

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
August 25, 2011

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, August 25, 2011, 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
William F. Snyder
Jennifer Atwell

Tom Jones
Foy Patton

MEMBERS ABSENT

Dave Elmore, Vice Chairman
Dana Pack

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

CITIZENS' TIME

Chairman DiYorio welcomed Wythe "Bucky" Sharitz to the meeting. She 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—June 23, 2011

Chairman DiYorio asked if there were any corrections, additions, or questions regarding the minutes of the July 28, 2011, meeting. There being none, Chairman DiYorio asked for a motion to approve the July 2011 minutes as presented. Mr. Patton made a motion, seconded by Ms. Atwell, 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 August 2011. Dr. Hawthorne explained that the staff failed to bring a copy of the Branch Highways invoice for the month for the Board's review. Dr. Snyder asked about the check written to Mike Forrest. Dr. Hawthorne explained that it was for reimbursement of supplies that he purchased for the office at Sam's Club. Chairman DiYorio explained that the check to the Chamber of Commerce was for the advertisement in the Chamber directory. Chairman DiYorio asked about the check to the International Economic Development Council (IEDC). Dr. Hawthorne explained that the IEDC check was for registration fees, at a significant discount, to their convention being held in Charlotte, NC in September. Chairman DiYorio asked the Board members if they understood the payment to The Mount Rogers Development Partnership and asked Dr. Hawthorne to briefly explain why these fees were paid. Dr. Hawthorne explained that the partnership was a regional marketing organization that is funded by the private and public sector. The Mt. Rogers Development Partnership operates as the Virginia's aCorridor, headed by Executive Director Tom Elliott. He added that the actual funding cost is approximately one dollar per capita based on the 2000 census. Chairman DiYorio added that when a manufacturer is interested in property in Progress Park the partnership is often contacted first and then the Joint IDA is contacted by the partnership.

Chairman DiYorio asked if there were any further questions or discussions and asked if there was a motion to approve the invoices from August 2011. Ms. Atwell made a motion, seconded by Mr. Jones, 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 July 29, 2011 through August 25, 2011

Check #	Date	Payee	Amount
6421	8/25/11	Alan R. Hawthorne	\$4,664.94
6422	8/25/11	Virginia M. Goodwin	1,673.56
6423	8/25/11	Appalachian Power	105.06
6424	8/25/11	Alan Hawthorne - Reimbursement	521.99
6425	8/25/11	Anthem Southeast Dental	59.12
6426	8/25/11	Anthem Blue Cross and Blue Shield	1,035.92
6427	8/25/11	Branch Highways, Inc.	434,412.20
6428	8/25/11	CenturyLink	123.97
6429	8/25/11	Chamber of Commerce	495.00
6430	8/25/11	Int'l Economic Development Council	185.00

6431	8/25/11	Mellon Trust of New England, NA	587.00
6432	8/25/11	Mike Forrest	91.96
6433	8/25/11	The Mt. Rogers Dev. Partnership	6,899.75
6434	8/25/11	Principal Life Insurance Co.	141.42
6435	8/25/11	Robert G. Moore	1,100.00
6436	8/25/11	Sprint PCS	72.78
6437	8/25/11	Xerox	9.05
Total			\$452,178.72

OLD BUSINESS

LOT 24 UPDATE

Dr. Hawthorne updated the Board on the progress of Lot 24. He stated that the Fish and Wildlife Services put out netting for bats and that approximately 20 were caught, none being the Indiana Bat. The Joint IDA is still working to receive the reports from the Fish and Wildlife Services organization. The group is requesting that there be a 100 ft. buffer around the streams within the park. The development group will be meeting with Cellell Dalton, Wythe County Administrator, who has concerns about the buffer request. Steve Semones with Balzer and Associates is working on this topic, and he will be discussing further with Mr. Dalton.

Chairman DiYorio asked if there were any further holdups with the DEQ. Dr. Hawthorne stated the Virginia DEQ appears ready to permit as soon as the US Army Corp of Engineers is ready. USACE is working on the permit and will require resolution of the US Fish and Wildlife comments before completing the permit. Dr. Snyder asked when the public comment submission will be complete. Dr. Hawthorne answered that the public comment will end on August 31, and that the Indian tribes would have a comment period for one week after that.

AUDIT COMMITTEE REPORT

Dr. Hawthorne reported that the audit committee met on Friday, August 19, to review the financial records for the fiscal year 2010-2011. The auditors from Robinson, Farmer, and Cox completed their audit on Monday, August 22. There were no significant errors found with the exception of failing to remove the 0.78 acres of Ivanhoe property that was sold and was still showing in inventory. Dr. Hawthorne corrected the error and updated financial reports were distributed to the Board members reflecting the change.

SOUTHERN VIRGINIA REGIONAL ALLIANCE VISIT

Dr. Hawthorne spoke briefly about the visit from the Southern Virginia Regional Alliance on August 10. The group consisted of various dignitaries from the City of Danville and Pittsylvania County. The alliance is in the process of developing a three to four thousand acre industrial park and asked to meet with Dr. Hawthorne to discuss information that could be helpful in assisting them in their efforts. The group spoke extensively with Branch Highways, Inc. while visiting Lot 24. The group expressed great appreciation for the Joint IDA's assistance.

Delegate Marshall was interested in the Evatran project and asked Dr. Hawthorne about their progress. He seemed quite pleased with the update on the company's progress.

OTHER

Quail Habitat - Dr. Hawthorne noted that Andy Rosenberger with the Outreach and Education Division of the Conservation Management Institute at Virginia Tech, has been involved in obtaining funding for new quail habitats. Mr. Rosenberger currently working on 22 new projects.

Dr. Hawthorne and Mr. Rosenberger will be meeting with Branch Highways representatives about substituting the seeding they are now using to a type that could provide feed for quail on Lot 24. Dr. Hawthorne will also be speaking with Mr. Rosenberger about leasing, for a small fee, the boundaries of the current manufacturers properties to allow habitats to be established. They will also be exploring the rail and road corridors to see if they would be proper habitats.

Ms. Atwell asked if Fairview Park is being looked at as an option for a habitat. Dr. Hawthorne will speak with Mr. Rosenberger about that possibility.

NEW BUSINESS

INDUSTRY OF THE YEAR RECOGNITION AWARD COMMITTEE APPOINTMENTS

Dr. Hawthorne spoke briefly about the Industry of the Year Recognition Award committee appointments. He stated that the Joint IDA staff will work with the committee in setting a date for them to meet, as well as supply the criteria, score sheets, past recipients, and a list of the top 50 industries to all Board members. Chairman DiYorio asked Mr. Jones, Dr. Snyder, and Mr. Patton serve on the committee. Each of these individuals agreed to serve.

HIGHLIGHTS OF SOUTHERN ECONOMIC DEVELOPMENT COUNCIL ANNUAL MEETING

Dr. Hawthorne spoke briefly about the Southern Economic Development Council's (SEDC) annual meeting held in Asheville, NC, August 15-17. Dr. Hawthorne explained that he was able to attend the meeting without a registration fee due to being President of the Virginia Economic Developers Association. Chairman DiYorio asked Dr. Hawthorne to give the Board a brief description of the activities and benefits of the Virginia Economic Developers Association (VEDA) and the Southern Economic Development Council. Dr. Hawthorne explained the activities to the Board and also noted that VEDA celebrated its 30 year anniversary this year and that the organization's founding president was Robert Ely Johnson, who played a major role in local economic development during the 1970s and 1980s.

The agenda for the meeting included economic and workforce development and emphasized having sites ready for potential manufacturers, as well as various other helpful topics. Seventeen states makeup the SEDC and during the meeting officers and delegates were elected. Mike Lehmkuhler, VEDP Team Leader of the Business Development Division and a member of the Transportation & Equipment Team, was elected to serve as a delegate representing Virginia.

Dr. Hawthorne stated that the meeting was informative and an overall good conference.

ORGANIZATIONAL STRATEGIC PLANNING—INFORMATION DISCUSSION

The Board had an informal discussion regarding future organizational planning for the Joint IDA. He noted that several Board meetings earlier, when applications were being taken to fill the associate director's position, it was also mentioned that at some point in time there would be a need to find a replacement for Dr. Hawthorne's position upon his retirement. Dr. Hawthorne asked the Board about two scenarios. The first was to hire an associate director who would have the skills and attributes needed to potentially fill the executive director's position. The second was to hire a person to fill the associate director's position who would stay in that supporting role capacity. With the second scenario there would then be a need to hire a fully qualified executive director. Dr. Hawthorne thought it desirable to think about this now rather than later and asked the Board to ponder how they would like to proceed in filling these positions.

RECOGNITION OF SAFETY RECORDS—QUADRANT EPP AND MID-ATLANTIC MANUFACTURING

Dr. Hawthorne spoke briefly on the article in the Joint IDA Summer 2011 newsletter regarding the accomplishments of two manufacturers in Wytheville and Rural Retreat.

Mid-Atlantic Manufacturing and Hydraulics recently celebrated its 10 years of operation and 2011 also marked three years without a "Lost Time Accident."

Quadrant Engineering Plastic Products celebrated three years without an injury requiring medical treatment, an even higher standard.

Chairman DiYorio stated that this was a huge accomplishment for both of these manufacturers.

NEWSLETTER

The Summer 2011 newsletter was distributed to the Board members prior to the meeting. Dr. Hawthorne stated that it was also available on the Joint IDA website.

PROJECT UPDATES

Dr. Hawthorne reported that there are no significant changes in projects to report. He mentioned that Wythe County is in the process of extending an option to purchase Lot 35. Dr. Hawthorne will advise the Board of any changes as they occur.

REMINDER: TOUR OF WYTHE COUNTY TECHNOLOGY CENTER—PRIOR TO SEPTEMBER 2011 MEETING

Dr. Hawthorne reminded the Board of their tour of the Wythe County Technology Center prior to the September Board meeting. The Board members will be meeting at the Technology Center at 1:45 p. m.

OTHER

Small Business Financing Authority (SBFA) - Dr. Hawthorne mentioned that Patty Thorne, Virginia Small Business Financing Authority, visited and introduced Linda Gilbert, the new employee assigned to Southwest Virginia with offices in Roanoke and Abingdon. The SBFA has received an additional \$5M in funds from the Virginia General Assembly to assist with various loans to banks, industries, and industrial development authorities who will supply direct loans to companies.

The SBFA will have a seminar at the Wytheville Meeting Center in October for chamber of commerce organizations, banks, industrial development authorities, etc. The group will also be highlighting and marketing the Wythe County Joint IDA's Revolving Loan Fund.

Southwest Regional Enterprise Center (SREC) - Dr. Hawthorne spoke briefly regarding the SREC providing a micro-loan fund opportunity for small businesses for up to \$35,000. People, Inc. will be assisting with these loans. The loan availability for small businesses locating in Bland, Wytheville, and Wythe County will be established, and the Joint IDA could serve as a fiscal agent for the loan program. This opportunity will be explored further.

Virginia Economic Bridge - Dr. Hawthorne mentioned that recently there was publicity in the Roanoke and Bristol papers and television stations regarding One Care of Southwest Virginia, Inc. "The mission of One Care of Southwest Virginia is to decrease substance abuse and misuse, and related social economic and health factors through planning, policy, data, and advocacy." Dr. Hawthorne added that there is a large drug concern in our area which consists of mostly prescription drugs. He also noted that Kaye Corvin, Occupational Health Nurse at Klöckner Pentaplast, is on the Board of Directors representing the Wythe Manufacturing Council.

State tax credit - Dr. Hawthorne described new legislation being worked on by Virginia Economic Bridge's Carl Mitchell to encourage large federal government contractors to create jobs in Virginia through subcontracting. The program is being designed to attract and make connections for large contracts for the federal government. There is the potential for Virginia to be in competition for \$4 to \$8 billion in subcontract work. There will be a training and seminar series beginning in the next year on how to procure funds, what the area needs are, what is being looked for, etc. The first series will be held in Wytheville. Once a quarter there will be a focus on training of employees and assistance for entrepreneurs looking to compete for this subcontract work. Dr. Hawthorne noted that Planning District 3 and 6 are areas where prime contractors benefit from placing businesses due to large areas designated as HUB zones.

Mountain Empire Airport - Dr. Snyder asked about the progress at the Mountain Empire Airport. Dr. Hawthorne stated that he had taken photos and would be sharing them with the Board. Ms. Atwell suggested setting up a tour of the facility. The Joint IDA staff will arrange the tour, possibly in November.

ADJOURN

There being no other business, Chairman DiYorio adjourned the meeting at 4:35 p. m.

Linda DiYorio, Chairman

Attest:

Virginia M. Goodwin, Secretary

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

	General	Special	RLF	Total
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>(\$778.70)</u>		(\$778.70)
	\$900.00	\$721.30		
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	\$5,245,342.67	\$1,838.26	\$5,552,510.57

	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	(\$286.70)	\$1,838.26	\$24,197.20

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	\$4,911,603.15	\$0.00	\$4,911,603.15
Inventory-buildings	\$0.00	\$0.00	\$0.00
Total Inventory	\$4,911,603.15	\$0.00	\$4,911,603.15
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	\$6,681,510.23	\$758,718.43	\$7,440,228.66
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	\$3,323.24	\$0.00	\$3,323.24
Deferred income	\$250,802.34	\$0.00	\$250,802.34
Total Current Liabilities	\$887,417.31	\$0.00	\$887,417.31
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	\$5,899,451.62	\$500,000.00	\$6,399,451.62
Capital			
Fund balance - BOY	\$759,699.67	\$256,880.17	\$1,016,579.84
Net Fund Change	\$22,358.94	\$1,838.26	\$24,197.20
Total Capital	\$782,058.61	\$258,718.43	\$1,040,777.04
Total Liabilities & Capital	\$6,681,510.23	\$758,718.43	\$7,440,228.66