

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
July 28, 2016

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, July 28, 2016, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

David Kause, Chairman
David Carpenter
Wes Mabe

Charlie White
Jennifer Atwell

MEMBERS ABSENT

John Silva
Dicky Morgan

EX-OFFICIO MEMBERS PRESENT

C. Wayne Sutherland, Jr., Wytheville Town Manager

EX-OFFICIO MEMBERS ABSENT

R. Cellell Dalton, Wythe County Administrator
Jason Childers, Rural Retreat Town Manager

JOINT IDA STAFF PRESENT

David Manley, Executive Director
John Matthews, Associate Director
Virginia Crockett, Administrative Assistant

DETERMINATION OF QUORUM

Chairman Kause called the meeting to order and determined a quorum to be present. Chairman Kause offered the invocation and led the Pledge of Allegiance.

CITIZENS' TIME

Chairman Kause welcomed Wayne Sutherland, Wytheville Town Manager and asked if there was anyone present who would like to address the Board. With no comments being mentioned Chairman Kause continued with the meeting.

AMENDMENT TO THE AGENDA

Chairman Kause stated that he asks the Board to make an amendment to the agenda regarding the sale of property in Progress Park. Mr. Carpenter made a motion, seconded by Mr. Mabe to make an amendment to the agenda adding discussion regarding the sale of property in Progress Park. With no further discussion the motion passed unanimously. Chairman Kause noted that the subject will be added to New Business once the Board gets to that category.

ELECTION OF OFFICERS FOR FY 2016-2017

Chairman Kause opened the floor for nominations of Board Chairman. Dr. White nominated Chairman Kause to serve again for the 2016-2017 term. With no further nominations, the Board elected Mr. Kause Chairman by acclamation. Chairman Kause asked for nominations of Vice Chairman which is currently held by Wes Mabe. Dr. White nominated Mr. Mabe to continue his position of Vice Chairman. The nominations were closed and Mr. Mabe was elected by acclamation. Chairman Kause opened the floor for nominations of Treasurer. Mr. Mabe nominated David Carpenter for the Treasurers position, Dr. White second the nomination. The floor was closed for nominations and the Board voted Mr. Carpenter to serve as Treasurer for the 2016-2017 term by acclamation.

The term of officers was discussed during the meeting. Mr. Manley discussed Bylaw information regarding nominations of officers.

APPROVAL OF MINUTES—June 23, 2016

Chairman Kause asked if there were any questions or discussion regarding the June 23, 2016, meeting minutes. Mr. Carpenter pointed out several spelling and grammar errors that needed to be corrected. Chairman Kause asked if there were any other corrections needed, with there being none he asked for a motion to approve the minutes as corrected. Mr. Carpenter made a motion, seconded by Mr. Mabe, to approve the minutes as amended. With no further discussion the motion passed unanimously.

FINANCIAL REPORTS AND APPROVAL OF INVOICES

Chairman Kause asked if there were any questions regarding the financial reports and invoices and if there was a motion to approve. Ms. Atwell asked about the Martinsville meeting held in June. Mr. Manley said he and Mr. Matthews attended a VEDA meeting held in Martinsville in June and that it was reported on at the last board meeting. Ms. Atwell asked if the RLF loan for Mr. Don Jensen was approved. Mr. Manley stated that it was approved in the amount of \$23,300 matching the collateral that was shown. Mr. Carpenter asked if the First Bank credit card would be changing. Mr. Manley stated that he has gotten proposals in over the last couple of weeks and that they are currently being reviewed and the best match is trying to be found. He stated that, as it is now, First Bank did not sell the credit card business to First Community Bank, so the JIDA is still with them, but

a change could be made with someone local. Mr. Carpenter asked if it was a credit card and not a debit card. Mr. Manley stated that it is a credit card.

Mr. Carpenter asked to confirm that the bank situation is being reviewed. Mr. Manley stated that it is and that his plans were to present the information with some scoring of each bank at the Board meeting today, but a couple of the banks information came in late. He will attempt to present the information at the next regular Board meeting. Mr. Carpenter asked if the card is used extensively. Mr. Manley said it was used regularly in purchasing and for any travel. Mr. Manley stated that he is shopping around locally to make sure to get good rates and service. Ms. Atwell asked about the credit from HelloFax. Mr. Manley noted HelloFax changed the number without informing the JIDA and for a few months there was no working fax and the office did not know it because it was not brought to the staff's attention. Mr. Manley looked at the renewal and it had another fax number on it, so he called them and asked why that was and they did not have a good answer. The service was cancelled and the JIDA signed up with a new service and will reflect on the next month's statement and the present statement shows a credit from HelloFax. Mr. Carpenter asked why the fax number was not under CenturyLink. Mr. Manley stated that signing up with MetroFax for \$99.00 per year compared to \$99.00 per month for a new line with CenturyLink was much more cost effective. Ms. Atwell asked why it was under website. Mr. Manley stated that it was a web service, but that it was discussed with staff and will more than likely be moved to telecommunications. Mr. Carpenter asked what the DSL was under. Mr. Manley stated it was under CenturyLink. Mr. Carpenter asked if that line could be used as a data line. Mr. Manley stated that there are two telephone lines one of which delivers the DSL service. Mr. Carpenter stated that all of his is on one line. Mr. Manley stated that he is not sure if that service was available. Mr. Carpenter stated it may be feasible to contact CenturyLink and inquire about putting the data line and the fax line together. Ms. Atwell asked if the JIDA had a fax line at present. Mr. Manley stated that there is one that the JIDA has signed up for and he would publicize the number soon. Mr. Carpenter asked if there is a new number. Mr. Manley stated that there is one, but it has not been published because it has not been used yet beyond a trial. Chairman Kause asked if the JIDA needed to invoice the aCorridor for reimbursement of the meeting expenses at Graze on Main. Mr. Manley stated that the aCorridor has already reimbursed the JIDA. Ms. Atwell inquired about the Revolving Loan Fund statements for Branch Botanicals. She asked why one spreadsheet says 0% and the other says 2.5%. Mr. Manley explained that Branch Botanicals is currently paying interest only for the first year and will be paying interest and principal beginning the second year. He mentioned that when someone pays interest only, they do not pay interest on interest, thus the 0% interest on the Interest Only worksheet reflecting the current payback arrangement. Chairman Kause asked if there were any further questions and if there was a motion to approve the invoices as presented. Mr. Carpenter asked if all of the revolving loan fund loans were paid up to date. Mr. Manley stated that everyone is current. Chairman Kause asked if there was a motion to approve the invoices. Ms. Atwell made a motion, seconded by Mr. Carpenter, to approve the invoices as presented. With no further discussion or questions, the motion passed unanimously.

**Joint IDA of Wythe County
Check Register
For the Period from July 1, 2016 through July 31, 2016**

Check #	Date	Payee	Amount
EFT	7-28-16	Appalachian Power Company	115.87
EFT	7-28-16	CenturyLink	194.10
EFT	7-28-16	First Bank – Master Card	2,342.75
EFT	7-28-16	Robert G. Moore	1,100.00
7425	7-28-16	FORCEFIELD Web Service	250.00
7426	7-28-16	Mt. Rogers Development Authority	7,308.75

7427	7-28-16	The O'Connor Group	62.50
7428	7-28-16	Town of Wytheville	16,078.04
7429	7-28-16	Wytheville Office Supply	243.69
Total			\$ 27,695.70

STAFF REPORT – ASSOCIATE DIRECTOR

Meetings

Downtown Wytheville Economic Vitality Committee
 Jordan Snelling (DHCD) – CASM, Enterprise Zone
 Michelle Mende (VEDP) – Property Database
 Property Tour with Josh Lewis and VEDP
 Properties - Susan Harwood
 Dale Umberger
 Jack Weaver
 Revolving Loan Fund applicants and Inquiries
 Startup Wythe In Applicants and Inquiries
 Wythe-Bland Young Professionals and steering committee

Economic Vitality Committee

- Startup Wythe In – The committee has selected and announced five finalists to continue in the competition. They have been assigned mentors, and will be developing their business plans over the next several weeks in preparation for the final pitch night. On September 19 the finalists will do a dry
- October 4 at the Bolling Wilson Hotel. The committee has raised over \$21,00 in cash and in-kind services that will go towards winning prizes and the finale event.

Finalists

Kevin Dalton – CrossFit
 Sarah Edmunds – Root'd Threads
 Wendy Music – Rockstar Gems
 Cheryl Shavers – Pink Elephant
 Deborah Wren – Gourmet Food and Market

Mentors

Chuck Swain
 Matt Clarke
 Donna Leonard
 Hal Absher
 Jason Manley

Enterprise Zone Reporting

Our office has filed the 2015 Annual EZ Report with the Department of Housing and Community Development. The report asked for information about new, expanding, closing, and downsizing business within the Enterprise Zone during 2015. We reported on the Coperion and Schaffner North America expansion, and the downsizing of Crisp Manufacturing. DHCD asked for a list of available incentives within the zone and how they were used. During 2015 Graze on Main, Flourz, Coffee and Crumbs, and the Bolling Wilson Hotel received \$109,031.00 in Enterprise Zone meals and lodging tax grants. Additionally, the localities provided information on public and private investments, which included permitting information from the Coperion and American Tire Distributors project.

STAFF REPORT – EXECUTIVE DIRECTOR

New and Expanding Business Activity

- Responded to inquiries from
 - VEDP
 - Local industry
 - DHCD
 - aCorridor
 - Property owner
 - Commercial real estate broker
 - Virginia Tobacco Region Revitalization Commission

- Site visit
 - Project Columbus – breakfast, tour of Progress park, on-site presentation and discussion

Business Contacts and Meetings

- Todd Haymore, Sec. of Commerce and Trade appointee; currenty Sec. of Agriculture and Forestry
- Mike Lehmkuhler, VEDP
- Joe Gillespie, VEDP Project Manager
- Josh Lewis, a Corridor
- Mary Jane Umberger, HR Alliance LLC
- Mark Bloomfield – Downtown Wytheville, Inc.
- Randy Lund, Hutchinson
- Bob DiMarino – Coperion Corp.
- Tim Pennington, Schaffner MTC
- Eduard Hadorn, Andrew Ho – Schaffner Group
- Downtown Wytheville Economic Restructuring Committee
- Stacey Richardson, VaTRCC
- Warren Hammer, VEDP
- Cellell Dalton, County Administrator
- John Smolak, Ec. Dev. Director – AEP
- Perry Hughes, WCC
- Gene Couch, President – VHCC
- Marty Holliday, NRMW WIB
- Dan Motley, Norfolk Southern
- John Griffith, Appalachian power
- Wayne Sutherland, Town of Wytheville
- Dan Tolley, Branch Botanicals
- Eric Chapman and Amy Wheeler, CowanPerry PC
- Lane Dellinger, GJ Hopkins
- Weaver Family – Rural Retreat properties, projects
- Teresa Lewis, Freedom Settlement Services
- Stephanie Surrect, SVAM CoE
- Lennie Gail Dunlop, SVAM /Legislative council
- Jim Grubbs, First Community Bank
- Samantha Crigger and Hilary Paisley, First Sentinel Bank

- Amie Harden, Grayson National Bank
- Scot Farthing, Wythe County Attorney
- David Richards, Richards Associates – commercial real estate
- Richard Beard, Schulman and Beard – commercial real estate
- Joseph Hand, residential real estate discussion
- Tom Jones, local agribusinessman
- Chris Piper, Dep. Director – VaTRRC

Other Activities

- Loan closing, collateral, for Solid Wood Doors and Floors, LLC
 - Establishing proper collateral with attorneys, assistance with attorneys, assistance with preparing and recording documents; deeds of trust, release deed of trust
- Solicitation and evaluation of banking proposals
- Review of Town police, DOL rules re: wage/hour/comp time/vacation for staff (letters received re: use it or lose it vacation time)
- Reviewed map of proposed access road routing
- Ongoing development of draft marketing plan
- Worked with Norfolk Southern and Wythe County re: Lot 30 storage
- Branch Botanicals – worked on various aspects of agreement negotiation and land settlement – closing documents, etc.
- Feasibility study planning group, Town of Wytheville
- SVAM CoE Board of Directors meeting
- Year-end accounting wrap ups w/Ginny, new budget category implementation
- Information collection for VEDP year end
- Project Bluejay proposal prep and submission
- Startup Wythe In information session
- Startup Wythe In finalist selection meeting
- FOIA research and drafting of new procedure for closed meetings using most relevant, current guidance from Virginia FOIA Council
- Began development of tactical marketing plan

Upcoming Events of Interest

- SVAM Manufacturing Expo – August 9, 2016
- Manufacturing and Legislative Council meeting – August 24, 2016 (Co-chair)
- Legal Luncheon re: Overtime – Sept. 1, 2016 (Joint IDA Co-sponsoring)
- SVAM Active Shooter Training – Sept. 13, 2016

OLD BUSINESS

MARKETING PLAN DEVELOPMENT UPDATE

Mr. Manley mentioned that each Board member should have received a copy of the beginning of the marketing plan outline. He stated that what he would like to do is have each Board member take the outline with them and please review and comment on the information. The Board can send emails, calls, etc. with suggestions, questions, information, and comments for the plan. Mr. Manley stated that he has prepared marketing plans before, but that this one is somewhat different because the JIDA is a public sector entity trying to market our

own products. He asked that the Board pay special attention to the S.W.O.T analysis, these are things that the JIDA has heard, perceptions in the community at-large. This plan is all based on the Strategic Plan and our Mission. He added that he is just trying to find the best vehicle to execute the needed marketing. Ms. Atwell asked if Mr. Manley had picked up any of the information from the S.W.O.T. analysis that was prepared around three years ago by the JIDA when Marty Holliday assisted the Board with that. Mr. Manley stated that he did not use any information from that particular one and that the one they have is just based on firsthand experience during the last year to 18 months. Ms. Atwell thought that Mr. Manley might be able to find some information to assist with the plan. Mr. Manley stated that the copy that the Board has is strictly the beginning of the process, a place to begin discussion. Mr. Mabe asked when feedback would be needed. Mr. Manley answered that he will be working on the plan for the next month and that he did not think that he will have a whole complete marketing plan at the next regular meeting, but he would definitely like to have one by September. Mr. Manley asked that everyone please make their comments before the next meeting and he will come back with more in order to have a plan. He stated that it will be a living document that can be revised as the Strategic Plan was. He mentioned that he did not know if there has ever been a marketing plan that he could not locate one from the past.

Ms. Atwell asked about the improvements to the entrance to Progress Park. Mr. Manley stated that the electricity will have to be added to the location before improvements can be made. He added the electrical work would likely to have disrupted what was going to be accomplished. He noted that the improvements will probably be done in the fall. Ms. Atwell asked who is being waited on to do the electrical improvements, was it AEP or Wythe County. Mr. Manley noted that the JIDA does not have the budget to accomplish the work and that the JIDA will be working with the Wythe County Economic Development Committee and Board of Supervisors to hopefully work something out.

BRANCH BOTANICALS UPDATE

Mr. Manley stated that Friday, July 28 will be the closing for Lot 20. Ms. Atwell asked if that was the lot that was declared surplus. Mr. Manley stated that yes, it is, to his understanding. He stated that there is a debate and that certain counties have declared surplus before they sell them, some do not, though in this case Wythe County did. The land will be transferred to the JIDA and then the JIDA will transfer it to Branch Botanicals. Ms. Atwell asked if a public hearing needs to be held. Mr. Manley stated that a public hearing does not need to be held and that counties also have stricter rules about what and how they can sell using authorities such as the JIDA, so that is standard. Mr. Manley stated that to that end in a few minutes there will be a resolution presented to the Board for their consideration. Ms. Atwell asked how the plants are looking. Mr. Manley stated that he had not visited the property in a while, but he did know that the number they are planting this year is approximately 500 plus or minus, down from the original 1500 they intended. He added that next year they intend to go up to 2500. He mentioned that there was a large status meeting and everything was in order for the closing on July 28. Mr. Carpenter asked if Branch Botanicals had found someone to build the building for them. Mr. Manley stated that they have been working with someone for a long time and that he did not know if they have arrived at the final plans. Mr. Mabe asked if he knew when infrastructure would begin going up on the lot. Mr. Manley answered that it would not be long, the way he understands it. Dr. White mentioned that the land is being sold and if the company decides to leave next year, are there restrictions on what the company can sell the land for. Mr. Manley stated that there are and that there are covenants in the park that limit the use of the land. Ms. Carpenter asked if the JIDA ever grants a right of first refusal. Mr. Manley stated not in this case, but such deals had been offered during other previous transactions. Dr. White mentioned that his first concern would be that the County may be selling it to Branch Botanicals at a bargain price and then they can turn around and maybe get a larger amount out of it. Mr. Manley stated that they cannot. Mr. Carpenter asked if there was a no stop gap or prevention from that. Mr. Manley stated that Branch Botanicals would more than likely not purchase the land if there were, they could actually go out and buy a piece of farmland with no covenants and do it cheaper, but they want the infrastructure and location that comes with Progress Park Lot 20.

STARTUP WYTHE IN UPDATE

Mr. Matthews discussed the Startup Wythe In program during his activities report.

OTHER

Website analytics update from Google – He mentioned that as the Board could see the numbers continue to grow. He noted that he had plotted some new information regarding new and returning visitors. He added that the vast majority of the visits are new individuals coming to the site which is good news. Mr. Manley went over additional statistical information with the Board.

NEW BUSINESS

BANKING PROPOSALS

Mr. Manley stated that there was no other information that needs to be discussed at this time. Everything was discussed during his activities report.

RESOLUTION

Mr. Manley mentioned that the Resolution authorizes the JIDA to sign documents transferring land from JIDA to Branch Botanicals on Friday, July 28, 2016. He added that Lot 20 in Progress Park is the property being transferred. Mr. Manley explained that the Wythe County Board of Supervisors had a meeting and voted that the JIDA would handle the transfer of the land. To make that happen, Mr. Manley said a resolution needed to be approved by the JIDA Board to allow the transfer of the property through the organization. Mr. Carpenter mentioned that the Resolution does not have the sales price in it. Mr. Manley stated that it does not and it will not and added that this Resolution is just the JIDA Board endorsing the sale of the property and instead of waiting on the minutes to be published after the vote with the time frame needed a Resolution was drafted to handle the transaction.

Chairman Kause asked if there were any questions or concerns regarding the Resolution and if there was a motion to approve the Resolution to allow the JIDA to transfer the land to Branch Botanicals. Mr. Carpenter asked if the JIDA is just acting as an agent. Mr. Manley responded that the land is being transferred through the organization. Dr. White made a motion, seconded by Mr. Carpenter, to approve the Resolution for the JIDA to act as a transfer agent for the sale of property from Wythe County to Branch Botanicals. With no further discussion, the motion passed unanimously.



Joint Industrial Development Authority Of Wythe County, Virginia

A RESOLUTION RELATING TO REAL PROPERTY DISPOSITION IN THE COUNTY OF WYTHE

WHEREAS, The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat is an independent political subdivision of the Commonwealth of Virginia, and

WHEREAS, the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat serves as the economic development agency for the County of Wythe, and

WHEREAS, in accordance with the mission and duties of the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat, that real estate may be acquired and disposed of from time to time for the purposes of economic development, be it therefore

RESOLVED, the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat approves the sale of the real property known as Lot 20 in Progress Park located adjacent to E. Lee Trinkle Drive in the County of Wythe, Virginia (a map of which is found in plat book 12, page 849 in the Circuit Court of Wythe County), to any interested party; and

RESOLVED FURTHER, the Chairman of the Board is authorized to approve and execute agreements, deeds, affidavits, and other documents related to the sale of the subject real estate, to incur reasonable and customary expenses, and to take such other actions as deemed necessary and appropriate to consummate the sale of Progress Park Lot 20; and

RESOLVED FURTHER, all prior acts performed by the Chairman of the Board, and all other officers and agents of the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat in connection with such sale of the property, are in all respects approved, ratified, and confirmed.

David Kause, Chairman

David Manley, Executive Director

[seal]

I certify this to be a true copy of the resolution passed on July 28, 2016.

Virginia Crockett, Secretary to the Board

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www.wytheida.org

PROJECT UPDATES

Mr. Mabe made a motion to enter into a closed session as permitted by Section 2.2-3711(a)(5) of the Virginia Freedom of Information Act, Code of Virginia to discuss undisclosed projects and actual or probable litigation. The motion was seconded by Mr. Carpenter, and passed unanimously. The meeting entered discussion in closed session.

Upon conclusion of the closed meeting, Mr. Mabe made a motion, and Mr. White seconded, that the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat certify that, in the closed meeting, nothing was discussed except the matter (1) specifically identified in the motion to convene in a closed meeting and (2) lawfully permitted to be so discussed under the provisions of the Virginia Freedom of Information Act cited in that motion.

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711(a)(5) of the Code of Virginia requires a certificate by the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certificate resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat.

Motion was passed with the following roll call vote:

The following roll call vote was required after the motion for certification:

AYES:	David Kause	Wes Mabe
	David Carpenter	Jennifer Atwell
	Charlie White	

NAYS: None

ABSENT DURING MEETING:	John Silva
	Dicky Morgan

ABSENT DURING VOTE:	John Silva
	Dicky Morgan

OTHER

aCorridor – Mr. Mabe mentioned that he knew that Mr. Lewis, Director of the aCorridor was at one of the JIDA meetings a few months ago. He discussed information on where he wanted to take the aCorridor and it was stated that the JIDA would give him time to get his feet on the ground. He asked that maybe sometime in the third or fourth quarter if Mr. Lewis could be invited back to give the Board an update on what he has been working on with the aCorridor. Mr. Manley stated that he would absolutely invite Mr. Lewis back. He stated that there would be a meeting with all local economic development directors and Mr. Lewis in the near future and that he would be getting an update at that time. Mr. Manley stated that the last update he received mentioned that the aCorridor will have a new identity, a new name, and that someone has been hired to develop a new website. He mentioned that he hopes that Mr. Lewis will come back when some of those activities are completed and demonstrate it to the JIDA Board otherwise the visit might be premature. Dr. White mentioned that he had heard that Wythe County is being sued. Mr. Manley answered that it is the Virginia’s first region authority that owns an industrial park and that the Wythe County Board of Supervisors went into closed session to discuss that during the last meeting and that he did not know what the outcome was. Mr. Carpenter mentioned that he heard there was an offer made previously that has been rejected, but has not been publicly rejected so there is still a lot of up-in-the-air problems. Mr. Manley stated that is something that the JIDA has not been involved with. Mr. Carpenter mentioned that it is not the aCorridor. Mr. Manley stated that it was a separate organization.

Mr. Manley mentioned that Dr. Alan Hawthorne is the interim Director of the Blue Ridge Crossroads Economic Authority which is Carroll, Grayson, and Galax. He added that Ken McFadden is going to be in Botetourt County with Gary Larowe who is the former County Administrator of Carroll County.

ADJOURN

There being no other business, Chairman Kause adjourned the meeting at 4:30 p.m.

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary