

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY

Minutes of Meeting

April 25, 2013

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, April 25, 2013, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

Linda DiYorio, Chairman
Carolyn Dankowski
William Dixon

Tom Jones
Dana Pack
Foy Patton

MEMBERS ABSENT

Jennifer Atwell

EX-OFFICIO MEMBERS PRESENT

C. Wayne Sutherland, Jr., Wytheville Town Manager
R. Cellell Dalton, Wythe County Administrator

EX-OFFICIO MEMBERS ABSENT

Michael S. James, Rural Retreat Town Manager

DETERMINATION OF QUORUM

Chairman DiYorio called the meeting to order and determined a quorum to be present. Mr. Dixon offered the invocation, and Mr. Jones led the Pledge of Allegiance.

**VIRGINIA'S ACORRIDOR UPDATE—PRESENTATION BY TOM ELLIOTT,
EXECUTIVE DIRECTOR**

Tom Elliott, Executive Director of Virginia's aCorridor, gave a presentation updating the Board on regional activities for the past year. He noted that announcements for 2012 were sparse with one being made in Washington County and another being Somic America in Wythe County. He mentioned that 2012 has been the worst year for announcements or expansions in the past five years. Mr. Elliott reported that he has 16 active projects representing \$234 M in capital investments and 1,189 jobs—seven are new projects from the Virginia Economic Development Partnership (VEDP), four are new projects locally originated, and five are existing industry expansions.

Mr. Elliott has been working on new marketing activities and stated that he had recently attended the Southern Economic Development Council's (SEDC) Consultants Conference. In May, the aCorridor will sponsor a Familiarization (Fam) Tour, which will include Progress Park, with Jay Garner. Mr. Garner is president and founder of Garner Economics, LLC, which is an economic development and site location consulting firm. Mr. Garner is also a founding member and a member of the Board of Directors for the Site Selection Guild, a prestigious global group of the top site-location consultants. Mr. Elliot noted that in June he will be attending the Expansion Management Roundtable of the South and will be holding additional Fam Tours, as well as visiting site consultants himself. In the winter, Mr. Elliott will attend an Area Development Consultants Forum and will continue to work on developing prospects with Joe Anwyl, the Commonwealth Center for Advanced Manufacturing's (CCAM) Director of Economic Development.

Mr. Elliott noted that the aCorridor website is a work-in-progress and is currently under a redesign with the assistance of a website developer. He also mentioned information regarding advanced manufacturing and data centers.

CITIZENS' TIME

Chairman DiYorio welcomed Wayne Sutherland, Wytheville Town Manager, Cellell Dalton, Wythe County Administrator, and Tim Reeves, Wythe County Board of Supervisors Member to the meeting.

Chairman DiYorio asked if there was anyone who would like to address the Board. There being none, Chairman DiYorio proceeded with the meeting.

APPROVAL OF MINUTES—March 28, 2013

Chairman DiYorio asked if there were any corrections, additions, or questions regarding the minutes of the February 28, 2013, meeting and if there was a motion to approve the minutes as presented. There being none Chairman DiYorio asked for a motion to approve the minutes as presented. Mr. Jones made a motion, seconded by Mr. Patton, to approve the minutes as presented. The motion passed unanimously.

APPROVAL OF INVOICES

Chairman DiYorio asked if there were questions or discussion regarding the invoices for April 2013, and if there was a motion to approve the invoices as presented. There being none, Mr. Dixon made a motion, seconded by Ms. Dankowski, to approve the invoices for April 2013. With no further discussion, the motion passed unanimously.

**Joint IDA of Wythe County
Check Register
For the Period From April 1, 2013 through April 30, 2013**

Check #	Date	Payee	Amount
6831	4-25-13	Alan R. Hawthorne	3,231.94
6832	4-25-13	Kimberly B. Simmons	2,494.22
6833	4-25-13	Virginia M. Goodwin	1,663.16
6834	4-25-13	Appalachian Power	166.65
6835	4-25-13	Alan Hawthorne - Reimbursement	91.16
6836	4-25-13	Anthem Southeast Dental	93.21
6837	4-25-13	Anthem Blue Cross and Blue Shield	1,874.40
6838	4-25-13	Branch Highways, Inc.	42,000.00
6839	4-25-13	CenturyLink	134.05
6840	4-25-13	Chamber of Commerce	600.00
6841	4-25-13	Kimber Simmons - Reimbursements	339.35
6842	4-25-13	ACS/BNY Mellon HSA	850.00
6843	4-25-13	Principal Life Insurance Co.	178.38
6844	4-25-13	Robert G. Moore	1,100.00
6845	4-25-13	Town of Rural Retreat	2,973.00
6846	4-25-13	Town of Wytheville	19,062.00
6847	4-25-13	Treasurer, Wythe County	37,506.00
6848	4-25-13	Virginia Goodwin - Reimbursements	43.37
6849	4-25-13	Xerox	20.78
Total			\$ 114,421.67

OLD BUSINESS

LOT 24/LOT 30 UPDATE

Dr. Hawthorne updated the Board on the progress of Lots 24 and 30. He noted that the spring construction season is underway and that work began on the Lot 30 pad on Monday, April 22. He mentioned that there have been steel plates placed across Kents Lane to protect the asphalt and that there was there is flagman to control the flow of earthmovers across Kents Lane. Dr. Hawthorne stated that the contractor was pleased with the moisture level of the underlying material once the top soil was removed. He reported that the pad construction is going very well. The estimate for completion of the Lot 30 pad is approximately six weeks, depending on the weather.

2013 INDUSTRY APPRECIATION GOLF TOURNAMENT UPDATE

Mr. Dixon gave a report on the golf tournament committee meeting held prior to the Board meeting. He noted that everything seems to be on track, but there is a need to contact individuals and businesses regarding door prizes and hole sponsorships. Each Board member will assist with

contacting various businesses and individuals for donations, team sponsorships, etc. He noted that the Joint IDA staff will order the same food as last year for the evening reception, with the possibility of a change or two after the staff checks with the golf club restaurant manager on serving amounts.

WORKING SESSION HIGHLIGHTS—STRATEGIC PLANNING (NEXT WORKING SESSION - STRATEGIC PLANNING JOINT MEETING WITH JURISDICTIONS, JUNE 2013)

Chairman DiYorio reviewed the working session topic for the month of April, which was Strategic Planning. She noted that she thought that Marty Holliday's assistance was very helpful and added that the next working session will be held in June to continue their efforts with strategic planning. Chairman DiYorio stated that the next meeting will include members from the jurisdictions to assist with the planning process. She asked if there were any questions regarding the working session. With there being none, the meeting was continued.

OTHER

None

NEW BUSINESS

QUARTERLY FINANCIAL STATEMENTS

Dr. Hawthorne discussed the quarterly financial statements with the Board. He stated that the excess revenue was due to his taking vacation time without pay and that the Joint IDA had also received \$6,000 in IDB administrative fees from Klockner, which amounted to \$1,000 per year from 2007 through 2012. The outstanding bond had previously been reported as retired, but it was not until recently. Without this two items, expenses are within 1% of revenues.

Chairman DiYorio asked if there were any questions regarding the quarterly financial statements. There being none, the meeting continued.

APPROVE BHI CONTRACT CHANGE ORDER #4 (RAIL CORRIDOR ENVIRONMENTAL MITIGATION)

Dr. Hawthorne stated that a copy of a Branch Highways Change Order #4 had been distributed to the Board members prior to the meeting. He explained that the change order is for the required environmental mitigation associated with the construction of the rail corridor spur extending to Lot 24. This required mitigation is being performed under the park-wide permit issued by the Army Corps of Engineers and the Virginia Department of Environment Quality. He noted that the cost of the work associated with the change order would be performed by Branch Highways at a fixed price of \$220,431.00. Dr. Hawthorne added that the Wythe County Board of Supervisors had already approved the change order.

Chairman DiYorio asked if there was a motion to approve the Branch Highways Change Order #4 as presented. Mr. Dixon made a motion, seconded by Ms. Dankowski, to approve Change

Order #4. Chairman DiYorio asked if there were any questions or discussion regarding the Change order. There being none, the motion passed unanimously.

REPORT ON VEDA SPRING CONFERENCE

Kimber Simmons, Joint IDA Associate Director, gave a brief report on the Virginia Economic Development Association's Spring Conference. She reiterated the statement that Mr. Elliot had spoken about earlier in his presentation, that companies do have funds to spend on their facilities, but do not have the confidence to do so. She noted that the main topic of the conference was getting back to economic development basics. Also discussed were re-shoring, community branding, bench marking, and strategic planning.

JOINT IDA BOOTH AT CHAMBER EXPO—MAY 6

Chairman DiYorio mentioned the booth that the Joint IDA will be hosting at the Chamber of Commerce's Community Expo being held at the Wytheville Meeting Center on May 6 from 4:30 p.m. until 6:30 p.m. She also asked if there would be any Board members available to attend and assist with meeting and greeting of visitors at the expo. Mr. Dixon asked what was required of the Board members during the expo. Dr. Hawthorne stated that communicating with the visitors would be their main focus and that maybe there could be two members walking around speaking and visiting and then two at the table greeting those who passed by. Mr. Dixon, Ms. Dankowski, Mr. Jones, and Mr. Pack stated that they would be available to assist with the expo.

PROJECT UPDATES

None

OTHER

Appalachian Power Company's press release - Chairman DiYorio mentioned that she and Dr. Hawthorne had attended the press conference held by Appalachian Power Company earlier in the day. She noted that Appalachian Power Company, a part of American Electric Power (AEP), made an announcement identifying Virginia sites that passed the utility's recently established Data Center Site Qualification Program. Chairman DiYorio was happy to announce that Wythe County's Progress Park met the criteria and is one of the first two sites to receive this designation. The other site is located in Roanoke County's Center for Research and Technology.

American Electric Power - Dr. Hawthorne indicated that Appalachian Power (APCo) is in the process of acquiring two power plants currently owned by their sister company in Ohio. He noted that AEP has been purchasing power from the mid-west generator, but if they can purchase the facilities from the Ohio utility this would be the low-cost option for adding generation capacity. APCo is asking for a letter from the Joint IDA to be sent to the State Corporation Commission showing their support for the purchase of the generating facilities from the Ohio utility. Chairman DiYorio asked if there was a motion to allow the Joint IDA staff to compose a letter of support for APCo to be sent to the State Corporation Commission. Mr. Patton made a motion, seconded by Mr. Pack, to allow the Joint IDA staff to compose and send a letter of support for the AEP purchase project. Chairman DiYorio asked if there were any further questions or discussion regarding the letter. There being none, the motion passed unanimously.

AEP Appalachian Power Regional Economic Summit - Dr. Hawthorne noted that AEP will be hosting a regional economic summit on Tuesday, May 14, at the Wytheville Meeting Center. John Smolak, Director of Economic and Business Development for Appalachian Power, is coordinating the program. Dr. Hawthorne noted that Jay Garner, President and founder of Garner Economics, LLC, the economic development and site location consulting firm that Mr. Elliot spoke about earlier in his presentation, will be the keynote speaker for the summit. The Data Center Site Qualification Program report will also be discussed.

Habitat for Humanity House - Dr. Hawthorne informed the Board that the Habitat for Humanity House located at the entrance of Fairview Industrial Park is in need of some repairs to the roof. He noted that the Joint IDA staff has received two estimates for repairs so far and that one was \$717 and the other was \$525. He added that the staff is waiting on another estimate from a third contractor. Mr. Dixon made a motion, seconded by Ms. Dankowski to authorize the Joint IDA staff to accept the least expensive bid to repair the roof of the Habitat for Humanity House. Chairman DiYorio asked if there was any further discussion or questions regarding the Habitat for Humanity House. There being none, the motion passed unanimously.

Southwestern Virginia Technology Council (SWVTC) awards - Kimber Simmons, Joint IDA Associate Director, mentioned that she had received notice that the SWVTC will be sending out the nomination sheets for their awards ceremony being held in June. She noted that if the Board had any company they felt was worthy of a nomination to please let her know and she will forward the forms to the companies/manufacturers to fill out.

Prescription Drug Summit report - Kimber Simmons noted that the United States Attorney's Office has released the report from the Prescription Drug Summit recently held at the Wytheville Meeting Center. She noted that the report has a list of recommendations in it. Ms. Simmons stated that if any of the Board members were interested in reading the report to let her know and she would forward the website link to them.

ADJOURN

There being no other business, Chairman DiYorio adjourned the meeting at 4:10 p. m

Linda DiYorio, Chairman

Attest:

Virginia M. Goodwin, Secretary

Joint IDA of Wythe County
Revenue and Expenses
For six-month period ending March 31, 2013

	<u>General</u>	<u>Special</u>	<u>RLF</u>	<u>Total</u>
Revenues				
Appropriations				
Wythe County	\$112,518.00			\$112,518.00
Wytheville	\$57,186.00			\$57,186.00
Rural Retreat	\$8,919.00			\$8,919.00
		\$178,623.00		
Service Fees				
IDB/SWAC loan admin fees	\$6,680.82			\$6,680.82
RLF management fees	\$0.00			\$0.00
CRIFA services	\$37,500.00			\$37,500.00
SBDC office services	\$450.00			\$450.00
		\$44,630.82		
Sales/Leases				
Lease income on bldg	\$450.00			\$450.00
Sale of land	\$0.00	\$0.00		\$0.00
less cost of sales		<u>\$0.00</u>		\$0.00
	\$450.00	\$0.00		
Grants/Reimbursements				
Other grant		\$0.00		\$0.00
WOF grants -		\$0.00		\$0.00
WC - Lot 24		\$2,212,586.98		\$2,212,586.98
TICRC -				\$0.00
TICRC - Lot 24		<u>\$400,876.38</u>		\$400,876.38
		\$2,613,463.36		
Reimbursements	\$417.99			\$417.99
		\$417.99		
Contributions/Events				
Contributions-WMC	\$215.85			\$215.85
Contributions-private	\$0.00			\$0.00
Golf tournament-sponsorships	\$50.00			\$50.00
Golf tournament-participants	\$1,200.00			\$1,200.00
Awards luncheon sponsor	\$600.00			\$600.00
		\$2,065.85		
Interest Income				
SWAC loan interest	\$5,759.14			\$5,759.14
LGIP interest	\$140.46			\$140.46
MM interest	\$1,944.60			\$1,944.60
Other interest	\$1,131.39			\$1,131.39
		\$8,975.59		
Revolving Loan Fund				
RLF loan interest			\$0.00	\$0.00
RLF LGIP interest			\$948.60	\$948.60
RLF other interest			\$55.15	\$55.15

-For Management Purposes Only-

Total Net Revenue**\$235,163.25 \$2,613,463.36 \$1,003.75 \$2,849,630.36**

	General	Special	RLF	Total
Expenses Summary				
Salaries	\$117,498.75			\$117,498.75
Directors salaries	\$4,500.00			\$4,500.00
Salary Related	\$39,148.34			\$39,148.34
Annual leave accrual	\$0.00			\$0.00
Contract Services	\$7,813.00	\$2,613,463.36		\$2,621,276.36
Copier	\$161.90			\$161.90
Advertising	\$0.00			\$0.00
Postage	\$133.23			\$133.23
Telecommunications	\$1,810.38			\$1,810.38
Office supplies	\$171.90			\$171.90
Office rent	\$9,900.00			\$9,900.00
Meeting expenses	\$73.59			\$73.59
Subscriptions/books	\$165.99			\$165.99
Dues/membership	\$22,451.25			\$22,451.25
Depreciation expense	\$599.00			\$599.00
Hosting	\$24.69			\$24.69
Mileage	\$2,540.92			\$2,540.92
Lodging/perdiem	\$536.60			\$536.60
Conventions/education	\$862.00			\$862.00
Repairs & Maintenance	\$12.61			\$12.61
Park expenses	\$75.00			\$75.00
Surety Bond	\$236.25			\$236.25
Property Insurance	\$96.00			\$96.00
Public Officials/General Liab. Ins.	\$1,542.75			\$1,542.75
Office equipment	\$242.09			\$242.09
Utilities	\$1,157.09			\$1,157.09
Industry Appreciation Act.	\$1,967.46			\$1,967.46
Industry Appreciation-golf	\$11.96			\$11.96
Other Expenses	\$119.00			\$119.00
Purchase discounts	(\$218.31)			(\$218.31)
Interest Expenses (VSBFA)	\$6,234.43			\$6,234.43
WOF grants		\$0.00		\$0.00
Other grant expenses -				\$0.00
RLF Closing & Other Expenses			\$0.00	\$0.00
RLF Bad Debt Expense				\$0.00
Total Expenses	\$219,867.87	\$2,613,463.36	\$0.00	\$2,833,331.23
Net Income	\$15,295.38	\$0.00	\$1,003.75	\$16,299.13

-For Management Purposes Only-

Joint IDA of Wythe County

Balance Sheet

March 31, 2013

	General	RLF	Total
ASSETS			
Current Assets			
Cash-petty cash	\$50.00	\$0.00	\$50.00
Cash-checking account	\$311,329.74	\$40,250.55	\$351,580.29
Cash-LGIP	\$106,690.94	\$720,744.61	\$827,435.55
Cash-MM	\$513,978.53	\$0.00	\$513,978.53
A/R	\$50.00	\$0.00	\$50.00
Accrued interest receivable	\$0.00	\$0.00	\$0.00
Prepaid insurance	\$2,764.73	\$0.00	\$2,764.73
Total Current Assets	\$934,863.94	\$760,995.16	\$1,695,859.10
Inventory			
Inventory-land for sale	\$10,961,252.46	\$0.00	\$10,961,252.46
Inventory-buildings	\$0.00	\$0.00	\$0.00
Total Inventory	\$10,961,252.46	\$0.00	\$10,961,252.46
Property and Equipment			
Fixed assets-furniture/equip.	\$34,662.14	\$0.00	\$34,662.14
Accum. deprec.-equipment	(\$34,662.14)	\$0.00	(\$34,662.14)
Total Property and Equipment	\$0.00	\$0.00	\$0.00
Other Assets			
Deferred payment on land sale	\$0.00		\$0.00
SWAC Loan Balance	\$183,945.67		\$183,945.67
RLF Outstanding Loan Balance	\$0.00	\$0.00	\$0.00
Total Other Assets	\$183,945.67	\$0.00	\$183,945.67
Total Assets	\$12,080,062.07	\$760,995.16	\$12,841,057.23

-For Management Purposes Only-

Joint IDA of Wythe County
Balance Sheet (con't.)
 March 31, 2013

	General	RLF	Total
LIABILITIES AND CAPITAL			
Current Liabilities			
Accounts payable	\$42,000.00	\$0.00	\$42,000.00
Accrued annual leave	\$10,625.45	\$0.00	\$10,625.45
Payroll taxes payable	\$5,370.78	\$0.00	\$5,370.78
Other liabilities-Lot 24 retainage	\$325,337.50	\$0.00	\$325,337.50
Accrued interest on VSBFA loan	\$0.00	\$0.00	\$0.00
Deferred income - TICRC R&D	\$0.00	\$0.00	\$0.00
Deferred income - TICRC Lot 24	\$73,786.12	\$0.00	\$73,786.12
Deferred income - other	\$425.00	\$0.00	\$425.00
Total Current Liabilities	\$457,544.85	\$0.00	\$457,544.85
Long-Term Liabilities			
WC Lot 24	\$10,813,683.62		\$10,813,683.62
VSBFA loan/RD RLF Grant	\$184,416.17	\$500,000.00	\$684,416.17
Total Long-Term Liabilities	\$10,998,099.79	\$500,000.00	\$11,498,099.79
Total Liabilities	\$11,455,644.64	\$500,000.00	\$11,955,644.64
Capital			
Fund balance - BOY	\$787,745.05	\$259,991.41	\$1,047,736.46
Return of Capital (Spec. Dividend)	(\$178,623.00)		(\$178,623.00)
Net Fund Change	\$15,295.38	\$1,003.75	\$16,299.13
Total Capital	\$624,417.43	\$260,995.16	\$885,412.59
Total Liabilities & Capital	\$12,080,062.07	\$760,995.16	\$12,841,057.23