

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY

Minutes of Meeting

January 24, 2013

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, January 24, 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
Jennifer Atwell
Foy Patton

Tom Jones
Dana Pack
William Dixon

MEMBERS ABSENT

None

EX-OFFICIO MEMBERS PRESENT

C. Wayne Sutherland, Jr., Wytheville Town Manager

EX-OFFICIO MEMBERS ABSENT

R. Cellell Dalton, Wythe County Administrator
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. Pack offered the invocation, and Mr. Jones led the Pledge of Allegiance.

CITIZENS' TIME

Chairman DiYorio welcomed Wayne Sutherland, Wytheville Town Manager, and Tim Reeves, Wythe County Board of Supervisors member, to the meeting. Chairman DiYorio asked if there were any persons present who would like to address the Board during citizens' time. There being none, Chairman DiYorio proceeded with the meeting.

APPROVAL OF MINUTES—December 13, 2012

Chairman DiYorio asked if there were any corrections, additions, or questions regarding the minutes of the December 13, 2012, meeting and if there was a motion to approve the minutes as

presented. Ms. Atwell made a motion, seconded by Mr. Pack, 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 January 2013, and if there was a motion to approve the invoices as presented. Dr. Hawthorne stated that the Branch Highways, Inc., invoice would be paid from the TICRC funds for the next several months and not by Wythe County. He also mentioned that the check for the Virginia Economic Development Partnership was for yearly dues for himself and Ms. Simmons. Chairman DiYorio asked if there was any further discussion. There being none, Ms. Dankowski made a motion, seconded by Mr. Jones, to approve the invoices for January 2013. With no further discussion, the motion passed unanimously.

**Joint IDA of Wythe County
Check Register
For the Period From December 14, 2012 through January 31, 2012**

Check #	Date	Payee	Amount
6762	1/24/13	Alan R. Hawthorne	4,445.29
6763	1/24/13	Kimberly B. Simmons	2,494.22
6764	1/24/13	Virginia M. Goodwin	1,663.16
6765	1/24/12	Appalachian Power	176.73
6766	1/24/12	Alan Hawthorne - Reimbursements	688.38
6767	1/24/12	Anthem Southeast Dental	93.21
6768	1/24/12	Anthem Blue Cross and Blue Shield	1,874.40
6769	1/24/12	Branch Highways, Inc.	166,438.19
6770	1/24/12	CenturyLink	135.01
6771	1/24/12	Chamber of Commerce	125.00
6772	1/24/12	Dell Business Credit	599.00
6773	1/24/12	ACS/BNY Mellon HSA	850.00
6774	1/24/12	Principal Life Insurance Co.	162.41
6775	1/24/12	Robert G. Moore	1,100.00
6776	1/24/12	Southwest Signs	75.00
6777	1/24/12	Town of Rural Retreat	2,973.00
6778	1/24/12	Town of Wytheville	19,062.00
6779	1/24/12	Treasurer, Wythe County	37,506.00
6780	1/24/12	VA Economic Dev. Assoc.	400.00
6781	1/24/12	Virginia Goodwin - Reimbursement	41.86
6782	1/24/12	Wytheville Office Supply	6.79
6783	1/24/12	Wytheville Enterprise	41.00
6784	1/24/12	Xerox	18.61
Total			\$240,969.26

OLD BUSINESS

LOT 24/Lot 30 UPDATE

Dr. Hawthorne gave an update on the progress of Lot 24. He mentioned that there has not been a lot of activity due to the recent snow and rain. Branch Highways is currently on a winter shut-down. Dr. Hawthorne added that Scott Bortz of Peed and Bortz has a preliminary site plan for Lot 30. He noted that as soon as the site plan is provided a final change order will be issued and the fill dirt from Lot 24 will be moved to Lot 30 for the pad construction on the site.

TENURE AWARDS LUNCHEON—THURSDAY, FEBRUARY 28, 2013

Chairman DiYorio asked how many recipients there would be for this year's luncheon. Dr. Hawthorne stated that there were eight recipients and that Virginia Economic Development Partnership Vice President Mike Lehmkuhler would be the keynote speaker for the event and that the Log House Restaurant will be providing the meal. He also mentioned that the Steering Committee of the Wythe Manufacturing Council met recently and it was mentioned that if possible, with Board approval, they would like to once again combine the Tenure Awards Luncheon with the quarterly WMC meeting as it was done in 2012. The Board approved combining the two events together. Dr. Hawthorne added that there would be a marketing presentation to a joint meeting of the Joint IDA Board, Wythe County Board of Supervisors, Wytheville Town Council, and the Rural Retreat Town Council immediately following the Tenure Awards ceremony. Mr. Lehmkuhler has prepared a presentation for the joint meeting.

WORKING SESSION HIGHLIGHTS—GOVERNANCE (NEXT WORKING SESSION - BUDGET WORK SESSION ON FEBRUARY 7, 2013

Chairman DiYorio spoke briefly about the January 10, 2013, Board working session. She noted that Dr. Hawthorne did a presentation on how the Joint IDA Board was established and the governance of the authority. She added that she found the information to be useful. Chairman DiYorio asked if there were any questions regarding the session. She thanked the Wytheville Town Council and the Wythe County Board of Supervisors for their attendance at the meeting.

Dr. Hawthorne reminded the Board that the next working session will be held on Thursday, February 7, at 3:00 p.m., in the Joint IDA Conference Room. He asked the Board if they would like to find another meeting space since there were so many in attendance at the January 10 meeting. The Board stated that they thought the Joint IDA office would be sufficient.

FAIRVIEW SIGN UPDATE

Associate Director, Kimber Simmons reported that during the December 13 Joint IDA Board meeting Ms. Atwell had mentioned that Horizon Healthcare had been purchased by another company and that Southern Gateway Distributors, Inc. had recently acquired space in the Fairview Industrial Park. Ms. Atwell asked that the Joint IDA staff contact them to see if Horizon Healthcare would like their name changed and if Southern Gateway would like to have their name added to the Fairview Park sign. Ms. Simmons contacted both companies. Horizon Healthcare stated that their name would remain the same for the time being and Southern Gateway Distributors' name has been added to the sign by Mr. Scott from Southwest Signs.

OTHER

Southwest Drug Coalition - Ms. Atwell inquired whether Kimber Simmons, Associate Director of the Joint IDA, was able to attend the Southwest Drug Coalition meeting. Ms. Simmons stated that she did attend the last meeting of the group and that they have changed their name to the Wythe-Bland Substance Abuse Coalition. Ms. Simmons stated that the group is also working with individuals who are released from incarceration. She added that the function of the group is to introduce these individuals to the proper people who can help them re-establish their life and get the help they would need to acquire employment, housing, drug abuse assistance, etc. Ms. Simmons noted that the Coalition is once again applying for the Drug Free Community grant to assist with their efforts. She added that the group has applied for the grant on two different occasions, but did not receive funds. Ms. Simmons stated that if the group receives the grant the funds they will be used for mentor training. Chairman DiYorio asked Mr. Sutherland, Wytheville Town Manager, and Tim Reeves, Wythe County Board of Supervisors member, if Wytheville or Wythe County were involved in the group. They both stated that they did not think anyone was. Ms. Simmons stated that Wythe County does have a presence in the group through the Department of Social Services and that individuals from both Law Enforcement and the Public Schools were involved.

Ivanhoe property - Ms. Atwell asked if the sale of the Ivanhoe property would be included with the sale of the old Wythe County Health Department building. Mr. Reeves stated that the property was not included with the building and that bids for the property had been extended until March to allow assessments to be completed. Dr. Hawthorne added that he had spoken with Wythe County Administrator Cellell Dalton and he had stated that the auctioneers thought it would be best to sell the properties during early spring.

NEW BUSINESS

PRESENTATION ON LOCAL LABOR MARKET

Dr. Hawthorne gave a presentation on the local labor market and gave an employment status update. Some relevant points covered included the following information: 6% more Wythe County citizens are employed now compared to January 2007 (the State of Virginia has 7% more employed) while the United States has still not reached the level of employment present in January 2007; Wythe County has an unemployment rate 25% higher than it was in January 2007 while Virginia's UE rate is 70% higher and the United States rates is 50% higher; Wythe County employment has had a major turn around from the 1st quart of 2010 to the present (11.8% unemployment vs. 5.9% unemployment) and the labor force trend is positive. Also discussed were the workforce growth potential, average wages, community patterns, cost of living, and SOL pass rates for Wythe County. The Board stated that the presentation was informative and would be useful in raising awareness regarding the labor market for our area.

2013 INDUSTRY APPRECIATION GOLF TOURNAMENT—MAY 16, 2013 (CHOOSE COMMITTEE AND SET FEBRUARY MEETING DATE)

Chairman DiYorio stated that the 2013 Industry Appreciation Golf Tournament will be held on May 16, 2013, at the Wytheville Golf Club. She asked if there was a volunteer to chair the Golf Tournament

Committee. Chairman DiYorio asked Mr. Dixon and Mr. Patton if they would co-chair the committee and noted that the entire Board usually served as committee members. Both gentlemen agreed to serve as co-chair for the committee. Chairman DiYorio asked if the committee would like to meet on Thursday, February 7, 2013, at 2:00 p.m. in the Joint IDA Conference Room prior to the working session. The Board members agreed to this time and date for the meeting.

QUARTERLY FINANCIAL STATEMENTS

Dr. Hawthorne briefly discussed the quarterly financial statements. He noted that since the implementation of the resolution sent out last year regarding the jurisdictional payments that the checks and invoices to the jurisdictions have been issued each quarter. Dr. Hawthorne pointed out that interest income had declined during the year . The reports also reflect the investments, income, and expenses related to Lot 24. He mentioned that expenses had decreased due to him taking two weeks personal leave without pay during 2012 that was previously approved by the Board. With this decrease in expenses, revenues exceeded expenses instead of being greater as would have otherwise been the case. Dr. Hawthorne asked if there were any questions regarding the quarterly financial statements. There being none, Chairman DiYorio continued with the meeting.

2013-2014 BUDGET PROCESS

Dr. Hawthorne stated that in the past the Joint IDA Board used the Executive Committee to review and prepare the yearly budget, but mentioned that since there would be a working session on budget planning on February 7, 2013, the entire Board would be involved in the budget planning process this year. He noted that after the working session is complete the Board would review and approve the draft budget for 2013-2014 at the regular Board meeting on Thursday, February 28, 2013. Once approved by the Board the draft budget will be presented to the jurisdictions.

PROJECT UPDATES

Dr. Hawthorne stated that there were some ongoing projects activity and noted that more information should be available for the February 28, 2013, meeting and that there was no pertinent information to report on them at this time.

OTHER

Signage for GigaPark promotions - Dr. Hawthorne reported on a meeting that the Joint hosted for Virginia's aCorridor group and a Mid-Atlantic Broadband representative regarding a GigaPark sign promotion being conducted by Mid-Atlantic Broadband. The signage and website promotion is being supported by the Tobacco Indemnification and Community Revitalization Commission (TICRC). The signs are a promotional tool being used in industrial parks around southwest and southern Virginia showing the fact that the parks have the fiber access necessary for high broadband throughput. Chairman DiYorio asked if there was a motion to allow the Joint IDA staff to investigate local requirements and ordinances and to further pursue the proposal by Mid-Atlantic Broadband. Ms. Dankowski made a motion, seconded by Mr. Patton, to instruct the Joint IDA staff to pursue and investigate the local requirements and ordinances required for the signs and to talk further with Mid-Atlantic Broadband and our jurisdictions regarding their proposal. With no further questions, the motion passed unanimously.

TICRC report - Chairman DiYorio reported that she had recently attended a meeting of the Tobacco Indemnification and Community Revitalization Commission (TICRC) where she had received a copy of a study completed by The Boston Consulting Group for the TICRC. The name of the report is *Developing an Advanced Manufacturing Workforce for Virginia's Tobacco Region*. Chairman DiYorio gave a copy of the report to Dr. Hawthorne and informed the Board members that they could contact him if they would like to see the report.

Virginia Economic Development Partnership visit - Dr. Hawthorne reported that he had met with Liz Povar, Robert McClintock, and John Loftus from the Virginia Economic Development Partnership. He mentioned that he shared information regarding the status of Lot 24 and Progress Park with them. They also discussed the anticipated more active role of VEDP in business expansions, including focusing on gold accounts, which included Pepsico. Dr. Hawthorne will be the aCorridor's representative on VEDP Business Expansion's advisory committee.

Mary Rae Carter - Dr. Hawthorne mentioned that he and Chairman DiYorio will be having a lunch meeting with Mary Rae Carter, Deputy Secretary of Commerce and Trade for Rural Economic Development for the Commonwealth of Virginia, on Monday, January 28. Ms. Carter will also be meeting with Angie Lawson and Joe Bybee from Wytheville Community College regarding the closing of Merrillatt. Dr. Hawthorne and Chairman DiYorio will be discussing manufacturing in Wythe County and the surrounding area.

Workforce - Dr. Hawthorne mentioned that the Workforce Investment Board has openings for business representatives to serve on the WIB board. If any Board member knows of anyone who might be interested, please let him know and he would forward their name as a candidate of the opening. He noted that the person should have a broad based interest and training in workforce. He noted that the Wythe-Bland Foundation has facilitated a working group that is currently exploring the best way to strengthen the community's focus on the STEM (Science/Technology/Engineering/Math). Dr. Hawthorne added that there are STEM academies located around the Commonwealth of Virginia and that he had updated the Wythe Manufacturing Council Steering Committee on this effort. He noted that the Steering Committee felt that there was a need for the STEM project in Wythe County and that it would be good to have a presentation on the STEM effort at the next quarterly meeting..

ADJOURN

There being no other business, Chairman DiYorio adjourned the meeting at 4:40 p. m

Linda DiYorio, Chairman

Attest:

Virginia M. Goodwin, Secretary

Joint IDA of Wythe County
Revenue and Expenses
For six-month period ending December 31, 2012

	General	Special	RLF	Total
Revenues				
Appropriations				
Wythe County	\$75,012.00			\$75,012.00
Wytheville	\$38,124.00			\$38,124.00
Rural Retreat	\$5,946.00			\$5,946.00
		\$119,082.00		
Service Fees				
IDB administrative fees	\$0.00			\$0.00
RLF management fees	\$0.00			\$0.00
CRIFA services	\$25,000.00			\$25,000.00
SBDC office services	\$300.00			\$300.00
		\$25,300.00		
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>\$166,438.19</u>		\$166,438.19
		\$2,379,025.17		
Reimbursements	\$417.99			\$417.99
		\$417.99		
Contributions/Events				
Contributions-WMC	\$100.00			\$100.00
Contributions-private	\$0.00			\$0.00
Golf tournament-sponsorships	\$0.00			\$0.00
Golf tournament-participants	(\$160.00)			(\$160.00)
Awards luncheon sponsor	\$0.00			\$0.00
				(\$60.00)
Interest Income				
LGIP interest	\$100.52			\$100.52
MM interest	\$1,311.56			\$1,311.56
Other interest	\$907.92			\$907.92
		\$2,320.00		
Revolving Loan Fund				
RLF loan interest			\$0.00	\$0.00
RLF LGIP interest			\$678.81	\$678.81
RLF other interest			\$40.26	\$40.26
Total Net Revenue	\$147,509.99	\$2,379,025.17	\$719.07	\$2,527,254.23

	General	Special	RLF	Total
Expenses Summary				
Salaries	\$78,182.50			\$78,182.50
Directors salaries	\$3,150.00			\$3,150.00
Salary Related	\$25,915.28			\$25,915.28
Annual leave accrual	\$0.00			\$0.00
Contract Services	\$7,813.00	\$2,379,025.17		\$2,386,838.17
Copier	\$112.81			\$112.81
Advertising	\$0.00			\$0.00
Postage	\$87.23			\$87.23
Telecommunications	\$1,322.50			\$1,322.50
Office supplies	\$37.41			\$37.41
Office rent	\$6,600.00			\$6,600.00
Meeting expenses	\$58.43			\$58.43
Subscriptions/books	\$0.00			\$0.00
Dues/membership	\$15,142.50			\$15,142.50
Depreciation expense	\$599.00			\$599.00
Hosting	\$24.69			\$24.69
Mileage	\$2,147.67			\$2,147.67
Lodging/perdiem	\$417.81			\$417.81
Conventions/education	\$610.00			\$610.00
Repairs & Maintenance	\$12.61			\$12.61
Park expenses	\$0.00			\$0.00
Surety Bond	\$157.50			\$157.50
Property Insurance	\$64.00			\$64.00
Public Officials/General Liab. Ins.	\$1,028.50			\$1,028.50
Office equipment	\$242.09			\$242.09
Utilities	\$642.02			\$642.02
Industry Appreciation Act.	\$535.00			\$535.00
Industry Appreciation-golf	\$0.00			\$0.00
Other Expenses	\$47.25			\$47.25
Purchase discounts	(\$218.31)			(\$218.31)
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	\$144,731.49	\$2,379,025.17	\$0.00	\$2,523,756.66
Net Income	\$2,778.50	\$0.00	\$719.07	\$3,497.57

Joint IDA of Wythe County
Balance Sheet
December 31, 2012

	General	RLF	Total
ASSETS			
Current Assets			
Cash-petty cash	\$50.00	\$0.00	\$50.00
Cash-checking account	\$715,596.61	\$40,235.66	\$755,832.27
Cash-LGIP	\$106,651.00	\$720,474.82	\$827,125.82
Cash-MM	\$513,345.49	\$0.00	\$513,345.49
A/R	\$600.00	\$0.00	\$600.00
Accrued interest receivable	\$2,904.89	\$0.00	\$2,904.89
Prepaid insurance	\$3,440.54	\$0.00	\$3,440.54
Total Current Assets	\$1,342,588.53	\$760,710.48	\$2,103,299.01
Inventory			
Inventory-land for sale	\$10,726,814.27	\$0.00	\$10,726,814.27
Inventory-buildings	\$0.00	\$0.00	\$0.00
Total Inventory	\$10,726,814.27	\$0.00	\$10,726,814.27
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	\$216,600.82		\$216,600.82
RLF Outstanding Loan Balance	\$0.00	\$0.00	\$0.00
Total Other Assets	\$216,600.82	\$0.00	\$216,600.82
Total Assets	\$12,286,003.62	\$760,710.48	\$13,046,714.10

Joint IDA of Wythe County
Balance Sheet (con't.)
December 31, 2012

	General	RLF	Total
LIABILITIES AND CAPITAL			
Current Liabilities			
Accounts payable	\$167,580.80	\$0.00	\$167,580.80
Accrued annual leave	\$10,625.45	\$0.00	\$10,625.45
Payroll taxes payable	\$3,617.87	\$0.00	\$3,617.87
Other liabilities-Lot 24 retainage	\$325,337.50	\$0.00	\$325,337.50
Accrued interest on VSBFA loan	\$2,904.89	\$0.00	\$2,904.89
Deferred income - TICRC R&D	\$0.00	\$0.00	\$0.00
Deferred income - TICRC Lot 24	\$308,224.31	\$0.00	\$308,224.31
Deferred income - other	\$425.00	\$0.00	\$425.00
Total Current Liabilities	\$818,715.82	\$0.00	\$818,715.82
Long-Term Liabilities			
WC Lot 24	\$10,579,245.43		\$10,579,245.43
VSBFA loan/RD RLF Grant	\$216,600.82	\$500,000.00	\$716,600.82
Total Long-Term Liabilities	\$10,795,846.25	\$500,000.00	\$11,295,846.25
Total Liabilities	\$11,614,562.07	\$500,000.00	\$12,114,562.07
Capital			
Fund balance - BOY	\$787,745.05	\$259,991.41	\$1,047,736.46
Return of Capital (Spec. Dividend)	(\$119,082.00)		(\$119,082.00)
Net Fund Change	\$2,778.50	\$719.07	\$3,497.57
Total Capital	\$671,441.55	\$260,710.48	\$932,152.03
Total Liabilities & Capital	\$12,286,003.62	\$760,710.48	\$13,046,714.10