

**JOINT INDUSTRIAL DEVELOPMENT AUTHORITY**

**Minutes of Meeting**

**October 25, 2012**

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, October 25, 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  
Foy Patton

Dave Elmore  
Tom Jones  
Dana Pack

**MEMBERS ABSENT**

None

**EX-OFFICIO MEMBERS PRESENT**

R. Cellell Dalton, Wythe County Administrator

**EX-OFFICIO MEMBERS ABSENT**

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. Mr. Pack offered the invocation, and Mr. Jones led the Pledge of Allegiance.

**CITIZENS' TIME**

Chairman DiYorio welcomed Cellell Dalton, Wythe County Administrator, and 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—September 27, 2012**

Chairman DiYorio asked if there were any corrections, additions, or questions regarding the minutes of the September 27, 2012, and if there was a motion to approve the minutes as

presented. Ms. Dankowski made a motion, seconded by Mr. Elmore, 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 October 2012, and if there was a motion to approve the invoices as presented. Chairman DiYorio asked if the check to Robinson, Farmer, Cox Associates was for the audit. Dr. Hawthorne responded that it was for the performance of the yearly audit for the Joint IDA. Chairman DiYorio asked if there was any further discussion. There being none, Mr. Pack made a motion, seconded by Ms. Dankowski, to approve the invoices from October 2012 as presented. With no further discussion, the motion passed unanimously.

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

<b>Check #</b>	<b>Date</b>	<b>Payee</b>	<b>Amount</b>
6700	10/25/12	Alan R. Hawthorne	\$ 3,516.86
6701	10/25/12	Kimberly B. Simmons	2,554.74
6702	10/25/12	Virginia M. Goodwin	1,707.76
6703	10/25/12	Appalachian Power	79.59
6704	10/25/12	Alan Hawthorne - Reimbursement	642.31
6705	10/25/12	Anthem Southeast Dental	93.21
6706	10/25/12	Anthem Blue Cross and Blue Shield	1,874.40
6707	10/25/12	Branch Highways, Inc.	368,809.11
6708	10/25/12	CenturyLink	136.03
6709	10/25/12	Chamber of Commerce	500.00
6710	10/25/12	Kelly's Kreations	47.25
6711	10/25/12	Kimber Simmons - Reimbursements	45.00
6712	10/25/12	ACS/BNY Mellon HSA	842.50
6713	10/25/12	Principal Life Insurance Co.	162.41
6714	10/25/12	Robert G. Moore	1,100.00
6715	10/25/12	Robinson, Farmer, Cox Assoc.	4,515.00
6716	10/25/12	Town of Rural Retreat	2,973.00
6717	10/25/12	Town of Wytheville	19,062.00
6718	10/25/12	Treasurer, Wythe County	37,506.00
6719	10/25/12	Xerox	18.31
<b>Total</b>			<b>\$446,185.48</b>

## **OLD BUSINESS**

### **LOT 24 UPDATE**

Dr. Hawthorne noted that the Board members had just concluded a tour at the Lot 24 site. He added that, as the Board saw, work continues on the lot and construction of the road and rail corridors is underway. Dr. Hawthorne mentioned that, unless something significant were to occur, shutdown of the construction season will be around Thanksgiving. He stated that there may be some work continue during the winter months provided the weather is accommodative. Dr. Hawthorne added that he will be meeting with Mike Higgins to discuss the mitigation costs of the project and stated that, if the Board recalls, there was a clause in the contract with Branch Highways, Inc. that stated if there were any savings in the cost of the construction of the lot that there may be a chance for Wythe County to share in that savings. He noted that the meeting would be held in a few weeks.

Chairman DiYorio stated that she knew that there had been a lot of work completed this season and since she missed the tour, she asked Dr. Hawthorne if he would take her on a tour in the near future. Dr. Hawthorne stated that he would be glad to do that for her.

### **LOT 30 UPDATE**

Dr. Hawthorne gave an update on the progress of the Lot 30 project. He noted that during the last meeting there was a change order approved by the Board to construct a pad on Lot 30. An issue relating to liability for potential road damage associated with moving earth across Kents Lane has arisen that has delayed execution of the change order. Dr. Hawthorne is working with Branch Highways on the issue and expects the issue to be satisfactorily resolved. Dr. Hawthorne added that, due to weather conditions and Lot 30 being a low area, work would more than likely not begin until spring of 2013. This extra time will allow something to be worked out regarding potential damages from the crossing of Kents Lane. Cellell Dalton, Wythe County Administrator, stated that before work was done on Lots 1, 2, 8, and 3, the road was plated and covered with soil to prevent damages, and he stated that if there are damages the Virginia Department of Transportation (VDOT) does require that the ones causing the damages would have to pay for the repairs. Dr. Hawthorne stated that it is understood that any damage done will have to be repaired and that he is sure that something can be worked out.

### **SPECIAL RECOGNITION AWARD DINNER—CHAMBER ANNUAL MEETING (NOVEMBER 15)**

Mr. Elmore gave an update on the Special Recognition Award to be presented at the November 15 Wytheville-Wythe-Bland Chamber of Commerce meeting. Mr. Elmore will present the award.

### **OTHER**

Ivanhoe land project - Chairman DiYorio asked about the auction of the Ivanhoe land. Dr. Hawthorne noted that it was decided that Wythe County would combine the property into an auction of other property owned by Wythe County. Cellell Dalton, Wythe County Administrator, added that there are approximately 10 or 11 other properties in Speedwell, Ivanhoe, and other areas that will be combined with this property to be auctioned off in the spring.

## **NEW BUSINESS**

### **AUDIT REPORT**

Dr. Hawthorne mentioned that the 2011-2012 Fiscal Year audit report was distributed to the Board prior to the meeting. Chairman DiYorio asked the Board if there was a motion to accept the audit report or if they needed additional time to study the report further. Dr. Hawthorne noted that the report was a report to the Board regarding the financial status of the Joint IDA which represented the auditors opinion regarding the financial statements. After the Board completed their review of the report Chairman DiYorio asked if there was a motion to approve the audit report as presented. Mr. Elmore made a motion, seconded by Ms. Dankowski, to approve the audit report as presented. With no further discussion, the motion was approved unanimously.

### **FIRST QUARTER FINANCIAL STATEMENTS (SEE ATTACHED)**

Chairman DiYorio noted that the first quarter financial statements were distributed to the Board prior to meeting and she asked if the Board had time to review the information. Dr. Hawthorne mentioned that the report shows the general expenses for the first quarter and that they were relatively modest and the largest expenses included salaries and dues. Dr. Hawthorne asked if the Board had any questions regarding the financial reports. There being none, Chairman DiYorio noted that the report was for the information of the Board and did not require approval.

### **TENURE AWARDS LUNCHEON DATE—WYTHEVILLE MEETING CENTER**

Chairman DiYorio asked if the date had been set for the Tenure Awards luncheon. Virginia Goodwin stated that Meeting Room 3 at the Wytheville Meeting Center had been reserved for February 28, 2013. Chairman DiYorio asked how many recipients there would be this year. Ms. Goodwin stated that there would be approximately ten recipients.

### **VEDA ANNUAL MEETING UPDATE**

Dr. Hawthorne gave a report on the Virginia Economic Developers Association (VEDA) meeting held in Roanoke on November 10 and 11. He noted that this year was VEDA's 30 year anniversary and that they put a special effort forth to have a productive and informative meeting for this event. Dr. Hawthorne added the the focus of the meeting was on the political candidates and their positions on the economy and that both Tim Kaine and George Allen were speakers at the event. He mentioned that Senator Mark Warner was the keynote speaker for the meeting on Friday. Dr. Hawthorne said that all of the candidates mentioned that they particularly wanted to be involved in economic development. He reported that Martin Briley, President and Chief Executive Officer of VEDP, gave a report on the reorganization assessment, stating that there would be a more direct outreach for recruitment, marketing, and the impact of federal budget cuts. He added that VEDP is reorganizing and will be bringing together a focus on foreign direct investment and domestic recruitment. The international division will continue to focus on increasing exports of Virginia companies. Dr. Hawthorne added that there has been a new division created to focus on recruitment. The research division will continue to be headed by Rob McClintock. Promotions and communications, continuing under Vince Barnett, will be responsible for newsletters, trade show planning, and websites. Liz Povar will be in charge of the revamped Business Expansion division focusing on existing businesses and partners. Michael Lehmkuhler will assume the role

as Vice President of the newly formed Business Recruitment division.

Kimber Simmons mentioned that the meeting was a good opportunity for her to reconnect and meet with new contacts at the state level.

Chairman DiYorio added that she had spoken with Tom Elliott, Executive Director of Virginia's aCorridor, and that he stated that Mr. Briley felt that southwest Virginia had not received adequate attention and that VEDA was going to increase their focus to our area. Dr. Hawthorne added that before southwest Virginia did not have the product to offer, but that now has changed and that there would be new emphasis by the recruitment team for the new product in this area.

## **VDOT WORKSHOP PRESENTATION**

Dr. Hawthorne reported that he represented Progress Park at the Virginia Department of Transportation (VDOT) meeting held in Richmond on Wednesday, October 24. Bill Dandridge who has managed economic/industrial access roads for VDOT asked that Wythe County do a presentation regarding Progress Park for the group. Dr. Hawthorne gave a presentation on park development which gave him an opportunity to highlight the park.

## **PROJECT UPDATES**

Ms. Dankowski 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. Elmore, and passed unanimously. Ms. Dankowski made a motion, and Mr. Pack, seconded, to reconvene in an open session. The motion passed unanimously. Ms. Dankowski 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 Mr. Pack, 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           Dana Pack  
                  Carolyn Dankowski   Jennifer Atwell  
                  Foy Patton

NAYS:           None

ABSENT DURING MEETING:   None

ABSENT DURING VOTE:       None

## **OTHER**

aCorridor meeting - Chairman DiYorio reported on the aCorridor meeting held earlier in the day. She mentioned that Tom Elliott, Executive Director of Virginia's aCorridor, reported that there were thirteen active prospects that could produce approximately 1500 jobs and that this was better than he had been seeing in the past. He also noted that Washington County has announced a new company. Chairman DiYorio added that the new director for APCO for economic development, who is also handling recruitment, spoke briefly and mentioned the possibility of a data center for Progress Park. She noted that there are funds available for feasibility studies.

Draft 2013 Joint IDA calendar - Dr. Hawthorne mentioned that the Board had received the draft of the 2013 Joint IDA calendar. He asked that the Board look over the calendar and stated that it would be finalized during the December meeting.

SWVA Technology Council Annual Banquet - Kimber Simmons gave a report on the Southwest Virginia Technology Council's annual award banquet. Ms. Simmons announced that Evatran was the recipient of the Council's Innovation and Entrepreneur of the Year Award for 2012.

## **ADJOURN**

There being no other business, Chairman DiYorio adjourned the meeting at 4:15 p. m

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Linda DiYorio, Chairman

Attest:

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Virginia M. Goodwin, Secretary

Joint IDA of Wythe County  
**Revenue and Expenses**  
For three-month period ending September 30, 2012

	<b>General</b>	<b>Special</b>	<b>RLF</b>	<b>Total</b>
<b>Revenues</b>				
Appropriations				
Wythe County	\$37,506.00			\$37,506.00
Wytheville	\$19,062.00			\$19,062.00
Rural Retreat	\$2,973.00			\$2,973.00
		\$59,541.00		
Service Fees				
IDB administrative fees	\$0.00			\$0.00
RLF management fees	\$0.00			\$0.00
CRIFA services	\$12,500.00			\$12,500.00
SBDC office services	\$150.00			\$150.00
		\$12,650.00		
Sales/Leases				
Lease income on bldg	\$0.00			\$0.00
Sale of land	\$0.00		\$0.00	\$0.00
less cost of sales			<u>\$0.00</u>	\$0.00
		\$0.00	\$0.00	
Grants/Reimbursements				
Other grant		\$0.00		\$0.00
WOF grants -		\$0.00		\$0.00
WC - Lot 24		\$1,319,550.60		\$1,319,550.60
TICRC - Evatran R&D		\$0.00		\$0.00
TICRC - Lot 24		<u>\$0.00</u>		\$0.00
		\$1,319,550.60		
Reimbursements	\$417.99			\$417.99
		\$417.99		
Contributions/Events				
Contributions-WMC	\$100.00			\$100.00
Contributions-private	\$0.00			\$0.00
Golf tournament-sponsorships	\$0.00			\$0.00
Golf tournament-participants	(\$160.00)			(\$160.00)
Awards luncheon sponsor	\$0.00			\$0.00
		(\$60.00)		
Interest Income				
LGIP interest	\$49.42			\$49.42
MM interest	\$673.91			\$673.91
Other interest	\$473.59			\$473.59
		\$1,196.92		
Revolving Loan Fund				
RLF loan interest			\$0.00	\$0.00
RLF LGIP interest			\$333.49	\$333.49
RLF other interest			\$23.50	\$23.50
<b>Total Net Revenue</b>	<b>\$73,745.91</b>	<b>\$1,319,550.60</b>	<b>\$356.99</b>	<b>\$1,393,653.50</b>

	<b>General</b>	<b>Special</b>	<b>RLF</b>	<b>Total</b>
<b>Expenses Summary</b>				
Salaries	\$39,091.25			\$39,091.25
Directors salaries	\$1,575.00			\$1,575.00
Salary Related	\$12,474.49			\$12,474.49
Annual leave accrual	\$0.00			\$0.00
Contract Services	\$0.00	\$1,319,550.60		\$1,319,550.60
Copier	\$37.37			\$37.37
Advertising	\$0.00			\$0.00
Advertising – sponsorship	\$0.00			\$0.00
Postage	\$40.93			\$40.93
Telecommunications	\$665.88			\$665.88
Office supplies	\$18.39			\$18.39
Office rent	\$3,300.00			\$3,300.00
Meeting expenses	\$58.43			\$58.43
Subscriptions/books	\$0.00			\$0.00
Dues/membership	\$7,308.75			\$7,308.75
Depreciation expense	\$0.00			\$0.00
Hosting	\$16.69			\$16.69
Mileage	\$1,048.41			\$1,048.41
Lodging/perdiem	\$133.95			\$133.95
Conventions/education	\$500.00			\$500.00
Repairs & Maintenance	\$12.61			\$12.61
Park expenses	\$0.00			\$0.00
Surety Bond	\$78.75			\$78.75
Property Insurance	\$32.00			\$32.00
Public Officials/General Liab. Ins.	\$514.25			\$514.25
Office equipment	\$242.09			\$242.09
Utilities	\$343.32			\$343.32
Job Fair expense	\$0.00			\$0.00
Industry Appreciation Act.	\$0.00			\$0.00
Industry Appreciation-golf	\$0.00			\$0.00
Other Expense–Jr. Achiev. grant	\$0.00			\$0.00
Other Expenses	\$0.00			\$0.00
Purchase discounts	(\$218.31)			(\$218.31)
WOF grants		\$0.00		\$0.00
Other grant expenses - R&D grant		\$0.00		\$0.00
RLF Closing & Other Expenses			\$0.00	\$0.00
RLF Bad Debt Expense				\$0.00
<b>Total Expenses</b>	<b>\$67,274.25</b>	<b>\$1,319,550.60</b>	<b>\$0.00</b>	<b>\$1,386,824.85</b>
<b>Net Income</b>	<b>\$6,471.66</b>	<b>\$0.00</b>	<b>\$356.99</b>	<b>\$6,828.65</b>



Joint IDA of Wythe County  
**Balance Sheet**  
September 30, 2012

	<u>General</u>	<u>RLF</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash-petty cash	\$50.00	\$0.00	\$50.00
Cash-checking account	\$765,733.80	\$40,218.90	\$805,952.70
Cash-LGIP	\$106,599.90	\$720,129.50	\$826,729.40
Cash-MM	\$512,707.84	\$0.00	\$512,707.84
A/R	\$381,359.11	\$0.00	\$381,359.11
Accrued interest receivable	\$2,904.89	\$0.00	\$2,904.89
Prepaid insurance	\$4,603.58	\$0.00	\$4,603.58
<b>Total Current Assets</b>	<b>\$1,773,959.12</b>	<b>\$760,348.40</b>	<b>\$2,534,307.52</b>
<b>Inventory</b>			
Inventory-land for sale	\$9,667,339.70	\$0.00	\$9,667,339.70
Inventory-buildings	\$0.00	\$0.00	\$0.00
<b>Total Inventory</b>	<b>\$9,667,339.70</b>	<b>\$0.00</b>	<b>\$9,667,339.70</b>
<b>Property and Equipment</b>			
Fixed assets-furniture/equip.	\$34,063.14	\$0.00	\$34,063.14
Accum. deprec.-equipment	(\$34,063.14)	\$0.00	(\$34,063.14)
<b>Total Property and Equipment</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Other Assets</b>			
Deferred payment on land sale	\$0.00		\$0.00
SWAC Loan Balance	\$216,600.82		\$216,600.82
RLF Outstanding Loan Balance	\$0.00	\$0.00	\$0.00
<b>Total Other Assets</b>	<b>\$216,600.82</b>	<b>\$0.00</b>	<b>\$216,600.82</b>
<b>Total Assets</b>	<b>\$11,657,899.64</b>	<b>\$760,348.40</b>	<b>\$12,418,248.04</b>

Joint IDA of Wythe County  
**Balance Sheet (con't.)**  
September 30, 2012

	<u>General</u>	<u>RLF</u>	<u>Total</u>
<b>LIABILITIES AND CAPITAL</b>			
<b>Current Liabilities</b>			
Accounts payable	\$368,809.11	\$0.00	\$368,809.11
Accrued annual leave	\$10,625.45	\$0.00	\$10,625.45
Payroll taxes payable	\$4,087.80	\$0.00	\$4,087.80
Other liabilities-Lot 24 retainage	\$325,337.50	\$0.00	\$325,337.50
Accrued interest on VSBFA loan	\$2,904.89	\$0.00	\$2,904.89
Deferred income - TICRC R&D	\$0.00	\$0.00	\$0.00
Deferred income - TICRC Lot 24	\$474,662.50	\$0.00	\$474,662.50
Deferred income - other	\$425.00	\$0.00	\$425.00
<b>Total Current Liabilities</b>	<b>\$1,186,852.25</b>	<b>\$0.00</b>	<b>\$1,186,852.25</b>
<b>Long-Term Liabilities</b>			
WC Lot 24	\$9,519,770.86		\$9,519,770.86
VSBFA loan/RD RLF Grant	\$216,600.82	\$500,000.00	\$716,600.82
<b>Total Long-Term Liabilities</b>	<b>\$9,736,371.68</b>	<b>\$500,000.00</b>	<b>\$10,236,371.68</b>
<b>Total Liabilities</b>	<b>\$10,923,223.93</b>	<b>\$500,000.00</b>	<b>\$11,423,223.93</b>
<b>Capital</b>			
Fund balance - BOY	\$787,745.05	\$259,991.41	\$1,047,736.46
Dividends - return of capital	(\$59,541.00)		(\$59,541.00)
Net Fund Change	\$6,471.66	\$356.99	\$6,828.65
<b>Total Capital</b>	<b>\$734,675.71</b>	<b>\$260,348.40</b>	<b>\$995,024.11</b>
<b>Total Liabilities &amp; Capital</b>	<b>\$11,657,899.64</b>	<b>\$760,348.40</b>	<b>\$12,418,248.04</b>