

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
August 24, 2017

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, July 27, 2017, at 3:00 p.m. in Council Room of the Wytheville Municipal Building at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

David Kause, Chairman
Wes Mabe, Vice Chairman
David Carpenter
Dicky Morgan
Charlie White

MEMBERS ABSENT

John Silva
Matthew Clarke

EX-OFFICIO MEMBERS PRESENT

C. Wayne Sutherland, Jr., Wytheville Town Manager
Stephen Bear, Wythe County Administrator

EX-OFFICIO MEMBERS ABSENT

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 Jennifer Atwell, Executive Director of the Wytheville-Wythe-Bland Chamber of Commerce, Patricia Bevil and Karen Akers with the Virginia Employment Commission, Wayne Sutherland, Wytheville Town Manager, and Stephen Bear, Wythe County Administrator, to the meeting. Chairman Kause asked if there was anyone who would like to address the Board during citizens' time. There being none, Chairman Kause continued with the meeting.

APPROVAL OF MINUTES—JULY 27, 2017

Chairman Kause asked if there were any questions or discussion regarding the minutes from July 2017 and he asked for a motion to approve. Mr. Carpenter asked if the one-word typo correction had been made by staff. They answered that it was. Mr. Mabe made a motion, seconded by Mr. Carpenter, to approve the minutes as presented. With no further comments, the motion passed unanimously.

FINANCIAL REPORTS AND APPROVAL OF INVOICES

Chairman Kause asked if there were any questions or concerns regarding the financial statements for August 2017. He asked if there was any discussion or a motion to approve. Mr. Morgan asked what VIAA stood for. Mr. Manley answered that it was the former aCorridor, now known as Virginia's Industrial Advancement Alliance – our region's marketing group. Chairman Kause stated that he did not see any items that were out of the ordinary. Ms. Crockett noted that the RLF financial statements did change because some payments were received after the reports were printed. Mr. Carpenter asked about the office supplies from Amazon that there are several purchases. Mr. Manley stated that shopping locally is preferred but due to the lack of availability of some items and pricing sometimes online purchases are made for certain items. Mr. Manley added that he aggressively pursued the best pricing.

Chairman Kause asked if there were any other comments. There being none, he asked if there was a motion to approve the financial reports. Mr. Carpenter made a motion, seconded by Mr. Mabe, to approve the financial reports as presented. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County Check Register August 1, 2017 through August 31, 2017

Check #	Date	Payee	Amount
EFT	8-24-17	Appalachian Power Company	135.50
EFT	8-13-17	CenturyLink	137.90
EFT	8-24-17	First Bank – MasterCard	2,488.02
EFT	8-24-17	Robert G. Moore	1,100.00
EFT	8-24-17	Xerox Corporation	70.69
7509	8-1-17	The Log House Restaurant	431.73
7510	8-24-17	David Manley	525.58
7511	8-24-17	Shane Crockett	70.00
7512	8-24-17	Town of Wytheville	17,145.86
7513	8-24-17	Virginia Crockett – reimbursement	24.84

7514	8-24-17	Wytheville Office Supply	159.47
7515		VOID	
7516	8-24-17	VIAA Regional Economic	9,136.00
Total			\$ 31,425.59

STAFF REPORT – ASSOCIATE DIRECTOR

Workshops

Southern Economic Development Council Annual Meeting – August 20-22, Charlotte

Meetings

Business Services Unit

GO Virginia Regional meeting

Joint Governing Bodies Meeting

Properties – Commercial Real Estate Agents
Property Owners

Retail Coach

Revolving Loan Fund Recipients

Workforce Development Board

Wythe-Bland Young Professionals and Steering Committee

Wythe Manufacturing Roundtable planning

Upcoming Events

Manufacturing Career Fair – November 1, 9am-12pm at the Wytheville Meeting Center

IEDC Thriving Rural Communities: Attracting and Retaining Talent – September 7, 2:30-4pm Webinar @ JIDA

STAFF REPORT – EXECUTIVE DIRECTOR

New or Expanding Business Activity

- **Responded to inquiries from**
 - VIAA
 - VEDP
 - Norfolk Southern
 - VEDA
 - Local Industry
 - Entrepreneurs
- **Business Contacts and Meetings**
 - Alan Freeman, Quadrant Engineering Plastic Products
 - WC BOS Economic Development Committee
 - David Carpenter and Matt Clarke, Mfg. Council
 - Josh Lewis, Virginia’s industrial Advancement Alliance

- Downtown Wytheville Economic Vitality Committee
 - Stephen Moret, VEDP CEO
 - John Loftus, VEDP Buildings and Sites manager
 - Vivian Womble, Coffee and Crumbs
 - Stephen Bear, County Administrator
 - Wayne Sutherland, Wytheville Town Manager
 - Jason Childers, RR Town manager
 - John Smolak, Ec. Dev. Director - AEP
 - Marty Holliday, NR/MR Workforce Development Board
 - Todd Caldwell, CenturyLink
 - Green Faircloth, f/k/a Atmos
 - Perry Hughes, WCC
 - John Griffith, AEP
 - Dan Tolley, Branch Botanicals
 - Lennie Gail Mitcham, SVAM
 - Connie Long, VEDP
 - Mary Jane Umberger, HR Alliance
 - Deborah Flippo, Draper Aden Associates
 - Dan Motley, Norfolk Southern
 - John Kilgore, Scott County, VA
 - Kathleen Guzi, VACORP insurance
 - Jeff Dunnack, Somic America
 - Peter Patel, Developer and hotelier
 - Bob Di Marino, Coperion Corp.
 - Kevin Mumpower, Bristol Compressors and Bristol City Council
 - John Pennington, Edward Jones
 - Joe Hines, Timmons Group
 - Courtland Robinson, Shenandoah Valley Partnership
- **Noteworthy or Other Activities**
 - SWVA Manufacturers Expo
 - SWVA Manufacturers Legislative Council
 - Breakfast w/WMC leadership
 - RFI submission (x2)
 - GO Virginia regional strategic planning
 - VEDP leadership retreat
 - SEDC annual meeting
 - The Retail Coach visit
 - Joint Governing Bodies meeting presentation
 - NR/MR Workforce Development Board (attended as alternate to Josh Lewis)
 - Developed budget amendment, re-balanced budget
 - Sen. Mark Warner agribusiness meeting/visit to Duchess Dairy in Rural Retreat
 - Reviewed financial reports
 - Credit card reconciliation
 - Budget finalization
- **Retail Consulting**
 - Retailer match list developed
 - Update within next week

- **Upcoming**

- Project Crown visit TBD
- August 29, 2017: Work Ready Communities Kickoff
- September 4, 2017: JIDA office closed for Labor Day
- September 7, 2017: GO Virginia regional council @ WCC
- September 20-22: Audit with RFC
- September 27, 2017: Leadership breakfast for “Operation Tomorrow’s Workforce”
- Ongoing: CDBG working group

OLD BUSINESS

RETAIL CONSULTING UPDATE

Mr. Manley reported that within the next week an update is expected. They have circulated a draft list of matching potential retail stores, restaurants, etc. The report will not be distributed to the public because it would perhaps compromise any negotiations that would go on, but it was dozens of businesses, approximate 50+ that they were able to match up demographically to our area. They will pursue those over the next several months. Chairman Kause asked that they will be contacting some of those individuals face-to-face at some of the trade shows and conferences. Mr. Manley answered that in addition to in-person contact, they will also be making telephone calls, emails, and other means to reach out to the individuals. Mr. Manley added that some communication will be directly with the retailers and some will be with developers. Mr. Mabe asked if enough property was seen to address some of these businesses, if the opportunities were to become available. He felt that was sort of one of the gaps between the governing bodies. Mr. Manley answered that there were several good sites all over the county. Regarding the different types of properties, it would be up to the retailer or developer to decide what best fit the project’s needs.

REVOLVING LOAN FUND UPDATE

Mr. Manley noted that there was an attachment to the financial reports was a loan payment record. He noted that Mr. Bales has paid in full on his second loan, Mr. Jensen has not paid and Mr. Manley reported that he had a major heart attack and has been hospitalized and seriously ill for some time. He stated that he did suggest not taking any action at the time being to pursue collection of the loan due to Mr. Jensen’s health. He stated that the Board may have seen or have heard discussion in town regarding Coffee and Crumbs and Vivian Womble will be moving from Wytheville and is relocating to Radford on Main Street. Mr. Manley added that she has or is about to secure her property, she intends to continue paying her loans and she has a proposal that has been discussed with Chairman Kause. Mr. Manley would like to present it to the Board to see if it is agreeable to help keep the loan viable. Mr. Carpenter stated that she is currently three months in arrears.

Mr. Manley presented the proposal:

- 1) Ms. Womble will make her loan obligations current
- 2) Upon doing so the loans will be consolidated
- 3) The Joint IDA will grant a six-month period of interest only payments after she has become current, to allow her time to become more established in her new location

Chairman Kause noted that from the JIDA standpoint it would be an appropriate and fitting proposal to accept. He mentioned that if she can get current on the loan there is no issue with the interest only for six-months. Mr. Morgan asked what her reason for moving would be. Mr. Manley stated that he would not put words into her mouth except to say what she has already published on Facebook and that she has had a landlord dispute which

was ongoing. Mr. Carpenter mention that the information posted on Facebook was not good for the community. Mr. Mabe asked what the current amount owed on the loans are. Mr. Manley stated that it is approximately \$32,500. Mr. Carpenter asked what her payment was currently. Staff noted it was approximately \$300 +/- monthly. Mr. Carpenter asked about the interest. Staff stated that it was approximately 2.5 percent per loan. Mr. Carpenter asked what the assumed interest rate on the combination of the two loans would be. Mr. Manley answered that it had not yet been determined. He noted that would be a part of the negotiations and he mentioned that would not have to be done until after the six-month only interest payments are made. Mr. Carpenter stated that he is concerned because the funds that were loaned were given to a Wythe County business and now it will not be, but the JIDA still needs to get the funds back. He asked what the terms on the notes were. Chairman Kause mentioned that one was five and the other was ten. Mr. Carpenter mentioned that ten years from now the JIDA may still be trying to recoup the funds and it is not going to help Wytheville and Wythe County at all. Mr. Manley stated that the option that the JIDA has is to call the loan and attempt to collect it. Mr. Carpenter mentioned that on Mr. Manley's staff report that it noted he had a meeting with her. Mr. Manley stated that he did. Mr. Carpenter asked if any of this was discussed during that meeting. Mr. Manley answered that all of this was discussed, that Ms. Womble asked to make interest only payments for a period. Mr. Morgan asked if the business has been closed for three months and if that was the reason why she was not making her payments. Mr. Manley answered that the business is still currently open. Mr. Morgan mentioned that she is making money, but she is just not making the payments. Mr. Manley stated that although she is not current, she is making regular payments. Dr. White mentioned that she may be open and making money, but may not be able to make her loan payment. Mr. Morgan asked if the landlord was trying to increase her rent. Mr. Manley stated it was a contractual dispute from day one of the lease. Mr. Carpenter asked if anyone from the Town of Wytheville or Downtown Wytheville tried to assist her. Mr. Manley stated that many have worked to advise her including her own retained legal counsel. Mr. Carpenter mentioned that he was disheartened with what he heard and part of what he read and it was not good publicity for the Town of Wytheville.

Mr. Manley stated that the Board does not have to act on this proposal this month but she is asking what the JIDA could do. He mentioned that he had worked with Ms. Womble and Chairman Kause on this proposal. He added that the sequence of events, if it were agreed to, would be to bring the loans current, grant a six-month interest only period, and consolidate the loans after the six-month interest only period. Mr. Carpenter asked if he could reword that to re-negotiate the loans because consolidating the loans. He stated that the loan interest rates need to be negotiated. Mr. Manley stated that would be correct and that what could happen is that the loans remain the same after the six-month time and not be consolidated. Mr. Morgan asked if there has been an attempt to find her another location in Wytheville. Mr. Sutherland stated that there have been attempts made. Dr. White asked if the loans had been collateralized. Mr. Manley answered that there was restaurant equipment securing the loan in addition to a personal guarantee. Dr. White stated that he agreed with Mr. Manley, to do what needs and can be done. Mr. Mabe asked how much time she must make everything current. Mr. Manley answered that nothing would be triggered until she is current and that she is looking to make it current prior to moving to Radford in September or October. Mr. Manley asked if the Board would like to have a deadline on getting the loan current. Chairman Kause suggested that Mr. Manley ask Ms. Womble for a framework and timetable for bringing the loans current. Mr. Manley asked that further discussion be put off for another month to give him time to speak with Ms. Womble. Mr. Manley noted that the motion needs to also include what the terms of the new loan would be. Mr. Carpenter noted that she will need to know that there is a possibility of interest rate and term changes for the loan when re-negotiated and possibility make it a lower interest, but also a shorter-term limit. Mr. Manley stated that if he does not feel comfortable with where loan negotiations are going he will bring a revised loan proposal back to the next Board meeting. Mr. Morgan mentioned that he thought there should be the assurance of collateral. Mr. Manley asked if this would be suitable: to give her 30-days to bring the loans current and then Mr. Manley would bring a loan proposal to the next Board meeting. Chairman Kause asked if there was a motion for Mr. Manley to offer Ms. Womble a period of time (e.g., 30 days) to get current with her loans and then to bring a loan proposal to the Board next month for approval. Mr. Carpenter made the motion, seconded by Mr. Mabe, with no further discussion. A vocal vote was taken.

Response was as follows: Mr. Morgan, yes; Dr. White, yes; Mr. Carpenter, yes; Chairman Kause, yes; Mr. Mabe, yes. The motion passed unanimously.

JOINT GOVERNING BODIES MEETING REPORT

Mr. Manley stated that he has nothing to add regard the Joint Governing Bodies meeting except that he felt it went well, the discussion was positive, and The Retail Coach was very informative.

OTHER

None

NEW BUSINESS

ADOPT RESOLUTION FOR VACORP INSURANCE

Mr. Manley reported that the Board needed to adopt a resolution affirming the choice to join VACORP's self-insurance pool concurrent with the Joint IDA's selection of a new insurance carrier for FY 17-18. Mr. Manley and Chairman Kause would be granted signature authority for related matters.

Mr. Carpenter made a motion, seconded by Mr. Morgan, to approve the joining of the Virginia Association of Countries Groups Self-insurance Risk Pool. With no further discussion, the motion was approved unanimously and the resolution agreed-to.

[RESOLUTION IN ITS ENTIRITY IS ON THE NEXT PAGE]

**RESOLUTION TO ADOPT THE MEMBER AGREEMENT TO JOIN
THE VIRGINIA ASSOCIATION OF COUNTIES
GROUP SELF INSURANCE RISK POOL**

WHEREAS, Joint IDA of Wythe County desires to protect against liability and workers' compensation claims and property losses and to provide for payment of claims or losses for which the County division may be liable; and

WHEREAS, the Virginia Association of Counties Group Self Insurance Risk Pool, aka VACoRP, has been established pursuant to Chapter 27 (§ 15.2-2700 et seq.) and Title 15.2 of the code of Virginia; and

WHEREAS, it is desirable Joint IDA of Wythe County to join the Virginia Association of Counties Group Self Insurance Risk Pool in order to provide a method of risk sharing for liability and workers' compensation claims and property losses;

NOW, THEREFORE, BE IT RESOLVED that the governing body of Joint IDA of Wythe County hereby agrees to the Member Agreement entitled "Member Agreement for Virginia Association of Counties Group Self Insurance Risk Pool" which creates a group fund to pay liability and workers' compensation claims and property losses of the counties, schools and other local agencies joining the Group, and we acknowledge we have received a copy of the pertinent Plan and supporting documents.

BE IT FURTHER RESOLVED that Chairman of Board or ^{JIDA Executive Director} is authorized to _(title of authorized representative) execute the member agreement to join the Virginia Association of Counties Group Self Insurance Risk Pool and to act on behalf of Joint IDA of Wythe County in any other matter relative to the Group.

This the 24 day of Aug, 2017.

ATTEST:

Virginia M. Crockett
Clerk

Paul A. Kim
Chairman
[Signature]
Executive Director

WYTHE MANUFACTURING COUNCIL

Mr. Carpenter reported on the Wythe Manufacturing Council meeting. He noted that there will be an attempt made to improve communications. He added that this is something new that is a revamp of the council of the past to get manufacturers involved with discussions and information regarding problems and activities in Wytheville, Wythe County, and Rural Retreat. Mr. Carpenter stated that communication was the biggest concern, not only with manufacturers, but also with the JIDA Board. He also mentioned that some felt that nothing was being accomplished due to the repetition of the same issues and discussions for years. He noted that the group will also be a liaison for K-12 and WCC on what manufacturers are needing in the way of training and career readiness. Mr. Carpenter discussed the need of education, attendance of employees, and the need for involved workers.

AUDIT

Mr. Manley reiterated that the audit is scheduled September 20 through 22. The group will again be Robinson, Farmer, Cox Associates. After the audit is complete Mr. Stone will be asked to attend a meeting to present the audit to the Board.

OTHER

Budget – There are two attachments to the packet today. One item is the proposed operating budget, which was adopted, but there has been a change since then. Both the city of Bristol and Washington County have left the VIAA (aCorridor) and the discussion among the governing body was to increase the assessment on those who were left and that would be an increase from \$1.00 per capita to \$1.25 per capita. The payment from Wythe County, Wytheville, and Rural Retreat will increase to \$36,544 with Wythe County taking up the additional cost and appropriating it to the Joint IDA. Mr. Manley mentioned that he would need a motion to approve the budget as amended. Mr. Bear explained why the City of Bristol and Washington County left the VIAA. Mr. Carpenter made a motion, seconded by Mr. Morgan, to accept the amended operating budget. With no further discussion, the motion passed unanimously.

Calendar Items – The first is the Wytheville-Wythe-Bland Chamber Dinner being held on November 2, 2017. The Board was asked to think about attendance and if they would like to bring a guest. Board members are to contact Ms. Crockett with their decision. A vote can be made at the next Board meeting if the JIDA would like to present an award to an Outstanding Business of the Year.

November/December Board meeting – There is a conflict with the November Board meeting falling on Thanksgiving Day and it would be Mr. Manley's recommendation to move it to the next Thursday which will be November 30 and will split the November/December meetings. He suggested that a combined November/December meeting be held on November 30. The date was approved.

October Board meeting – A reminder was given that the October Board meeting will be held at Ft. Chiswell High School. A place at the school has not been decided, but will be given during the September meeting.

PROJECT UPDATES

Given during Staff Reports

CLOSED SESSION AS PERMITTED BY CODE OF VIRGINIA §2.2-3711(A)(5)

None

ADJOURN

There being no other business, Chairman Kause adjourned the meeting at 4:12 p.m.

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary