

**JOINT INDUSTRIAL DEVELOPMENT AUTHORITY**  
**Minutes of Meeting**  
**July 22, 2010**

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, July 22, 2010, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building located at 150 East Monroe Street, Wytheville, Virginia.

**MEMBERS PRESENT**

William F. Snyder, Chairman  
Tom Jones

Dave Elmore, Vice Chairman  
Jennifer Jones

**MEMBERS ABSENT**

Linda DiYorio  
Dana Pack  
Foy Patton

**EX-OFFICIO MEMBERS PRESENT**

None

**EX-OFFICIO MEMBERS ABSENT**

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

**DETERMINATION OF QUORUM**

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

**CITIZENS' TIME**

Chairman Snyder welcomed Bucky Sharitz and Mike Forrest to the meeting and asked if there were any persons present who would like to address the Board during citizens' time. There being none, Chairman Snyder proceeded with the meeting.

## **MIKE FORREST, SMALL BUSINESS DEVELOPMENT CENTER (SBDC)**

Mike Forrest, with the Radford University Small Business Development Center (SBDC), introduced himself to the Board. He recently assumed his duties as business analyst/counselor serving Wythe and Bland counties. Mr. Forrest's duties include providing business management counseling and guidance to existing businesses, as well as providing technical assistance with business and financial planning to entrepreneurs and individuals interested in starting new businesses. His main goal/priority is facilitating the creation of small business-related jobs in Wythe and Bland Counties. Mr. Forrest's office is temporarily located at the Joint IDA office. He will move to his permanent location at Wytheville Community College after construction and renovations are complete later in the year.

### **APPROVAL OF MINUTES—June 24, 2010, meeting**

Chairman Snyder asked if there were any questions regarding the minutes of the June 24, 2010 meeting. There being none, Chairman Snyder asked for a motion to approve the minutes. Mr. Jones made a motion, seconded by Ms. Jones, to approve the minutes as presented. The motion passed unanimously.

### **APPROVAL OF INVOICES**

Chairman Snyder asked if there were any questions concerning the invoices. Chairman Snyder asked about the check written to Evatran. Patrick Burton explained that the check was for payment of the TROF/GOF/WOF grant to Evatran, which is a pass-through transaction. He added that the check will not be released to Evatran until funds are received from Wythe County. Chairman Snyder mentioned that the check written to the New River Valley Airport Commission was also a pass-through of funds received from another organization.

Chairman Snyder asked if there was a motion to approve the invoices as presented. Mr. Elmore made a motion, seconded by Mr. Jones, to approve the invoices. With no further discussion, the motion passed unanimously.

**Joint IDA of Wythe County**  
Check Register  
For the Period From June 25, 2010 through July 22, 2010

<b>Check #</b>	<b>Date</b>	<b>Payee</b>	<b>Amount</b>
6143	7/22/10	Alan R. Hawthorne	\$ 4,423.12
6144	7/22/10	Patrick G. Burton	2,550.53
6145	7/22/10	Virginia M. Goodwin	1,629.35
6146	7/22/10	Appalachian Power	115.05
6147	7/22/10	Alan Hawthorne-Reimbursement	399.98
6148	7/22/10	Anthem Southeast Dental	84.66
6149	7/22/10	Anthem Blue Cross and Blue Shield	1,246.76
6150	7/22/10	Branch Highways, Inc.	600,000.00
6151	7/22/10	Century Link	167.59
6152	7/22/10	Evatran, LLC	485,000.00
6153	7/22/10	Mellon Trust of New England, NA	840.00

6154	7/22/10	New River Valley Airport Commission	490.85
6155	7/22/10	Principal Life Insurance Co.	161.24
6156	7/22/10	Robert G. Moore	1,100.00
6157	7/22/10	Sprint PCS	72.30
6158	7/22/10	Virginia Goodwin-Reimbursement	27.11
6159	7/22/10	Wytheville Office Supply	39.92
6160	7/22/10	Xerox	24.87
<b>Total</b>			<b>\$1,098,373.33</b>

## **OLD BUSINESS**

### **LOT 24 UPDATE**

The Board received an updated copy of Exhibit F of the Branch Highways Lot 24 contract to review prior to the meeting. Patrick Burton explained that the Board would need to approve the modified Exhibit F. The changes made to exhibit F reflect adjustments to the payout schedule made at the request of the Wythe County Board of Supervisors' financing provider.

Chairman Snyder asked about the progress of the construction on Lot 24. Patrick informed the Board that work has been going smoothly and progress continues. Patrick added that the Wythe County Board of Supervisors and the Planning Commission would be taking a tour of Lot 24 the following week. Dr. Hawthorne has aerial photos of the Lot that he will add to a sub-page of the Joint IDA website so that progress can be shared and viewed. Patrick noted that blasting is being done every 3 to 4 days and a blast was scheduled for later today. Chairman Snyder asked if the residents who may be affected by the blast-related vibrations along the service road are being made aware of the blast schedule. Patrick noted that the service road is a significant distance from Progress Park. In consultation with Branch Highways' construction supervisors, a group of stakeholders most likely to be affected by blasting activities was identified. This group is provided with notice of blasting activities. Patrick reported that several blasts have been set off and there has not been any indication of problems from the stakeholder group. Because of close proximity to the blasting area on Lot 24, there was and continues to be concern about the Gatorade facility. So far, seismic measurements of blasting activities have been minimal and have not even approached the tolerance levels of Gatorade's equipment. Patrick indicated that he would pass along Dr. Snyder's concern to Dr. Hawthorne.

Chairman Snyder asked if action needed to be taken on the changes to Exhibit F. Patrick stated that the change did require approval by the Board. Chairman Snyder asked if there was a motion to approve the change to Exhibit F of the contract. Ms. Jones made a motion, seconded by Mr. Elmore, to approve the changes to Exhibit F. With no further discussion, the motion passed unanimously.

Patrick Burton reported that Branch Highways, Inc. (BHI) has provided information showing local economic impact of the Lot 24 project to date. The information includes details about hiring of local employees and purchases of materials/supplies/services made locally. Highlights include: seven out-of-town employees temporarily living in the area; 15 employees hired locally; \$110,000

in fuel purchased locally; and \$18,000 in materials purchased locally. The report does not include personal expenses of BHI employees while in the area. Copies of the summary are available to Board members.

### **EVATRAN EVENT REPORT**

Chairman Snyder asked about the Evatran event. Patrick Burton reported that the event seemed to go smoothly and that it was nice to have good news. Mr. Elmore mentioned that the turnout for the event was good and that Evatran was pleased with the community support they received. He added that this is a groundbreaking step into the “green” arena for the area and that Evatran is a company trying to make a difference. Mr. Elmore stated that the Joint IDA was supportive in every way throughout the process. He mentioned that Evatran will display their product in California next week and that the company expects to have a prototype by late August and possibly begin production in September.

### **TICRC ED FUND GRANT APPLICATION STATUS**

Patrick reported that the TICRC Southwest Economic Development Committee voted to send the Joint IDA application forward to the full Commission with a recommendation for funding. The next meeting of the full Commission will be at the end of July. Chairman Snyder mentioned that Dr. Hawthorne acknowledged the key role that Linda DiYorio played in getting the application approved. Chairman Snyder thanked Ms. DiYorio for her hard work, dedication, and efforts in the application process.

### **FAIRVIEW INDUSTRIAL PARK SIGN**

Patrick Burton reported that Joint IDA staff had received two quotes in response to a request related to repair work on the Fairview Industrial Park sign. The two quotes were separated by a significant cost range. During the June Board meeting, concerns were expressed that the cost of repairing the sign was not included in the 2010-2011 Budget. Patrick stated that the costs were not included in the budget, but noted that the Board could elect to use Joint IDA reserve funds for the repairs. He reported that the low bid for the project was approximately \$2,300. Patrick noted that he wanted to confirm with this vendor that the quote included the needed work items.

Mr. Elmore asked how long the project would take and whether there were any payment terms associated with the bids. Patrick responded that project completion is dependent on the contractor’s schedule, but there should be plenty of time in the construction season if the Board makes a decision at the August meeting. He added that at least one of the quotes did specify that 50% of the cost be paid up front, while the balance was due upon completion. Ms. Jones asked about work on the business name signs. Patrick stated that the work would include updates to reflect changes in business names in the Park, as well as repainting the white background behind the business name panels. Ms. Jones asked what the amount of the other bid was. Patrick stated that it was approximately \$6,300. Mr. Elmore inquired as to whether the Board needed to take further action during this meeting. Patrick responded that action was not required at this meeting. Chairman Snyder stated that any further action would be taken at a later date.

## **OTHER**

Ivanhoe property - Patrick Burton reported that the Ivanhoe property will not be listed by a realtor as discussed at the June 2010 Board meeting. The real estate office did some initial research that duplicated work by Joint IDA staff and essentially confirmed staff findings. He indicated that an assessment rate provided by County staff for property of this general type is \$2,000 per acre. Patrick stated that Joint IDA staff will do some additional research on valuation.

Chairman Snyder stated that what started this process was the fact that an adjoining property owner had concerns about the trees on the Joint IDA property falling onto his property. Chairman Snyder reminded the Board that, if such an incident were to happen, the Joint IDA would be held liable for any related damages. Mr. Jones suggested that if the Joint IDA receives a serious offer, it should accept the offer. Patrick Burton noted that Mr. King, an adjoining property owner, had indicated a potential interest in the property. Patrick observed that the \$2,000 per acre rate yields a relatively fair valuation, if that is a direction that the Board is interested in. Using this rate, the prorated value of the 0.78 acre would be \$1,560. Chairman Snyder asked about cutting the trees. Patrick reported that staff had spoken to Lou Brossy, a forester, about sale of the timber/logs on the property. Mr. Brossy indicated that the most likely use of the trees on the Joint IDA property was as pulp. Due to the size of the property, the forester's goal was to package the Joint IDA parcel with another property for logging. A potential deal fell through when another landowner decided to take his timber off the market. No subsequent logging possibilities have emerged. Chairman Snyder asked if there were any further comments. There being none, Chairman Snyder continued with the meeting.

## **NEW BUSINESS**

### **AUDIT COMMITTEE REPORT**

Chairman Snyder gave a report on the Audit Committee meeting held on Tuesday, July 20, 2010. He mentioned that, due to the earlier than normal scheduled visit of the auditors and the need to meet prior to their arrival, he appointed the Executive Committee plus one other member of the Board to the committee before the regular July Board meeting occurred. The committee members were Bill Snyder, Linda DiYorio, Dave Elmore, and Jennifer Jones.

Chairmen Snyder reported that the committee reviewed and discussed the preliminary balance sheets and financial reports. He stated that everything looked to be in order, as it had in previous years. The committee recommended moving forward with the audit. Chairman Snyder added that the auditor's on-site activities were carried out on Wednesday, July 21 and Thursday, July 22.

### **EVATRAN OPPORTUNITY FUNDS (TROF/GOF/WOF) GRANT PAYMENT**

Patrick Burton explained that the Board would need to approve the release of the \$485,000 check to Evatran for the TROF/GOF/WOF grant funds payment contingent upon receipt of funds from Wythe County. He reported that funds from the County are expected to be received very soon. Chairman Snyder asked if there was a motion to approve the release of the grant funds payment to

Evatran following the receipt of funds from Wythe County. Mr. Elmore made a motion, seconded by Mr. Jones, to approve the release of the payment of the GOF/TROF/WOF grant funds to Evatran after funds are received from Wythe County. With no further discussion, the motion passed unanimously.

## **LOT 24 CASH FLOW MANAGEMENT**

Patrick Burton reported that Dr. Hawthorne has worked with Cellell Dalton, Wythe County Administrator, Branch Highways, and Tobacco Commission staff to make sure that the Lot 24 invoices are submitted on schedule. The invoice submission process must be followed closely to allow enough time for review by Joint IDA staff and then submission to the County for approval and payment.

## **RE-ESTABLISHMENT OF THE RLF LOAN COMMITTEE**

Chairman Snyder noted that the Revolving Loan Fund (RLF) Committee is currently not active. At the present time there are no outstanding loans. Funds are available and the Joint IDA is in the position to accept applications. Since there are no pending requests, Chairman Snyder stated that he would not appoint a committee until the need for one arises. He suggested that Mike Forrest of the SBDC market the RLF loans to his clients. Chairman Snyder added that Dr. Hawthorne has kept in contact with the local banks to keep them aware of the availability of the RLF funds. Mr. Elmore asked whether the RLF Loan Committee consisted of only Joint IDA Board members and how many members the Committee had. Chairman Snyder explained that Dr. Hawthorne had suggested 5 members and that the committee will include Joint IDA Board members, a bank officer/official, and a local business representative.

## **PROJECT UPDATES**

Chairman Snyder asked if there was any need for a closed session. Patrick Burton responded that the Joint IDA staff continues to work on some on-going projects and routine activities. He noted there have not been any significant developments since the June Board meeting. The Board will be advised of any developments or announcements that are made in the future. Chairman Snyder noted that there did not seem to be a need for a closed session and proceeded with the meeting.

## **OTHER**

Evatran R&D grant - Patrick Burton reported that the Tobacco Commission R&D grant funding agreements/documents are being developed largely from scratch due to the need to address issues involving intellectual property, new technology, patents, etc., as they relate to startup ventures. That process is taking even longer due to the Commission's staff attorney experiencing some serious family medical issues. Patrick stated that the latest round of draft documents should be received for review soon. Chairman Snyder expressed concern about the situation and noted that Dr. Hawthorne was doing all that he could to move the process forward.

One Care of Southwest Virginia, Inc - Dr. Snyder reported that One Care of Southwest Virginia, Inc., would be having a seminar on the “Blueprint for Substance Abuse and Misuse Prevention, Treatment, and Control” on July 23 from 9:00 a.m. to 1:00 p. m., at the New River Valley Competitiveness Center, in Fairlawn, VA.

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William F. Snyder, Chairman

Attest:

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Virginia M. Goodwin, Secretary