARSHALL: We have a motion and a  
3 second.

4 DELEGATE BYRON: I have a question. Are we going  
5 to do a funding motion separate, or is that part of this?

6 DELEGATE MARSHALL: Yes. Any further questions?

7 DELEGATE WRIGHT: One further comment, just to be  
8 clear. My feelings are the same. I know in Southwest they used  
9 to say you had to be from a farm family. In Southside, you had  
10 to be from the Footprint. So, my objection is that we're getting  
11 away from what we originally were doing and more or less saying  
12 and I just don't agree with this.

13 DELEGATE MARSHALL: Any further discussion? Are  
14 we ready to vote? All those voting in favor of the motion, say  
15 aye. (Ayes). Opposed?

16 DELEGATE WRIGHT: No.

17 DELEGATE KILGORE: You've got other motions,  
18 Senator Chafin?

19 SENATOR CHAFIN: Yes. I move that the Commission  
20 accept the Education Committee's recommendation to fund the  
21 Talent Attract Program, TAP, in the amount of \$3 million.

22 UNIDENTIFIED: Second.

23 DELEGATE KILGORE: Any discussion on that? All  
24 those in favor of that motion, say aye. (Ayes). Opposed?

25 UNIDENTIFIED: No.

1                   SENATOR CHAFIN: I move that the Commission  
2 accept the Education Committee's recommendation to fund the  
3 Virginia Department of Health's Student Loan Repayment  
4 Program for Healthcare Professions in the amount of \$2 million  
5 conditioned upon:

6                   One, that Tobacco Commission funds used as last  
7 dollar awards only to those living and working in the Tobacco  
8 Commission Footprint and that no preference be given to  
9 applicants that are non --

10                  DELEGATE KILGORE: I have a motion and a second.  
11 Any discussion?

12                  DELEGATE BYRON: Normally, I don't give a lot of  
13 attention to the newspaper and some of what they present, but  
14 recently there was coverage of what I consider a complicated  
15 issue and we had a big discussion in the Education Committee.  
16 And the paper took it out of context and referred to the  
17 population that was being lost in the Southwest area due to  
18 people dying or not coming back and members had concern  
19 about others coming in and referring to physicians coming back  
20 to the Region. I believe Senator Ruff, physicians from being  
21 eligible for this program.

22                  MR. FEINMAN: I believe he said the least priority be  
23 given to those --

24                  MS. KIM: Because he wanted to be able to fund, like  
25 physician assistants.

1 DELEGATE BYRON: There is a major difference  
2 between the two programs, because the Department of Health,  
3 which is a different agency, and they were going to be handling  
4 this program and we were providing the match. So, there was a  
5 lot of questions, a new program, like new rules and something I  
6 was unfamiliar with, that just caused some concern not doing it  
7 in a pilot-type program.

8 I think it's important that people understand why  
9 there's some trepidation by jumping into something new. It  
10 sounded a lot like it was going to be utilizing people from out of  
11 the Region and want to make sure we are marketing people that  
12 are going to our schools here, that are getting experience in  
13 health care professions. That was mentioned in the paper and  
14 some things weren't noted in the paper that should have been,  
15 and why some people are leaving Southwest because of very bad  
16 anti-coal policies and that's why we're seeing such a decline in  
17 some regions in some of the population.

18 I just wanted to state for the record some of my  
19 concerns and not meant to harm anything but just bringing your  
20 attention to maybe there's a better way for us to work for a  
21 solution for some of these needs. We haven't heard in some of  
22 our workforce discussions, I don't recall getting data specific for  
23 some of the needs that are coming back to us. We do have a  
24 Workforce Program and we've been working on that but haven't  
25 discussed it in great length. Thank you, Mr. Chairman.

1 DELEGATE WRIGHT: I wanted to make sure that I  
2 had a no vote on the last motion.

3 DELEGATE KILGORE: I thought you might be.

4 DELEGATE BYRON: I would like to make a motion  
5 that we support the original Department of Health to give equal  
6 priority to physician's assistants, equal to physicians.

7 MR. FEINMAN: We can go back and amend that prior  
8 motion.

9 THE COURT REPORTER: Would you please speak up  
10 and use the mike.

11 DELEGATE KILGORE: Then how would it read --

12 SENATOR CHAFIN: Mr. Chairman, the second  
13 condition was the position that lower preference be given to  
14 applicants that are --

15 DELEGATE MARSHALL: We discussed the priorities --

16 DELEGATE BYRON: -- My recollection of our meeting  
17 was a discussion that was just a need for nurse practitioners and  
18 some of the others were much higher level and the fact that  
19 physicians coming back to our region to try to pay off debt in the  
20 amount of the money would be more attractive to some of the  
21 other needs in there. My comment was I felt that we should or if  
22 we're going to go that direction put money in the program, but I  
23 think there's other ways we can attract physicians and people in  
24 those professions.

25 MR. OWENS: Don't hospitals already do that at the

1 Tuition Assistance Program or Reimbursement Program? I think  
2 most hospitals have a program like that.

3 DELEGATE BYRON: To my knowledge, the hospital, if  
4 it's a federal program, maybe somebody from Roanoke could  
5 answer that a little better than me. My understanding, and I  
6 know Sara knows about this, and we discussed the resident  
7 program. There may be some hospitals that are giving some of  
8 their persons money, but programs from the Federal Government  
9 are not our region and that's why some of them are leaving  
10 because they cannot do the Resident Program like down here.

11 I don't know all about the Resident Program, but  
12 paying off some of that debt is going to be enough to attract  
13 those people. So, I think Senator Ruff, putting the emphasis on  
14 people like nurse practitioners and the other health care areas  
15 that we need to concentrate on.

16 MS. MYERS: I would say, Mr. Owens, hospitals are  
17 not eligible, even if they are providing matching, they're not  
18 eligible for this particular program. Because if you think about  
19 qualified health centers, the ones that couldn't afford, I think that  
20 was the intent.

21 DELEGATE KILGORE: Senator Chafin made a motion  
22 to take that language out for doctors and dentists. We have a  
23 motion and a second. Any further discussion?

24 MR. OWENS: I believe there was a motion to amend.

25 DELEGATE KILGORE: The motion was to amend. All

1 those in favor of the amendment, say aye. (Ayes). Opposed?  
2 (Nos). All right, that motion carries.

3 Now, the motion before us, all in favor of the motion,  
4 say aye. (Ayes). Opposed?

5 DELEGATE WRIGHT: No.

6 UNIDENTIFIED: No.

7 DELEGATE KILGORE: Two nos.

8 SENATOR CHAFIN: Mr. Chairman, I move that the  
9 Commission accept the Education Committee's recommendation  
10 to authorize the Executive Director to enter into a memorandum  
11 of understanding with the Virginia Department of Health to  
12 administer the program for health care.

13 MR. OWENS: Second.

14 DELEGATE KILGORE: I have a motion and a second.  
15 Any discussion? All those in favor, say aye. (Ayes). Opposed?  
16 (No response). The motion carries.

17 SENATOR CHAFIN: Mr. Chairman, I move that the  
18 Commission accept the Education Committee's recommendation  
19 that the Commission approve \$2,923,500 for the following  
20 Workforce Financial Aid Grants, as described on pages 37  
21 through 48 of your Commission book.

22 Grant Number 3542 in the amount of \$315,000; 3523  
23 in the amount of \$315,000; 3543 in the amount of \$126,000;  
24 3541 in the amount of \$315,000; 3520 in the amount of  
25 \$120,000; 3508 in the amount of \$315,000; 3538 in the amount

1 of \$315,000; 3536 in the amount of \$315,000; 3540 in the  
2 amount of \$315,000; 3537 in the amount of \$157,500, last 3539  
3 in the amount of \$315,000. And the total is \$2,923,500.

4 DELEGATE KILGORE: Is there a second? Any  
5 discussion? All those in favor, say aye. (Ayes). Opposed? (No  
6 response).

7 We need to get the word out that we're trying to help  
8 these colleges.

9 SENATOR CHAFIN: Mr. Chairman, I move that the  
10 Commission accept the Education Committee's recommendation  
11 that the Commission approve \$2,239,629.67 for the following  
12 Competitive Education Grants, as described on pages 49 through  
13 60 of your Commission book.

14 DELEGATE KILGORE: What figure did you have?

15 SENATOR CHAFIN: I'm accepting Grant 3515 for my  
16 motion. So, the numbers are 3513, 49 through 60 of your book.

17 DELEGATE KILGORE: What figures do you have?

18 SENATOR CHAFIN: I'm accepting 3513. So, the  
19 numbers are 3513 in the amount of \$84,814.47; 3518,  
20 \$200,000; Number 3517, a loan in the amount of \$59,934.13;  
21 3510, \$195,700; 3512 in the amount of \$600,000; Number 3497  
22 in the amount of \$26,559.98; Number 3514, \$505,929; Number  
23 3511 in the amount of \$226,355; Number 3509 in the amount of  
24 \$165,337.09; Number 3516 in the amount of \$175,000. Totaling  
25 \$2,239,629.67.



1 DELEGATE KILGORE: Does anyone want any of those  
2 to be removed from the block?

3 DELEGATE BYRON: Wasn't 3513 one of yours?

4 SENATOR CHAFIN: Mr. Chairman, 3515 is out of the  
5 block.

6 DELEGATE KILGORE: So, you're moving to making a  
7 motion to approve everything except 3515 from the block, is that  
8 correct?

9 SENATOR CHAFIN: Yes, that's correct.

10 DELEGATE KILGORE: All right, I have a motion and a  
11 second. Any other discussion? All those in favor of the block of  
12 the Education Projects, say aye, with the exception of 3515, say  
13 aye. (Ayes). Opposed? That motion carries. One abstention.

14 SENATOR CHAFIN: Mr. Chairman, in regard to  
15 Number 3515, there was a request for \$325,000. The  
16 Committee had a request, I believe there are people here or they  
17 are from Radford, they haven't attended Tobacco Commission  
18 meetings, but may be a little gun shy. They returned today to be  
19 heard.

20 DELEGATE KILGORE: Anyone here from Radford?  
21 Quickly. I believe this is for a Counseling Program.

22 SENATOR CHAFIN: The Higher Ed Center in  
23 Southwest Virginia.

24 DELEGATE KILGORE: Dave isn't shy.

25 MR. MATLOCK: I'm David Matlock, Executive Director

1 of Southwest Virginia Higher Ed. Center. And with me today is  
2 the Director of the Corporate Foundation Relations at Radford,  
3 Virginia.

4 MR. DAVIS: Thank you, Mr. Chairman, and Senator  
5 Chafin. Kind of a rookie mistake. We were here last week, and  
6 we apologize and thank you for the time today.

7 Just a quick summary, and this is a program designed  
8 to create a Master's degree for 22 students and three cohorts.  
9 This involves school counseling. And in light of the Governor's  
10 recent legislation, it's become a high priority for schools. It's  
11 almost like a workforce enhancement. This will be three years,  
12 and I think initially there was some misinformation, maybe it was  
13 on our end. We planned to have it every three years. And part  
14 of the question and the question came up during the initial three-  
15 year phase.

16 This program is designed for people that are currently  
17 working, and it's an incentive to enhance their skills and the  
18 closest state school that can provide the credential. The goal is  
19 to provide a Master's in school counseling already. This is  
20 needed to jumpstart, and I don't know how else to make it more  
21 delicate, and there is a critical need for this. It'll take three years  
22 to get 22 people on board. This is going to be an incentive-  
23 based program, and there are some questions on sustainability,  
24 and this is a priority at Radford and we're working on some  
25 funding sources for teaching of school counseling.

1 David's group has already committed some resources.  
2 Thirty-one of the thirty-two folks that came to the information  
3 session will need to continue to work running this program.  
4 Thirty-one of thirty-two. Finances are always a problem when it  
5 comes to higher education. Region 7 school salaries are some of  
6 the lowest in the state and to ask them to borrow a lot of money,  
7 we feel would be problematic to get the program going. Long-  
8 term, we should be able to get external funding, and we've  
9 approached others to help with this education, and we hope that  
10 this will be the start of several programs in this area. I'll leave it  
11 to Terry to describe the specifics of the program.

12 There is a general policy concern, which is that in  
13 general we've restricted our payments to reduce tuition and I  
14 have a real concern we support tuition reduction directly for the  
15 students for a four-year program and open the door to Emory  
16 and Henry, Averett, Longwood, and UVa-Wise. We'd like to see a  
17 program start, but this is not an area that we traditionally fund.  
18 Additionally, the \$60,000 was the gap for year one, very  
19 expensive. Our thinking was we'd help cover that gap, but the  
20 sustainability concern is there in taking it out further

21 MS. WILLIAMS: Yes, you did a good job, but the big  
22 concern we had with the, and that had to do with the scholarship  
23 at specific schools and that's something that historically we  
24 stayed away from. We saw this program as already being  
25 advertised, and we had applications in July.

1 MR. DAVIS: Those are valid points, but this is not a  
2 traditional four-year program. This is a unique three-year  
3 program, not a general business degree, not a general science  
4 degree. This is a highly specialized degree. And we've just got  
5 to get going. So, it's a little different. It's an unusual situation.  
6 And I understand you usually don't fund this, but it's important  
7 to stress this is a very different thing.

8 SENATOR CARRICO: I move that we approve  
9 \$325,000 over that three-year period to fund this program at  
10 Radford University.

11 MS. RATLIFF: Second.

12 MR. FEINMAN: Mr. Chairman, I just want to remind  
13 you, and I just received a text, it's just not the amount of  
14 money, but it's in the program guidelines about competitive  
15 education, and that's a noneligible expense, and this would be a  
16 departure from our program, from our original goals.

17 UNIDENTIFIED: Two points.

18 DELEGATE KILGORE: Any comments?

19 UNIDENTIFIED: Mr. Chairman, two points. We talked  
20 about the Talent Attraction Program, and that sounds like a great  
21 fit. On the repayment side for something like this, and my other  
22 concern is that if my math is correct, an investment of about  
23 \$14,000 per student, for us, which is significantly higher, and,  
24 again, this is a graduate-level program, a technical program,  
25 almost ten times the investment that we make on the other

1 programs.

2 DELEGATE KILGORE: Any other comments? Then we  
3 have a motion.

4 Senator Chafin.

5 SENATOR CHAFIN: When we talk to the school  
6 superintendents of the Region, and that's an important decision  
7 to consider, this was of the utmost highest priority, maybe we  
8 ought to have a differentiation on our policy. And we've had  
9 earlier discussions. This is really along those same lines that  
10 we've discussed before. And we thank you for your time.

11 DELEGATE KILGORE: Let's speak to the deviation  
12 from the guidelines.

13 SENATOR CHAFIN: I don't think we heard that from  
14 what we heard today. The fact of the matter is that the  
15 legislature, and they require that these teachers --

16 THE COURT REPORTER: Could you please use the  
17 microphone.

18 SENATOR CHAFIN: It's unfunded at this time, and  
19 you've got these folks out here, and we can see throughout the  
20 country that you've got to have these folks out here and  
21 whatever is going on in the schools and we need these folks,  
22 especially with the potential violence that seems to be around all  
23 of us. And I think it's great and we need these counselors. And  
24 I think we ought to help these folks and I think that's really the  
25 mission of the Commission and things come up all the time as

1 one of its missions.

2 DELEGATE MARSHALL: Mr. Chairman, a little history.  
3 Back at that shooting last year where there were 17 students  
4 involved, and I was the speaker of the House and we formed  
5 something and we talked about school safety and things came up  
6 last year like 20 different bills. One of the bills that was referred  
7 to was about school counselors. One of the things you heard all  
8 over the state was school counselors should not be school  
9 counselors, test advisors.

10 In the bill that we passed, and what it said was 80  
11 percent of the time that the school counselor is the school  
12 counselor. And I don't believe there was a mandate that said  
13 you had to hire a certain amount of school counselors. It just  
14 said that the school counselor, in order to be a school counselor.

15 DELEGATE KILGORE: All right. Any more discussion  
16 on the motion on this?

17 MR. OWENS: What is the number?

18 MR. FEINMAN: There is enough money in the budget  
19 and every dollar that we do not spend today carries forward to  
20 next year's budget. I want to remind you we have limited funds,  
21 and we're supposed to spend the funds in the most efficient way  
22 possible. And that comports with our guidelines and it's moving  
23 the barn door very wide because we will have other schools  
24 wanting a certain program. I'm confident that our partners,  
25 Radford and others will be seeking, like Emory and Henry and

1 UVa-Wise will have similar needs, as well.

2 SENATOR CHAFIN: In Education, we had 11 requests,  
3 10 were fully funded.

4 DELEGATE KILGORE: All right. Are members  
5 prepared to vote? All those in favor of the motion, Senator  
6 Carrico's motion of \$325,000, say aye. (Ayes). Opposed?  
7 (Nos). The nos, please raise your hand.

8 Well, we're going to have to have a roll call.

9 MR. FEINMAN: Ms. Rasnick.

10 MS. RASNICK: No.

11 MR. FEINMAN: Ms. Barts.

12 MS. BARTS: No.

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: No.

25 MR. FEINMAN: Mr. Cunningham.

1 MR. CUNNINGHAM: No.  
2 MR. FEINMAN: Delegate Edmunds.  
3 DELEGATE EDMUNDS: (No response).  
4 MR. FEINMAN: Dr. Ehrhardt.  
5 DR. EHRHARDT: No.  
6 MR. FEINMAN: Mr. Harris.  
7 MR. HARRIS: (No response).  
8 MR. FEINMAN: Ms. Hensley.  
9 MS. HENSLEY: Yes.  
10 MR. FEINMAN: Delegate Kilgore.  
11 DELEGATE KILGORE: Yes.  
12 MR. FEINMAN: Ms. Jennings.  
13 MS. JENNINGS: Yes.  
14 MR. FEINMAN: Delegate Marshall.  
15 DELEGATE MARSHALL: No.  
16 MR. FEINMAN: Mr. Mills.  
17 MR. MILLS: --  
18 MR. FEINMAN: Delegate Morefield.  
19 DELEGATE MOREFIELD: Yes.  
20 MR. FEINMAN: Mr. Owens.  
21 MR. OWENS: Yes.  
22 MR. FEINMAN: Ms. Ratliff.  
23 MS. RATLIFF: Yes.  
24 MR. FEINMAN: Mr. Shell.  
25 MR. SHELL: Yes.



1 MR. FEINMAN: Mr. Shelton.

2 MR. SHELTON: No.

3 MR. FEINMAN: Mr. Speirs.

4 MR. SPIERS: No.

5 MR. FEINMAN: Senator Stanley.

6 SENATOR STANLEY: No.

7 MR. FEINMAN: Mr. Sutherland.

8 MR. SUTHERLAND: Yes.

9 MR FEINMAN: Delegate Wright.

10 DELEGATE WRIGHT: No.

11 MR. FEINMAN: The motion carries.

12 DELEGATE KILGORE: All right. Senator Chafin, any  
13 more on Education?

14 SENATOR CHAFIN: We had some extension requests.  
15 I move that the Commission accept the Education Committee's  
16 recommendation to approve a revised scope and grant a sixth  
17 year extension to September 23, 2021 for Project Number 3099,  
18 Southern Virginia Higher Ed. Center, Southern Virginia Center for  
19 Manufacturing Excellence, as described on page 61 of the  
20 Commission book, with release of funding for the New Robotics  
21 Program, contingent upon a line item detailed budget for the  
22 proposed new expenses being approved by the Commission's  
23 Executive Director once the final details are known.

24 DELEGATE KILGORE: All right, I've got a motion and  
25 a second. All those in favor, say aye. (Ayes). Opposed? (No

1 response).

2 SENATOR CHAFIN: Mr. Chairman, we also voted on  
3 an extension and release of budget freeze New College Institute.  
4 I move that the Commission accept the Education Committee's  
5 recommendation to release of the budget freeze and grant a  
6 sixth year extension through September 23<sup>rd</sup>, 2021 for Project  
7 Number 3098, New College Institute Center for Manufacturing  
8 Excellence, Phase II, as described on pages 61 and 62 of the  
9 Commission book, with the expectation that the New College  
10 Institute continue to work with Staff for advance approval of any  
11 changes in details for the use of grant funds. And I so move.

12 DELEGATE KILGORE: I've got a motion and a second.  
13 Any discussion? All those in favor, say aye. (Ayes). Opposed?  
14 (No response). That motion carries.

15 Is that it for Education?

16 SENATOR CHAFIN: Yes.

17 DELEGATE KILGORE: Next is the R&D Committee,  
18 Delegate Byron.

19 DELEGATE BYRON: Thank you, Mr. Chairman. And I  
20 draw your attention to pages starting on 64. The R&D  
21 Committee had two very lengthy separate meetings going over  
22 all our Broadband applications. We spoke about that very  
23 extensively.

24 I move that the Commission accept the R&D  
25 Committee's recommendations that we approve \$7,909,964 for

1 the following Last Mile Broadband grants, as described on pages  
2 65 through 75 of your Commission book.

3 Request Number 3535 for Carroll County IDA,  
4 \$200,000; 3531 Cumberland Plateau Company, in the amount of  
5 \$544,137; 3522, the IDA of Dickenson County, \$65,000; 3530  
6 Grayson County, \$325,000; 3527, the IDA of Russell County in  
7 the amount of \$1.9 million; 3519, Scott County Telephone  
8 Cooperative in the amount of \$1,500,000; 3525, Tazewell County  
9 IDA, for \$150,000. Those are the Southwest requests.

10 Then we have Southside, 3532, Appomattox County,  
11 \$600,000; 3521, Bedford County, \$670,500; 3524, Campbell  
12 County, \$156,313; 3529, Franklin County, \$650,000; 3534,  
13 Halifax County, \$334,396; 3547, Lunenburg County, \$439,069;  
14 3533, Pittsylvania County, \$375,549.

15 MR. FEINMAN: We had a couple where we worked out  
16 some things. A pool of those amounts, plus any provision.

17 DELEGATE KILGORE: All right. We have a motion  
18 and a second. Anyone want anything pulled out of the block?

19 DELEGATE BYRON: I would like to also say that with  
20 the approval of all these for the last two rounds, we had \$19  
21 million in total requests, with a \$31 million match, bringing our  
22 investment to \$500 million in investment and providing access  
23 over 38,000 premises in Southside and Southwest.

24 DELEGATE KILGORE: We have a motion and a  
25 second. All those in favor, say aye. (Ayes). Opposed? (No

1 response). That motion carries.

2 DELEGATE BYRON: We had a couple of extensions. I  
3 move the Commission accept the R&D Committee's  
4 recommendation to approve a fifth year extension to May 21,  
5 2020 for Project 2980, Region 2000 Research Institute, Fifth  
6 Generation Nanoseptic Surfaces, as described on pages 75 and  
7 76 of the Commission book; with approval of the revised  
8 proposed budget contingent on grant funds for personnel being  
9 limited to only new employees, excluding payments to the  
10 company principals, and excluding interest payments on the  
11 building loans, which can be counted as match. I so move.

12 DELEGATE KILGORE: I have a motion and a second.  
13 All those in favor of that motion, say aye. (Ayes). Opposed?  
14 (No response). That motion carries.

15 DELEGATE BYRON: I also have another extension. I  
16 move that the Commission accept the R&D Committee's  
17 recommendation to approve an extension through May 2021 for  
18 Project 2982, Southwest Virginia Higher Ed. Center Foundation,  
19 WireTough Phase 2, as described on page 76 of the Commission  
20 book; with approval of the second year contingent upon the  
21 achievement of sales milestones to be agreed upon by  
22 Commission Staff and WireTough leadership. And I so move.

23 DELEGATE KILGORE: We have a motion and a  
24 second. All those in favor, say aye. (Ayes). Opposed? (No  
25 response). That motion carries.

1 DELEGATE BYRON: The only other thing, and we  
2 don't need a vote on this, the application process for Phase 2  
3 continuation, this is for a R&D company, and only two of them  
4 that are eligible, and we'll be reviewing the Staff's  
5 recommendation at the September meeting. And that completes  
6 my report.

7 DELEGATE KILGORE: Thank you. Next, we go to  
8 Southside Economic Development. Delegate Wright.

9 DELEGATE WRIGHT: I'd ask you to turn your  
10 attention to page 78. The first one is Pittsylvania County Project  
11 G4, 3551, in the amount of \$2 million, Southside Economic  
12 Development funds from the available Pittsylvania County  
13 allocation, to allow Pittsylvania County and the RIFA to use those  
14 proceeds to make a \$2 million loan to the confidential prospect in  
15 Project G4, under the terms and conditions to be negotiated by  
16 the County and the prospect and approved by the TRRC  
17 Executive Director, with loan principal repayments being directed  
18 back to the Pittsylvania County allocation, and interest payments  
19 directed to the Tobacco Commission's General Fund.

20 The Staff didn't make a recommendation, but they  
21 suggested that there's little risk with this project. The Southside  
22 Economic Development Committee accepted this proposal. I  
23 move the Commission accept the recommendation of the  
24 Southside Economic Development Committee on Project 3551.

25 MR. OWENS: Second.

1 DELEGATE KILGORE: I have a motion and a second.  
2 Any comment? All right. All those in favor, say aye. (Ayes).  
3 Opposed? (No response). That motion passes.

4 DELEGATE WRIGHT: Next, Mr. Chairman, is a request for  
5 an extension, 3035. And I move the Commission accept the  
6 Southside Economic Development Committee's recommendation  
7 to grant an extension request through May 21, 2021 for Project  
8 Number 3035 (Acquisition and Development of a New Industrial  
9 Park, Lunenburg County, as described on page 79 of the  
10 Commission book, conditioned upon: Disbursement of the  
11 remaining \$483,000 contingent upon approval of a revised  
12 budget by Staff; the County to provide a status update to the  
13 TRRC on the project in May, 2020; and the project sunsets after  
14 May 21, 2021. The Southside Economic Development Committee  
15 approved this request. I so move.

16 DELEGATE KILGORE: We have a motion and a second  
17 to approve the extension. All those in favor, say aye. (Ayes).  
18 Opposed? (No response). Thank you.

19 That's all of our business. Thank you.

20 Southwest.

21 SENATOR CARRICO: Thank you, Mr. Chairman. If  
22 you look on pages 97 through 115 of your Commission book,  
23 there's information dealing with the Tazewell County IDA, Back of  
24 the Dragon Welcome Center. The Committee agreed that we  
25 refer this project to the Virginia Resources Authority for loan

1 consideration in the amount of \$650,000, Number 3548. And I  
2 so move.

3 SENATOR CHAFIN: Second.

4 DELEGATE KILGORE: I have a motion and a second.  
5 Any more discussion? All those in favor, say aye. (Ayes).  
6 Opposed? (No response). That motion carries.

7 SENATOR CARRICO: The only other piece of business  
8 that we had was for the extension for 2117, through May 31 of  
9 '20, for Daniel Boone Interpretive Center Exhibits, Scott County  
10 EDA, as described on page 98 of your Commission book. We  
11 accept that extension and approve it.

12 DELEGATE KILGORE: I have a motion and a second.  
13 Any further discussion? All those in favor, say aye. (Ayes).  
14 Opposed? (No response).

15 SENATOR CARRICO: That's our report.

16 DELEGATE KILGORE: All right. Thank you. Special  
17 Projects, Delegate Marshall.

18 DELEGATE MARSHALL: Special Projects.

19 DELEGATE KILGORE: I remember the days when we  
20 could get through with a meeting in 38 minutes.

21 DELEGATE MARSHALL: Page 117 of your book,  
22 please. We had three extensions for Special Projects. The first  
23 one is Megasite Grant Extension, Wildwood Commerce Park,  
24 Number 3009. So, I move that the Commission accept the  
25 Special Projects Committee's recommendation for Project

1 Number 3009, Wildwood Commerce Park, Wastewater Capacity  
2 II, Blue Ridge Crossroads EDA, to grant an extension through  
3 May 21, 2020, to allow for proper startup testing and closeout  
4 activities, as described on page 117 of your Commission book. I  
5 so move.

6 MR. OWENS: Second.

7 DELEGATE KILGORE: We have a motion and a  
8 second. All in favor, say aye. (Ayes). Opposed? (No response).  
9 That motion carries.

10 DELEGATE MARSHALL: Number two is Megasite Grant  
11 Extension, MaMAC Number 3010. I move that the Commission  
12 accept the Special Projects Committee's recommendation for  
13 Project Number 3010, MaMAC/Otterdam Road Phase 2,  
14 Greenville County, to grant an extension through May 21, 2020,  
15 as described on page 117 of your Commission book. And I so  
16 move.

17 DELEGATE KILGORE: I have a motion and a second.  
18 All those in favor, say aye. (Ayes). Opposed? (No response).  
19 One abstention.

20 DELEGATE MARSHALL: Number 3, Extension, Prince  
21 Edward County, Industrial Access Road Number 3089. I move  
22 that the Commission accept the Special Projects Committee's  
23 recommendation for Project Number 3089, Industrial Access  
24 Road, Prince Edward County, to grant an extension through May  
25 21, 2020, as described on pages 117 and 118 of your



1 Commission book. And I so move.

2 MR. BLEVINS: Second.

3 DELEGATE KILGORE: We have a motion and a  
4 second. All those in favor, say aye. (Ayes). Opposed? (No  
5 response). That motion passes.

6 Now, moving on to the TROF. The TROF Committee  
7 had a meeting yesterday, and we had a discussion about  
8 amending the TROF policy, and there's a couple of amendments  
9 that we'll bring before you at a later date.

10 I move that the Commission accept the TROF  
11 Committee's recommendation to amend the Tobacco Region  
12 Opportunity Fund Policy as follows:

13 Number one. TROF loans shall only be provided when  
14 salaries for promised jobs are above the annual prevailing  
15 average wage for the applicant locality. The reason we did that  
16 for loans is that it's already the policy of the TROF Committee  
17 that grants have to be above the prevailing wage. This means  
18 that loans and grants are both above the annual prevailing  
19 average wage to be qualified by TROF loans.

20 Number two. In addition to the incentive estimate  
21 provided by the TROF estimator model for TROF applications,  
22 Staff shall also provide the TROF Committee with an approval or  
23 denial recommendation based upon factors, such as, but not  
24 limited to:

25 Evidence of competition for the project outside the

1 state;

2 Evidence of a funding gap; and

3 Evidence of community need.

4 The reason we're looking at this one is because a lot  
5 of these projects, they're probably going to happen with the way  
6 the economy is going now and without TROF investment and it  
7 gives Staff some leeway and the Commission leeway to use our  
8 resources for the bigger opportunities and the ones that are  
9 going to have this money and when we're competing with other  
10 states, et cetera. It gives Staff the opportunity to notify us,  
11 members of the TROF Committee, and if there's any issues so we  
12 can meet to discuss that. And there will be some dialogue there.

13 Those are the two amendments that we have to the  
14 TROF policy, and I would so move.

15 MR. OWENS: Second.

16 DELEGATE KILGORE: Any discussion. All those in  
17 favor of the amendment to the TROF policies, say aye. (Ayes).  
18 Opposed? (No response). Those are adopted.

19 Now, we have an extension request. I move that the  
20 Commission accept the TROF Committee's recommendation to  
21 grant a fifth year extension through September 30, 2019 for  
22 Grant Number 2995, Monogram Foods in Henry County. Grant  
23 Number 2995. It's been moved and seconded. All those in favor  
24 of that extension, say aye. (Ayes). Opposed? (No response).  
25 That passes.

1                   Finally, Grant Number 3507, Polycap, LLC. There's a  
2 motion that the Commission accept the TROF Committee's  
3 recommendation to utilize the original incentive estimate for  
4 Project Number 3507, Polycap, LLC, Russell County IDA,  
5 provided to the applicant in July, 2018, which was for a grant in  
6 the amount of \$140,000 and a loan in the amount of \$140,000  
7 for a total incentive of \$280,000. Such incentive estimate is  
8 based upon the project providing at least 44 new jobs with an  
9 annual average salary of \$29,474 and a capital investment of at  
10 least \$7,900,000 over a three-year performance period. I so  
11 move.

12                   SENATOR CHAFIN: Second.

13                   DELEGATE KILGORE: I have a motion and a second.  
14 All those in favor, say aye. (Ayes). Opposed? (No response).  
15 That motion passes.

16                   Skipping down to EMPower.

17                   MR. FEINMAN: Mr. Chairman, when you put it on the  
18 agenda, I thought there was going to be a short meeting. I'll try  
19 to go through this rather quickly. And if it looks like we're going  
20 to get into a lengthy discussion, we can wait until the September  
21 meeting to fully address it.

22                   I'll draw your attention to the \$4.5 million set aside  
23 that we approved more than a year ago for the EMPower Project  
24 in Southwest Virginia. Two million from Southwest Economic  
25 Development and \$2.5 from our Prospect Incentive Fund.

1           The hope was that this project would improve our  
2 technology and do this in Southwest and get a technology  
3 system that would allow us to attract high tech players. And  
4 during the presentation, a number of names were called out, and  
5 other secretaries in government and leadership and in the  
6 Commonwealth, among others.

7           A year later, no matching funds have been raised, and  
8 it remains unclear what monies would be spent. It sort of looks  
9 like we'd be funding this project and there's no matching funds.  
10 That's the key, bottom line, there's no matching funds available  
11 at this time.

12           I remain grateful that we moved on this and this was  
13 submitted to our region and we were ready to go. It's my advice  
14 to the Deputy Director that the Commission de-obligate those  
15 funds and return them to their individual pots.

16           The Staff is ready and willing to work out some more  
17 ambitious proposals for the economy in Southwest Virginia if  
18 that's the direction we go in. I've had conversations with various  
19 people. As far as the EMPower Project is concerned, no money  
20 has materialized.

21           DELEGATE MARSHALL: I have two questions. How  
22 much have we spent or are we thinking about.

23           MR. FEINMAN: \$4.5 million. That came from  
24 Southwest and \$2.5.

25           DELEGATE MARSHALL: That would go back to, yes,

1 originally. What I would suggest and --

2 DELEGATE KILGORE: I would suggest that no money  
3 has gone out the door. We just take the de-obligated funding  
4 and put it where it came from.

5 DELEGATE MARSHALL: The other thing is we're  
6 stretching our budget to put it back and that'll fix some of the  
7 problems.

8 DELEGATE KILGORE: If we want to and it would give  
9 us a bigger discussion on how to work with Staff and how to  
10 direct these dollars to Southwest and Southside. It's a longer  
11 discussion we can have and everybody needs to think about it  
12 between now and September.

13 MR. FEINMAN: This is the first time I've come back in  
14 the middle and said we would call it quits on a project.

15 DELEGATE KILGORE: No money has gone out the  
16 door.

17 MS. HENSLEY: Well, say in Southwest, projects that  
18 didn't apply because of the money, and maybe they could be  
19 worked up and the Commission to look at them in September.  
20 Have you de-obligated these other funds today?

21 MR. FEINMAN: The funds have been tied up, but we  
22 can work on that.

23 MS. HENSLEY: Those funds have been tied up for  
24 over a year.

25 DELEGATE MARSHALL: We can go into that at the

1 September meeting and get some recommendations in the  
2 meantime.

3 DELEGATE KILGORE: All right. Other business? I  
4 just want to touch on the fact that the anniversary of D-Day and  
5 there's a big celebration in Bedford, and the folks from Bedford  
6 suffered big losses and I want to say that we owe a lot of  
7 gratitude to the community of Bedford and to all our World II  
8 veterans and other D-Day veterans. This is what they did for us  
9 on a day 75 years ago, and it's hard to imagine the sacrifice that  
10 those people did and I know they fought the Germans for the  
11 next two days after they landed. And I believe that was the  
12 turning point in the war, and we have a lot of gratitude for our  
13 veterans and all World War II veterans on this day.

14 Any other business or any public comment? One  
15 thing I want to say is that we need to get the word out and we've  
16 done a lot of good for our community. I encourage you all to get  
17 the word out in press releases or whatever you need, to get the  
18 word out about our grants for our communities.

19 DELEGATE MARSHALL: I think we have a guest  
20 today. Eva.

21 MS. DOSS: I'm Eva Doss with The Launch Place and  
22 the Southside Business Technology Center 2005. In 2012, with a  
23 \$10 million grant from a foundation, it transitioned into The  
24 Launch Place. I'm here to talk about The Launch Place services.  
25 We used Tobacco funds for various services, and I'm very excited

1 to be here this morning. I've been working with Andy on some  
2 of the work initiatives. So, I'm happy to be here.

3 DELEGATE MARSHALL: The reason she's here today,  
4 she has some ideas and what they can do, and we welcome you.

5 MS. DOSS: I'd like to thank the Tobacco Commission  
6 and Delegate Marshall. And we have many services that we can  
7 provide and, more recently, and we've provided to Staff certain  
8 selection criteria for investments competition. The Launch Place  
9 is a business consulting organization for all stages of business,  
10 and we can provide services to the Region. We can provide  
11 market research, financial modeling.

12 As I said, the organization was created in 2005. Back  
13 at that time, our primary mission was to provide consulting  
14 services and companies that are struggling and we could do this  
15 internationally and getting into other markets.

16 Good morning, everyone, Eva Doss with The Launch  
17 Place. Thank you for inviting me here this morning. I just  
18 wanted to tell the Commission that we work internationally and  
19 in other markets in our organization and this has evolved into a  
20 consulting workforce.

21 In 2012, we received a million dollars from the  
22 Regional Foundation to provide additional support services. We  
23 also have consulting services for startup companies and we have  
24 opened up other offices. And we provide those services. That  
25 includes even small businesses. We also work with incubators,

1 startup companies in Virginia and elsewhere, such as VIR and  
2 others. The Tobacco Commission has shared their criteria for  
3 support, and we appreciate that. We've had over 700  
4 applications throughout.

5 The Launch Place provides superior business  
6 consulting services for all stages of businesses, from helping  
7 entrepreneurs in the early stage of a great idea to business  
8 growth and expansion by offering a menu of services, such as:

9 Business Plan Development - A written description of  
10 your business' future. Components include the Executive  
11 Summary, which is very important in stating concisely what you  
12 want to do and what you need from investors, a description of  
13 your industry, product design, operations and management plan,  
14 financial data and various analyses, which are described in more  
15 detail below.

16 Competitor Analysis - The strengths and weaknesses  
17 of your competitors within your market, strategies that will give  
18 you a competitive advantage, barriers for your competitors to  
19 overcome and that can be exploited within the product  
20 development cycle.

21 Market Research and Analysis - The ability to  
22 demonstrate that you are familiar with all aspects of the market  
23 so that the target market can be defined and your company can  
24 be positioned to garner its share of sales.

25 Financial Modeling - An analysis of your financial



1 assets or portfolio of your business.

2 Industry Analysis - Similar to a Market Analysis, while  
3 involving market, economic and political factors influencing the  
4 way the industry develops, such as the impact of suppliers,  
5 conditions of competitors and likelihood of new competitors.

6 Feasibility Studies - For new product development,  
7 various questions are explored, such as: Is it technically  
8 feasible? Is it feasible within the estimated cost? Will it generate  
9 a profit, which may require doing a cost benefit analysis?

10 Organizational Analysis - An in-depth review of your  
11 business functions and logistics, such as, but not limited to:  
12 Management team responsibilities, tasks assigned to each  
13 division of your company and capital and expense requirements  
14 related to your business operations.

15 Mergers and Acquisition - Assistance in these  
16 processes to help you maintain or create shareholder value,  
17 enhance revenue, and save costs.

18 And many others.

19 If your business needs assistance, we can help. Our  
20 business consulting services are heavily subsidized and fees are  
21 based on the company's business development stage and the  
22 scope of each individual project. Initial consultations are free.  
23 So, if your business is in need of some assistance, please contact  
24 us.

25 Thank you for having me.

1           MR. SORRELL: We also have some comments from  
2 Don James. He's with GENEDGE, and we'll talk about the  
3 commercialization process briefly.

4           MR. JAMES: Mr. Chairman and Commission, I thank  
5 you all very much for allowing us to address you this afternoon.  
6 We appreciate our relationship with the Tobacco Commission and  
7 look forward to working with you.

8           We're known as GENEDGE and our whole mission is to  
9 help our constituents and all our folks in the State of Virginia.  
10 We're interested in innovation. We are part of a network so we  
11 can bring all of these resources to help you. We cover the entire  
12 state and we have various representatives on call to help you as  
13 needed. We look forward to helping all the companies that we  
14 can render aid to. We look forward to helping all our  
15 manufacturers and various industries. We also network, and that  
16 includes people like Virginia Tech, the Tobacco Commission, we  
17 can bring all those resources to bear. We can also use our third  
18 parties to help our clients. A hundred and seventy-five  
19 companies responded to a recent survey, and we have resources  
20 to bear to help.

21           I'd like to direct your attention to the slides on the  
22 screen. As far as commercialization programs at some of your  
23 grantees and we work in the same method of small business  
24 entrepreneurs. We also try to incentivize businesses by bringing  
25 all the resources we have to bear to help them. We like to work

1 with our grantees and particularly the new ones to help them  
2 enter into a path of entrepreneurship and then  
3 commercialization. Looking at the current state of a company  
4 and looking at it after we do an assessment and including the  
5 leadership of a company. So, this assessment we do is very  
6 important.

7 In this case, 18 drivers, and they are an internal part  
8 of the business, internal drivers for the business, and that  
9 includes the leadership as you can see on the chart. This can  
10 certainly help in giving us an evaluation and fill out any gaps that  
11 need be. We need and want to look at the biggest opportunities  
12 available, whether it be sales or marketing. And so after this  
13 evaluation, we'll know exactly where to start. We'll do a  
14 complete staff review.

15 We also do a spot analysis of external activities and,  
16 also, as well, looking at internal problems. We certainly want an  
17 understanding by all involved of where we want to go and how  
18 we're going to get there. And we have to be very knowledgeable  
19 of the particular markets and we have to look at trends and new  
20 market changes and what direction that leads us. A thorough  
21 market analysis must be completed.

22 Then after we do all that, it ends up in a report to the  
23 Tobacco Commission on what is found and most importantly  
24 where we plan to go. There's also a commercialization business  
25 page and what the financial aspects are.

1                   We also have to look at the mission. That’s a  
2 thorough process because that can change along with the vision  
3 of the company. There is what we call a commercialization path  
4 or actually it’s called an action plan and, of course, what does the  
5 success of all this look like in trying to be realistic. This is an  
6 indication of some of the companies we’ve worked with so far  
7 and those that have had success with us.

8                   I want to thank you for letting me speak to you.

9                   MR. FEINMAN: Thank you very much. I know  
10 GENEDGE is really working hard for us, and we appreciate that  
11 and hopefully bringing some of our grantees success in the Small  
12 Business Entrepreneurship Program.

13                  DELEGATE KILGORE: Is there any public comment?  
14 All right, thank you all for coming. We’re 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, Full Commission Meeting**, when held on Thursday, June 6, 2019, at 10:30 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 July, 2019.

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Medford W. Howard  
CCR