

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY

Minutes of Meeting

September 24, 2015

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, September 24, 2015, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

David Kause, Chairman
Dana Pack
Dicky Morgan

John Silva
Jennifer Atwell
Wes Mabe

MEMBERS ABSENT

Charlie White

EX-OFFICIO MEMBERS PRESENT

C. Wayne Sutherland, Jr., Wytheville Town Manager
R. Cellell Dalton, Wythe County Administrator
Jason Childers, Rural Retreat Town Manager

EX-OFFICIO MEMBERS ABSENT

None

JOINT IDA STAFF PRESENT

David Manley, Executive Director
John Matthews, Associate Director
Virginia Crockett, Administrative Assistant

DETERMINDATION OF QUORUM

Vice Chairman Pack called the meeting to order and determined a quorum to be present. Vice Chairman Pack offered the invocation and led the Pledge of Allegiance.

CITIZENS' TIME

Vice Chairman Pack welcomed Tim Reeves, Chairman, Wythe County Board of Supervisors, Cellell Dalton, Wythe County Administrator, Wayne Sutherland, Wytheville Town Manager, Jason Childers, Rural Retreat Town Manager, Patricia Bevil, Virginia Employment Commission, and Heath and Laura Harmon to the meeting and asked if there was anyone present who would like to address the Board. There being none the meeting continued.

APPROVAL OF MINUTES—August 27, 2015

Vice Chairman Pack asked if there were any corrections or questions regarding the minutes of the August meeting and if there was a motion to approve the minutes as presented. Mr. Manley noted that the three corrections that Ms. Atwell had emailed regarding spelling errors in the minutes would be corrected once the minutes are approved with corrections. Ms. Atwell mentioned that she had a question regarding Mr. Matthews' statement about the Startup Wythe In program. She asked for clarification about statement he made saying that most of the programs would start even without the aid of the program or if they would start because of the assistance from the program. Mr. Manley answered that he did state that several of the programs would start without the aid of the Startup Wythe In program. Vice Chairman Pack asked if there was a motion to approve the minutes with Ms. Atwell's corrections. Mr. Silva made a motion, seconded by Mr. Morgan, to approve the minutes with the three corrections. With no further discussion, the motion passed unanimously.

APPROVAL OF INVOICES

Vice Chairman Pack asked if there were any questions or discussion regarding the invoices for September. Mr. Manley mentioned the Check Detail questions emailed by Ms. Atwell regarding the missing information on the report. He noted that several months ago the Board had requested a report that included the total of all checks at the bottom of the report. He noted that the Check Detail is generated from QuickBooks and completed in Excel to allow for a grand total of the checks for the month which the report from QuickBooks does not supply. He added that the Board has both reports and that both can be generated monthly, if the Board chose to do so. Further discussion was had by the Board for clarification. Ms. Crockett explained that she had generated an Excel spreadsheet from QuickBooks and was making the report fit onto just a few pages and hit the wrong key and the information had shifted, but was not caught before the reports were emailed to the Board. Vice Chairman Pack asked if there were any further questions, and, with there being none, Vice Chairman Pack asked if there was a motion to approve the invoices as presented. Mr. Silva made a motion, seconded by Mr. Morgan, 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 September 1, 2015 through September 30, 2015**

Check #	Date	Payee	Amount
EFT	9-17-15	Appalachian Power Company	132.12
EFT	9-17-15	Robert G. Moore	1,100.00
EFT	9-17-15	CenturyLink	186.50
EFT	9-24-15	First Bank – Master Card	1,883.32
7346	9-24-15	David Manley	721.98
7347	9-24-15	IEDC	385.00
7348	9-24-15	Pillar Engineering	5.00
7349	9-24-15	TC's Care and Repair	60.00
7350	9-24-15	Town of Wytheville	16,071.81
7351	9-24-15	Wytheville Office Supply	6.60
Total			\$ 20,552.33

STAFF REPORT – ASSOCIATE DIRECTOR

Conferences

Building Partnerships for Sustainability Seminar – September 23, 2015

Meetings

Barry Catron – Commercial/Industrial Properties
Donna Stroupe – Town of Wytheville – Enterprise Zone
Downtown Wytheville Economic Restructuring Committee
Local Manufacturer Looking for New Space
Joint Governing Bodies Meeting
Keith Litz – Manufacturing Technology Center – Sustainability Seminar
Lori Guynn – Town of Rural Retreat – Enterprise Zone Report
Rebecca Rice – O'Connor Group – Website
Donna Leonard – JIDA Revolving Loan Committee Member
Sam Moore – Bolling Wilson Hotel – Startup Wythe In
Vivian Womble – Coffee and Crumbs – Startup Wythe In
Wythe-Bland Young Professionals and steering committee

The information regarding Start-up Wythe In and the Enterprise Zone reporting were deferred until later in the meeting.

STAFF REPORT – EXECUTIVE DIRECTOR

Activity Highlights for period ending August 26, 2015

New or Expanding business Activity

- Responded to inquiries from

- Global location consultant (Greenville, SC)
- Local industry
- Entrepreneurs
- Local real estate speculator
- Attorney for potential expansion
- Site selection consultant
- Commercial realty appraiser
- Commercial real estate broker
- VEDP
- Various Citizens

Ongoing projects

- Evatran repayment of TROF, COF, WOF
- Lot 24 geotechnical issue
- RLF meetings including loan committee, meeting with various applicants and potential applicants
- Project Copper performance agreements; announcement
- Start-up Wythe In, Downtown Economic Restructuring Committee

Events

- Building Partnerships for Sustainability – pollution Prevention event with manufacturing Technology Center. September 23.
 - Made presentation on Sustainable Economic Development
- SVAM’s Annual Manufacturer Appreciation and Awards Dinner
 - Moderating a panel with reps from Rolls Royce’s North American CFO Will Powers, SVAMCoE – Stephanie Surret, VEDP – Joe Gillespie, CCAM – Bruce Sobczak
- TRRC meeting in Wytheville

Meetings/Business Contacts

- Chris McDonald, Special Advisor – Depts. Of Mines, Minerals, and Energy
- Stephanie Surret, Exec. Dir – SVAM Center of Excellence
- Mary Rae Carter, Special Advisor for Rural Partnerships – Office of Governor Terry McAuliffe
- Bruce Sobczak, Director of Workforce – Commonwealth Center for Advanced Manufacturing
- Hayes Framme, Advisor to Sec’y of Commerce and Trade Maurice Jones
- Wythe Co. Board of Supervisors Economic Development Committee
- WCC Workforce Development Director Search Committee
 - Also Vicky Lawson, Perry Hughes (new director)
- Keith Litz, Manufacturing Technology Center
- Tim Litz, Mayor of Rural Retreat
- Mindee Ozno, EPA Region 3 Manager
- Meghann Quinn, DEQ Office of Pollution Prevention manager
- Downtown Wytheville Economic Restructuring Committee
- Joe Gillespie, Project Manager – VEDP (various projects)
- Kara Hart, Assoc. General Counsel – VEDP (performance agreements)
- Suzanne Clarke, Communications Manager – VEDP (announcement logistics, planning, press)
- Stacey Richardson, Executive Secretary to Virginia Tobacco Region Revitalization Commission
- Ned Stephenson, Deputy Director, VaTRRC (clawback, performance agreements)
- Tim Pfohl, Grants Director, VaTRRC (various)
- Cellell Dalton, County Administrator (various)
- SVAM Center of Excellence Board of Directors
- Wythe-Bland Young Professionals and Steering committee
- Rebecca Rice/Bill O’Connor – The O’Connor Group
- Matthew Clarke – Schaffner MTC
- Tim Pennington – Schaffner MTC
- Ronnie Montgomery, VaTRRC member (Lee County)
- Becky Coleman, VaTRRC member (Lee County)
- Mark Feldmann, Glenn Fledman Darby & Goodlatte (representation discussion)
- Scott Bortz, Peed & Bortz (project documentation, mapping, drawings)
- Trent Crewe, Many of Wytheville
- John Woods, Town of Wytheville Planning Dept.
- Wayne Carter, County Administrator – Mecklenburg o., VA (Data center attraction)
- Startup Wythe In competitors

- Rosa Lee Jude, Wytheville CVB
- Scot Farthing, Wythe County Attorney (various, incl. clawback and performance agreements)
- Jeff Dunnack/Peter Argue – Somic America
- John Huddle, attorney – Global Law Group (expansion discussions)
- John Longshore, site selection consultant – Global Location Strategies (new project)
- John Smolak, Ec. Dev. Director – AEP (new project)
- Lennie Gail Mitcham, SVAM Exec, Dir. (various)
- Deborah Flippo, Draper Arden Associates (brownfields remediation grant process, VEDA committee)
- Mark Boenke, PILLAR (website development, professional category development)
- Fielden Sanders, Coalfield Services Inc.

Media Activity and PR

- Worked with WVTF/NPR reporter Robbie Thomas on Downtown Wytheville story
- Appeared with Danny G on morning show

Upcoming:

- IEDC certification training class – UNC, Chapel Hill, NC, October 29-30 (“Real Estate Redevelopment and Reuse”) *schedule permitting*

Note: Questions were asked and information was given on the geotechnical report for Lot 24 in Progress Park by Cellell Dalton, Wythe County Administrator.

OLD BUSINESS

STARTUP WYTHE IN UPDATE

Mr. Matthews discussed the *Startup Wythe In* business idea competition for Downtown Wytheville. He noted that it will conclude on Tuesday, September 29, at the Bolling Wilson Hotel. The six finalists have given their early presentations at a dry run at the JIDA office. He noted that all of the presenters were well prepared and impressed the committee with the depth of research they had put into their business plans. Mr. Matthews mentioned that on the night of the finale finalists will give their presentation to a panel of three judges – Steve Skripack (Virginia Tech), Terri Amburn (Truliant FCU), Adam Martin (Wythe County Community Hospital). Judges will select and announce a winner and runner up after hearing all presentations. First prize will be \$10,000 and second prize will be \$5,000. We look forward to the event and hope you will be able to join us starting at 5:15pm with presentations to start at 6pm. Mr. Matthews stated that the committee anticipated at least five out of the six projects would likely open even without the assistance of *Start-up Wythe In* program.

Mr. Manley added that, beyond the prize money, everyone will have had the benefit and continued assistance of a mentor. He stated that having that assistance is invaluable and the projects they have developed and the plans they have developed where strong and surprised the committee. Mr. Manley mentioned that there should be no surprises if something evolves through this program.

REVOLVING LOAN FUND UPDATE

Mr. Manley stated that there have been six applications with four approvals with dozens of inquiries. He mentioned that the amount of the loans since the beginning in May 2015 has amounted to \$78,000 and that everyone is fulfilling their payment agreements. The funds have assisted a downtown retailer, video production company, a fire safety company, and a millwork distributor. The proceeds have been used for equipment, new product lines, operating capital, marketing funds, catalog production, physical improvements to buildings, and licensure pursuit. Mr. Manley mentioned that 10 jobs were affected and that there have been many positive comments from both the borrowers and from those who granted the funds.

Mr. Manley added that there was a problem getting the loan committee together this past week and that each Board member has a copy of the application for H&H Customs and that the Harmons were in attendance at the meeting today. At the Board’s pleasure it can act on the application however it sees fit and he stated that since the Harmons were in attendance they would be glad to answer any questions that may arise in the Board’s review of the documents. Chairman Kause stated that it would be tabled until after the rest of the agenda was completed.

SUSTAINABILITY SEMINAR – MANUFACTURING TECHNOLOGY CENTER

Mr. Manley reported on the seminar that was a joint effort between the Joint IDA, Keith Litz, and Nelson Teed from the Manufacturing Technology Center (MTC) at Wytheville Community College. The bulk of Mr. Litz’s salary

is paid by the Pollution Prevention Office at the EPA, which covers industrial and manufacturing energy, etc. It was Pollution Prevention Week and the Joint IDA was asked to partner with MTC to sponsor the seminar for local and regional manufacturers. There was attendance of around two dozen people with some attending from as far away as Richmond, as well as local industry representatives, representative from Mines, Minerals, and Energies, the Governor's office, and DEQ. Mr. Manley stated that by all accounts it was a very strong showing with presenters from various sectors to attend speaking about energy efficiency and sustainability. Mr. Manley added that his report was about basic sustainable economic development. He mentioned that he felt everyone walked away with quite a bit of information for projects, for funding opportunities they may have not known about, and some food for thought of dialog for communication with some of the other agencies, and stated that of course the Joint IDA will be available to them also. Mr. Manley thought the seminar was a success and thinks that it will be held at least annually. Chairman Kause asked if there were any comments or questions. There being none, the meeting continued.

ENTERPRISE ZONE

Mr. Matthews noted that he had contacted each locality and they are currently gathering information to complete the 2014 Enterprise Zone Activity report for the Department of Housing and Community Development (DHCD). The report will cover information about existing businesses that fall within the EZ's, but the DHCD is particularly interested in how these EZ's have worked to bring new businesses and jobs to the area. Information submitted by EZ Administrators across the State will be used to demonstrate the effectiveness of the EZ program to the Virginia General Assembly to encourage continued support. Mr. Matthews added that he will be highlighting local incentives that were available to prospective businesses, how state and local incentives were utilized, how we will be marketing the EZ's through our website and promotional materials, and our goals for these selected areas. He mentioned that he has finished his part of the report, but is waiting on each of the jurisdictions to provide the necessary information that they need to assist him with.

Chairman Kause asked if there was a due date for the report. Mr. Matthews stated that the EZ report has to be completed before the County can apply for an extension to the local Enterprise Zone. Mr. Matthews added that the report will be submitted before the end of the month.

Mr. Manley noted that the boundary extension of the Enterprise Zone cannot be applied for until the end of December because it can only happen annually.

MEMORANDUM OF UNDERSTANDING WITH THE TOWN OF WYTHEVILLE – PAYROLL

Mr. Manley stated that he addressed the questions that the Board brought up regarding conflict of interests during the last regular meeting. Mr. Sutherland, Wytheville Town Manager stated that all Board members are considered employees of the Town of Wytheville. He added that the Board members are employees for payroll purposes only and that it does not pose a conflict of interest for any of the members. He noted that the Board members are run through the Town of Wytheville payroll for payment of their reimbursement for serving on the Board and for paying any necessary payroll taxes.

Mr. Silva asked about his contracts with the Commonwealth of Virginia. Mr. Sutherland stated that the Board has the opportunity to vote on how the Board would like to be paid and mentioned that all committees or Boards for the Town of Wytheville are paid in the same fashion that there is no conflict of interest involving other employment as long as there are no contracts or jobs affiliated with the Joint IDA's contracts or processes.

Mr. Morgan stated that he was just concerned about the conflict of interest and asked about the Board being able to make decisions independent from the Town of Wytheville regarding Joint IDA matters, including the three office employees. Mr. Sutherland stated that the Board is only paid by the Town of Wytheville and is still over the decision making of the authority and decisions regarding the employees based on the Town of Wytheville's Policy and Procedures. He mentioned that he would not allow any wrong doing or wrong handling of any situation regarding the employees of the Joint IDA because they are subject to the Town of Wytheville Policy and Procedures regarding any personnel matters.

Chairman Kause reminded the Board that the only concern about payroll was regarding the Board members and not the employees of the Joint IDA. Mr. Silva stated that he was only concerned with the making of decisions regarding the employees, such as overtime, evaluations, etc., and how that would impact the Town of Wytheville.

Chairman Kause asked Mr. Sutherland if the Town of Wytheville had any problems with the language that the Joint IDA Board proposed. Mr. Sutherland stated that the first Memorandum of Understanding was actually in wording drafted by the Joint IDA and not the Town of Wytheville and that he initially had concerns with the language. After continued discussion Chairman Kause asked if there was a motion to change the wording of the Memorandum of Understanding (MOU) and asked if there was a motion to do so. Mr. Pack, seconded by Mr. Mabe, made a motion to change the wording of the MOU. Ms. Atwell stated that instead of approving the

document at the present time, she would like to see the completed document before approval. Mr. Pack stated that the motion would be to approve the changing of the wording and to present the corrected document back to the Board for approval during the October meeting. With no further discussion, the motion passed unanimously.

EVATRAN – UPDATE

Mr. Manley stated that EVATRAN returned the payment of the TROF funds to the Wythe County Treasurer, who sent it to the Tobacco Commission the next day. The funds being held in escrow from Wythe County have been released by the Tobacco Commission. There is still the issue of the Commonwealth Opportunity Funds which EVATRAN has not responded to, but they do have a December deadline that they were offered to return funds by then. The Joint IDA is not responsible for that at the present time. Mr. Manley added that all payments that were demanded have been paid thus far. Mr. Manley asked Mr. Dalton of any other information that needed to be shared. Mr. Dalton, Wythe County Administrator, stated that Wythe County may need the Joint IDA to draft a letter regarding the Commonwealth Opportunity Fund in the near future because the time of sixty-days that was offered as an extension has expired. Mr. Manley stated that he would keep everyone apprised of any further information regarding EVATRAN.

JOINT GOVERNING BODIES – UPDATE

Mr. Manley mentioned that the Joint IDA did a presentation for the Joint Governing Bodies meeting on Monday, August 31. He noted that the presentation was generic in nature to give the Wythe County Board of Supervisors and the Town Councils of both Wytheville and Rural Retreat the opportunity to experience how a presentation is given to potential industries. Mr. Manley thanked the Joint IDA Board members for attending the meeting and noted that all questions that were asked were answered fully in his mind. Chairman Kause stated that he believes that the Joint IDA and the Joint Governing Bodies are working together to fulfill the needs of the County. Chairman Reeves stated that the Wythe County Board of Supervisors just wanted to see the marketing presentation that was being shown to potential industries when they were inquiring about Wythe County locations. He noted that it is the Board of Supervisor's (BOS) job to make sure any potential manufacturing industry that may want to locate here is getting the correct information in a timely fashion. Chairman Kause stated that he hoped that the Joint IDA is fulfilling the needs or the requirements of the BOS. Mr. Manley mentioned the Joint Governing Bodies agreed that there would be a closed session at each meeting to discuss any undisclosed projects. The next meeting of the Joint Governing Bodies will be on February 29, 2016.

OTHER

CRIFA – Ms. Atwell asked for a CRIFA update. Mr. Manley stated that the only information he had at the moment until the Board meets is a copy of the minutes for the last two CRIFA meetings. The minutes were distributed to the JIDA Board members. Chairman Kause asked if there was confusion regarding the fiscal agent. Mr. Manley stated that it was beyond that and included management as well. Chairman Kause asked if there has been an administrator hired for the CRIFA position. Mr. Manley stated that he believed the position was advertised, but he was not sure if it had been filled as of yet. Mr. Dalton mentioned that a meeting will be setup to discuss CRIFA soon. There was no further discussion.

NEW BUSINESS

INDUSTRY OF THE YEAR AWARD COMMITTEE APPOINTMENTS

Mr. Manley stated that during the August meeting a committee may not need to be appointed if there was already consensus among the board members for an award recipient. Chairman Kause stated that the Board spoke about the upcoming Industry of the Year award and that he had suggested Coperion to be the recipient. He noted if that is not agreeable to the Board then a committee could certainly be appointed. Mr. Pack asked for information on Coperion. Mr. Manley explained that Coperion has been the only announced expansion during the past year and that alone justified the nomination in itself. He added that they will be investing millions of dollars in Wythe County and bringing new jobs to the area. Mr. Pack asked where they were physically located. Mr. Manley stated that they are building a new building in the Fairview Industrial Park. Mr. Dalton explained that Coperion has tripled the original promise of their expansion and will be hiring a lot more employees at a very good wage. Mr. Manley added that Coperion will not have any problems meeting their benchmarks and explained what they manufactured (extrusion components currently). Mr. Pack made a motion, seconded by Mr. Silva, to nominate Coperion as the recipient of the Joint IDA Industry of the Year award. With no further discussion, the motion passed unanimously.

PROJECT UPDATES

Mr. Pack 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 Mr. Silva, and passed unanimously. Mr. Pack made a motion, and Mr. Silva seconded, 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 Mr. Silva, 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:

The following roll call vote was required after the motion for certification:

AYES:	David Kause	Wes Mabe
	Dana Pack	Dicky Morgan
	John Silva	Jennifer Atwell

NAYS: None

ABSENT DURING MEETING: Charlie White

ABSENT DURING VOTE: Charlie White

OTHER

H&H Kustom Designs RLF Loan Application - The Joint IDA Board reviewed the business plan of H&H Kustom Designs regarding their application for a loan from the Joint IDA Revolving Loan Fund. Mr. Manley reminded the Board that this application did not come from the loan committee, but needed to be reviewed and the loan approved or non-approved by the Board during today’s meeting.

Chairman Kause stated that when the application initially came to the Board before that it was a different amount needed which was \$50,000 and not the \$25,000 that is currently being asked for. There was discussion between the Harmons and the Board regarding restructuring from being a traveling vendor to being a locally based business; when the business was opened and how much revenue was generated since opening; added business activities; success so far; equipment currently owned; business concept; understanding guaranteed volume and after-market sales; vendors; extra funds for supplies and to cover payroll; collateral available; return on investment; purchases made on location; and various other questions.

Chairman Kause explained that there were three options before the Board at this time. He stated that the Board could return the loan application back to the loan committee for further review and approve what they agree on, entertain a discussion and motion to approve the loan for \$25,000, or entertain a motion to deny the loan. Mr. Manley mentioned that if it were the Board’s pleasure they could offer an alternate concept or dollar amount of funds. Chairman Kause stated that his concern was that the \$25,000 the Harmons have asked for just about covers everything they need to get started.

Mr. Silva stated that he applauded the Harmons' decision, but discussed his thoughts regarding business needs, the workload, and how the process works. His concern was mainly the fact that the Harmons did not show enough collateral to cover the loan amount, and that he would support a motion to not approve the loan at this time. Mr. Harmon noted that he ran out of unemployment yesterday and noted that the Joint IDA is involved in a contest that is giving away \$15,000 and the loan he would be getting he has to pay back. Mr. Silva stated that he was looking at every option to be able to loan the funds to Mr. Harmon, but could not justify the loan without collateral.

Mr. Manley stated that he wanted to clarify that the \$15,000 from Startup Wythe In were funds from private donors designated for the competition and the Revolving Loan Fund is public money.

Chairman Kause stated that since Mr. Silva thinks the loan should not be approved, he asked if the loan application should go back to committee or just be rejected. Mr. Mabe made a motion to return the loan application back to the committee because of incorrect information on the application and the change in Mr. Harmon's employment. Chairman Kause asked if there was a second. Mr. Pack asked Mr. Mabe if he wanted the application to go back to the loan committee because Mr. Harmon is not employed. Mr. Mabe stated that the application is also not correct especially with regards to his current employment status. Mr. Pack asked what the timeframe would be if the loan application were to return back to the Loan Committee. Mr. Manley stated that the committee meets as needed and noted that the JIDA Board would still have to approve the loan and a special meeting would have to be called prior to the regular meeting on the fourth Thursday of October. Mr. Pack seconded the motion.

Ms. Bevil from the Virginia Employment Commission suggested some ideas to Mr. Harmon to help him with his idea. Mr. Pack stated that he liked Mr. Harmon's concept, but did not like the idea of him not having any collateral and asked if his father would be in the position to help him. Mr. Harmon stated that his father was not and he could not ask him for anything further, but he more than likely would. Mr. Pack asked about the sandblaster to see if it could be used as collateral. Mr. Pack seconded the motion by Mr. Mabe. Mr. Silva noted that Mr. Harmon needed to look back at his equipment and see what could be collateralized. There was continued discussion regarding Mr. Harmon's equipment that he could collateralize as well the company's profit and loss statements.

Chairman Kause mentioned that there was a motion on the floor made by Mr. Mabe, with a second from Mr. Pack. Mr. Dalton, spoke about the collateral regarding Mr. Harmon's loan and letters of support. Mr. Harmon stated that he was denied unemployment because he owned a business and that if he did not get this loan he would be out of business. He was asked if he was willing to collateralize his equipment. Mr. Pack mentioned that if he were to do what the Board required such as fill out a correct application and provide enough collateral he feels that the loan would be approved. Mr. Silva asked again about his collateral and if Mr. Harmon would be willing to collateralize his current equipment and the equipment he needed to purchase with the loan.

Mr. Manley stated that the Board would convene and if Mr. Harmon were to provide the staff with a list of equipment and its value that the information can be incorporated into the loan agreement, as long as the equipment total matched the loan amount. He noted as soon as the Board could reconvene the loan could be approved, if they so moved.

Chairman Reeves, Wythe County Board of Supervisors, suggested that the Joint IDA go ahead and approve the loan with the stipulation that the information provided by Mr. Harmon agrees with what is requested of the Board and they would not have to reconvene and the loan would be approved.

Mr. Mabe moved to withdraw his motion, seconded by Mr. Pack. Mr. Manley mentioned that staff had recommended they follow up with the small business advisor in Galax as it could be of significant help.

Chairman Kause asked if there was a motion to approve the loan with the stipulation of collateralization of equipment to match or go beyond the \$25,000 of requested financing. Mr. Morgan made a motion, seconded by Mr. Silva, that the loan to Mr. Harmon be approved if the amount of equipment that is collateralized matches or goes beyond the \$25,000 that is asked for in the Harmons' application. Chairman Kause asked if any further discussion was needed. Mr. Manley stated that if the Harmons provide the information needed the loan could be closed as early as next week, but mentioned that if the staff waited until Wednesday, which is October 1, the first payment would not be due until November. Chairman Kause ask for all who were in favor of the motion which included Mr. Morgan, Mr. Silva, Mr. Pack, and Ms. Atwell – opposed was Mr. Mabe. The motion passed with a vote of 5 to 1.

ADJOURN

There being no other business, Chairman Kause adjourned the meeting at 5:00 p.m.

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary