

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
August 2, 2012 (postponed from July 26, 2012)

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, August 2, 2012, 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

Dave Elmore
Tom Jones

MEMBERS ABSENT

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
Michael S. James, Rural Retreat Town Manager

DETERMINATION OF QUORUM

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

CITIZENS' TIME

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.

ELECTION OF OFFICERS

Chairman DiYorio noted that each Board member had in front of them a copy of the list of current Board members that included their term expiration date. She stated that the Board would need to elect Board officers at this time. Chairman DiYorio turned the floor over to Dr. Hawthorne to open the nominations for Chairman. Mr. Elmore made a motion, seconded by Ms. Atwell, to nominate Linda DiYorio as Board Chairman. Mr. Elmore made a motion, seconded by Mr. Jones, to close nominations. The motion passed unanimously. Ms. DiYorio was elected by acclamation.

Dr. Hawthorne turned the meeting over to Chairman DiYorio to continue with nominations. Chairman DiYorio opened the floor for nominations for Vice-Chairman. Mr. Jones made a motion, seconded by Ms. Atwell, to nominate Carolyn Dankowski as Vice Chairman. Mr. Jones made a motion, seconded by Ms. Atwell, to close nominations. The motion passed unanimously. Ms. Dankowski was elected by acclamation.

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

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

APPROVAL OF MINUTES—June 28, 2012

Chairman DiYorio asked if there were any corrections, additions, or questions regarding the minutes of the June 28, 2012, meeting and if there was a motion to approve the minutes as presented. Ms. Dankowski made a motion, seconded by Mr. Jones, 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 July 2012, and if there was a motion to approve the invoices as presented.. Dr. Hawthorne noted that checks were included in the payments this month for the special dividend declaration being paid on a quarterly basis to the Towns of Wytheville and Rural Retreat and to Wythe County. Chairman DiYorio asked if there was a motion to approve the invoices as presented. Mr. Jones made a motion, seconded by Ms. Dankowski, to approve the invoices from July 2012 as presented. With no further discussion, the motion passed unanimously. Dr. Hawthorne note that the 7/9/12 refund check from Anthem was associated with the Healthcare Act provision that required insurers to spend at least 80% of premiums on services.

**Joint IDA of Wythe County
Check Register
For the Period From July 1, 2012 through July 31, 2012**

Check #	Date	Payee	Amount
0012833	7/9/12	Anthem Blue Cross and Blue Shield	\$ -261.31
6645	7/16/12	Alan R. Hawthorne	4,769.30
6646	7/16/12	Kimberly B. Simmons	2,554.74
6647	7/16/12	Virginia M. Goodwin	1,707.76
6648	7/16/12	Appalachian Power	130.84
6649	7/16/12	Anthem Southeast Dental	93.21
6650	7/16/12	Anthem Blue Cross and Blue Shield	1,874.40
6651	7/16/12	Branch Highways, Inc.	648,023.20
6652	7/16/12	CenturyLink	136.98
6653	7/16/12	Kimber Simmons	262.52
6654	7/16/12	ACS/BNY Mellon HSA	842.50
6655	7/16/12	Principal Life Insurance Co.	162.41
6656	7/16/12	Robert G. Moore	1,100.00
6657	7/16/12	Sprint PCS	73.42
6658	7/16/12	Town of Rural Retreat	2,973.00
6659	7/16/12	Town of Wytheville	19,062.00
6660	7/16/12	Treasurer, Wythe County	37,506.00
6661	7/16/12	Virginia Goodwin - Reimbursement	4.71
6662	7/16/12	Xerox	10.81
Total			\$721,026.49

OLD BUSINESS

LOT 24 UPDATE

Dr. Hawthorne gave an update on the progress of Lot 24. He noted that there had not been as much work completed on the lot in July as expected due to the amount of rain received during the month. He mentioned that the next progress meeting will be held on August 15. Dr. Hawthorne added that the work is on schedule and should be completed as planned, weather permitting, at the end of the construction season in December of 2012.

Dr. Hawthorne told the Board that Branch Highways will be assigning a new project manager to the Lot 24 project. He noted that Branch Highways has received new work and that Steve Clayton will return full time to his position as equipment manager in the near future, but that Steve would be available to the Joint IDA when or if he is needed.

Dr. Hawthorne added that Branch Highways was the lowest bidder for the access road to Lot 24 and that the work on the road should also be completed prior to the end of the construction season again, depending on the weather.

LOT 30 UPDATE

Dr. Hawthorne gave an update on Lot 30 (former inland port area). He noted that he had received information from the Department of Historic Resources (DHR) that they were in concurrence that it was approved to build on the Lot 30 site as proposed. He added that there is still some paperwork that needed to be completed by USDA Rural Development, but otherwise everything had been approved to construct on the site.

Dr. Hawthorne reported to the Board that the Joint IDA had completed an application to the Tobacco Indemnification and Community Revitalization Commission (TICRC) for a \$150,000 grant to assist with the development of a pad on the site. He stated that Branch Highways, Inc. had provided an option, good through September, under the Lot 24 contract to move surplus fill dirt to Lot 30 and to construct a pad on the Lot 30 site prior to the completion of the Lot 24.

Dr. Hawthorne stated that the preliminary review of the TICRC grant was complete and that it looked to be a solid proposal. He mentioned that the TICRC committee would meet in September to recommend grant awards to the full commission at their meeting on September 27. Chairman DiYorio stated that she has not received a schedule for the committee meeting as of yet.

Dr. Hawthorne added that the Board would need to make a decision as to how they would like to proceed on the funding for the development of Lot 30. Chairman DiYorio asked how much above the \$150,000 grant would be needed to complete the development. Dr. Hawthorne answered that it would perhaps be three times as much but less than \$500,000. Chairman DiYorio stated that the JIDA Board would have to ask Wythe County wished to use the grant funds from the TICRC plus Wythe County provide the remaining balance of the up to \$500,000, or if they would prefer to turn the ownership of Lot 30 over to the Joint IDA and the Joint IDA use the \$150,000 in grant funds and their reserve funds for the project development. Ms. Atwell asked how the grant was presented to the TICRC. Dr. Hawthorne stated that it did not matter whether the Joint IDA or Wythe County actually developed the lot as long as the funds were used for that specific project. Ms. Atwell asked how the grant was written. Dr. Hawthorne answered that the grant was written to ask for funds to develop a pad on Lot 30. Chairman DiYorio stated that the question at hand is what are the options for development. She stated that the Joint IDA has applied to the TICRC for a \$150,000 grant and that the entire development could take up to \$500,000. She added that the question is, who is going to be in charge of the project. Dr. Hawthorne added that the more important question would be, who is going to pay the additional funds above the \$150,000 grant for the project.

Chairman DiYorio asked Dr. Hawthorne what his suggestions were regarding Wythe County funding. Dr. Hawthorne stated that on the rational for extra funds on the balance sheet has been that they would be used for site development. He stated that there are three scenarios as options for funding and development. First is that the Joint IDA applied to the TICRC for the \$150,000, Wythe County funds the balance needed and does the work, and they send the Joint IDA an invoice to distribute the grant funds to them. The next scenario would be that the Joint IDA develop the lot and Wythe County appropriate the remaining funds needed to the Joint IDA for the project. The last scenario would be to ask Wythe County to sell the lot to the Joint IDA with a balloon payment due when the site is sold and the Joint IDA would use their reserve funds to pay the remainder of the development cost. Chairman DiYorio noted that it is important to stress that

it is imperative that the project be done immediately while the opportunity is available with Branch Highways still working and the fill dirt available from Lot 24.

Mr. Elmore made a motion, seconded by Mr. Jones, to table the discussion regarding Lot 30 until project updates were done later in the meeting. The motion passed unanimously.

Discussion continued after a closed session to discuss project updates. Chairman DiYorio stated that the Board now needs to decide what needs to be done with Lot 30 development and how it is to be funded. She stated that Dr. Hawthorne has already received an estimate of \$280,000 from Branch Highways for moving earth from Lot 24 to the Lot 30 site for the pad construction. Branch Highways will also be seeding the site, if needed. The Board needs to make a decision to assure that the funds will be available above the \$150,000 already applied for from the TICRC be committed so the opportunity to benefit from the Lot 24 fill not be lost.

Chairman DiYorio asked if there was a motion to ask Wythe County if they would like to invest their funds and develop the lot or if they would prefer to sell the lot to the Joint IDA who will pay for construction. Mr. Elmore asked Dr. Hawthorne to clarify the options. Dr. Hawthorne stated that there were two options at hand with the first being, Wythe County keep the ownership of Lot 30 and provide the additional funds above the \$150,000 grant that the Joint IDA will distribute to them and the Joint IDA will market the property. The second option would be for Wythe County to sell the lot to the Joint IDA with a balloon payment due at closing with a future prospect and the Joint IDA would use their reserve funds to pay for the development.

Mr. Elmore asked that Dr. Hawthorne present both options to the Wythe County Board of Supervisors and allow them to make the choice as to which one they prefer. Dr. Hawthorne stated that he would meet with Wythe County Administrator Cellell Dalton, and perhaps with Danny McDaniel and Chairman DiYorio, before presenting the proposal to the Wythe County Board of Supervisors.

Dr. Hawthorne asked the Board if they had a preference to which option they would like. Mr. Elmore suggested the second option of Wythe County selling the lot to the Joint IDA with the balloon payment due at closing and the Joint IDA use their funds to pay for the development, the Board concurred.

IVANHOE PROPERTY

Joint IDA Associate Director, Kimber Simmons, distributed a copy of the surveyor's plat and the Commissioner of Revenue's assessment report for the Ivanhoe property to the Board members prior to the meeting. She mentioned that the previous assessed amount was incorrect due to the fact that there were 30 additional acres included in the assessment that did not belong to the Joint IDA. The previous assessment was \$314,000 and the new assessment, minus the additional 30 acres, is \$250,000. Ms. Simmons noted that she had contacted Anders Realty to ask what information would be needed for the RFP to the auction companies. She stated that the following information would need to be provided by the Board.

1. Did the Board want the land sold at absolute auction or at reserve auction?
2. What date is the land to be auctioned by?
3. What is the extent of marketing that the Board would like?

4. What is the expected sale price for the property?
5. Does the Board want the payment to the auction company to be a set price or a percentage of the auction value of the property?

The Board agreed that Ms. Simmons is to prepare an RFP that says the land is to be sold at absolute auction by December 1, 2012, at an expected price of at least \$2,000 per acre. The Board suggested that Ms. Simmons ask the auction companies their views on what they expected marketing for the property should be from their company. It was suggested that the payment to the auction company be a flat fee plus a percentage of the sale price.

Ms. Atwell suggested that the RFP be written and sent to the Wythe County Board of Supervisors for their comments and suggestions. Chairman DiYorio stated that the RFP should be written as proposed by the Board and then the Joint IDA's actions are to be conveyed to the Wythe County Board of Supervisors and Cellell Dalton, Wythe County Administrator, for their views and suggestions on how they would like to proceed or if they approve the proposal. The RFP will be submitted to the auction companies once approval has been received.

OTHER

Kimber Simmons-VEDP Orientation - Kimber Simmons reported on her trip to Richmond on July 13 for the Virginia Economic Development Partnership (VEDP) orientation seminar. She stated that the seminar was for new members who had just become employees of economic development organizations. She noted that the seminar highlighted the various programs and contacts of VEDP. She added that she was pleased that all of the division chairpersons, as well as the VEDP director were in attendance and available for questions from the participants. Kimber was also proud to announce that Liz Povar, VEDP Director of Business Development, used Wythe County and Progress Park as an example of a community that had a particularly successful economic development plan.

While in Richmond, Kimber visited various other organizations and government offices to introduce herself as the Joint IDA Associate Director of Wythe County and to let them know where she could be contacted if needed.

NEW BUSINESS

EOY FINANCIAL STATEMENTS

Dr. Hawthorne reviewed the revised end-of-year financial statements with the Board. The statements had been corrected after the audit on July 30 and 31. He noted that the revision related to the amount shown for the accrued interest receivable due to the Joint IDA from the Smyth-Wythe Airport Commission loan and the accrued interest payable due to the Virginia Small Business Financing Authority. He noted that the totals and interest income changed on the reports due to this revision. Chairman DiYorio asked if there were any questions or comments regarding the end-of-year financial statements. Dr. Hawthorne added that the financial statements indicated a fund balance of \$782,000 with \$238,146 of the balance being designated to special dividend payments to the jurisdictions for the current FY. He stated that the remaining balance will be just under \$550,000 and that at least \$250,000 of that balance should remain as reserve funds and that there will be a remaining amount of approximately \$300,000 that can be used for development or other projects.

AUDIT COMMITTEE REPORT

Dr. Hawthorne reported that the Audit Committee, consisting of the Joint IDA Executive Committee members, met on Monday, July 30, prior to the arrival of the auditors. He noted that the audit information was presented and that the committee discussed various aspects of the financial statements. He added that the only significant difference from the prior year amounts were related to the jurisdictional funding amounts and reduced personnel expenses due to the associate director position being unfilled for much of the year.

Chairman DiYorio asked if there were any questions or concerns regarding the audit. There being none, Chairman DiYorio continued with the meeting.

PROJECT UPDATES

Ms. Atwell made a motion to enter into a closed session as permitted by Section 2.2-3711(a)(5) of the Virginia Freedom of Information Act, Code of Virginia to discuss unannounced projects. The motion was seconded by Ms. Dankowski, and passed unanimously. Ms. Atwell made a motion, and Ms. Dankowski, seconded, to reconvene in an open session. The motion passed unanimously. Ms. Atwell moved that the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat certify that, in the closed meeting just concluded, nothing was discussed except the matter (1) specifically identified in the motion to convene in a closed meeting and (2) lawfully permitted to be so discussed under the provisions of the Virginia Freedom of Information Act cited in that motion. The motion was seconded by Ms. Dankowski, and passed.

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certificate by the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certificate resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat.

Motion was passed with the following roll call vote:

AYES:	Linda DiYorio	Tom Jones
	Dave Elmore	Jennifer Atwell
	Carolyn Dankowski	

NAYS:	None
-------	------

ABSENT DURING MEETING: Foy Patton
Dana Pack

ABSENT DURING VOTE: Foy Patton
Dana Pack

OTHER

November 2012 regular Board meeting - Virginia Goodwin noted that the November 15, Board meeting that was scheduled to be held in Rural Retreat would be falling on the same day as the Wytheville-Wythe-Bland Chamber of Commerce annual dinner and presentation of the board's Special Recognition Award. The Board suggested that since the Chamber event is falling on the same day of the November meeting that it be cancelled and the December 20 meeting be moved up to either December 6 or 13. The Joint IDA staff will cancel the November meeting in Rural Retreat and check the availability of the Wytheville Town Council Chambers for December 6 and 13. The Board members will be notified via email as to when the meeting will be held. The Board meeting changes will be included in the monthly notifications to the proper individuals for public announcement.

Dr. Hawthorne August Richmond visit - Dr. Hawthorne mentioned that he will be attending a meeting in Richmond with the Tobacco Indemnification and Community Revitalization Commission (TICRC), the Virginia Economic Development Partnership (VEDP), Evatran, and Cellell Dalton, Wythe County Administrator, to review Evatran's grant and project status.

Dr. Hawthorne unpaid leave - Dr. Hawthorne told the Board that he will be taking two weeks of pre-approved unpaid leave time during September and October. He will be out of the office beginning September 14 through the 21 and from October 16 through the 23.

ADJOURN

There being no other business, Chairman DiYorio adjourned the meeting at 4:55 p. m

Linda DiYorio, Chairman

Attest:

Virginia M. Goodwin, Secretary