

**Virginia Tobacco Region Revitalization Commission
Incentives & Loans Committee Meeting
Commonwealth Ballroom, Richmond Marriott Short Pump
4240 Dominion Blvd, Glen Allen, VA 23060
Monday, January 12, 2026
10:45 A.M.**

Committee Members Present

Delegate Daniel Marshall, III, Chair	Delegate Israel D. O'Quinn
Delegate Terry G. Kilgore, Vice-Chair	Honorable William A. Pace
Mr. Zachary Agee	Deputy Secretary Jason Powell (for Sec. Cummings)
Senator Lashresce D. Aird	Ms. Kristen White
Ms. Gretchen Clark	Mr. Hampton Wilkins
Dep. Sec. Michael Moran (for Sec. Segura)	

Committee Members Absent

Senator L. Louise Lucas	Senator Todd E. Pillion
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Staff

Hon. James Campos	Ms. Stephanie Kim
Mr. Stephen Versen	Ms. Suzette Patterson
Mr. Warren Bryson	Mr. Jerry Silva
Mr. Jordan Butler	Ms. Roz Stein
Ms. Sarah Capps	Ms. Emily Van Pelt
Ms. Adrian Chapman	Ms. Sara Williams
Ms. Leah Gibson	Ms. Lyndsie Young

Counsel to the Commission

Ms. Elizabeth Myers, Assistant Attorney General

Guests

Mr. Danny Vargas
Mr. Robert DiDonato, Future Defense USA
Secretary Karen Jackson, Commonwealth Center for Advanced Logistics Systems
Secretary Chris Miller, PPF Defense and Former Acting Secretary of Defense

Incentives & Loans Committee Chair Marshall opened the meeting at 10:47 a.m.

Director Campos called roll and determined that a quorum was present.

The meeting was opened to public comment, and there was none.

Commissioner Pace moved to approve the minutes from the previous committee meeting on September 24, 2025 (available online); Commissioner Aird seconded; all members voted to approve the motion.

Campos introduced Mr. Vargas, who spoke to the Commission about the relationship of the Foundation for Advancement of Southern and Southwest Virginia (FASS-VA) to the Commission. FASS-VA will provide opportunities to seek funding from the federal government and private entities to advance the Commission's goals. Vargas has identified possible funding sources, created a draft operating plan outline for FASS-VA, and registered the Foundation in SAM.

Aird asked whether there is a timeline for pursuing the efforts Vargas outlined, to which he responded that the Foundation Board would be meeting the following day to discuss this, but the steps are now in place to allow FASS-VA to begin moving forward. Deputy Secretary Powell asked Vargas to confirm that the Foundation has been incorporated, and Vargas confirmed that it is.

Marshall introduced Commissioner Agee, who is new to the Commission and the Committee.

Versen gave the background of the Commission’s lending partnership with the Virginia Small Business Financing Authority (VSBFA), which reviews and underwrites the TRRC lending opportunities that go before the I&L Committee and the full Commission. The program has been successful and has almost reached \$9M in approved loans, nearing the program’s \$10M lending cap. Staff would like to continue the program and requested that the Commission increase the amount available for lending to \$20M. A breakdown of the status of the program’s loans is available at the end of the Board Book.

In response to Marshall’s question about the loan application process, Versen requested that any locality aware of a project that is focused on agriculture or energy, or that is being undertaken by an economic development organization, should contact him to get started. He will review the project and, if it’s a fit, will put them in touch with Linda Tacket of VSBFA, who will guide the business through the underwriting process and then provide the Commission with a recommendation on how to proceed. Agee asked if any borrowers had defaulted on a loan, and Versen replied that none had. Marshall clarified that these projects must take place in the Commission’s footprint. Kilgore added his support for the program, stating that it has invested in several great projects.

Kilgore moved that the Committee recommend that the Commission direct staff to amend the Commission’s MOU with the Virginia Small Business Financing Authority to increase the budget for the program from \$10M to \$20M; Pace seconded; all voted to approve the motion, except Commissioner Aird, who abstained.

Versen described a Workforce Housing Incentive Program project in Lee County to develop housing on the campus of DeBusk Veterinary Teaching Center, which has an acute need. The County has received funding from AMLER, CDBG, and ARC, and is seeking the last dollars they need from TRRC. The project will create 115 units, at least 20 of which will be committed for people making between 80% and 150% of AMI. Page 11 of the Board Book describes projects in this program that have been approved so far.

Kilgore moved that the Incentives & Loans Committee accept staff’s recommendation to award \$800,000 to Lee County to support the Western Lee Housing Project at the DeBusk Veterinary Teaching Center as outlined in Commission book on pages 10-11; Pace seconded; all voted to approve the motion.

The Committee prepared for closed session.

Kilgore moved that the Committee go into a closed meeting in accordance with the Virginia Freedom of Information Act. The purpose of this closed session is to discuss ongoing, sensitive economic development projects. The subject of this closed session is for the discussion of potential Commission Loans and Grants. The applicable exemption from open meeting requirements under the Freedom of Information Act is § 2.2-3711(A)(39); Versen added the names of the projects to be discussed: Project Valoré, Project Delta, Project Big Dipper, and Project Produce; Pace seconded; the motion was approved via roll call vote:

Name	YEA	NAY	Abstain	Absent
Delegate Marshall	✓			
Delegate Kilgore	✓			
Mr. Agee	✓			
Senator Aird	✓			
Ms. Clark	✓			
Senator Lucas				✓
Dep. Sec. Moran	✓			
Delegate O'Quinn	✓			
Mr. Pace	✓			
Senator Pillion				✓
Dep. Sec. Powell	✓			
Ms. White	✓			
Mr. Wilkins	✓			

After deliberations, the Committee emerged from closed session.

Pace moved that the Committee vote on and record the certification that, to the best of each member's knowledge, only public business matters lawfully exempted from open meeting requirements under this chapter and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the closed meeting; Kilgore seconded; the motion was approved via roll call vote:

Name	YEA	NAY	Abstain	Absent
Delegate Marshall	✓			
Delegate Kilgore	✓			
Mr. Agee	✓			
Senator Aird	✓			
Ms. Clark	✓			
Senator Lucas				✓
Dep. Sec. Moran	✓			
Delegate O'Quinn	✓			
Mr. Pace	✓			
Senator Pillion				✓
Dep. Sec. Powell	✓			
Ms. White	✓			
Mr. Wilkins	✓			

Kilgore moved that the Incentives & Loans Committee recommend that the Commission authorize the Incentives & Loans Committee to approve a loan through the Commission's Community and Business Lending (CBL) Program for \$7.5M to the Staunton River Regional Industrial Facility Authority for up to 10 years at the rate and terms described in the draft term sheet presented today for this project, after the project's approval by MEI, at which time the Incentives & Loans Committee will consider that request; Aird seconded; all present voted to approve the motion.

Kilgore moved that the Incentives & Loans Committee recommend that the Commission approve a loan through the Commission's Community and Business Lending (CBL) Program for \$2M to the City of Danville for no more than a ten year term at an annual interest rate of 3.25% to finance gas infrastructure improvements to allow Danville to provide gas service to the Southern Virginia Megasite at Berry Hill as described in the draft term sheet presented today for this project. He further moved that the Committee recommend the Commission formally withdraw the loan offer of up to \$25M to the Danville-Pittsylvania Regional Industrial Facility Authority approved at the October 2023 Commission Meeting to bring new gas service to Berry Hill; Pace seconded; all present voted to approve the motion.

Kilgore moved that the Incentives & Loans Committee recommend that the Commission reapprove the May 2024 loan made to the Scott County IDA of up to the lesser of \$5.985M or 90% of total project costs, at an interest rate of 2.5% through the Commission's Community and Business Lending (CBL) program, for construction of a 70-room, branded hotel; he further moved that the Commission delegate authority to the Executive Director to finalize the loan agreement based on the conditions of the term sheet provided by the Virginia Resource Authority in 2022 for this project, and that the loan offer expire December 31, 2026; Pace seconded; all present voted to approve the motion.

Kilgore moved that the Incentives & Loans Committee recommend that the Commission approve making a total of up to \$4M in loan funds available to the Industrial Development Authority of Brunswick County through its Lending Partnership program with the Virginia Small Business Financing Authority with a ten year term and 5% annual interest rate to help fund the construction of a packing house located in Alberta, VA, to support local growers with a means to

centrally sort, store, and ship produce, contingent on a recommendation of approval from VSBFA; Pace seconded; all present voted to approve the motion.

Deputy Secretary Moran introduced the proposed Maritime Advancement & Supply Chain Transformation (MAST) Fund and spoke about the opportunities that the shipbuilding industry brings to the region. Mr. DiDonato spoke about his shipbuilding company, which is preparing to begin manufacturing in the U.S. and seeks to expand beyond its Occoquan facility to the region. Part of creating the MAST Fund would be adding companies working in the shipbuilding supply chain to the list of businesses that are eligible for the VSBFA Loan Program.

Kilgore moved that the Incentives & Loans Committee direct Commission staff to create the MAST Fund Program and implement by 1) updating the Commission's MOU with VSBFA to make businesses in the maritime supply chain eligible for loans through the MOU; and 2) coordinating with the Commission's economic development allies in marketing this program to maximize its impact for the Tobacco Region, following details as outlined in Commission book pages 12-15; Pace seconded; all present voted to approve the motion.

Versen introduced the proposed Drone Fund, which would allow TRRC to take advantage of the opportunities that the drone/UAS (Unmanned Aircraft Systems) industry offers the footprint. Campos introduced Secretary Jackson, who began by thanking the Commission for its investments in the CCALS UAS Center, which has directed the funds to support companies operating within Virginia's UAS market through such services as training, testing, evaluations, and demonstrations. Jackson spoke in support of the proposed Drone Fund, noting that its investments would provide incentives for companies that work with the Center to stay and in the region, allowing Virginia to grow its UAS industry and become a leader in the nation. Jackson introduced Secretary Miller, who is an entrepreneur and head of a drone company, also spoke to the importance of this fund to the ecosystem of the drone market.

Aird asked for clarification about the parameters of the proposed fund. Versen responded that, for both the Drone and the MAST Funds, the key component is to give the Commission the authority to consider projects in either of these realms for loans or grants; for loans through the VSBFA, which would require an expansion of the MOU with that agency to add drone- and maritime-related companies to the list of eligible projects; grants may also be awarded through the TROF program, or as custom grants approved by the Commission. Once approved, each project will be reviewed in the same manner as any project being considered for TRRC funding.

Campos added that the Drone Fund will be an elixir for the footprint.

Kilgore moved that the Incentives & Loans Committee direct Commission staff to create the TRRC Drone Fund and implement by: 1) updating the TRRC-VSBFA MOU to include UAS businesses as eligible; and 2) coordinating with economic development allies to market the program across the Tobacco Region, following details as outlined in Commission book page 16; Pace seconded; all present voted to approve the motion.

There was no other business.

Marshall adjourned the meeting at 12:18 p.m.