

TOBACCO REGION REVITALIZATION COMMISSION

701 East Franklin Street, Suite 501

Richmond, Virginia 23219

Special Projects Committee Meeting

Tuesday, January 9, 2018

9:30 a.m.

The Homewood Suites

Richmond, Virginia

CRANE-SNEAD & ASSOCIATES, INC.

4914 Fitzhugh Avenue, Suite 203

Henrico, Virginia 23230

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1 APPEARANCES:

2

3 The Honorable Daniel W. Marshall, III, Chairman

4 The Honorable Charles W. Carrico, Sr., Vice Chairman

5 The Honorable Kathy J. Byron

6 Mr. John R. Cannon

7 Ms. Mary Rae Carter

8 The Honorable A. Benton Chafin, Jr.

9 The Honorable Terry Kilgore

10 Mr. Robert Mills

11 The Honorable Edward Owens

12 Mr. Robert Spiers

13

14 COMISSION STAFF:

15 Mr. Evan Feinman, Executive Director

16 Mr. Christopher E. Piper, Deputy Executive Director

17 Mr. Timothy S. Pfohl, Grants Director

18 Ms. Stephanie S. Kim, Director of Finance

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

20 Southside Virginia

21 Ms. Michele Faircloth, Grants Assistant, Southside

22 Virginia

23 Ms. Sara G. Williams, Grants Program Administrator,

24 Southwest Virginia

25 Ms. Jessica Stamper, Grants Assistant Southwest Virginia

1 COMMISSION STAFF (Continued):

2 Ms. Stacey Richardson, Administrative Supervisor

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4 COUNSEL FOR THE COMMISSION:

5 Ms. Elizabeth B. Myers, Assistant Attorney General

6 Richmond, Virginia 23219

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1 January 9, 2018

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3 DELEGATE MARSHALL: So good morning and
4 welcome to special projects.

5 Evan, would you call the roll, please?

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

7 Delegate Byron.

8 DELEGATE BYRON: Here.

9 MR. FEINMAN: Senator Carrico.

10 SENATOR CARRICO: Here.

11 MR. FEINMAN: Senator Chafin.

12 SENATOR CHAFIN: Here.

13 MR. FEINMAN: Ms. Carter.

14 MS. CARTER: Here.

15 MR. FEINMAN: Delegate Marshall.

16 DELEGATE MARSHALL: Here.

17 MR. FEINMAN: Mr. Mills.

18 MR. MILLS: Here.

19 MR. FEINMAN: Mr. Owens.

20 MR. OWENS: Here.

21 MR. FEINMAN: Mr. Spiers.

22 MR. SPIERS: Here.

23 MR. FEINMAN: This is an unusual meeting.

24 You have perfect attendance as well, Mr. Chairman.

25 DELEGATE MARSHALL: How about that. So

1 let's go to the approval of the September the 8th
2 minutes for approval.

3 MR. MILLS: Second.

4 DELEGATE MARSHALL: We have a motion of
5 second to approve the minutes of September the 8th. All
6 those in favor say aye (ayes).

7 All right. Tim, you want to talk to us
8 about the two mega site grants.

9 MR. PFOHL: Yes, sir, Mr. Chairperson and
10 members of the committee, there's a spreadsheet that's
11 about two-point font. I hope that you can read it.
12 It's intended -- it's a list of all of the active mega
13 site grants just to give you a very quick update on what
14 the grantees are all working on at the various mega
15 sites across the tobacco region. There are four
16 actually that expire this week and require further
17 extensions. Three of them with the Blue Ridge
18 Crossroads Economic Development Authority, grants 2266,
19 2487, and 2818, for the Wildwood Commerce Park to build
20 out utilities there. And that work is underway and
21 they're going to need extensions so they can continue
22 that ongoing work.

23 The fourth one is a three-month extension
24 for grant 2821 with Martinsville Henry County Economic
25 Development Corporation for Commonwealth Crossing.

1 They're in the final stages of the work with that grant
2 and just ask for a three-month extension through the end
3 of March. The others are asking for one-year extensions
4 and so that's what we would ask you to consider
5 approving today.

6 DELEGATE MARSHALL: All right. So does any
7 committee member have any questions of Tim about the
8 extensions that's been requested. Do I have a motion?

9 MR. MILLS: I move we accept staff
10 recommendations on extensions on these projects.

11 DELEGATE MARSHALL: And how about a second?

12 MR. OWENS: Second.

13 DELEGATE MARSHALL: All right. We have a
14 motion and a second to extend those four applications.
15 All those in favor say you (Ayes). Opposed? (No
16 response). All right. We'll try to run through this so
17 we can give additional time for the mega site grant --
18 excuse me, the new mega site grant request.

19 So Tim, you want to walk us through this.

20 MR. PFOHL: Yes, sir. This is the request
21 from the Russell County IDA for a project reclaim, a
22 request for \$2.9 million, grant application No. 3397.
23 The request was received in December for the
24 development of the 232 acre industrial site in Russell
25 County near Carbo and Cleveland. It's a rail-served

1 location that has for decades served as a coal plant.
2 It's no longer in use for that purpose. It would
3 potentially be the largest industrial site in southwest
4 Virginia and the only commission supported mega site in
5 the coal field region. All of the other mega sites in
6 southwest Virginia are along the I-81 corridor.

7 The project has received \$3.2 million of
8 federal funds under the Abandoned Mine Reclamation
9 Funding Program. That would serve as a match. That
10 will cover the phase 1 cost of clearing the 67 acres
11 that comprise the phase 1. The commission is being
12 asked to assist with some phase 2 acquisition and
13 development costs, that includes some site work that
14 needs to be done on some adjoining acreage. The
15 application does not yet indicate that other potential
16 funders such as the Coal Field Economic Development
17 Authority, the Federal Economic Development
18 Administration, and others who could potentially be cost
19 sharing the phase 2 work with us.

20 We would note that the committee has
21 previously stated a policy that no new mega site
22 projects will be considered beyond the eight that have
23 received support through our program. And that position
24 was based primarily on the lengthy and costly multi-year
25 development timeline for Greenfield mega sites that

1 we've been involved with. Staff notes that this
2 project, once reclaimed using the AML grant, will result
3 in the development of a utility- and rail-served graded
4 site that appears to be immediately marketable and fully
5 developed at the conclusion of this requested project.

6 However, additional time is needed for
7 staff and the committee to fully understand the scope of
8 the public-private ownership arrangement. It is
9 currently in private ownership and would reportedly be
10 transferred to the Russell County IDA and potential
11 funding availability from the other sources that I just
12 mentioned. It's commission policy for staff to not make
13 funding recommendations for out-of-cycle requests,
14 however, given this unique opportunity we suggest the
15 project be tabled to allow further discussion of the
16 project details with the applicant.

17 DELEGATE MARSHALL: Senator Chafin, would
18 you like to add to anything to what Tim said?

19 SENATOR CHAFIN: Thank you, Mr. Chairman.
20 I have visited this site. In fact, I've spent hours at
21 the site and this is a -- it presents a unique
22 opportunity for Coal Fields. I'm unaware of any other
23 site or any potential site in the Coal Fields that would
24 create over 200 acres of usable industrial land for
25 economic development. There's over five -- you'll hear

1 a presentation here, but it's just a phenomenal site.
2 And, of course, it has for generations -- there's a good
3 story to tell about it because for generations the site
4 has been used for the coal mining processes: Cleaning
5 coal, preparing coal to be shipped. There's over five
6 miles of railroad sitting at this sight. And there's
7 69KV electricity there. There's transformers there.
8 There's -- this thing could be put back into operation
9 just almost immediately once the reclamation process is
10 approved through DMME.

11 And this is a time critical, a very time
12 critical opportunity and the reason for that is because
13 these grants have been awarded -- the 3.2 million has
14 been awarded and there's going to be a transferring of
15 the permits that are out there, DMME permits. And as I
16 know, the commissioners would be aware, if you have to
17 go through the Army Corps of Engineers, if you have to
18 go through all these permitting processes again, we're
19 talking about years of delay and probably you're never
20 going to do a project like this over there. This
21 project is located among streams. There are a lot of
22 environmental issues that are smoothed over through the
23 DMME permits. So I hope the committee will listen to
24 the presentation and look at it.

25 DELEGATE MARSHALL: Mr. Chairman.

1 SENATOR CARRICO: Just to come off the back
2 of what Senator Chafin has said, I think the time
3 sensitivity of this is important and I know the region
4 and the fact that we have these mega sites off the
5 interstates. And this is one of those sites in
6 southwest Virginia where there's no interstate but yet
7 we have an opportunity here to develop some property.
8 Now, I haven't visited the site as it's being discussed
9 right now. The state police gave me an opportunity back
10 in 1989 during the coal strikes to visit it. But I
11 haven't visited it now as far as what it's being used
12 for. I just think it's an opportunity for us where we
13 have a situation where money is being made available to
14 us and be able to move forward on a real shot in the arm
15 economically for the region that's been suffering so
16 much in the coal region right now.

17 DELEGATE MARSHALL: Okay. So who would
18 like to be the first in the batter's box to speak for
19 this project.

20 Come forward, Senator Wampler.

21 SENATOR WAMPLER: Thank you, Mr. Chairman.
22 Mr. Chairman, members of the committee, Senator Carrico,
23 we invite you back under other circumstances. You would
24 be welcome on a wind chill tour, walking, or otherwise.
25 Mr. Chairman, members of the commission, my name is

1 William Wampler. I'm speaking to you today as a member
2 and owner of Russell County Reclamation, LLC. For
3 purposes of brevity, I have prepared my remarks. I will
4 try to read them as clearly and concisely as I can and
5 in the interest of time. So the 1723 acres that we
6 reference today is a former coal site that's being
7 transformed into a 232 acre regional industrial park in
8 phases 1 and 2. We considered investing in four other
9 sites: One in Kentucky, one in Tennessee, and two in
10 Virginia. We ultimately chose to tackle this project
11 and make this capital investment at this site in the
12 coal fields of southwest Virginia. We expect permits to
13 be transferred by January 28 of this month. Work to
14 reclaim and repurpose phases 1 and 2 of this regional
15 industrial site will commence as soon as February 2018
16 with the caveat weather permitting.

17 Russell County Reclamation and the Russell
18 County IDA are partnering to develop this new regional
19 industrial park. I would also note that back in 1989
20 the general assembly first declared its southwest
21 regional industrial park in Russell County under the
22 Baliles administration. So in support of the Russell
23 County IDA's application, Russell County Reclamation LLC
24 brings \$3.2 million of a firm cash match from the U.S.
25 Office of Service Mining in their 2017 AML grant to

1 reclaim and repurpose this new site, the 67 acres, that
2 being phase 1. Once the Russell County IDA has site
3 control and reclamation is complete, it's very
4 reasonable to expect additional state and federal
5 funding agencies to make investment in the development
6 of this new regional industrial site. Other regional,
7 state, and federal funding agencies that are queued up
8 and ready to receive applications include but are not
9 limited to the Virginia Coal Field Economic Development
10 Authority, the Appalachian Regional Commission, the
11 Appalachian Regional Commission power grant, the
12 community development block grants, and our friends at
13 the Economic Development Administration. I would also
14 note that the census tract is eligible as a new market
15 tax credit census tract. Russell County Reclamation
16 will also place at risk, and we are willing to place at
17 risk, \$7 million of cash of our private capital towards
18 guaranteeing the performance and reclaiming of these 232
19 acres in balance of the site.

20 Russell County Reclamation has generated
21 four preliminary prospects for the site. We recently
22 referred one of our four prospects, an advance
23 manufacturer, to another tobacco commission funded site.
24 And it's my understanding that an incentive package was
25 offered. Each of the other prospects have indicated

1 their interest in the site due to the existing rail
2 access and the large amount of acreage that's available
3 for customized development on large scale.

4 It's also reasonable to expect that Norfolk
5 Southern will provide assistance with marking this site
6 to prospects requiring access to the extensive rail. I
7 can tell you that Norfolk Southern is participating in
8 the design of the track. And I will quote to you what
9 they said: "We look forward to the redevelopment of
10 this site and we had believed that it has potential for
11 recruiting new industry to the area." We couldn't have
12 much of a better partner helping us recruit this most
13 important site.

14 As has been mentioned, and I'll roll over
15 this very quickly, the critical infrastructure that
16 exists today to support this regional industrial site
17 includes over 25,000 linear feet of directly adjacent
18 Norfolk Southern rail. A rail rotary dump, access to
19 69,000 kilovolts of electric transmission, electric
20 distribution lines, a silo capable of storing over
21 7500 cubic yards of material with conveyor belts in
22 place, public water, and 1.2 billion gallons of a
23 permitted redundant water supply, four access points,
24 two bridges, extensive road network, and others. This
25 will be the only such 180 plus industrial site served by

1 existing rail from Wytheville to the Cumberland Gap some
2 three hours east to west and only one of five such sites
3 that the VEDP currently markets as available in all of
4 southern Virginia. The dollar value and/or ability to
5 ever construct this grandfathered infrastructure is
6 difficult to quantify yet it is very significant.

7 If ever an application was shovel ready,
8 Project Reclaim is and here's why: It's already
9 permitted and it's already regulated and we're ready to
10 go. At present and during a very short window of time,
11 all, all of the necessary permits and other concurrences
12 will allow the repurposing of these 232 acres as an
13 industrial site. To underscore the significance,
14 complexity, and timeliness of preserving all these
15 permits and regulatory permission, please consider what
16 is at stake by action that must be taken today. The
17 permit approvals from these regulatory agencies include
18 but are not limited to the Virginia Department of Mines,
19 Minerals, and Energy, the Department of Mine Land
20 Reclamation, the U.S. Office of Service Mining, the U.S.
21 Mine Safety Health Administration, U.S. Army Corps of
22 Engineers, the Virginia Department of Environmental
23 Quality, the Virginia Natural Resources Commission, and
24 others.

25 There are 14 permits that we already have

1 in place that will be transferred, and if we don't take
2 action on them, those permits will go away and a new
3 stop clock starts and it will be five plus years and who
4 knows how many millions of dollars in legal fees and
5 engineering work to try and get those permits back in
6 place before we get started. This spreadsheet that
7 you-all just showed, everybody is painfully aware of how
8 many millions of dollars have been spent and paper that
9 has been expended just to get the permits ready to move
10 the first shovel. We're shovel ready and we are ready
11 to go.

12 So I will try to say this in closing:
13 There are any number of other things I would say, I get
14 a little exercised about this, if we defer action the
15 site will be reclaimed, but the site will be reclaimed
16 with all of the critical infrastructure removed. And if
17 it's ever to be repurposed as an industrial site, it
18 will be many, many years down the road and it will cost
19 millions and millions of dollars in paper to get those
20 permissions granted. We hope the Tobacco Commission
21 would be a partner with our local, our regional, and our
22 federal partners. Those are my comments and I would be
23 glad to entertain any questions.

24 DELEGATE MARSHALL: So a couple of
25 questions we're going to have but one comment. First of

1 all, in my district over in Henry County, there's
2 Commonwealth Crossing. They spent over \$7 million
3 getting permits. They finally got those and I mean it
4 took them five years of blood, sweat, and tears to get
5 that so --

6 SENATOR WAMPLER: Mr. Chairman, may I
7 respond to that?

8 DELEGATE MARSHALL: Absolutely.

9 SENATOR WAMPLER: In my tour of duty in
10 Martinsville and Henry County, I went to Norfolk to
11 visit with the Army Corps of Engineers. And in the
12 first person, I can tell you how difficult it was to get
13 that permit for Commonwealth Crossing. We beat them at
14 their own game. And I would say with these permits that
15 are in existence today and ready to be transferred,
16 we've got the same deck with us.

17 DELEGATE MARSHALL: Okay. Delegate Byron.

18 DELEGATE BYRON: Just a quick question for
19 staff: Is there anything different that has been
20 expressed today since you made your recommendation?

21 MR. FEINMAN: Well, so the recommendation
22 we made was because of the, in part, because of the
23 short time frame on which we got this proposal. It is,
24 as a matter of policy, staff's position that we don't do
25 staff recommendations on out-of-cycle, last-minute

1 requests. You know, there was no special project
2 solicitation for new sites. This walked in the door
3 shortly before the holidays, and as a matter of policy,
4 and from frankly keeping Tim and his team from losing
5 their minds, we try not to let people walk in whenever
6 they like with any sort of project they like. And so
7 our policy at the staff level is we make no
8 recommendation on out-of-cycle requests to prevent a
9 deluge of out-of-cycle requests.

10 You know, that said, I believe everything
11 Senator Wampler said is true: It's a good site; it's
12 flat, which is rare in the coal fields; it's got a lot
13 of acreage; it's got all the utilities you'd want.
14 There needs to be very, very significant reclamation
15 work done on it. There's lots of tracks on it that are
16 covered in what appears to be a fairly unpleasant
17 slurry. And the one caution that I would have is that
18 while it's very good in almost every respect, the road
19 access is not what we have classically looked for in a
20 site.

21 SENATOR WAMPLER: Mr. Chairman, it's no
22 more difficult than heading up Lover's Leap behind an
23 18-wheeler, but I take the director's comments at heart.

24 DELEGATE MARSHALL: All right. Do we have
25 further questions for Senator Wampler?

1 MR. SPIERS: Mr. Chairman, what is, if you
2 will, the drop dead date for the permits going away
3 versus staff looking at this a little bit more? In
4 other words, we have another committee meeting coming up
5 shortly, R&D committee meeting. What's the drop dead
6 date on the permits going away?

7 SENATOR WAMPLER: Mr. Chairman, I would
8 respond by saying that the permits will be transferred
9 on the 28th of January and after that reclamation must
10 commence. And reclamation must commence one way or the
11 other by taking all the infrastructure out and basically
12 hydroseeding the property and returning it back to its
13 approximate original contour, or we start reclaiming it
14 with the repurpose and higher or better use, a post mine
15 use as an industrial site. It's just about that simple.
16 That's the window.

17 DELEGATE MARSHALL: All right. Further
18 questions for Senator Wampler?

19 SENATOR CARRICO: So Mr. Chairman, I'm
20 sensing the 28th is the critical date.

21 SENATOR WAMPLER: 28th of January is the
22 anticipated date of the permits. And we've had
23 publications and the only response that is outstanding
24 is a commercial general liability policy that's just the
25 effective date of the transfer. So there are no

1 technical issues outstanding from the Virginia agency
2 that has primacy of regulation.

3 DELEGATE MARSHALL: Mr. Chairman, please.

4 SENATOR CARRICO: If there's no other
5 questions, I'd just like to make --

6 DELEGATE MARSHALL: We do have a question.

7 SENATOR CARRICO: Okay.

8 DELEGATE MARSHALL: Ed.

9 MR. OWENS: Senator Wampler, how much is
10 the total development cost?

11 SENATOR WAMPLER: For phases 1 and 2 you
12 would have something close to 6.1 million in hard U.S.
13 dollars. We have already expended close to a million
14 dollars in soft cost in our due diligence. And as you
15 can imagine on the 1700 acre track, you know, we're on
16 site today continuing due diligence, not on this bottom
17 track, that's easy, that's put to bed, but we are -- so
18 phases 1 and 2, basically reclaim the property and do
19 some backfilling with material to level it up and, you
20 know, make it showable and marketable to the large scale
21 industries that we hope would take advantage of the
22 existing rail.

23 DELEGATE MARSHALL: Please.

24 MR. OWENS: Are you saying this is the only
25 mega site that we will have funded in southwest

1 Virginia?

2 SENATOR CARRICO: In the coal fields.
3 Washington and Smyth has one. That's still a good
4 distance from -- and Wytheville has one and Carroll
5 has one.

6 MR. OWENS: Within three hours.

7 SENATOR CARRICO: Yes.

8 MR. OWENS: Do you have a rail agreement
9 already?

10 SENATOR WAMPLER: So the rail that bisects
11 the property, if you want to spend a couple of days
12 going through legal research on the conveyances to the
13 railroad, it takes a long time, but it's there. Norfolk
14 Southern is excited about bringing it back to other than
15 an idle state because they'll make revenue off of it if
16 they can find a large scale commercial user. Think of a
17 bulk commodity industry that would want to locate that
18 needs a large lay down yard for their material, that's
19 who their primary market is, so they tell us. But they
20 would love to have trains running back on it.

21 DELEGATE MARSHALL: Any other further
22 questions?

23 Senator Carrico, you --

24 SENATOR CARRICO: Mr. Chairman, with the
25 time sensitivity of this and the fact that we're looking

1 at a January 28th deadline date, I would make a motion
2 that we move forward on the grant request. I think it's
3 3397 and move forward on the request at this time.

4 DELEGATE MARSHALL: Do we have a second?

5 MR. OWENS: Second.

6 DELEGATE MARSHALL: Okay. We have a motion
7 and a second.

8 DELEGATE BYRON: Mr. Chairman.

9 MR. FEINMAN: Mr. Chairman.

10 DELEGATE MARSHALL: Yes.

11 MR. FEINMAN: Just so I can clarify:
12 That's to approve for \$2,900,000? Is that the motion?

13 SENATOR CARRICO: Yes.

14 MR. FEINMAN: Okay. Just making sure.

15 DELEGATE MARSHALL: All right. Discussion
16 on the motion?

17 DELEGATE BYRON: My question is just: Is
18 there anything from staff that they feel a contingency
19 needs to be put on there because you didn't look at
20 everything that you wanted to look at? Is there --

21 MR. FEINMAN: I hesitate -- the policy is
22 staff doesn't make recommendations when something walks
23 in the door out of cycle right before a meeting. And,
24 you know, I hesitate to deviate from that just because,
25 you know, I don't want to give you incomplete

1 information. Our best read of this site is that it has
2 significant environmental issues, but they know that
3 walking in. It's well served by utilities and rails,
4 and the roadways, not nonstandard for southwest Virginia
5 but not on par with what we have at our other sites.
6 Those are the facts of the site as we understand them.

7 You know, you-all are at least as creative
8 as we are in terms of what contingencies we might put on
9 it. You know, certainly, if the site turns out not to
10 have been as it's described to us, that kind of callback
11 already exists in our performance agreements. You know,
12 if there was some sort of fraud or something like that
13 but I think that's unlikely.

14 DELEGATE MARSHALL: Further question?

15 DELEGATE BYRON: Further question for
16 William, I guess, I'm certainly not trying to harm our
17 project, I just want to make sure since we determined
18 that staff should look further at some of the issues we
19 have before us. You had the permits applied for so you
20 had these investments made. I'm not sure that I
21 understand the timeline, why we did just hear about it
22 now. How did you intend to pay for it if the Tobacco
23 Commission didn't invest in this project?

24 SENATOR WAMPLER: So welcome to the world
25 of the coal industry. The permitting process is not

1 easy. If you think your mega sites are difficult,
2 welcome to the 16 permits that underlie the operation of
3 this particular track. So in the due -- again, the
4 promisee of this operation rests with a Virginia agency,
5 the Virginia Department of Mines, Minerals, and Energy,
6 and you would say that other permits flow from that.
7 The federal permits that lay on top of those simply
8 backstop how Virginia administers those federal
9 regulations. So one permit follows the other. And the
10 asset purchase agreement, the business transaction, will
11 take place. The key point I try to make, and I will
12 slow down to make it again and hopefully clearer, is
13 that our responsibility by law and by regulation is to
14 reclaim the site. That will happen, no question about
15 it. Will it be reclaimed with a higher and better use
16 of post mine use industrial property or will we just
17 remove all of the structure, remove all of the rail,
18 take down everything and hydroseed it and return it to
19 its approximate original contour.

20 That's the financial incentive that the
21 Federal Government saw to create the first phase of 67
22 acres of an industrial site. That's what we're asking
23 the Tobacco Commission to consider making an investment
24 to add it, the second phase, the 165 acres, to make it a
25 total of 232 for its absolute higher and best use on the

1 bottom track. And that's on the limestone country and
2 not in coal country. It's actually on the fault,
3 F-A-U-L-T, fault line. So it's not as difficult as you
4 might think to reclaim. Further back it gets a little
5 more difficult, yes, but that's not what we're asking
6 for today.

7 DELEGATE BYRON: Thank you.

8 DELEGATE MARSHALL: So William, while
9 you're here, so for every one of these -- of the mega
10 sites have been back to mega sites multiple times, so
11 this is your first and only request to the Tobacco
12 Commission?

13 SENATOR WAMPLER: Mr. Chairman, the Russell
14 County IDA is making the request. I would say this: If
15 ever a project was ripe for more federal funding, this
16 fits like a glove on the hand. The Appalachian Regional
17 Commission Power Program has a pot of one hundred
18 million dollars that is designed to revitalize the coal
19 fields. The Virginia Coal Field Economic Development
20 Authority, it's ripe to put infrastructure, vertical
21 building up once we have it. So I can't speak for the
22 IDA, but once they have site control there are plenty of
23 federal grants and other agencies to leverage up.

24 DELEGATE MARSHALL: Okay. Any further
25 questions to Senator Wampler or comments on the motion?

1 MR. SPIERS: One question: What's the
2 difference in a mega site and a regular industrial site?
3 What makes this a mega site?

4 MR. FEINMAN: It's larger. There's no --
5 as a term of art it simply doesn't exist. Anything that
6 is larger than the sites that we regularly acquire
7 within its own region we would term a mega site. In
8 general, it was for the purposes of going after larger
9 industries. And I think in the program we had some
10 definitions.

11 MR. PFOHL: Yes, I think it's typically
12 defined as at least a thousand acres designed to
13 accommodate a very large single employer like an
14 automotive assembly plant. There's a definition of mega
15 projects in the state code that is, I believe,
16 \$250 million investment and 400 plus jobs, I believe.
17 But in southwest Virginia what we found is that 70 to
18 100 acres, as in the four sites that are in the 81 and
19 77 corridor, is about the most you're going to get
20 typically and can accommodate a million-square-foot
21 building on a 70 to 100 acre site. So this is
22 absolutely two to three times the size of the four sites
23 that we have in southwest Virginia, so significantly
24 larger.

25 DELEGATE MARSHALL: Mr. Ed.

1 MR. OWENS: Is it correct that we have \$6
2 million dollars in the mega site budget, is that
3 information still correct?

4 MR. PFOHL: \$5.6 million in the mega site
5 budget right now.

6 MR. OWENS: Okay. What's the difference
7 between the mega part and the mega site perspective
8 incentive fund?

9 MR. FEINMAN: The incentive fund is a
10 discretionary fund used for when -- so for example, we
11 were going to tap it for Project New World. It's for
12 when we need additional incentives to get a truly
13 transformative employer into one of our sites or another
14 state.

15 DELEGATE MARSHALL: Yes, that fund has only
16 been around, what, maybe two years. So we started
17 funneling it to the cost of the -- the amount of money
18 it's going to take to get Project New World, one of
19 those projects here.

20 MR. OWENS: So this money would come from
21 the mega part?

22 MR. FEINMAN: Yes.

23 MR. OWENS: Last question, I know Delegate
24 Byron had tried to address it. Is there any key point,
25 bright line, hurdle to get over before we pull the

1 trigger on it?

2 MR. FEINMAN: I think ultimately for an
3 out-of-cycle request like this where there's a tight
4 timeframe, it's going to be up to the committee to make
5 the decision. I've given you my best read on it. If
6 there were a big red flag, I would have mentioned it.
7 The only significant red flag I see is the relatively
8 poor quality road access. But, you know, we're not
9 going to get in the business of doing full on staff
10 reviews when something walks in a couple of weeks before
11 Christmas and they've got a meeting in January.

12 DELEGATE MARSHALL: All right. Any further
13 comments?

14 Did you have something, Senator Carrico?

15 SENATOR CARRICO: Well, I was just going --
16 just comment on the poor quality of road. That's a very
17 common theme in southwest Virginia. I just don't
18 know -- I understand that. When you have one county in
19 southwest Virginia that has no four-lane highways it's
20 not going to be something that we can fix overnight.
21 It's just going to be something that we have to deal
22 with.

23 DELEGATE BYRON: Just real quickly,
24 Senator Carrico, do you know if they have broadband
25 there?

1 SENATOR CARRICO: I will tell you in
2 Russell County they do have a very good broadband
3 system.

4 DELEGATE MARSHALL: That's a little dig
5 there. All right. So we have a motion on the table to
6 move forward on grant No. 3397. Any further discussion?
7 Seeing none all those in favor say aye (Ayes). Opposed?

8 MR. EDMUNDS: I abstain.

9 DELEGATE MARSHALL: You abstain?

10 MR. EDMUNDS: Yes.

11 DELEGATE MARSHALL: All right. It looks
12 like that is -- I guess next is public comment. Seeing
13 none, we stand adjourned. It's time for the full board
14 meeting now, I think.

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16 PROCEEDINGS CONCLUDED

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CERTIFICATE OF COURT REPORTER

I, JUAN ORTEGA, do hereby certify that I, having been duly sworn, was the Court Reporter who took down and transcribed the proceedings of the Virginia Region Revitalization Commission, Special Projects Meeting, when held on Tuesday, January 9, 2018, at 9:30 a.m., at The Homewood Suites, Richmond, Virginia.

I further certify that the foregoing transcript is a true and accurate record, to the best of my ability.

Given under my hand this 9th day of February, 2018.

JUAN ORTEGA
COURT REPORTER