

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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8 **Full Commission Meeting**

9 Thursday, October 10, 2019

10 10:30 o'clock a.m.

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14 General Francis Marion Hotel

15 107 East Main Street

16 Marion, Virginia

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1 **APPEARANCES:**

2 The Honorable Terry G. Kilgore, Chairman

3 Senator Frank M. Ruff, Jr.

4 The Honorable Brian Ball

5 Ms. Gayle F. Barts

6 Mr. Ed Blevins

7 The Honorable Kathy J. Byron

8 The Honorable Charles W. Carrico, Sr.

9 The Honorable A. Benton Chafin, Jr.

10 Ms. Gretchen Clark

11 Ms. Becky Coleman

12 Mr. Joel Cunningham, Jr.

13 The Honorable James E. Edmunds, II

14 Dr. Alexis I. Ehrhardt

15 The Honorable Franklin D. Harris

16 Ms. Jennings

17 The Honorable Edward Owens

18 Ms. Sandy Ratliff

19 Mr. Cecil E. Shell

20 Mr. Buddy Shelton

21 Mr. Robert Spiers

22 Mr. Richard L. Sutherland

23 The Honorable Thomas C. Wright

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1 COMMISSION STAFF:

2 Mr. Andy Sorrell, Deputy Director

3 Ms. Stephanie Kim, Director of Finance

4 Mr. Timothy Pfohl, Grants Program Director

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

6 Southside Virginia

7 Ms. Michele Faircloth, Grants Assistant -

8 Southside Virginia

9 Ms. Sara Williams, Grants Program Administrator -

10 Southwest Virginia

11 Ms. Jessica Stamper, Grants Assistant -

12 Southwest Virginia

13 Mr. Jordan Butler, Public Relations Coordinator

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15 COUNSEL FOR THE COMMISSION:

16 Ms. Elizabeth B. Myers, Assistant Attorney General

17 Richmond, Virginia 23219

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1 October 10, 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 Andy to call the roll.

6 MR. SORRELL: Delegate Kilgore.

7 DELEGATE KILGORE: Here.

8 MR. SORRELL: Senator Ruff.

9 SENATOR RUFF: Here.

10 MR. SORRELL: Mr. Ball.

11 MR. BALL: Here.

12 MR. SORRELL: Ms. Barts.

13 MS. BARTS: Here.

14 MR. SORRELL: Mr. Blevins.

15 MR. BLEVINS: Here.

16 MR. SORRELL: Delegate Byron.

17 DELEGATE BYRON: Here.

18 MR. SORRELL: Senator Carrico.

19 SENATOR CARRICO: Here.

20 MR. SORRELL: Senator Chafin.

21 SENATOR CHAFIN: Here.

22 MR. SORRELL: Ms. Clark.

23 MS. CLARK: Here.

24 MR. SORRELL: Ms. Coleman.

25 MS. COLEMAN: Here.

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

1 SECRETARY RING: (No response.)

2 MR. SORRELL: Mr. Shell.

3 MR. SHELL: Here.

4 MR. SORRELL: Mr. Shelton.

5 MR. SHELTON: Here.

6 MR. SORRELL: Mr. Spiers.

7 MR. SPIERS: Here.

8 MR. SORRELL: Senator Stanley.

9 SENATOR STANLEY: (No response).

10 MR. SORRELL: Mr. Sutherland.

11 MR. SUTHERLAND: Here.

12 MR. SORRELL: Delegate Wright.

13 DELEGATE WRIGHT: Here.

14 MR. SORRELL: You have a quorum, Mr. Chairman.

15 DELEGATE KILGORE: Do I have a motion we approve
16 the minutes of the 6-6-19 minutes?

17 MR. OWENS: So moved.

18 DELEGATE KILGORE: I have a motion and a second.

19 All those in favor, say aye. (Ayes). Opposed? (No response).

20 The minutes are approved.

21 At this time, Executive Committee. I have some
22 motions from the Executive Committee. We met yesterday
23 afternoon, the first item we took up was the MPower De-
24 obligation. We de-obligated all the funding for MPower and that'll
25 be returned, one of them is Southwest. So, the Motion, Senator

1 Ruff, would be I move to de-obligate all funding for the MPower
2 Virginia Project 3473 and return all funds to the accounts from
3 which they originated for disbursement at future meetings
4 according to relevant Committee action.

5 SENATOR RUFF: Second.

6 DELEGATE KILGORE: Any further discussion on that?
7 All those in favor, say aye. (Ayes). Opposed? (No response).
8 That motion passes.

9 Mr. Chairman, I also have another one, New
10 Investment Strategy. I move to authorize the Executive Director
11 in consultation with the Finance Director and Counsel, to disburse
12 up to \$7 million to Virginia Community Capital for the purposes
13 of increasing our investment income and supporting their mission
14 of making profitable investments and loans to Virginia
15 businesses.

16 SENATOR RUFF: Are there any questions about that?
17 Hearing none, all in favor, say aye. (Ayes). Opposed? (No
18 response).

19 DELEGATE KILGORE: That's all the action the
20 Executive Committee took up. Of course, we did have some
21 discussions about some staff issues and things of that nature,
22 and we'll go into some of that at our next meeting.

23 At this time, I call on Senator Ruff to make the
24 Education report.

25 SENATOR RUFF: Mr. Chairman, Education Committee

1 met this morning. I move that the Commission accept the
2 Education Committee's recommendation to approve a final
3 extension to September 23rd, 2020 for Project 3100 (Southwest
4 Virginia Alliance for Manufacturing, Southwest Virginia Alliance
5 Manufacturing Center of Excellence), as described on page 10 of
6 the Commission book, contingent upon review and approval of
7 sustainability plan by the Executive Director.

8 DELEGATE KILGORE: Any discussion on that?

9 DR. EHRHARDT: Was it April 1 of 2020?

10 DELEGATE KILGORE: It's September 23rd, 2020.

11 DR. EHRHARDT: Thank you.

12 DELEGATE KILGORE: Are you ready to vote? All
13 those in favor, say aye. (Ayes). Opposed? (No response). That
14 motion carries.

15 SENATOR RUFF: Next is the New College Institute. I
16 move that the Commission accept the Education Committee's
17 recommendation to grant a seventh year extension to September
18 22nd, 2020 for Project Number 2882 (New College Institute
19 Center for Manufacturing Excellence), that's described in your
20 Commission book.

21 DELEGATE KILGORE: Any questions on that?

22 MR. OWENS: Second.

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

25 SENATOR RUFF: That completes the work of the

1 Education Committee.

2 DELEGATE KILGORE: Research and Development,
3 Delegate Byron.

4 DELEGATE BYRON: Mr. Chairman, we met this
5 morning, we had a very robust discussion on the R&D Southwest
6 Virginia Higher Ed Center Foundation Signal Tape Product Line
7 Expansion, Number 3584. They're in the research and
8 development phase. I move the Commission accept the R&D
9 Committee's recommendation that the Commission approve
10 \$1,500,000 for Project Number 3584, as described on pages 13
11 and 14 of the Commission book, with a performance agreement
12 providing for 45 new jobs with a five-year performance period.
13 And I so move.

14 MR. OWENS: Second.

15 DELEGATE KILGORE: We have a motion and a
16 second. Are you ready to vote? Any questions? All those in
17 favor of that motion, say aye. (Ayes). Opposed?

18 DELEGATE WRIGHT: No.

19 DELEGATE KILGORE: That motion carries.

20 DELEGATE BYRON: The second extension involves
21 Fermata V2G Project Number 2831. I move that the Commission
22 accept the R&D Committee's recommendation to approve a sixth
23 year extension to September 22, 2020 for Project Number 2831,
24 and that's on page 15 of the Commission book.

25 MR. OWENS: Second.

1 DELEGATE KILGORE: We have a motion and a
2 second. Are you ready to vote? Any discussion? All those in
3 favor, say aye. (Ayes). Opposed? (No response). That motion
4 carries.

5 Thank you. And now we call on Southside Economic
6 Development. Delegate Wright.

7 DELEGATE WRIGHT: Mr. Chairman, Southside
8 Committee met on September 30th. I move that the Commission
9 accept the Southside Economic Development Committee's
10 recommendation that the Commission approve six grants,
11 totaling \$1,995,362, for the following Southside Economic
12 Development grants, as described on pages 17 through 23 of the
13 Commission book. I'll list the numbers: 3574, 3577, and the
14 approval amount was \$200,762, and that was for the County of
15 Bedford, a road extension, conditioned upon supporting up to 50
16 percent of the construction costs.

17 The second was 3577, Bedford, and the amount was
18 \$234,200.

19 The next is Brunswick County, 3575, and \$730,000
20 was approved, conditioned upon supporting up to 50 percent of
21 costs for acquisition and improvements to the building.

22 The next was 3576, Brunswick County. And approved
23 was \$71,900, to support up to 50 percent of professional
24 development contracts.

25 The last two were Pittsylvania County, 3582,

1 \$258,500.

2 And the last one was 3580 for \$500,000, for site
3 improvement costs, subject to the commitment of Project
4 Emotion to this site, with a TROF-like performance agreement
5 between all parties and adequate protection of the Commission's
6 security interest. And I'll ask for a second.

7 MR. SHELTON: Mr. Chairman, I need 3582 pulled out
8 of the block.

9 DELEGATE KILGORE: 3582. Anyone else want
10 anything pulled out of the block? So, therefore, we're dealing
11 with 3574, 3577, 3575, and 3576 in the block. And I have a
12 motion to approve those, those grants or recommendations in a
13 block. I have a second. All those in favor, say aye. (Ayes.)
14 Opposed? (No response). That motion carries.

15 Now, we'll go to 3582, is there a motion to approve
16 3582, \$258,500, Olde Dominion Agricultural Foundation. All
17 those in favor of that motion, say aye. (Ayes). Opposed? (No
18 response). One abstention. That motion carries.

19 Now, on 3580, Pittsylvania County, the SVMP Site
20 Enhancement.

21 DELEGATE KILGORE: That 500,000 for site
22 improvement costs subject to the commitment of Project Emotion
23 to this site with a TROF-like performance agreement between all
24 parties and adequate protection of the Commission's security
25 interest. Do I have a second to that motion? I've got a second.

1 Any discussion? All those in favor, say aye. (Ayes). Opposed?

2 MS. CLARK: Abstention.

3 DELEGATE KILGORE: All right, thank you.

4 Next is Southwest Economic Development Committee.

5 SENATOR CARRICO: Mr. Chairman, the Southwest
6 Economic Development Committee met yesterday. We had a
7 rather lengthy discussion. And I'll go through these.

8 I move the Commission accept the Southwest
9 Economic Development Committee's recommendation the
10 Commission approve the ten grants totaling \$3,944,738 for the
11 Economic Development projects, as described on pages 25
12 through 39. I'll go through these by the number.

13 The first one is 3567, Town of Big Stone Gap.

14 And then 3565, Buchanan County Industrial
15 Development Authority. Approve \$57,000, and if I didn't fail to
16 mention, the Town of Big Stone Gap, approved \$250,263.

17 Next is 3558, Floyd County EDA, \$497,475.

18 The next is 3570, Friends of Southwest Virginia,
19 recommended \$330,000, contingent on the Applicant providing a
20 sustainability plan for additional funding support for these
21 positions beyond the period of this grant.

22 I'm only going through the ones that were approved.

23 3563 was Lincoln Memorial University. The \$2 million
24 contingent upon Full Commission approval of the transfer of
25 funds from the MPower Project back to the Southwest Economic

1 Development Committee.

2 The next project is 3560, \$160,000 for contractual
3 architectural and engineering costs.

4 Next is 3564, \$125,000 to support half of the cost to
5 develop the Snowball Hollow Rifle and Pistol Range.

6 Next, 3559, Town of Lebanon, \$200,000 approved.

7 3569, Town of Saint Paul, that's tabled.

8 Next is 3557, Tazewell County Industrial Development
9 Authority. \$225,000, grant conditioned that the grant agreement
10 shall include a breach of purpose clause and a deed of trust in
11 favor of the Commission.

12 3562, the APEX Ancillary Building, \$100,000.

13 All those were approved by the Committee.

14 I'm sorry, Tazewell County.

15 MR. SORRELL: It was recommended \$225,000.

16 DELEGATE KILGORE: We can take that out of the
17 block.

18 SENATOR CARRICO: 3557 is out of the block.

19 UNIDENTIFIED: Can you pull 3563 out of the block?

20 DELEGATE KILGORE: 3563. Are you asking that the,
21 making a motion that the remainder be approved?

22 SENATOR CARRICO: Yes.

23 DELEGATE KILGORE: Any further discussion? All
24 those in favor, say aye. (Ayes). Opposed? (No response). That
25 motion carries.

1 Now, we go back to Senator Carrico.

2 SENATOR CARRICO: 3563, \$2 million contingent
3 upon Full Commission approval of the transfer of funds from the
4 MPower Project back to the Southwest Economic Development
5 Committee. That money was moved from the Committee and
6 approved earlier, that \$2 million, and \$2 million from the
7 Southwest Economic Development, plus \$2 million from, and that
8 was approved earlier from the Executive Committee, and a
9 recommendation from the Committee to commit the \$2 million
10 from Southwest for a total of \$4 million.

11 DR. EHRHARDT: I'm still struggling a little bit with
12 this grant, and I know they've done a lot of good work, and
13 that's \$2 million for a handful of students at LMU. And then
14 when you consider the scholarship program that we talked about,
15 and then when you have these students live and work in another
16 place after we educate them, but we need people in this region.
17 And so I'm just struggling a little bit. I should think we should be
18 thinking about keeping more students and more funds in the
19 Footprint. We're in the business of keeping people in the
20 Footprint, just wanted to make that comment.

21 DELEGATE KILGORE: Thank you.

22 MR. OWENS: Mr. Chairman, do we need a second? Is
23 there any more discussion in Grant Number 3563?

24 DELEGATE WRIGHT: As far as the Staff
25 recommendations, I just think that we should really consider our

1 Footprint. I'd like to hear from the Staff on the proposal.

2 DELEGATE KILGORE: I think we, we directed the Staff
3 to make a recommendation, and the application exceeded the
4 total amount that the Committee had. And I think that's our
5 direction to Staff. We had directed them that way, and I think
6 that's why there's no recommendation.

7 DELEGATE WRIGHT: I understand that, but I'd still
8 like to hear what their recommendation is.

9 MR. PFOHL: Mr. Chairman, I think if Staff had a
10 recommendation on this, and it was alluded to in the Staff
11 comments, and this is a project that will significantly expand and
12 enroll and will benefit the enrollment at the College of Veterinary
13 Medicine, generating significant and additional new economic
14 development. This is a facility that it has an identifiable funding
15 stream. It's similar to what we did with Bluefield College with
16 their Science Building in their nursing enrollment, and there's a
17 million dollar loan on that project. Certainly, we'd defer to the
18 action of the Southwest Economic Development Committee.

19 DELEGATE WRIGHT: I understand that the Staff
20 recommended approve it either for a loan or through the regular
21 grant process, is that correct?

22 MR. PFOHL: If the Commission saw its way clear to
23 offer loan funding, and that would be repaid and recycled
24 through the future projects, which is the basis of our Staff
25 recommendation or suggesting a loan, but the Committee has

1 acted and recommended a grant.

2 UNIDENTIFIED: Well, if you're ready for a substitute
3 motion.

4 DELEGATE KILGORE: The Committee can do what
5 they want, the majority of the Committee, but the Southwest
6 group got together and went through it and decided it was in the
7 best interest of Southwest Virginia and this money was in their
8 budget at one time, but it's up to you to decide what to do.
9 That's how we always operated.

10 MR. SHELTON: I just want to make a comment, and I
11 guess I'm kind of new on all this and haven't had much
12 experience in Southwest, but this money is allocated
13 proportionately very similar to like the Southside.

14 DELEGATE KILGORE: Yes, it's prorated.

15 MR. SHELTON: I guess what I'm saying is that this
16 money was delegated to Southwest in the beginning? Is that
17 correct?

18 DELEGATE KILGORE: That is correct

19 MR. PFOHL: It is an open competitive pot of funds for
20 projects anywhere in Southwest Virginia.

21 MR. SHELTON: Could it be in the general pot or it
22 belongs to Southwest? What I'm asking is, is the Southwest
23 Committee, if I'm reading this right, decided what they thought
24 was best to do with the money, with Southwest money, that's
25 the main point, am I correct?

1 MR. PFOHL: Yes.

2 DELEGATE WRIGHT: Then I call for a vote.

3 SENATOR CARRICO: I just want to make a comment
4 that this was Southwest's money set aside and then we made a
5 decision and it was a decision unanimously made and this is an
6 agricultural commitment and this is a very important veterinary
7 school, and that's a commitment the Commission has had for a
8 long time. They not only produce veterinarians, and this is in an
9 area Lee County or the County never saw any growth, and
10 they've had water and sewer expanded and people moving into
11 the area, over a million into the area. I think it's one of the
12 largest projects we've ever had since I've been on this
13 Committee, and it's been productive and growing and doing what
14 we want to do. These are the type of projects we should do with
15 this Commission. This is the two million we'd already set aside.

16 MR. OWENS: Are you planning to come back again?

17 DELEGATE KILGORE: No.

18 MR. OWENS: You hope not.

19 SENATOR CARRICO: This is growing and is very
20 productive.

21 DELEGATE WRIGHT: I'd just like to say that I'm not
22 really in opposition to it and didn't come up all of a sudden.

23 SENATOR RUFF: Mr. Chairman, I'd just point out that
24 this can serve Southside, too, with these veterinarians.

25 THE COURT REPORTER: Can you please speak up.

1 DELEGATE KILGORE: I'll just say that LMU does a
2 great job making sure that these folks are educated and turning
3 out veterinarians who can serve all over Southwest and
4 Southside. Anyway, we've got a motion. Any more discussion?

5 UNIDENTIFIED: I'd just like to say, Mr. Chairman,
6 that that's part of the grant that was already in there, Southwest
7 Committee's plans, and if it wasn't, it would be a different
8 argument. They've already had it in their committee.

9 DELEGATE KILGORE: All right. All those in favor, say
10 aye. (Ayes). Opposed?

11 DR. EHRHARDT: No.

12 SENATOR CARRICO: Mr. Chairman, Grant Number
13 3557. That was the grant conditioned that the grant agreement
14 shall include a breach of purpose clause and a deed of trust in
15 favor of the Commission.

16 DELEGATE KILGORE: I'll ask our attorney to rephrase
17 that a little bit so we can get that correct.

18 MS. MYERS: I thought I heard you say that the
19 breach of purpose clause and a deed of trust in favor, which is
20 correct?

21 DELEGATE KILGORE: All right. Any further
22 discussion? All those in favor, say aye. (Ayes). Opposed? (No
23 response). That motion carries.

24 SENATOR CARRICO: Mr. Chairman, we have some
25 extension requests. I move that the Commission accept the

1 Southwest Economic Development Committee's recommendation
2 to grant extensions, nine Southwest grants, as described on
3 pages 40 and 41 of your Commission book, and you'll see in
4 Grant Number 3075, Scott County Economic Development
5 Authority, that extended through 9-23-20, with removal of 50
6 percent road construction condition. And I so move.

7 DELEGATE KILGORE: Any discussion? All those in
8 favor, say aye. (Ayes). All opposed? (No response). That
9 motion carries.

10 SENATOR CHAFIN: Grant Number 3569. That grant
11 was tabled until January, 2020. And I understand we have a
12 representative here and she asked if she could speak.

13 DELEGATE KILGORE: Yes, we tabled that to make
14 sure that all of the money was together, and present that in
15 January. But please identify yourself.

16 MS. STEWART: Good afternoon, I'm Kathy Stewart,
17 and I'm District Manager for this nonprofit. We've been working
18 very hard on this. After the town purchased the building in
19 2012, we invested \$150,000. Fundraising began in 2014. And in
20 2017, we were awarded a \$300,000 grant from ARC. This
21 money was matched with local money and smaller grants were
22 awarded from VCEDA and others.

23 Normally for projects like this already in place before
24 construction began. On the advice of the ARC staff and Mr. Bill
25 Shelton and retired director of DHCD, we decided to do the

1 project in phases. Phase One has reached substantial completion
2 now and we're ready to start Phase Two. We received an
3 additional \$200,000 from ARC due to the use of the first part of
4 the grant. Plans have been submitted, and there's a pending
5 grant of \$600,000 from DHCD, but this replaces the grant for
6 \$349,000, and this will cover the bulk of the work in Phase Two.
7 Additional construction funds are being pursued, and so that will
8 be secured.

9 Our project is unique because this building will be
10 multi-purpose, including breakout rooms for conferences, and
11 that'll be added during Phase Two. It'll be the only kind of
12 building or space of its kind in the region, and especially in
13 Southwest Virginia. We have some anticipated partners
14 throughout Southwest Virginia and Western Hotels, along with
15 other local and regional businesses. We believe the current pro
16 forma will be a successful operation. We won't settle for a half-
17 finished theater, that we want this and we need it and we have a
18 track record to prove what we're saying. In the last six years,
19 the Town of Saint Paul has raised over \$20 million in grants and
20 loans, including a regional grant, \$5 million, and that includes the
21 wastewater treatment plant and downtown modernization and
22 hotel and that's all in the construction project.

23 We've had about \$10 million in private investment,
24 and we included the hotel and many small businesses and the
25 first craft brewery. We've also had the first ATV trail. We were

1 striving very hard for economic development.

2 THE COURT: Would you please speak up.

3 MS. STEWART: We're trying to create a path for a
4 new environment and growth. All of these projects I mentioned
5 would create jobs. We are the smallest town in the
6 Commonwealth, and we're the only one with a population under
7 3,000. Our little town of about 1,000 residents will be a
8 centerpiece for the new Clinch River State Park.

9 We still have a lot to do and we're doing that with
10 your support. Our Lyric Project, Phase Two for \$349,600,
11 contingent on the awarding of the pending grant. Thank you.

12 DELEGATE KILGORE: Thank you. I've traveled
13 through there quite a bit in Saint Paul, and I know the new
14 brewery, but you all have done a great job. My concern was the
15 cost of \$3.4 million that I was trying to figure out how I got the
16 \$3.4 million, Phase Two and Phase Three. I'm going to be your
17 biggest cheerleader, but I need that information on how you get
18 the \$3.4 million, but I think it should be finished and I think it
19 can be done. I just want to make sure to come up with a million
20 dollars. Thank you very much. All right, thank you.

21 Next is the TROF Committee. In the TROF Committee,
22 we had a discussion about Project Red and we discussed it in
23 closed session, but I move that the Commission accept the TROF
24 Committee's recommendation to approve Project Red under a
25 five-year scenario, with a grant incentive of up to \$4 million and

1 a loan incentive of up to \$4 million, for a total incentive of up to
2 \$8 million, of which \$4 million would be repayable to the
3 Commission. And I so move.

4 SENATOR RUFF: You heard the motion, and is there a
5 second? Any questions? All in favor, say aye. (Ayes).
6 Opposed? (No response). That motion passes.

7 DELEGATE KILGORE: Mr. Chairman, TROF Number
8 3300, and we had a discussion about Tazewell, so I move the
9 Commission accept the TROF Committee's recommendation to
10 release the Town of Tazewell as the grantee from the repayment
11 obligations of Grant Number 3300, Sunset Digital, Town of
12 Tazewell, as more fully described in the Grant Performance
13 Agreement dated May 31, 2017 and a Loan Performance
14 Agreement dated March 1st, 2018.

15 We had a discussion and the people that bought
16 Sunset Digital decided that they were not going to make the
17 investment, but made it in another part of the region and created
18 some jobs. However, in the Town of Tazewell, all the grantee
19 could do was cover themselves and that was concerning the
20 amount of the Performance Agreement, and some of those
21 monies involved water and sewer and we thought it was best to
22 release them since the investment didn't occur in the town, but
23 occurred in the region. So, I so move that.

24 SENATOR RUFF: Any questions? All in favor, say aye.
25 (Ayes). Opposed? (No response).

1 DELEGATE KILGORE: Mr. Chairman, I also move that
2 for these extension requests. First, I move that the Commission
3 accept the TROF Committee's recommendation to grant a sixth
4 year extension through December 31, 2019 for Grant Number
5 2850, which is the Bristol Hotel, City of Bristol. And I so move.

6 SENATOR RUFF: Any questions?

7 MR. OWENS: Was this a performance agreement?

8 DELEGATE KILGORE: Yes, based on the number of
9 years in the performance agreement, that's why they decided for
10 a sixth year extension.

11 SENATOR RUFF: Any further discussion? Hearing
12 none, all those in favor, say aye. (Ayes). Opposed? (No
13 response).

14 DELEGATE KILGORE: Finally, I move that the
15 Commission accept the TROF Committee's recommendation to
16 grant a fifth year extension through September 30, 2020 for
17 Grant Number 3101, Blue Wolf Sales and Service, Inc., Tazewell
18 County.

19 SENATOR RUFF: Any questions, discussion? All in
20 favor, say aye. (Ayes). Opposed? (No response).

21 DELEGATE KILGORE: Thank you. TROF update from
22 Andy.

23 MR. SORRELL: You'll find on page 51 of your packet,
24 that summarizes the TROF awards and TROF awards fiscal 2020
25 to date. We finished up Fiscal Year 2019 with 20 projects, 230

1 jobs, 215 in assets, and total grants \$4.4 million, close to \$250
2 million, a total of about \$7.1 million, total approved.

3 So far in fiscal year '20, two projects approved, and
4 we've done about 30 so far in this fiscal year, that's fiscal year
5 '20.

6 DELEGATE KILGORE: What does that mean? Can you
7 explain that?

8 MR. SORRELL: Like a pre-application for the TROF
9 program, and it's an opportunity for an applicant and they can
10 request a project which might be and they can be eligible for
11 TROF funds. All that's based upon the number of jobs. It's all
12 predicated on investment and wages and what the jobs might be
13 and how they would be producing, there's a lot of different
14 alternatives on how this affects different communities.
15 Opportunity is there.

16 We try to help provide tools. An application, of
17 course, is very important. But so far this year, we've done 36 of
18 those. Not all the projects, of course, are approved, and it's very
19 detailed, the process, but we try to get the best advice we can
20 because we don't want to encourage somebody that can't do it or
21 doesn't have the means to do it.

22 DELEGATE KILGORE: That's a quick overview. Are
23 there any questions?

24 MR. OWENS: Following up on the formula.

25 MR. SORRELL: Well, we have measuring guides. We

1 require certain information as far as funding. And, of course,
2 when people get involved, you know, we have to have all this
3 verified by the local Commissioner of Revenue as far as
4 investments. Our agreements are very detailed and we expect
5 everybody to live by that. Halfway through the grant, if
6 somebody has 25 percent of the grant as far as jobs for the
7 capital investment. But we can verify that and we need to do
8 that.

9 MR. OWENS: What happens if they don't pay the
10 taxes, if they don't pay taxes, or is that one of the stipulations in
11 these agreements? I understand the Commissioner of Revenue
12 would have something to say about that.

13 MR. SORRELL: We'd have to deal with that.

14 MR. OWENS: But the Commissioner of Revenue
15 wouldn't come to the Commission. He'd have to try to make
16 sure that these taxes are paid.

17 MR. SORRELL: When we get some information from
18 the Commissioner of Revenue on what investments or how they
19 are produced.

20 DELEGATE KILGORE: Thank you, Andy for that quick
21 run-through and I would direct anybody if they're interested in
22 knowing more about the TROF awards, we'd be glad to explain
23 that, as indicated on page 51 in the book.

24 UNIDENTIFIED: What percent of the TROF grants
25 produce what they promise?

1 MR. SORRELL: I would say about 75 percent, but I
2 would say that when they get their money, but I would say the
3 majority that come through and are approved perform.

4 DELEGATE KILGORE: All right, thank you. Tim.

5 MR. PFOHL: Thank you, Mr. Chairman, just a quick
6 update on the grant program and loan. First of all, I want to
7 thank Sara and Sarah for the great work they've done and also
8 Jessica and Michele for helping with all the grant work from the
9 regional offices, because that's where the work is done. We have
10 a deadline next week for the agribusiness, and we're actively
11 working on all these proposals and that all will be in front of you
12 at the January meeting.

13 Lastly, regarding the revolving loan fund. We had a
14 loan closed this summer for the Richlands Creamery in Dinwiddie
15 County, over \$700,000 for that project. If you go down Route
16 460 in Dinwiddie, make sure you stop and get some ice cream
17 and support those folks. Then you'll also see some paperwork
18 circulated for the Dragon Welcome Center, a loan in Tazewell
19 County, and that's about a \$650,000 loan. We have used almost
20 the entirety of the initial \$5 million that we set aside four years
21 ago to support. With those loans closed now, we're down to
22 about \$340,000. Our plan moving forward is if projects come up
23 that are good loan candidates, but I just wanted to update you
24 on that. We'll be talking to Agribusiness and Special Projects.

25 DELEGATE KILGORE: Thank you. Any other business

1 to come before the Commission? You know we do a lot of
2 projects some people don't know about and we should talk about
3 things like that and talk it up and when we do these, we want to
4 get out and announce these grants and any projects that are
5 going forward. And if you have questions or something, the Staff
6 is ready to help you and I think our Staff has done a tremendous
7 job.

8 Now, any other business? I know we've got
9 scheduling.

10 MR. SORRELL: We'll be meeting in Richmond on the
11 6th and 7th of January right before the General Assembly.

12 All right, are there any public comments? Anybody
13 want to say anything? Also, we do have the tours, the tour of
14 the Henderson Schoolhouse, 12:30 right out in front here, the
15 departing for that.

16 So, if there's no public comment or any other
17 questions, 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, October 10, 2019, at 10:30 o'clock a.m., at the General Francis Marion Hotel, 107 East Main Street, Marion, Virginia.

I further certify this is a true and accurate transcript, to the best of my ability to hear and understand the proceedings. Given under my hand this 30th day of October, 2019.

Medford W. Howard
CCR