

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
October 27, 2011

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, October 27, 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
Tom Jones
Foy Patton

Dave Elmore
Dana Pack

MEMBERS ABSENT

William F. Snyder
Jennifer Atwell

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. Hawthorne 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—September 27, 2011

Chairman DiYorio asked if there were any corrections, additions, or questions regarding the minutes of the September 27, 2011, meeting. There being none, Chairman DiYorio asked for a motion to approve the September 2011 minutes as presented. Mr. Pack made a motion, seconded by Mr. Jones, to approve the minutes as presented. The motion passed unanimously.

APPROVAL OF INVOICES

Chairman DiYorio asked if there were questions or discussion regarding the invoices for September 2011. Dr. Hawthorne mentioned that there was a copy of the Branch Highways invoice attached to the check register for the Board to review. He also stated that the Evatran check number 6453, that was issued in September, had to be voided and reissued as two separate checks due to delays in receiving our final disbursement from Richmond.

Chairman DiYorio mentioned that the Board had approved to sponsor a table of eight for the Chamber of Commerce Dinner, but, since there were only going to be six people attending, the sponsorship had been dropped from \$500.00 to \$375.00 for a table of six.

Chairman DiYorio asked if there were any further questions or discussions and asked if there was a motion to approve the invoices from October 2011. Mr. Pack made a motion, seconded by Mr. Patton, 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 26, 2011 through October 31, 2011

Check #	Date	Payee	Amount
6453V	9-26-11	Evatran, LLC	\$209,032.43
6461	9-26-11	Evatran, LLC	63,992.01
6462	10-13-11	Evatran, LLC	146,070.44
6463	10-27-11	Alan R. Hawthorne	4,664.94
6464	10-27-11	Virginia M. Goodwin	1,673.56
6465	10-27-11	Appalachian Power	74.57
6466	10-27-11	Alan R. Hawthorne-Reimbursements	562.65
6467	10-27-11	Anthem Southeast Dental	59.12
6468	10-27-11	Anthem Blue Cross and Blue Shield	1,035.92
6469	10-27-11	Branch Highways, Inc.	366,230.46
6470	10-27-11	CenturyLink	126.55
6471	10-27-11	Chamber of Commerce	375.00
6472	10-27-11	ACS/BNY Mellon HSA	588.00
6473	10-27-11	Principal Life Insurance Company	141.42
6474	10-27-11	Robert G. Moore	1,100.00
6475	10-27-11	Sprint PCS	73.39
6476	10-27-11	Virginia Goodwin - Reimbursements	39.08
6477	10-27-11	Xerox	13.12
Total			\$377,787.80

OLD BUSINESS

LOT 24 UPDATE

Chairman DiYorio mentioned that the visit to Lot 24 prior to the Board meeting was overwhelming and that she was impressed with the progress of the lot. Dr. Hawthorne spoke briefly regarding the status of the permit application with the Army Corp of Engineers. He noted that they are holding the permits until Wythe County's plan for buffering around the streams is approved by the U.S. Fish and Wildlife Federation. Steve Semones with Balzer and Associates has been leading the team's effort on the permit process. In addition to on-going interactions with Senator Warner's office, Dr. Hawthorne added that he had recently met with Congressman Griffith and other regional representatives and had discussions regarding the issuing of the permits. Congressman Griffith offered to assist in any way that he could with the project. He also mentioned that Chairman DiYorio will also be speaking with Senator Webb's office regarding the project permits.

SPECIAL RECOGNITION AWARD DINNER - CHAMBER ANNUAL MEETING (NOVEMBER 14)

Chairman DiYorio noted that, during the September meeting, the Board had voted that Quadrant Engineering Plastics Products would be receiving the special recognition award for 2011. She reminded the Board that the award will be presented to Quadrant during the Chamber of Commerce annual meeting to be held on November 14 at the Wytheville Meeting Center.

OTHER

None

NEW BUSINESS

AUDIT REPORT

Dr. Hawthorne stated that the audit report review would be postponed until the November Board meeting due to the reports not being received from Robinson, Farmer, and Cox. He mentioned that he had received an electronic draft of the audit and that there were no findings in the report.

INDUSTRY TENURE AWARDS LUNCHEON - DATE DECISION (JANUARY 19 OR FEBRUARY 2, 2012)

Dr. Hawthorne informed the Board that accommodations at the meeting center for the date of January 27, 2012, for the Industry Tenure Awards luncheon is not available and that January 19 and February 2 had been given as alternatives. Chairman DiYorio asked the Board if one of these days would be appropriate for them. Mr. Elmore asked if the staff could check to see if there is availability prior to the Board meeting on February 23. The Board agreed that February 23 would be a better date. The Joint IDA staff will check on availability and will contact the Board members. Chairman DiYorio asked if there could be a brief description of each company mentioned as the award is presented regarding what the company manufacturers, the number of employees, etc., to highlight the business and let other participants know more about the

companies. Dr. Hawthorne stated that this would be a good idea to allow everyone to know more about each company. Dr. Hawthorne asked the Board to make suggestions regarding who they would like to have as a speaker for the event. Chairman DiYorio asked the Board to contact the Joint IDA office with any suggestions.

REPORT ON ACORRIDOR MEETING WITH CONGRESSMAN GRIFFITH

Dr. Hawthorne spoke briefly regarding the meeting that was organized by Tom Elliott, Executive Director of aCorridor with Congressman Griffith, Travis Jackson, and the local economic developers. He noted that the Army Corp of Engineers was discussed and that Congressman Griffith was supportive of in the efforts regarding Progress Park. Dr. Hawthorne mentioned that Congressman Griffith offered his assistance and support in getting permits and would work with Senator Warner's staff to coordinate efforts. He expressed appreciation for the efforts and the work being done towards creating jobs in the area. Mr. Pack asked Dr. Hawthorne about the rationale behind the aCorridor name. Dr. Hawthorne stated that the branding logic was centered around access. . . access to markets, access to transportation, and access to technology. He added that, in the near future, the emphasis will change to access to transportation, technology, and workforce.

FIRST QUARTER FINANCIAL REPORTS

Dr. Hawthorne discussed the financial reports distributed to the Board members prior to the meeting. He stated that the Joint IDA continues to do a considerable amount of grant funded work, and that there were \$1.5 million dollars in activity during the past several months. The financial statements are presented on an accrual basis based upon the approved budget. However, the excess of revenue over expenses due to the Joint IDA not yet hiring an associate director is off-set by unpaid receivables on a cash basis. He asked if the Board had any specific questions that they felt needed to be addressed. Mr. Patton asked Dr. Hawthorne to explain the activities of the Crossroads Regional Industrial Facility Authority (CRIFA). Dr. Hawthorne stated that the Joint IDA supplies management services to CRIFA and that the annual contract for these services was \$50,000. He added that the authority has representation from Bland County, Wythe County, and the Town of Wytheville. CRIFA has three current projects which includes Atsumi on Lot 4 and Somic America on Lot 11 in Progress Park and Pepsi Beverages along the interstate. Dr. Hawthorne mentioned that CRIFA receives a separate audit from the Joint IDA audit, which is included in the management fees paid to the Joint IDA.

Chairman DiYorio asked if there were any further questions and asked Dr. Hawthorne if the report was for their information only. Dr. Hawthorne noted that the report was for the Board's information.

WORKING SESSION ON PERSONNEL AND BUDGET

Dr. Hawthorne discussed updating the 2011-2012 budget. He noted that in the first FY quarterly payments, Wythe County paid \$8,768.18 less than the budgeted, the Town of Wytheville paid \$540.00 less (same amount as last year), and the Town of Rural Retreat paid the full budgeted amount for the 2011-2012 fiscal year. Dr. Hawthorne noted that he had made suggested budget adjustments to account for not hiring an individual to fill the associate director's position. The cost adjustments for both salary and all benefits associated with the position results in an adjustment to 81.05% of the original budget. The adjusted quarterly invoicing, if equally prorated,

would result in the following amounts: Wythe County - \$29,513.34, Town of Wytheville - \$14,999.92, Town of Rural Retreat - \$2,339.10, CRIFA - \$10,131.25. He also suggested that the board might want to consider proposing to the jurisdictions that savings accrued from not filling the associated director's position be rebudgeted to fund a PER for a potential recycled water line from the Town of Wytheville's wastewater treatment facility to Progress Park. Various funding sources have indicated the potential to provide grant support to construct such a project, but not for the initial PER. Dr. Hawthorne asked the Board for guidance on the matters of the budget. The Board opted to defer further conversation regarding the budget until the personnel issues were discussed.

Closed Session - Mr. Pack made a motion to enter into a closed session as permitted by Section 2.2-3711(a)(1) of the Virginia Freedom of Information Act, Code of Virginia to discuss personnel matters related to the executive and associate director. The motion was seconded by Mr. Patton, and passed unanimously.

Upon exiting closed session, Mr. Pack 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. Patton, and passed.

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

AYES:	Linda DiYorio	Tom Jones
	Dana Pack	Dave Elmore
	Foy Patton	

NAYS: None

ABSENT DURING MEETING:	William F. Snyder, Jennifer Jones
ABSENT DURING VOTE:	William F. Snyder, Jennifer Jones

REMINDER: TOUR OF MT. EMPIRE AIRPORT PRIOR TO NOVEMBER 17 BOARD MEETING

Dr. Hawthorne reminded the Board that they would be touring Mt. Empire Airport's new terminal on November 17 prior to the Board meeting which will be held in Rural Retreat.

PROJECT UPDATES

Dr. Hawthorne noted that there is a logistics project moving forward and that the potential prospect was interested in the Lot 30 inland port area. The key decision factor will likely be the cost differential between a Progress Park facility and existing buildings in localities. Dr. Hawthorne also gave an update on a potential data center. He stated that there has been no new activity and the project is awaiting detailed project specifications. Chairman DiYorio asked if there were a specific lot assignment for the data center. Dr. Hawthorne stated that Lot 35 was the

site of interest. He added that he did not know the number of jobs or scope of the project at this time and that all of this information depended on the final project specifications.

Dr. Hawthorne stated that activity has picked up, but that prospects were most interested in quality existing buildings that the Joint IDA is at a disadvantage until the inventory of quality existing buildings is depleted.

Dr. Hawthorne will keep the Board apprised of any changes as they occur.

OTHER

Consultant visit - Dr. Hawthorne mentioned that Tom Elliott, Executive Director of Virginia's aCorridor, and Linda Burns, a site consultant from Austin, Texas, visited the Joint IDA office and toured Lot 24 on Thursday, October 27. Ms. Burns is working with Mr. Elliott on the aCorridor website and has been touring several sites during her visit, including Progress Park. Ms. Burns also works with large corporations on site selection and was complimentary of the community's efforts to prepare Lot 24. He noted that Ms. Burns also confirmed that potential prospects prefer sites that are completed prior to acquisition, as this reduces uncertainty about how quickly projects can come to completion.

I-81 Joint Resolution - Dr. Hawthorne spoke briefly regarding the I-81 Resolution that was approved by the Board during the September meeting. He noted that five organizations had signed the resolution, but that the Town of Wytheville did not sign and had opted to write a letter separate from the resolution. The letter also endorsed a direct access into Progress Park.

Downtown Wytheville planning grant - Dr. Hawthorne reported that, as an outcome of the earlier meeting we hosted with Todd Christiansen, the Town of Wytheville was pursuing a planning grant for the downtown Wytheville upgrade with the Department of Housing and Community Development. Dr. Hawthorne indicated that he intended to provide such assistance, especially data related, as he is able to provide the group.

ADJOURN

There being no other business, Chairman DiYorio adjourned the meeting at 5:10 p. m.

Linda DiYorio, Chairman

Attest:

Virginia M. Goodwin, Secretary

Joint IDA of Wythe County
Revenue and Expenses
For three-month period ending September 30, 2011

	General	Special	RLF	Total
Revenues				
Appropriations				
Wythe County	\$36,413.75			\$36,413.75
Wytheville	\$18,507.00			\$18,507.00
Rural Retreat	\$2,886.00			\$2,886.00
		\$57,806.75		
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		\$1,265,752.21		\$1,265,752.21
TICRC - Evatran R&D		\$210,062.45		\$210,062.45
TICRC - Lot 24		<u>\$66,618.54</u>		\$66,618.54
		\$1,542,433.20		
Reimbursements	\$419.61			\$419.61
		\$419.61		
Contributions/Events				
Contributions-WMC	\$0.00			\$0.00
Contributions-private	\$0.00			\$0.00
Golf tournament-sponsorships	\$0.00			\$0.00
Golf tournament-participants	\$0.00			\$0.00
Awards luncheon sponsor	\$0.00			\$0.00
		\$0.00		
Interest Income				
LGIP interest	\$33.76			\$33.76
MM interest	\$1,349.42			\$1,349.42
Other interest	\$1,466.02			\$1,466.02
		\$2,849.20		
Revolving Loan Fund				
RLF loan interest			\$0.00	\$0.00
RLF LGIP interest			\$228.08	\$228.08
RLF other interest			\$65.62	\$65.62
Total Net Revenue	\$73,725.56	\$1,542,433.20	\$293.70	\$1,616,452.46

	General	Special	RLF	Total
Expenses Summary				
Salaries	\$29,958.00			\$29,958.00
Directors salaries	\$1,575.00			\$1,575.00
Salary Related	\$8,539.22			\$8,539.22
Annual leave accrual	\$0.00			\$0.00
Contract Services	\$0.00	\$1,332,370.75		\$1,332,370.75
Copier	\$31.01			\$31.01
Advertising	\$495.00			\$495.00
Advertising – sponsorship	\$0.00			\$0.00
Postage	\$41.84			\$41.84
Telecommunications	\$595.55			\$595.55
Office supplies	\$91.96			\$91.96
Office rent	\$3,300.00			\$3,300.00
Meeting expenses	\$0.00			\$0.00
Subscriptions/books	\$0.00			\$0.00
Dues/membership	\$6,899.75			\$6,899.75
Depreciation expense	\$0.00			\$0.00
Hosting	\$0.00			\$0.00
Mileage	\$1,557.74			\$1,557.74
Lodging/perdiem	\$641.16			\$641.16
Conventions/education	\$410.00			\$410.00
Repairs & Maintenance	\$0.00			\$0.00
Park expenses	\$0.00			\$0.00
Surety Bond	\$78.75			\$78.75
Property Insurance	\$31.00			\$31.00
Public Officials/General Liab. Ins.	\$510.75			\$510.75
Office equipment	\$0.00			\$0.00
Utilities	\$288.06			\$288.06
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	\$0.00			\$0.00
WOF grants		\$0.00		\$0.00
Other grant expenses - R&D grant		\$210,062.45		\$210,062.45
RLF Closing & Other Expenses			\$0.00	\$0.00
RLF Bad Debt Expense				\$0.00
Total Expenses	\$55,044.79	\$1,542,433.20	\$0.00	\$1,597,477.99
Net Income	\$18,680.77	\$0.00	\$293.70	\$18,974.47

Joint IDA of Wythe County

Balance Sheet

September 30, 2011

	General	RLF	Total
ASSETS			
Current Assets			
Cash-petty cash	\$50.00	\$0.00	\$50.00
Cash-checking account	\$827,335.14	\$40,083.26	\$867,418.40
Cash-LGIP	\$106,422.13	\$718,928.87	\$825,351.00
Cash-MM	\$509,584.94	\$0.00	\$509,584.94
A/R	\$534,259.08	\$0.00	\$534,259.08
Accrued interest receivable	\$3,323.24	\$0.00	\$3,323.24
Prepaid insurance	\$3,275.02	\$0.00	\$3,275.02
Total Current Assets	\$1,984,249.55	\$759,012.13	\$2,743,261.68
Inventory			
Inventory-land for sale	\$6,243,973.90	\$0.00	\$6,243,973.90
Inventory-buildings	\$0.00	\$0.00	\$0.00
Total Inventory	\$6,243,973.90	\$0.00	\$6,243,973.90
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			
Deferred payment on land sale	\$0.00		\$0.00
SWAC Loan Balance	\$248,000.00		\$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	\$8,476,223.45	\$759,012.13	\$9,235,235.58

Joint IDA of Wythe County
Balance Sheet (con't.)
September 30, 2011

	<u>General</u>	<u>RLF</u>	<u>Total</u>
LIABILITIES AND CAPITAL			
Current Liabilities			
Accounts payable	\$512,334.78	\$0.00	\$512,334.78
Accrued annual leave	\$11,118.68	\$0.00	\$11,118.68
Payroll taxes payable	\$3,877.31	\$0.00	\$3,877.31
Other liabilities-Lot 24 retainage	\$304,592.76	\$0.00	\$304,592.76
Accrued interest on VSBFA loan	\$3,323.24	\$0.00	\$3,323.24
Deferred income - TICRC R&D	\$0.00	\$0.00	\$0.00
Deferred income - TICRC Lot 24	\$495,407.24	\$0.00	\$495,407.24
Deferred income - other	\$425.00	\$0.00	\$425.00
Total Current Liabilities	\$1,331,079.01	\$0.00	\$1,331,079.01
Long-Term Liabilities			
WC Lot 24	\$6,096,405.06		\$6,096,405.06
VSBFA loan/RD RLF Grant	\$248,000.00	\$500,000.00	\$748,000.00
Total Long-Term Liabilities	\$6,344,405.06	\$500,000.00	\$6,844,405.06
Total Liabilities	\$7,675,484.07	\$500,000.00	\$8,175,484.07
Capital			
Fund balance - BOY	\$782,058.61	\$258,718.43	\$1,040,777.04
Net Fund Change	\$18,680.77	\$293.70	\$18,974.47
Total Capital	\$800,739.38	\$259,012.13	\$1,059,751.51
Total Liabilities & Capital	\$8,476,223.45	\$759,012.13	\$9,235,235.58