

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
July 28, 2011

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, July 28, 2011, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building at 150 East Monroe Street, Wytheville, Virginia..

MEMBERS PRESENT

William F. Snyder, Chairman
Tom Jones
Dana Pack
Foy Patton

Dave Elmore, Vice Chairman
Linda DiYorio
Jennifer Atwell

MEMBERS ABSENT

None

EX-OFFICIO MEMBERS PRESENT

R. Cellell Dalton, Wythe County Administrator

EX-OFFICIO MEMBERS ABSENT

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. Chairman Snyder offered the invocation, and Vice Chairman Elmore led the Pledge of Allegiance.

PROGRESS PARK LOT 24 UPDATE—BRANCH HIGHWAYS, INC. TEAM

Mike Higgins, Vice President, Branch Highways, Inc., Steve Clayton, Project Manger, Branch Highways, Inc., and Steve Semones, Balzer and Associates, gave an update and background of present construction activities at Lot 24 in Progress Park.

Mr. Higgins stated that since the beginning of the project in March of 2010, a large amount of construction has be accomplished, but at present there have been a few obstacles with getting proper permitting for the project from the U. S. Army Corps of Engineers and the Virginia Department of Environmental Quality (DEQ). He mentioned that grading work continues this

year with significant work getting underway approximately two months ago. However, work will not be at maximum pace until the permits are received.

Mr. Clayton distributed a report to the Board showing how the development of Lot 24 has impacted the local economy since the beginning of the project. The report highlights the number of employees who have been hired locally and the amount of wages paid to those employees, as well as the estimated lodging expenses paid by out of town employees staying in Wytheville. The report shows other purchases made in Wythe County and Wytheville, such as stone, fuel, ice, portable toilets, county permits/fees/water, and supplies purchased from local hardware establishments. The total amount of funds spent by Branch Highways, Inc., in the area since the beginning of the project through July 16, 2011, is approximately \$1,018,000.

Mr. Semones mentioned to the Board that the public notice to seek public comment on the permit from the Department of Environmental Quality will appear in the Saturday, July 30, 2011, edition of the Wytheville Enterprise.

Cellell Dalton, Wythe County Administrator, thanked Branch Highways for all of their hard work and dedication in assisting with the environmental permitting process.

CITIZENS' TIME

Chairman Snyder welcomed Wythe "Bucky" Sharitz and Cellell Dalton to the meeting. He 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.

ELECTION OF OFFICERS

Chairman Snyder opened the floor for nominations for Chairman. Mr. Elmore made a motion, seconded by Mr. Pack, to nominate Linda DiYorio. Mr. Pack made a motion, seconded by Mr. Jones, to close nominations. The motion passed unanimously. Ms. DiYorio was elected by acclamation.

Chairman Snyder opened the floor for nominations for Vice-Chairman. Mr. Jones made a motion, seconded by Mr. Pack, to nominate Dave Elmore. Mr. Pack made a motion, seconded by Mr. Jones, to close nominations. The motion passed unanimously. Mr. Elmore was elected by acclamation.

Chairman Snyder opened the floor for nominations for Treasurer. Mr. Jones made a motion, seconded by Mr. Pack, to nominate Jennifer Atwell. Mr. Pack made a motion, seconded by Mr. Patton, to close nominations. The motion passed unanimously. Ms. Atwell was elected by acclamation.

Chairman Snyder opened the floor for nominations for Secretary. Ms. DiYorio made a motion, seconded by Mr. Jones, to nominate Virginia Goodwin. Ms. DiYorio moved, seconded by Mr. Pack, to close nominations. The motion passed unanimously. Ms. Goodwin was elected by acclamation.

APPROVAL OF MINUTES—June 23, 2011

Chairman Snyder asked if there were any corrections, additions, or questions regarding the minutes of the June 23, 2011, meeting. There being none, Chairman Snyder asked for a motion to approve the June 2011 minutes as presented. Mr. Pack made a motion, seconded by Mr. Jones, to approve the minutes as presented. The motion passed unanimously.

APPROVAL OF INVOICES

During the June meeting the Board members asked about the various components of the Branch Highways, Inc. monthly invoice. Dr. Hawthorne passed the July invoice around to the Board members to give them the opportunity to see what it entailed and what services were performed during the month. Dr. Hawthorne also mentioned that the payment to Evatran was for the unpaid balance from the third month of the second quarter grant reimbursement.

Chairman Snyder asked if there were any questions or discussions and asked if there was a motion to approve the invoices from June 2011. Mr. Elmore made a motion, seconded by Mr. Pack, to approve the invoices as presented. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County Check Register For the Period From June 24, 2011 through July 28, 2011

Check #	Date	Payee	Amount
6406	7/28/11	Alan R. Hawthorne	4,664.94
6407	7/28/11	Virginia M. Goodwin	1,673.56
6408	7/28/11	Appalachian Power	89.18
6409	7/28/11	Alan Hawthorne - Reimbursement	136.83
6410	7/28/11	Anthem Southeast Dental	59.12
6411	7/28/11	Anthem Blue Cross and Blue Shield	1,035.92
6412	7/28/11	Branch Highways, Inc.	298,661.95
6413	7/28/11	CenturyLink	124.07
6414	7/28/11	Evatran, LLC	81,707.84
6415	7/28/11	Mellon Trust of New England, NA	588.00
6416	7/28/11	Principal Life Insurance Co.	149.73
6417	7/28/11	Robert G. Moore	1,100.00
6418	7/28/11	Sprint PCS	72.78
6419	7/28/11	Virginia Goodwin - Reimbursement	5.20
6420	7/28/11	Xerox	12.99
Total			\$390,082.11

OLD BUSINESS

LOT 24 UPDATE

Dr. Hawthorne stated that the information given by Branch Highways updated the Board on the Lot 24 project. He did clarify that the notice seeking public comment on the Department of Environmental Quality's draft Virginia Water Permit will be published in the Saturday, July 30, 2011, edition of the Wytheville Enterprise (and again two weeks later). Dr. Hawthorne added that the permit will be issued to both, Wythe County and to the Joint IDA. Chairman Snyder asked when public hearings will be held. Dr. Hawthorne answered that the public notice was just to solicit comments and that a public hearing would not be scheduled unless asked to do so. Cellell Dalton, Wythe County Administrator, added that if there are a significant number of comments, a public hearing would be scheduled. Dr. Hawthorne mentioned that the 30 day process for comments will begin on Sunday, July 31, 2011.

VEDP CONSULTANT REPORT: PRELIMINARY RESULTS AND RECOMMENDATIONS

Dr. Hawthorne gave an update on the Virginia Economic Development Partnership's (VEDP) consultants report assessing Southwest Virginia, including the aCorridor. On July 15, Dr. Hawthorne met with Tom Elliott, Executive Director of Virginia's aCorridor, John Rhodes, VEDP's consultant, and other economic developers from the region to go over the results of Mr. Rhodes' study. His results were in line with expectations for the aCorridor region with confirmation of several new product development successes offering good potential for marketing. He emphasized several places in the aCorridor, such as, Progress Park, Wildwood in Carroll County, Oak Park in Abingdon, Highland Park between Smyth County and Abingdon, and the Epic building in Smyth County.

Mr. Rhodes validated that Lot 24 in Progress Park is an outstanding project and that the Joint IDA should be hearing from several projects in the near future. His final report should be available in the next few months which will show his specific industry suggestions for Lot 24 and Progress Park.

Dr. Hawthorne added that there are state and regional organizations who will be doing more marketing. Tom Elliott, Executive Director of Virginia's aCorridor, is currently working with VEDP to develop marketing materials for Lot 24. One initiative they are working on includes bringing consultants to the area. Also it is expected that Dr. Hawthorne and Mr. Elliott will be traveling to visit various consultants.

Ms. DiYorio asked what the projected completion date for Lot 24 would be. Dr. Hawthorne answered that, from a marketing position, if a large company would come along the company would be looking to begin construction around next spring. He foresees no problems with them being able to begin at that time, and stated that some of the infrastructure construction serving the lot can be completed as the company constructs.

OTHER

Fueling Center - Dr. Hawthorne recently spoke with Ed Rogers with the Abingdon R&D office (funded by the Tobacco Indemnification and Community Revitalization Commission), regarding a presentation to the Board on alternative fuels. Dr. Hawthorne mentioned that there have been inquiries from some developers interested in developing a compressed natural gas fueling facility at a truck stop for trucking companies wanting to switch to compressed natural gas. He also stated that there is an asphalt plant that would like to have access to natural gas. Dr. Hawthorne does not know where the company plans to locate their operation, but he will continue to monitor the prospect to see what develops in the future.

NEW BUSINESS

W-W-B CHAMBER OF COMMERCE—MEMBERSHIP DIRECTORY ADVERTISEMENT

A copy of the past advertisement from the Wytheville-Wythe-Bland Chamber of Commerce Membership Directory was distributed to the Board members prior to the meeting. Dr. Hawthorne explained that, if the Board approved, the advertisement would have a few minor changes, but would be the same as before. Chairman Snyder asked the Board if there were any questions or concerns regarding the advertisement and if there was a motion to approve the advertisement for the directory. Mr. Elmore asked if the advertisement was included in the 2011-2012 budget. Dr. Hawthorne stated that there was advertisement funding in the budget and mentioned that there would be a 10% discount off the half-page advertisement if it was submitted to the Chamber by Friday, August 5.

Mr. Patton made a motion, seconded by Mr. Elmore, that the Board advertise in the Chamber Directory using the same ad as in past years. With no further discussion, the motion passed unanimously. Ms. Atwell abstained.

AUDIT ENGAGEMENT AGREEMENT

The Board members were given an opportunity to look over the audit engagement agreement from Robinson, Farmer, and Cox Associates to perform the 2010-2011 annual audit. Dr. Hawthorne asked if there were any questions regarding the agreement. Ms. DiYorio asked if there were any changes from past years. Dr. Hawthorne stated that there were minimal changes, but otherwise the agreement was the same. Chairman Snyder asked about the other attached document with the engagement agreement. Dr. Hawthorne stated that the accompanying letter was a peer review report of Robinson, Farmer, and Cox Associates that they are required to supply to the Joint IDA with the agreement. Chairman Snyder asked if the Board members needed more time to review the agreement or if they approved the agreement. The Board felt that more time was needed to review the agreement and suggested the Audit Committee approve the agreement upon review. Chairman Snyder asked if there was a motion to allow the Audit Committee the authority to approve the audit engagement agreement. Mr. Patton made a motion, seconded by Mr. Jones, to allow the Audit Committee to review and approve the audit engagement agreement. With no further discussion, the motion passed unanimously. Dr. Hawthorne stated that a copy of the engagement letter would be emailed to each Audit Committee member.

AUDIT COMMITTEE APPOINTMENT

Dr. Hawthorne noted that traditionally the Executive Committee served as the audit committee, but added that it was the Board Chairman's decision on the appointments. Ms. DiYorio, newly appointed Board Chairman, stated that, if it was agreeable, she appoints the Executive Committee to serve on the Audit Committee. The Audit Committee members will be Linda DiYorio, Board Chairman, Dave Elmore, Vice Chairman, and Jennifer Atwell, Treasurer.

END-OF-YEAR FINANCIAL STATEMENTS

The end-of-year financial statements for the fiscal year 2010-2011 were distributed to the Board members prior to the meeting. Dr. Hawthorne briefly explained the items listed in the statements such as, income, interest, Ivanhoe property sale, Evatran grants, the Lot 24 project, and several other pertinent items. Chairman Snyder asked if there were any questions or concerns and if there was a motion to approve the financial statements as presented. Ms. DiYorio made a motion, seconded by Mr. Patton, to approve the financial statements as presented. With no further discussion, the motion passed unanimously.

PROJECT UPDATES

Dr. Hawthorne stated that several prospective projects have gone dormant and that activity has been slow during the past several months. He feels the unstable economy was a contributing factor. Dr. Hawthorne will inform the Board of any changes in activity as they occur.

Ms. Atwell asked if Dr. Hawthorne had any updates on the Mt. Empire Airport construction project. Dr. Hawthorne stated that the terminal was under roof and that he had taken pictures that he will distribute to the Board members. Mr. Patton added that the project is moving along well.

OTHER

Computer class funding - Ms. DiYorio mentioned that the Virginia Employment Commission had recently lost funding to assist clients with learning new computer skills. She stated that, although VEC lost their funding, the Wytheville Training School had received funding to assist individuals with learning computer skills. Ms. DiYorio added that the Training School currently has eight clients utilizing the funds.

Evatran article - Dr. Hawthorne spoke briefly about the article regarding Evatran's participation in the trade show recently held in Raleigh, NC, where they gained a lot of attention. He noted that the article headlined Evatran as, "a Virginia company taking charge in electric car charging." Dr. Hawthorne added that Evatran has made dramatic improvements including reductions in size and weight and improvements in efficiency. The company has recently signed agreements with a large Japanese company that would distribute to OEMs. There are many positive things currently happening for the company.

Southern Virginia officials visit - Dr. Hawthorne was recently contacted by a newly funded and formed group called the Southern Virginia Regional Alliance (SVRA). Leigh Cockram, Executive Director of SVRA, will be hosting a group of officials from Pittsylvania County and Danville wanting to speak with Dr. Hawthorne and tour Progress Park and Lot 24. Officials

attending the visit will be members of the Pittsylvania County Board of Supervisors, administration staff and economic developers, Mayor of the City of Danville, Danville Economic Director and Assistant Director, and other representatives. The visit will be on August 10 at 10:00 a.m. beginning with the tour of Progress Park. The group will then meet at the Joint IDA office for a question and answer session regarding the park with Dr. Hawthorne.

Joint IDA strategic planning - Dr. Hawthorne asked that the Board take time over the next few months to think about the Joint IDA's strategic planning initiatives. He would like for them to think about how they would like to handle the associate director's position, future transitions, and how they would like to see the organization move forward.

Wythe County Technology Center tour - Mr. Pack mentioned that he would like to recommend setting up a Board member tour of the Wythe County Technology Center prior to the August meeting. Dr. Hawthorne asked if the Board members would like to schedule the tour for around 1:30 or 2:00 p.m. prior to the Board meeting. The Board agreed that the time and date was suitable. The Joint IDA staff will make arrangements for the tour. [Tour will be prior to the September board meeting due to the proximity of the beginning of school at the August meeting.]

Recognitions and thank you - Chairman Snyder thanked all of the members for serving on the Board and also thanked the ones who served as officers during his term as Chairman.

Ms. DiYorio thanked Chairman Snyder for his leadership over the last three years and stated that she will be looking to him for his guidance and expertise during her term as Chairman.

Dr. Hawthorne personally thanked Chairman Snyder for his loyal and committed service and added that the relationship between the chairman and the executive director is crucial to the operation of the organization. The other Board members also thanked Chairman Snyder for his dedicated service to the Board.

ADJOURN

There being no other business, Chairman Snyder adjourned the meeting at 4:45 p. m.

William F. Snyder, Chairman

Attest:

Virginia M. Goodwin, Secretary

Joint IDA of Wythe County
Revenue and Expenses
For 12 month period ending June 30, 2011

	<u>General</u>	<u>Special</u>	<u>RLF</u>	<u>Total</u>
Revenues				
Appropriations				
Wythe County	\$141,408.00			\$141,408.00
Wytheville	\$71,868.00			\$71,868.00
Rural Retreat	\$11,208.00			\$11,208.00
		\$224,484.00		
Service Fees				
IDB administrative fees	\$0.00			\$0.00
RLF management fees	\$0.00			\$0.00
CRIFA services	\$50,000.00			\$50,000.00
		\$50,000.00		
Sales/Leases				
Lease/rent income	\$900.00			\$900.00
Sale of land		\$1,500.00		\$1,500.00
less cost of sales		<u>\$0.00</u>		\$0.00
	\$900.00	\$1,500.00		
Grants/Reimbursements				
Other grants (TICRC Lot 24)		\$561,624.66		\$561,624.66
Other grants (TICRC R&D)		\$1,039,937.55		\$1,039,937.55
Wythe County (Lot 24)		\$3,158,059.16		\$3,158,059.16
WOF grants		<u>\$485,000.00</u>		\$485,000.00
		\$5,244,621.37		
VDOE reimbursements	\$1,931.82			\$1,931.82
Other reimbursements	\$310.40			\$310.40
		\$2,242.22		
Contributions/Events				
Contributions-Fairview sign	\$800.00			\$800.00
Contributions-Ind. luncheon	\$600.00			\$600.00
Golf tournament-sponsorships	\$3,046.09			\$3,046.09
Golf tournament-participants	\$4,515.00			\$4,515.00
Other (aCorridor/VEDA mtg.)	\$250.00			\$250.00
		\$9,211.09		
Interest Income				
LGIP interest	\$220.36			\$220.36
MM interest	\$6,437.06			\$6,437.06
Accrued loan interest (SWAC)	\$3,323.24			\$3,323.24
Other interest	\$8,511.67			\$8,511.67
		\$18,492.33		
Revolving Loan Fund				
RLF loan interest			\$0.00	\$0.00
RLF LGIP interest			\$1,488.49	\$1,488.49
RLF other interest			\$349.77	\$349.77
Total Net Revenue	\$305,329.64	\$5,246,121.37	\$1,838.26	\$5,553,289.27

	General	Special	RLF	Total
Expenses Summary				
Salaries	\$150,552.00			\$150,552.00
Directors salaries	\$6,300.00			\$6,300.00
Salary Related	\$42,085.06			\$42,085.06
Annual leave accrual	(\$1,154.87)			(\$1,154.87)
Contract Services	\$7,117.00			\$7,117.00
Copier	\$292.05			\$292.05
Advertising	\$1,706.96			\$1,706.96
Postage	\$180.51			\$180.51
Telecommunications	\$2,559.95			\$2,559.95
Office supplies	\$514.34			\$514.34
Office rent	\$13,200.00			\$13,200.00
Meeting expenses	\$50.04			\$50.04
Subscriptions/books	\$114.59			\$114.59
Dues/membership	\$28,249.04			\$28,249.04
Depreciation expense	\$789.00			\$789.00
Hosting	\$45.02			\$45.02
Mileage	\$5,633.48			\$5,633.48
Lodging/perdiem	\$1,844.92			\$1,844.92
Conventions/education	\$1,096.50			\$1,096.50
Repairs & Maintenance	\$15.66			\$15.66
Park expenses	\$6,943.73			\$6,943.73
Surety Bond	\$300.00			\$300.00
Property Insurance	\$118.00			\$118.00
General Liab./Public Officials	\$1,969.00			\$1,969.00
Office equipment	\$0.00			\$0.00
Utilities	\$1,390.62			\$1,390.62
Industry Appreciation Act.	\$1,496.64			\$1,496.64
Industry Appreciation-golf	\$5,899.41			\$5,899.41
Other expenses	\$52.11			\$52.11
Accrued interest expense	\$3,323.24			\$3,323.24
Lot 24 expenses		\$3,720,691.82		\$3,720,691.82
WOF grants		\$485,000.00		\$485,000.00
R&D grant (Evatran)		\$1,039,937.55		\$1,039,937.55
RLF Closing & Other Expenses			\$0.00	\$0.00
RLF Bad Debt Expense			\$0.00	\$0.00
Total Expenses	\$282,684.00	\$5,245,629.37	\$0.00	\$5,528,313.37
Net Income	\$22,645.64	\$492.00	\$1,838.26	\$24,975.90

Joint IDA of Wythe County

Balance Sheet

June 30, 2011

	General	RLF	Total
ASSETS			
Current Assets			
Cash-petty cash	\$50.00	\$0.00	\$50.00
Cash-checking account	\$899,723.80	\$40,017.64	\$939,741.44
Cash-LGIP/MM	\$614,623.89	\$718,700.79	\$1,333,324.68
A/R	\$260.00	\$0.00	\$260.00
Accrued interest receivable	\$3,323.24	\$0.00	\$3,323.24
Prepaid insurance	\$3,926.15	\$0.00	\$3,926.15
Total Current Assets	\$1,521,907.08	\$758,718.43	\$2,280,625.51
Inventory			
Inventory-land for sale	\$4,912,381.85	\$0.00	\$4,912,381.85
Inventory-buildings	\$0.00	\$0.00	\$0.00
Total Inventory	\$4,912,381.85	\$0.00	\$4,912,381.85
Property and Equipment			
Fixed assets-furniture/equip.	\$32,384.07	\$0.00	\$32,384.07
Accum. deprec.-equipment	(\$32,384.07)	\$0.00	(\$32,384.07)
Total Property and Equipment	\$0.00	\$0.00	\$0.00
Other Assets			
Loan to Smyth-Wythe Airport	\$248,000.00	\$0.00	\$248,000.00
RLF Outstanding Loan Balance	\$0.00	\$0.00	\$0.00
Total Other Assets	\$248,000.00	\$0.00	\$248,000.00
Total Assets	\$6,682,288.93	\$758,718.43	\$7,441,007.36
LIABILITIES AND CAPITAL			
Current Liabilities			
Accounts payable	\$380,393.40	\$0.00	\$380,393.40
Accrued annual leave	\$11,118.68	\$0.00	\$11,118.68
Payroll taxes payable	\$3,805.43	\$0.00	\$3,805.43
Retainage (Lot 24 contract)	\$237,974.22	\$0.00	\$237,974.22
Accrued interest on VSBFA loan	\$3,324.24	\$0.00	\$3,324.24
Deferred income	\$250,802.34	\$0.00	\$250,802.34
Total Current Liabilities	\$887,418.31	\$0.00	\$887,418.31
Long-Term Liabilities			
Others interest in Lot 24	\$4,764,034.31	\$0.00	\$4,764,034.31
VSBFA loan	\$248,000.00	\$0.00	\$248,000.00
RD RLF Grant	\$0.00	\$500,000.00	\$500,000.00
Total Long-Term Liabilities	\$5,012,034.31	\$500,000.00	\$5,512,034.31
Total Liabilities	\$5,899,452.62	\$500,000.00	\$6,399,452.62
Capital			
Fund balance - BOY	\$759,699.67	\$256,880.17	\$1,016,579.84
Net Fund Change	\$23,136.64	\$1,838.26	\$24,974.90
Total Capital	\$782,836.31	\$258,718.43	\$1,041,554.74
Total Liabilities & Capital	\$6,682,288.93	\$758,718.43	\$7,441,007.36