

June 24, 2004

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, May 27, 2004, at 3:00 p.m. in the Council Room of the Wytheville Municipal Office, 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

Steven D. Irvin, Chairman	Joseph W. Freeman, Vice-Chairman
George T. Johnstone, Treasurer	Robert J. Ayers
Danny B. Gordon	William F. Snyder

MEMBERS ABSENT

Gerald Brewer

EX-OFFICIO MEMBERS ABSENT

R. Cellell Dalton, Wythe County Administrator
Raymond E. Matney, Rural Retreat Town Manager
Wayne Sutherland, Wytheville Town Manager

DETERMINATION OF QUORUM

The meeting was called to order and a quorum determined to be present by Mr. Freeman, Vice-Chairman. Mr. Freeman thanked Authority members for their attendance and welcomed visitors. Mr. Freeman informed everyone that Chairman Irvin would be joining the meeting shortly. The invocation was given by Mr. Gordon, and the Pledge of Allegiance was led by Mr. Freeman.

CITIZENS' TIME

Mr. Freeman stated the next agenda item is Citizens' Time. He inquired if there are persons present who wish to address the board during Citizens' Time. Dr. Hawthorne welcomed Stephen Bear, Assistant County Administrator. Mr. Bear thanked the board for allowing him to attend the meeting and to provide an update on the proposed Wythe County Zoning Ordinance. Mr. Bear provided the members with a copy of the proposed zoning ordinance, zoning matrix, and zoning map. He stated that the purpose of zoning is (1) to encourage economic development activities that provide desirable employment and enlarge the tax base, (2) to preserve agricultural and forestal lands and other land of significance for the protection of the natural environment, (3) to protect approach slopes and other safety areas of licensed airports, including United States government and military air facilities, (4) to promote affordable housing, and (5) to protect surface water and groundwater. The development of this ordinance is intended to be in harmony with the Comprehensive Plan and the Subdivision Ordinance. Mr. Bear provided results of a 1997 county wide survey with 49.5% of the people that responded indicating that they would favor zoning and over 50% would favor zoning if zoning would (1) preserve forest land, (2) provide citizen input on land use decisions, (3) preserve open land, and (4) allow for orderly

growth. The proposed zones are Agricultural District 1 (A-1), Agricultural District 2 (A-2) Residential District 1 (R-1), Residential District 2 (R-2), Commercial District, and Industrial District. Additional proposed districts are Conservation/Recreation, Shoreline Recreation, Flood plain Management, and Airport Safety. According to Mr. Bear, zoning (1) allows for citizen input in the design and future planning of the local neighborhood, (2) helps the county implement the Comprehensive Plan, (3) does not attempt to restrict growth, but assists in the planning and development of desired growth, (4) promotes more efficient use of taxpayer money such as roads and water and sewer, (5) offers protection to citizens from unwanted encroachment, (6) is not a cure all for lousy planning, (7) adds additional regulations, (8) does not override restrictions in a restrictive covenant, when the covenant is more restrictive, and (9) is not always fun to read and therefore is not fully understood by most citizens. Mr. Bear provided the following bits and pieces: (1) zoning does not set land values, (2) zoning ordinances will change and adapt to the future needs of the citizens, (3) property can be rezoned and/or affected by special use permits, therefore is flexible, (4) zoning has no tax associated with it, but is a land use management tool for the land owner and the county, (5) counties with adequate open land and a balance of industry, residential and farm land have a lower tax rate, and (6) Wythe County is a beautiful and healthy place to live and it is important that we allow for the management of our resources and overall welfare of our residents. Mr. Gordon recommended that Dr. Hawthorne research and prepare recommendations regarding the proposed Wythe County zoning ordinance.

APPROVAL OF MINUTES - MAY 27, 2004

Dr. Hawthorne informed the members that the minutes of the May 27, 2004, meeting should be corrected to reflect that check #4259, Robinson, Farmer, and Cox Associates, is the Joint IDA audit fee. Motion was made by Mr. Gordon that the minutes of the regular meeting held on May 27, 2004, be approved as corrected, seconded by Mr. Johnstone, and passed unanimously.

APPROVAL OF INVOICES

Dr. Hawthorne explained that check #4278, Quill Corporation, represents printer cartridges. Dr. Hawthorne noted that check #4300, Turman Lumber Company, Inc., is contingent upon the board approving the release of the performance bond associated with the Ivanhoe Timbering contract. Mr. Gordon asked about check #4282, Department of General Services. Dr. Hawthorne commented that this invoice represents the purchase of an audio visual cart from state surplus. Mr. Gordon made a motion to approve the invoices as presented contingent upon the release of the performance bond associated with the Ivanhoe Timbering contract. Motion was seconded by Mr. Ayers and passed unanimously.

Joint IDA of Wythe County
Check Register

For the Period From May 28, 2004 to Jun 24, 2004

Filter Criteria includes: Report order is by Check Number.

Check #	Date	Payee	Amount
4269	5/28/04	Linda D. Lester	739.07
4270	5/28/04	Robert G. Moore	1,100.00

4271	6/14/04	First Bank of Virginia	2,615.83
4272	6/14/04	VA Dept. of Taxation	417.63
4273	6/14/04	U S Cellular	77.44
4274	6/15/04	Linda D. Lester	739.07
4275	6/24/04	Duke's Printing	89.00
4276	6/24/04	Sprint	125.29
4277	6/24/04	Sprint	12.28
4278	6/24/04	Quill Corporation	1,259.44
4279	6/24/04	Chamber of Commerce	108.94
4280	6/24/04	Wytheville Office Supply	135.37
4281	6/24/04	American Electric Power	67.96
4282	6/24/04	Dept. of General Services	54.00
4283	6/24/04	Xerox	146.80
4284	6/24/04	Bankcard Services	426.50
4285	6/24/04	Mike Webb-Reimbursement	57.38
4286	6/24/04	Danny B. Gordon	225.00
4287	6/24/04	Gerald L. Brewer	225.00
4288	6/24/04	George T. Johnstone	225.00
4289	6/24/04	Joseph W. Freeman	225.00
4290	6/24/04	Robert J. Ayers	225.00
4291	6/24/04	Steven D. Irvin	225.00
4292	6/24/04	William Snyder	225.00
4293	6/24/04	Robert G. Moore	1,100.00
4294	6/24/04	Trigon	1,458.28
4295	6/24/04	Trigon Dental	110.36
4296	6/24/04	Fort Dearborn Life Ins Co.	31.95
4297	6/24/04	Companion Life Insurance Co.	79.32
4298	6/24/04	JIDA Petty Cash	2.00
4299	6/24/04	Town of Wytheville - Postage	20.11
4300	6/24/04	Turman Lumber Company, Inc.	1,500.00
4301	6/24/04	Alan Hawthorne - Reimbursement	88.13
4302	6/24/04	First Bank of Virginia FUTA Tax Deposit	160.60
4303	6/24/04	Linda Lester-Reimbursement	23.25
4304	6/24/04	Alan R. Hawthorne	3,364.14
4305	6/24/04	Michael B. Webb	2,049.48
Total			19,734.62

OLD BUSINESS

CHAMBER AFTER HOURS EVENT AT NEW JOINT IDA OFFICES

Mr. Freeman commented that there was good attendance for the Chamber of Commerce Business Connection after Hours held June 10, 2004, at the Joint IDA office. Consensus of the board was to mail thank you letters to the Chamber of Commerce and Town of Wytheville to express the board's appreciation for the support they provided to assist in celebrating the 15th anniversary of the Joint Industrial Development Authority and to thank the co-sponsors, Peed and Bortz, LLC,

and The Squire's Tavern for helping to host the event.

VML UNINSURED MOTORIST COVERAGE

Dr. Hawthorne notified the board that the Virginia Municipal Liability Pool provides no more than the statutory limits of \$25,000/\$50,000/\$20,000 for uninsured motorists coverage. (\$25,000 Bodily Injury Per Person/\$50,000 Bodily Injury Per Accident/\$20,000 Property Damage). Under Virginia law, a locality cannot be held liable for any uninsured motorist coverage payment beyond their limit of coverage provided by the insurance policy.

PROGRESS PARK ADVERTISING ON CAMRETT TRAILERS

Mr. Webb provided quotes for decals that are to be placed on the Camrett Logistics' trucks. After review and discussion of the decals, the following additions and modifications were recommended: (1) Close up Progress Park.com to ProgressPark.com, (2) Make the flags more visible/less covered, (3) Place "Welcome to Wythe County" on the entrance sign, (4) Interstate logos need to be larger [about twice as large] and bluer [closer to correct colors for interstate signs], (5) Move VA is For Business up some, (6) Place website on the bottom and in yellow to create square. Make font larger and stretch across the bottom, and (7) Retain scenery.

FAIRVIEW INDUSTRIAL PARK PAVING UPDATE

Mr. Freeman provided an update on the Fairview Industrial Park paving. The board reviewed a letter from legal counsel dated June 22, 2004, regarding legal counsel's opinion on the Joint IDA's options with the enforcement of the paving requirements in the Fairview Industrial Park Deed of Dedication and Restrictions. Mr. Gordon made a motion to procure the services of legal counsel to send a certified letter to the landowners in violation of the paving requirements stating that the landowners have ten days to comply with the paving requirements or the Joint IDA will take action as specified in the park covenants that may include legal actions. Motion was seconded by Dr. Snyder and passed.

CLOSE-OUT OF IVANHOE INDUSTRIAL PARK LOGGING

Dr. Hawthorne informed the board that he had received a letter from Lou Brossy, Consulting Forester, that handled the Ivanhoe Industrial Park timber sale. Mr. Brossy has inspected the timber sale and found that all contract requirements have been made. Mr. Brossy also contacted David Jones, Technician, Virginia Department of Forestry and confirmed that Mr. Jones inspected the timber sale and it met the Best Management Practices requirements. For these reasons, Mr. Brossy recommends that the contract be considered completed and that the performance bond in the amount of \$1,500 be refunded to Turman Lumber Company, Inc. A motion was made by Mr. Johnstone to approve the close out of the timber sale and to refund the \$1,500 performance bond to Turman Lumber Company, Inc. Motion was seconded by Mr. Ayers and passed.

UPDATE ON IMPAIRED RLF LOAN

Dr. Hawthorne shared with the board a copy of the letter received from legal counsel regarding the impaired RLF loan. Legal counsel's opinion is that the likelihood of recovering the loan is remote. However, obtaining a judgement against the owners on the outstanding balanced owed the Joint IDA would be a wise move in that once the judgment is docketed, it becomes a lien against all real estate owned by the owners. Mr. Johnstone commented that it is the board's fiduciary responsibility to the Revolving Loan Fund to proceed with a judgment. A motion was made by Dr. Snyder to proceed with procuring the services of legal counsel in obtaining a judgment against assets of the owners in the amount of the outstanding loan balance. Motion was seconded by Mr. Johnstone with the following vote. For: Mr. Freeman, Dr. Snyder, Mr. Johnstone, Mr. Irvin, and Mr. Ayers. Against: Mr. Gordon.

APPROVE FY 2004-2005 BUDGET (JURISDICTION FUNDING APPROVED AS REQUESTED)

Dr. Hawthorne informed the board that the FY 2004-2005 budget has been approved as requested. A motion was made by Mr. Johnstone to approve the FY 2004-2005 budget seconded by Mr. Irvin and passed.

OTHER

There was no other old business to discuss.

NEW BUSINESS

HOLE SPONSOR FOR CHAMBER OF COMMERCE GOLF TOURNAMENT

Ms. Lester requested the board's guidance regarding a request from the Chamber of Commerce for a \$100 hole sponsorship for the Chamber Cup Golf Tournament. The golf tournament is Wednesday, September 15, 2004, at the Wytheville Golf Club. A motion was made by Mr. Gordon to sponsor a hole for \$100 in the Chamber Cup Golf Tournament seconded by Mr. Johnstone and passed.

HIGHLIGHTS OF EXISTING INDUSTRY VISITATION PROGRAM

Mr. Webb gave a presentation on existing industry visits during the first half of the year. Mr. Webb noted that he has conducted 37 visits since January 1, 2004. The objectives of the existing industry visitation program are to (1) establish and maintain relationships, (2) learn the status and outlook of the company, (3) discover how the Joint IDA may be of assistance, (4) answer questions, (5) promote resources, and (6) gauge general condition of the local economy. Mr. Gordon requested a hard copy of the presentation and also a list of the 37 visits. Mr. Gordon suggested that Mr. Webb should perhaps give the presentation to the Board of Supervisors and recommended that Dr. Hawthorne contact Mr. Dalton regarding his suggestion.

UPDATE ON PROGRESS PARK DEVELOPMENT PROJECTS

Dr. Hawthorne provided an update on the construction in Progress Park.

PROJECT UPDATES

Dr. Hawthorne provided an update on projects.

OTHER

Dr. Hawthorne directed the board's attention to the press release regarding designation of five Virginia Enterprise Zones. Governor Warner announced the designation of enterprise zones in the cities of Danville, Lynchburg, Newport News, Roanoke, and a shared designation for the Town of Saltville and Smyth County on June 21, 2004.

Dr. Hawthorne provided the board with a copy of the Magnetic Technologies' press release announcing that Magnetic Technologies Corporation (MTC) has entered into a manufacturing, licensing, and marketing agreement with Trasfor SA (TSA) of Lugano, Switzerland. Both companies design and market electrical transformers for industrial, utility, and commercial use. As a result of the business collaboration, MTC will manufacture specific TSA-designed transformers in the United States. Under the agreement, MTC will also market TSA transformers to key US markets. MTC will gain access to new TSA technology that will allow it to expand its product line and broaden its technology. Following is a copy of the press release.

PRESS RELEASE

Magnetic Technologies Signs European Agreement

WYTHEVILLE—Magnetic Technologies Corporation (MTC) has entered into a manufacturing, licensing, and marketing agreement with Trasfor SA (TSA) of Lugano, Switzerland. Both companies design and market electrical transformers for industrial, utility, and commercial use. As a result of the business collaboration, MTC will manufacture specific TSA-designed transformers in the United States. Under the agreement, MTC will also market TSA transformers to key US markets. MTC will gain access to new TSA technology that will allow it to expand its product line and broaden its technology.

"MTC is excited about our new international collaboration," MTC President Tom Hough said. "This will allow us to grow our Wytheville business and strengthen our position in the market."

"We are especially pleased to see our local manufacturers benefiting from global business collaborations," Joint IDA Chairman Steve Irvin said. "To be competitive, you have to participate in the global economy." No specific job creation or investment estimates are available at this time. MTC is located at 823 Fairview Drive adjacent to the Fairview Industrial Park in Wytheville, Virginia.

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Release Date – June 21, 2004

Contacts:

Thomas M. Hough, President
Magnetic Technologies Corporation
(276) 228-7943
MagTech@MagneticTechnologies.net
www.MagneticTechnologies.net

Alan Hawthorne, Executive Director
Joint IDA of Wythe County
(276) 223-3370
JointIDA@wytheville.org
www.WytheIDA.org

The board reviewed a June 11, 2004, letter from STAR Solutions to Dr. Hawthorne notifying him that on March 5, Philip Shucet, the Commissioner of the Virginia Department of Transportation, announced his intention to begin negotiations with the STAR Solutions team on improvements throughout the I-81 corridor.

Dr. Hawthorne explained that he has received several requests from Ivanhoe residents regarding the cutting of lap wood that was left over from the timber sale. Greg Dickie, VML Director of Underwriting & Marketing, has been contacted to seek an opinion regarding liability. Mr. Dickie has communicated that there is nothing in the Joint IDA's general liability and public officials liability policy that would exclude coverage for this type of activity. The Ivanhoe Civic League has been contacted regarding the management of the wood cutting. Consensus of the board was for the staff to pursue consulting with Mr. Dalton and draft a proposal to be presented at the next working session.

ADJOURN

Mr. Freeman asked if there was any further business to come before the Authority. There being none, Mr. Freeman adjourned the meeting at 5:10 p.m.

Joseph W. Freeman, Vice-Chairman

ATTEST:

Linda Lester, Secretary