

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY

Minutes of Meeting

October 22, 2015

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, October 22, 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

Charlie White
Jennifer Atwell
Wes Mabe

MEMBERS ABSENT

John Silva

EX-OFFICIO MEMBERS PRESENT

C. Wayne Sutherland, Jr., Wytheville Town Manager

EX-OFFICIO MEMBERS ABSENT

R. Cellell Dalton, Wythe County Administrator
Jason Childers, Rural Retreat Town Manager

JOINT IDA STAFF PRESENT

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

DETERMINATION OF QUORUM

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

CITIZENS' TIME

Chairman Kause welcomed Wayne Sutherland, Wytheville Town Manager and Patricia Bevil, from the Virginia Employment Commission 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—September 24, 2015

Chairman Kause asked if there were any questions or discussion regarding the minutes. Mr. Manley stated that a typographical error had been found on page 400 and the JIDA staff will work to make sure the name is consistent for HH Kustoms, LLC. He stated he did find out the reason it was not consistent was because it has changed since the JIDA has started working with them. Chairman Kause asked if there was an official corporate name and Mr. Manley stated that we would be going by their corporate certificate. Ms. Atwell asked what the official name would be. Mr. Manley stated that the corporate name is HH Kustoms, LLC.

Ms. Atwell stated the minutes read that Mr. Harmon "ran out of unemployment yesterday". Ms. Atwell thought that he said he could not receive unemployment because he had a business license. Mr. Manley verified that Mr. Harmon stated both. Ms. Atwell asked if it was because he had a business license. Mr. Manley stated that the minutes more than likely stated that "he owned a business". Ms. Atwell found the information regarding the unemployment and thought she had read that he could not receive unemployment because he had a

business license. Mr. Manley noted that the JIDA staff did listen to the information several times and that the minutes accurately reflected what was found on the recording of the meeting.

Chairman Kause asked if there was any other discussion on the September minutes. There being none, Chairman Kause asked if there was a motion to approve the minutes as corrected. Mr. Mabe made a motion, seconded by Dr. White, to approve the September minutes as corrected. With no further discussion, the motion passed unanimously.

APPROVAL OF INVOICES

Chairman Kause asked if there were any questions, concerns, or discussion regarding the invoices for October 2015. Ms. Atwell asked if anything changed from the detail that was presented. Mr. Manley did point out that the bill for CenturyLink is incorrect because the JIDA was billed for some excess lines for the Town of Wytheville. They were inadvertently added to the wrong account and the credit will appear on the next billing. Ms. Atwell asked if the JIDA was involved with the changes to the telephone system at the Town. Mr. Manley stated that it did not effect the JIDA office.

Chairman Kause asked if there was a motion to approve the invoices as presented. Mr. Mabe 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 October 1, 2015 through October 31, 2015**

Check #	Date	Payee	Amount
EFT	10-16-15	Appalachian Power Company	106.83
EFT	10-16-15	First Bank – MasterCard	343.46
EFT	10-16-15	Robert G. Moore	1,100.00
EFT	10-16-15	Xerox Corporation	150.65
EFT	10-22-15	CenturyLink	365.09
7352	10-08-2015	Virginia Crockett	177.55
7353	10-22-15	Coffee and Crumbs	75.00
7354	10-22-15	Mt. Rogers Development Partnership	6,659.00
7355	10-22-15	TC’s Care and Repair	30.00
7356	10-22-15	Town of Wytheville	16,204.79
7357	10-22-15	Wytheville Office Supply	41.56
Total			\$ 25,253.73

STAFF REPORT – ASSOCIATE DIRECTOR

Meetings

- Barry Catron – Commercial/Industrial Properties
- Donna Leonard – JIDA Revolving Loan Committee Member
- Donna Stroupe – Town of Wytheville – Enterprise Zone
- Downtown Wytheville Economic Restructuring Committee
- Local Manufacturer Looking for New Space
- Lori Guynn – Town of Rural Retreat – Enterprise Zone Report
- Pandy Brazeau – VEDP – Project Norse
- Sam Moore – Bolling Wilson Hotel – Startup Wythe In
- Vivian Womble – Coffee and Crumbs – Startup Wythe In
- Wythe-Bland Young Professionals and steering committee

Startup Wythe In

Mr. Matthews discussed *Startup Wythe In*, the business idea competition for Downtown Wytheville, which concluded on September 29, at the Bolling Wilson Hotel. He noted that the six finalists gave their presentations to a panel of judges and a full audience with approximately 100 in attendance. The judges selected Julie Dalton’s LuvBerry as the first place winner of \$10,000, and Vivian Womble as the second place winner of \$5,000 for Coffee and Crumbs. Finalist Black Horse Artisan Guild is planning to open in the former genealogy space across from the Bolling Wilson Hotel this coming spring.

Chairman Kause stated that he was proud of the response and activity of the Startup Wythe In program and looks forward to what will be done next year with perhaps activity with developing lofts and apartments in the quarters above some of the buildings on Main Street.

Enterprise Zone Reporting & Boundary Adjustment

The 2014 Enterprise Zone Activity report for the Department of Housing and Community Development (DHCD) has been completed. The report covers information about incentives available to new businesses that fall within the EZ's, which incentives were utilized, what public investment was made, how many jobs were created and lost within the zones, and how the zones have been and will be marketed to best use the program for economic growth. 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.

We have begun the process of applying for the upcoming boundary adjustment. We will be working with the localities to determine if any additional properties, besides the new Coperion site, should be included in the adjustment.

Mr. Mabe asked if the reports could be available for the Board members to see. Mr. Matthews stated that those could be provided during the next meeting since the report had to be looked over, approved, and signed by Cellell Dalton, Wythe County Administrator before submitting. Other information was discussed later in the meeting.

STAFF REPORT – EXECUTIVE DIRECTOR

New and Expanding Business Activity

- Responded to inquiries from
 - Local industry
 - Entrepreneurs
 - Attorney for potential expansion
 - Site selection consultant
 - Commercial real estate broker
 - VEDP
 - Various citizens
 - Secretary of Agriculture
 - Office of the Governor

Ongoing projects

- Lot 24 geotechnical issue
- SET Management team / forum (Stronger Economies Together – USDA grant. Regional economic development planning.
- Downtown Wytheville Inc. Economic Restructuring Committee (planning for 2016)

Events

- Schaffner MTC Announcement w/Governor McAuliffe
 - 50 attendees, significant press, 70 jobs + \$3.1M investment
- Startup Wythe In finale
 - Reception, pitches, award announcement
 - 100+ in attendance

Meetings/Business Contacts

- Stephanie Surrett, Executive Director – SVAM Center of Excellence
- Mary Rae Carter, Special Advisor for Rural Partnerships – Office of Governor Terry McAuliffe
- Wythe County Board of Supervisors Economic Development Committee
- Downtown Wytheville Economic Restructuring Committee
- Joe Gillespie, Project manager – VEDP (various projects)
- Kara Hart, Assoc. General Counsel – VEDP (performance agreements)
- Tim Pfohl, Grants Director, VaTRRC (Project Mockingburd)
- Cass Rasnick, Asst. Secretary of Agriculture and Forestry
- Liz Povar, VEDP VP for Business Expansion
- Cellell Dalton, County Administrator (numerous)

- Wythe-Bland Young Professionals and Steering committee
- Rebecca Rice and Bill O'Connor – The O'Connor Group
- Matthew Clarke – Schaffner MTC
- Tim Pennington – Schaffner MTC
- Trent Crewe, Mayor of Wytheville
- John Woods, Town of Wytheville Planning Dept.
- Rosa Lee Jude, Wytheville CVB
- Peter Argue – Somic America
- Katherine Goodwin, VEDP (Project Tiger)
- John Smolak, Ec. Dev. Director – AEP (Project Tiger, VEDA, marketing)
- Lennie Gail Mitcham, SVAM Exec. Dir. (various)
- Dr. Dan Tolley (SP Global)
- IP developers for Project Mockingbird
- CRIFA board meeting / management discussion
- SET Forum
- Don Jensen, Don Jensen Sales

Media Activity and PR

- Appeared with Danny G on morning show
- Worked with Governor's Office on press release; social media publicity re: Schaffner MTC announcement
- "Angler Management" mention

Upcoming:

- Project Mockingbird with stakeholders in Richmond (last week of Oct.)
- IEDC certification training class – Baltimore, MD, last week of Feb. **meeting date**

OLD BUSINESS

REVOLVING LOAN FUND UPDATE

Mr. Manley stated that the only thing he could report on in open session is that the JIDA had an inquiry from one of our previous borrowers who talked about doing some more with us to expand his product line again and to do some more marketing. A new application was received yesterday at close of business, so we will be going through the normal channels of approval. Mr. Manley stated that what he would suggest to the loan committee that the JIDA just consolidate them and not have two checks and payments, but only one. The gentleman has been paying on time since he borrowed and is a good borrower, so he did not foresee any substantial problems.

ENTERPRISE ZONE

Mr. Matthews stated that annual Enterprise Zone report is complete. He noted that the report contained some interesting information and that JIDA Staff will provide a highlight sheet as well as access to the full report.

Mr. Manley mentioned that one thing Mr. Matthews could probably correct is the idea brought up on the radio show recently that there are no new businesses or no new jobs here. Mr. Manley asked Mr. Matthews how many were opened just in 2014 which were new businesses inside the Enterprise Zone. Mr. Matthews reported that there were 13 new businesses during the year of 2014, but added that there were 23 new businesses to date. Mr. Manley mentioned that was only in the Enterprise Zone and was net, counting closed establishments, in sum a net increase of 23 new businesses. Mr. Morgan asked what kind of businesses are being counted. Mr. Matthews report that there was retail, service, food, different kinds across the board and that most of those were within the Wytheville Town limits. Mr. Manley mentioned that one problem that the JIDA has, which he hopes to bring up at some point in time, is the fact that Wythe County does not require a business license, so if someone were to close or open a business there would not be a simple, consistent way to track that. He noted that because the Towns do require a license, there is a tracking mechanism that is very easy to follow. With the County, if businesses were to open and close you might never even know about it. He further noted that if you open something and just do it, you don't have to necessarily tell anyone and no authority may ever know. The tracking is very difficult in this jurisdiction. Mr. Manley stated that he would like to bring it up to the County, and perhaps it could cost nothing or just a negligible fee, some mechanism needs to be set in place to track business opening and closing or to report it in some way.

Mr. Matthews mentioned that the next step in the Enterprise Zone reporting is that the JIDA is already working on the boundary adjustment which will be due at the end of December. He noted that he would more than likely check with the other localities to see if there are any other pieces of property that they would want to include.

Mr. Matthews stated that the boundary adjustment process is getting started. Chairman Kause stated that he remembered that when he started on the Board and listening to how difficult it was to get all of the information together for the Enterprise Zone because of the lack of direct reporting. Mr. Morgan asked if the Enterprise Zone report was a yearly report. Mr. Matthews stated that the annual report was, but the adjustments of the boundaries is done in December and is retroactive to January 2014.

MEMORANDUM OF UNDERSTANDING WITH THE TOWN OF WYTHEVILLE – PAYROLL

Mr. Manley stated that Chairman Kause has copies of the memorandum. If Mr. Sutherland is agreeable to the language that was discussed during the last meeting and what was sent through emails, the memorandum already has Mr. Sutherland's signature except for the addendum page. He noted that once that is complete the Joint IDA is in agreement for payroll services until June 2016 with the Town of Wytheville. Chairman Kause noted that he has signed the document. Chairman Kause reminded the Board that the addendum was what the Board agreed to in September that the JIDA Board is in agreeance that the Board is paying them without being employees of the Town of Wytheville. Mr. Manley thanked everyone for being so agreeable on the language of the document also.

STARTUP WYTHE IN UPDATE

Discussed during the Associate Director's staff report.

OTHER

CRIFA – Ms. Atwell inquired about the status of CRIFA. Mr. Manley stated that the CRIFA Board met and they agreed to ask the JIDA to renew the management agreement with them for another year at the same rate of \$1,000. A document has not been drawn up as of yet, but he believes that a memorandum similar to the one approved for the payroll with the Town of Wytheville will be sufficient. Mr. Manley mentioned that CRIFA is going to advertise for the Business Analyst/CRIFA Administrator position again to see if there is further interest. The person will be working increased hours because there was a concern regarding benefits. Mr. Manley stated that the Downtown Wytheville Group discussed the fact that there was not a person that someone could go to for assistance with business plans, etc. CRIFA is looking to fill that position soon.

Reopen Citizens' Time – Vice Chairman Pack asked Chairman Kause to reopen Citizens' Time since Mr. and Mrs. Harmon from HH Kustoms, LLC joined the meeting. Chairman Kause reopened Citizens' Time and Mr. Harmon spoke on behalf of HH Kustoms, LLC.

Mr. Harmon addressed the Board and asked if they had come up with an answer yet regarding their application for a loan from the Revolving Loan Fund. He stated that they have been waiting since the last meeting in September. Mr. Harmon mentioned that they were told that they would be notified of the next step and they had not received a response and they were just curious as to where they stood with the possibility of them procuring the loan. Chairman Kause stated at this point the Board will be discussing the HH Kustoms, LLC, loan in closed session. Mr. Harmon then stated that at this point there are no next steps for them then. Chairman Kause noted that was correct. Mr. Harmon thanked the Board.

NEW BUSINESS

CHAMBER OF COMMERCE ANNUAL DINNER

Mr. Manley stated as usual the JIDA Board will have a table there depending on how many of the Board members want to attend. He asked the Board members to please let the staff know if they would like to attend. Mr. Manley asked Ms. Atwell when the deadline was and she stated it was October 30. Mr. Manley asked that the Board please let the staff know as soon as possible. Mr. Mabe asked when the dinner was and Ms. Atwell stated it would be on November 5 at the Wytheville Meeting Center. Mr. Morgan asked what time. Ms. Atwell added that the doors open at 6:00 p.m. and the dinner would be at 6:30 p.m.

2016 ANNUAL INDUSTRY APPRECIATION GOLF TOURNAMENT

Mr. Manley stated that although it is early, the Joint IDA needed to get the date on the Golf Club's schedule for the annual Industry Appreciation Golf Tournament. After a brief discussion, Mr. Mabe asked that the Joint IDA staff to call the Golf Club to call and reserve May 19 as the date for the tournament. He will head up tournament preparations with Joint IDA staff.

HOLIDAY OPEN HOUSE

Mr. Manley noted that some years ago the Joint IDA held a Holiday Open House each year before Christmas. The Joint IDA staff would like to begin the tradition again of having the open house beginning in 2015. The staff felt that the event might build some support and allow us to allow us to inform others as to what the Joint IDA offers to the community. The Wytheville and Rural Retreat Town Councils, the Wythe County Board of Supervisors, and other peer groups would be invited. Food and beverages will be offered along with a few hours for social time. The suggested date, if agreeable with the Board, would be December 17, which is the Thursday before Christmas. Mr. Mabe asked about the time. Mr. Manley stated that the time was up for discussion and noted that the event has been held over the lunch hour, but the time could certainly be changed to accommodate schedules. Planning by Joint IDA staff will proceed.

MEETING DATES (NOV., DEC., AND FEB.)

Mr. Manley stated that there were some conflicts with the meeting dates in November, December, and February. He noted that November’s date would be on Thanksgiving Day, December’s meeting day is on Christmas Eve. He stated that what was done in 2014 was to combine the two meetings together to the first week of December. Mr. Manley noted that combining the two meeting dates together in 2014 seemed to work well with everyone. He mentioned that either December 3 or 10 would be his suggestions, but it would be entirely up to the Board as to which date to approve. The Board chose December 3 as their meeting date.

Mr. Manley mentioned that in February the meeting is conflicting with his continuing education IEDC class and that moving it might be appropriate, with the board’s approval.

PROJECT UPDATES

Mr. Pack made a motion to enter into a closed session as permitted by Section 2.2-3711(a)(5) and 2.2-3711(a)(7) of the Virginia Freedom of Information Act, Code of Virginia to discuss undisclosed projects and actual or probable litigation. The motion was seconded by Dr. White, and passed unanimously. The meeting entered discussion in closed session.

Upon conclusion of the closed meeting, Mr. Pack made a motion, and Dr. White seconded, that the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat certify that, in the closed meeting, 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
	Charlie White	Jennifer Atwell
NAYS:	None	

ABSENT DURING MEETING: John Silva

ABSENT DURING VOTE: John Silva

RETURN TO OPEN SESSION: Chairman Kause asked if there were any motions regarding items discussed in closed session. Mr. Morgan made a motion, seconded by Mr. Mabe, to move that the Board deny the current loan application for lack of verifiable, acceptable collateral, but invite HH Kustoms, LLC to reapply with a revised business plan reflecting current plans, equipment, and business financials with appropriate collateral. Chairman Kause asked if there was any further discussion or questions regarding the motion. There being none, the motion passed unanimously.

OTHER

Industry Tenure Awards – Mr. Manley mentioned that the Industry Tenure Awards are usually held in February before the regular Board meeting. He explained that it brings up another issue regarding dates because of his continuing education class scheduled for the last week of February 2016, the week of the regular JIDA Board meeting. He asked if the Board meeting in February could be moved back to the third week with the proviso that the Tenure Awards also be hosted on that date. The awards banquet would be held from 12:00 until 1:30 or 2:00, and the Board meeting start at 3:00 p.m., just as in 2015. Chairman Kause stated that this suggestion would be ideal. It was noted that February 18 would be the date for the meeting and the luncheon. The Board agreed unanimously. Chairman Kause asked if the Tenure Awards would be held at the Bolling Wilson Hotel again. Mr. Manley stated that there was such a positive response that he believed that it did not need to be moved this year. He noted that the primary sponsor also enjoyed the venue last year.

Resolution – Chairman Kause read and presented a Resolution of Retirement to Mr. Pack who will be retiring at the end of October. Mr. Pack stated that he appreciated everyone and enjoyed his tenure of serving on the Joint IDA Board and noted that it was his pleasure. He noted that if any help is ever needed from him, he would always be available to assist. The Board thanked Mr. Pack for his service.

Chamber Directory – Ms. Atwell asked about the Joint IDA's participation of purchasing an in the Chamber Directory for the year. Mr. Manley stated that the advertising for the Chamber Directory has already been setup with the sales representative of the printer, but is not sure if it has been confirmed. He mentioned that he would work on designing the ad. Ms. Atwell stated she had received the list of advertisers, but did not see that it had been taken care of. Mr. Manley stated that he would make sure that the ad is taken care of. Chairman Kause asked if the contact was Nancy and Ms. Atwell explained that Nancy had gone back to school and that there was another contact and that she would email that information to Chairman Kause and to Mr. Manley. Chairman Kause noted that the Joint IDA was given a discounted rate and that he had replied to her asking if there was a certain section where it could be placed to get a bigger discount. Ms. Atwell stated that what they had done in the past is place the ad in the section that discusses the area's economy.

ADJOURN

There being no other business, Chairman Kause adjourned the meeting at 4:50 p.m.

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary