

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
November 18, 2010

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, November 18, 2010, at 3:00 p.m. in the Council Room of the Rural Retreat Town Hall located at 307 South Main Street, Rural Retreat, Virginia.

MEMBERS PRESENT

William F. Snyder, Chairman
Linda DiYorio
Tom Jones

Dave Elmore, Vice Chairman
Foy Patton
Jennifer Atwell

MEMBERS ABSENT

Dana Pack

EX-OFFICIO MEMBERS PRESENT

None

EX-OFFICIO MEMBERS ABSENT

R. Cellell Dalton, Wythe County Administrator
C. Wayne Sutherland, Jr., Wytheville Town Manager
Raymond E. Matney, Rural Retreat Town Manager

DETERMINATION OF QUORUM

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

CITIZENS' TIME

Chairman Snyder welcomed Bucky Sharitz to the meeting and asked if there were any persons present who would like to address the Board during citizens' time. There being none, Chairman Snyder proceeded with the meeting.

APPROVAL OF MINUTES—October 28, 2010

Chairman Snyder asked if there were any questions regarding the minutes of the October 28, 2010 meeting. There being none, Chairman Snyder asked for a motion to approve the October 28, 2010 minutes as presented. Mr. Jones made a motion, seconded by Ms. DiYorio, to approve the minutes as presented. The motion passed unanimously.

APPROVAL OF INVOICES

Chairman Snyder asked if there were any questions or concerns regarding the invoices. Ms. DiYorio asked about the check written to Virginia Tech. Dr. Hawthorne explained that it was for payment of registration for the Innovation Based Manufacturing Workshop held at Virginia Tech on November 11. Chairman Snyder asked if there were any further questions and if there was a motion to approve the invoices as presented. Ms. DiYorio made a motion, seconded by Mr. Elmore, to approve the invoices. With no further discussion, the motion passed unanimously.

In addition, Dr. Hawthorne asked that the Board pre-approve payment to Evatran for approximately \$267,000 once the funds from the TICRC grant are received by the Joint IDA. Ms. DiYorio made a motion, seconded by Mr. Patton, to approve payment to Evatran from the TICRC grant funds once they are received. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County

Check Register

For the Period From October 29, 2010 through November 18, 2010

Check #	Date	Payee	Amount
6226	11/18/10	Alan R. Hawthorne	\$4,423.12
6227	11/18/10	Patrick G. Burton	2,550.53
6228	11/18/10	Virginia M. Goodwin	1,629.35
6229	11/18/10	Appalachian Power	68.67
6230	11/18/10	Alan Hawthorne - Reimbursement	318.50
6231	11/18/10	Anthem Southeast Dental	84.66
6232	11/18/10	Anthem Blue Cross and Blue Shield	1,246.76
6233	11/18/10	Branch Highways, Inc.	345,407.79
6234	11/18/10	Century Link	107.14
6235	11/18/10	Chamber of Commerce	35.00
6236	11/18/10	Mellon Trust of New England, NA	840.00
6237	11/18/10	The Mount Rogers Dev Partnership	6,899.76
6238	11/18/10	Principal Life Insurance Co.	161.24
6239	11/18/10	Robert G. Moore	1,100.00
6240	11/18/10	Sprint PCS	72.58
6241	11/18/10	Virginia Tech	62.50
6242	11/18/10	VA Economic Dev. Assoc.	40.00
6243	11/18/10	Virginia Goodwin - Reimbursement	4.90
6244	11/18/10	Xerox	20.17
Total			\$ 365,072.67

OLD BUSINESS

LOT 24 UPDATE

Dr. Hawthorne reported on the progress of Lot 24. He noted that the construction season had been productive and that Branch Highways was currently preparing for the winter shutdown. Dr. Hawthorne mentioned that Branch Highways will have a person on-site during the winter months to work on equipment and maintain a presence for safety purposes.

Mr. Elmore asked if Branch Highways would continue grading until bad weather or if they had already stopped grading. Dr. Hawthorne stated that they had already stopped grading and were currently working on seeding and winterizing the site for compliance with erosion and sediment control requirements. He mentioned that the Board would be receiving a revised expenditures report from Branch Highways at a later date. Ms. Jones commented on the Lot 24 fact sheet that was distributed to the Board members. Dr. Hawthorne stated that the Joint IDA has started marketing through the fact sheet and word of mouth, and networking with VEDP representatives and site consultants.

FAIRVIEW INDUSTRIAL PARK SIGN

Patrick Burton updated the Board on the repairs to the Fairview Industrial Park sign. He reminded the Board that the check for one-half of the payment for the repairs was approved during the October 2010 meeting. The Joint IDA has executed an agreement with Skyway Outdoor Signs located in Bland, Virginia. Patrick followed-up with Skyway Outdoor in the last week to check on the status of work. Skyway stated that they will start on the Fairview sign within the next week. Mr. Patton asked if there was a deadline for completion of the sign repairs. Patrick stated that there was not an absolute deadline and that, according to Skyway, the repairs should take approximately six weeks to complete.

CHAMBER DINNER SUMMARY

Patrick Burton reported on the Wytheville-Wythe-Bland Chamber of Commerce annual dinner held on November 15. He recognized two Joint IDA Board members, Linda DiYorio and Jennifer Atwell, for their role in the successful event. Patrick mentioned that this year's Joint IDA Special Recognition Award for 2010 was presented to Mount Rogers IDC. Dr. Snyder presented the award to Frank Dowell, Mt. Rogers IDC Director of Manufacturing. Ron Burnop, Mt. Rogers IDC Director, was also in attendance. He added that both Mr. Dowell and Mr. Burnop were appreciative of the award and they thanked the Joint IDA for their consideration, recognition, and support.

AUDIT REPORT APPROVAL

Dr. Hawthorne asked if there were any questions regarding the annual audit report. He noted that the approval of the audit was deferred until the November meeting to allow the Board time to review the report. Chairman Snyder asked if there were any questions or concerns about the audit report. There being none, Dr. Snyder asked for a motion to approve the 2009-2010 Annual Audit. Mr. Elmore made a motion, seconded by Ms. DiYorio, to accept the 2009-2010 Annual Audit report as presented. The motion passed unanimously.

MEI GRANT STATUS

Dr. Hawthorne informed the Board that Wythe County had been awarded a \$3 million site improvement grant through VEDP's Major Employment and Investment (MEI) Program. Ms. DiYorio stated that, even though the funds were coming from the Commonwealth of Virginia, the source of the funds was the Tobacco Commission. Dr. Hawthorne added that the next phase of the process will be the agreement negotiations, which will begin in the next few weeks.

IVANHOE LOT

Patrick Burton reported that neither Hope Ministries or Habitat for Humanity had submitted a proposal to accept and use the Ivanhoe lot as a home construction site. The groups expressed concern about approval of the site for septic system use.

Patrick noted that an alternative previously discussed was offering the lot for sale to the adjacent landowners, Mr. and Mrs. King and Mr. Pierce. A minimum asking price previously discussed for the .8 acres lot was \$1,500. Dr. Hawthorne added that selling points would be that the property has road frontage and there is Wythe County water available. Dr. Snyder asked the Board if it was their desire to sell the property. Mr. Elmore made a motion, seconded by Mr. Patton, to move forward with the process of offering the Ivanhoe lot to the adjacent landowners.

Mr. Patton inquired as to why Habitat for Humanity and Hope Ministries did not want the property. Patrick noted that there was uncertainty about whether the site would pass a perc test. Ms. Atwell asked if there would be a possibility that the Redevelopment and Housing Authority would be interested in the lot. Bucky Sharitz stated that the Redevelopment and Housing Authority had built homes in the past, but he was not sure if they would be interested in the property.

OTHER

Evatran - Dr. Hawthorne reported on the TICRC grant awarded to Evatran. He noted that, as of today, funds have not been received from the TICRC, but will be released when they arrive. Evatran has submitted invoices from April 2010 through present.

Dr. Hawthorne pointed out that the Joint IDA could request an advance up to 25% of the Evatran R&D grant. He felt that this would be beneficial to Evatran at this critical juncture. The Board concurred.

NEW BUSINESS

FIRST QUARTER FINANCIAL REPORTS

The first quarter financial reports were distributed to the Board members prior to the meeting. Dr. Hawthorne reported that most of the activity is related to the movement of the grant funds. The funding provided by Wythe County has been actual payments for grading to Branch Highways. Chairman Snyder asked the Board if they had any questions or if more time was required for the Board to study the financial reports. There being no questions or concerns, Chairman Snyder asked

for a motion to accept the first quarter financial reports as presented. Mr. Elmore made a motion, seconded by Ms. Atwell, to accept the first quarter financial reports as presented. With no further discussion, the motion passed unanimously.

DRAFT 2011 CALENDAR

The draft of the 2011 Joint IDA activities calendar was distributed to the Board members prior to the meeting. Virginia Goodwin noted that the calendar did not include the date for the Commonwealth of Virginia Business Appreciation Week. She added that she had spoken with Sandy Ratliff with the Virginia Department of Business Assistant prior to the meeting, and Ms. Ratliff stated that it was tentatively set for the week of May 16. The calendar will be updated to reflect the this information.

Dr. Snyder inquired as to whether the Board was satisfied with the current time and date of the Board meetings. No concerns were expressed regarding the meeting date or time. Dr. Snyder asked for a motion to adopt the calendar as tentative for 2011. Ms. DiYorio made a motion, seconded by Mr. Patton, to adopt the calendar as tentative for 2011. The motion passed unanimously. The calendar will be made final at a future meeting.

EDA GRANT APPLICATION

Dr. Hawthorne briefly explained the Economic Development Administration (EDA) grant application process to the Board. He noted that needed matching funds through the TICRC Reserve Fund would not be available as the Reserve Fund has been closed. Dr. Hawthorne stated that he is currently working on another grant application to be re-submitted to EDA. The application should be complete and submitted by the December Board meeting. The Virginia Department of Transportation will be approached to assist with funding for the access road. An ARC Access grant will also be pursued.

Chairman Snyder thanked Dr. Hawthorne for his continued perseverance in obtaining funding for the Lot 24 project and encouraged him to continue with his efforts. He offered the Board's support and assistance.

MT. EMPIRE AIRPORT TERMINAL LOAN

Dr. Hawthorne reported that the Virginia Department of Aviation has awarded Mountain Empire Airport a grant to fund 90% of the construction for a new terminal. Cellell Dalton, Wythe County Administrator, approached Dr. Hawthorne and asked for assistance in acquiring additional funding for local match for the project. The Wythe County Board of Supervisors has approved a moral obligation to pay the principal and interest on a \$250,000 loan for the airport project and then will collect funding from member jurisdictions of the Airport Commission to support payments on the loan. Dr. Hawthorne indicated that, under this arrangement, the Joint IDA would submit a loan application to the Virginia Small Business Financing Authority (VSBFA) to provide the local matching funds for the project. He asked that the Board approve the Joint IDA staff moving forward with the necessary paperwork to procure the \$250,000 loan from the VSBFA and authorize Chairman Snyder and Dr. Hawthorne to sign and execute any documents associated with the loan application.

Chairman Snyder asked for was a motion to allow the Joint IDA to submit an application to VSBFA and to authorize Chairman Snyder and Dr. Hawthorne to sign all necessary documents associated with the loan application. Ms. DiYorio made a motion, seconded by Mr. Jones, to allow the Joint IDA to submit a loan application to the VSBFA, and authorize Chairman Snyder and Dr. Hawthorne to sign all associated documents. With no further discussion, the motion passed unanimously.

FALL 2010 NEWSLETTER

Prior to the meeting each Board member received a copy of the Fall 2010 newsletter. Dr. Hawthorne mentioned that the newsletter highlighted the MEI award announcement, the Industry Recognition Award presentation, and the progress of Lot 24. He highlighted the fact that unemployment rates have shown a downward trend and that there has been some positive momentum in the economy during the last quarter.

INDUSTRY TENURE AWARDS CEREMONY—JANUARY 27, 2010

Dr. Hawthorne announced that the 2011 Industry Tenure Awards ceremony has tentatively been scheduled to be held at the Wytheville Meeting Center on January 27, 2011, with 13 recipients receiving awards this year. He noted the caterer has not been finalized at the present time, but will be done in the next week. Dr. Hawthorne indicated that he will be drafting a letter to Wayne Roop of Wytheville Office Supply (WOS) requesting that WOS sponsor the event again this year. Dr. Hawthorne asked the Board for recommendations for a speaker for the event. Board members were asked to call the Joint IDA staff with any suggestions they may have.

PROJECT UPDATES

Dr. Hawthorne reported that the Joint IDA continues to work on on-going projects and that there have been no changes since his last report in October. He stated that he will update the Board as changes or developments occur.

OTHER

Bank Resolution update - First Bank of Virginia asked that the Board update their bank resolutions. Virginia Goodwin has taken care of the updates and acquired needed signatures for the resolutions.

Open House - Traditionally, the Joint IDA has held an open house during the Christmas Holidays, but with the decline in attendance and the unpredictable weather, it is the Staff's suggestion to not hold an open house this year.

Board member terms - Dr. Hawthorne reminded the Board that there three Board member terms expiring at the end of 2010 and that they should contact their jurisdiction for reappointment. He explained that a Board member's term is four years and they can serve two consecutive terms.

Heritage Tourism - Dr. Hawthorne reported on the meeting he attended regarding Heritage Tourism. The focus of the group is to market tourism that is centered on the region's rich history, culture, and scenic points of interest such as the New River and the New River Trail. The next meeting of the group will be held in Wytheville in January.

Dr. Snyder added that approximately 25 years ago, Wytheville Community College sponsored a New River Symposium. The symposium included research papers on a variety of topics related to the New River. There were also symposia in West Virginia and in Boone, NC. Dr. Snyder mentioned that the research papers were published and that they might be of interest and could provide resources to this group. Dr. Hawthorne also stated that he felt that The Crooked Road and Round the Mountain would also be good sources of information.

Ms. DiYorio suggested that the Joint IDA staff invite a representative from The Crooked Road and/or Round the Mountain to speak to the Board about their organizations. Dr. Hawthorne responded that staff would invite such a representative to give a presentation at a future Board meeting.

ADJOURN

There being no other business, Chairman Snyder adjourned the meeting at 4:20 p. m.

William F. Snyder, Chairman

Attest:

Virginia M. Goodwin, Secretary

Joint IDA of Wythe County
Revenue and Expenses
For three-month period ending September 30, 2010

	General	Special	RLF	Total
Revenues				
Appropriations				
Wythe County	\$35,352.00			\$35,352.00
Wytheville	\$17,967.00			\$17,967.00
Rural Retreat	\$2,802.00			\$2,802.00
		\$56,121.00		
Service Fees				
Administrative fees	\$0.00			\$0.00
RLF management fees	\$0.00			\$0.00
CRIFA services	\$12,500.00			\$12,500.00
		\$12,500.00		
Sales/Leases				
Lease income on bldg	\$0.00			\$0.00
Sale of land		\$0.00		\$0.00
less cost of sales		<u>\$0.00</u>		\$0.00
		\$0.00	\$0.00	
Grants/Reimbursements				
VEDA grant		\$0.00		\$0.00
WOF grants - Evatran		\$435,000.00		\$435,000.00
WC - Lot 24		\$2,150,000.00		\$2,150,000.00
TICRC - Lot 24		<u>\$113,157.92</u>		\$113,157.92
		\$2,698,157.92		
Reimbursements	\$824.76			\$824.76
		\$824.76		
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
Job Fair revenue	\$0.00			\$0.00
		\$0.00		
Interest Income				
LGIP interest	\$73.76			\$73.76
MM interest	\$1,753.07			\$1,753.07
Other interest	\$2,796.84			\$2,796.84
		\$4,623.67		
Revolving Loan Fund				
RLF loan interest			\$0.00	\$0.00
RLF LGIP interest			\$498.23	\$498.23
RLF other interest			\$105.12	\$105.12
Total Net Revenue	\$74,069.43	\$2,698,157.92	\$603.35	\$2,772,830.70

	General	Special	RLF	Total
Expenses Summary				
Salaries	\$40,282.50			\$40,282.50
Directors salaries	\$1,575.00			\$1,575.00
Salary Related	\$11,178.35			\$11,178.35
Annual leave accrual	\$0.00			\$0.00
Contract Services	\$0.00	\$2,264,165.92		\$2,264,165.92
Copier	\$66.32			\$66.32
Advertising	\$0.00			\$0.00
Postage	\$27.79			\$27.79
Telecommunications	\$728.89			\$728.89
Office supplies	\$104.88			\$104.88
Office rent	\$3,300.00			\$3,300.00
Meeting expenses	\$23.49			\$23.49
Subscriptions/books	\$0.00			\$0.00
Dues/membership	\$6,899.76			\$6,899.76
Depreciation expense	\$0.00			\$0.00
Hosting	\$0.00			\$0.00
Mileage	\$1,002.50			\$1,002.50
Lodging/perdiem	\$406.27			\$406.27
Conventions/education	\$215.00			\$215.00
Repairs & Maintenance	\$6.87			\$6.87
Surety Bond	\$75.00			\$75.00
Property Insurance	\$29.50			\$29.50
Public Officials/General Liab. Ins.	\$492.25			\$492.25
Office equipment	\$0.00			\$0.00
Utilities	\$351.42			\$351.42
Job Fair expense	\$0.00			\$0.00
Industry Appreciation Act.	\$0.00			\$0.00
Industry Appreciation-golf	\$0.00			\$0.00
Other Expenses	\$0.00			\$0.00
Purchase discounts	\$0.00			\$0.00
WOF grants		\$435,000.00		\$435,000.00
RLF Closing & Other Expenses			\$0.00	\$0.00
RLF Bad Debt Expense			\$0.00	\$0.00
Total Expenses	\$66,765.79	\$2,699,165.92	\$0.00	\$2,765,931.71
Net Income	\$7,303.64	(\$1,008.00)	\$603.35	\$6,898.99

-For Management Purposes Only-

Joint IDA of Wythe County

Balance Sheet

September 30, 2010

ASSETS	General	RLF	Total
Current Assets			
Cash-petty cash	\$50.00	\$0.00	\$50.00
Cash-checking account	\$809,793.66	\$39,772.99	\$849,566.65
Cash-LGIP	\$106,241.77	\$717,710.53	\$823,952.30
Cash-MM	\$503,551.53	\$0.00	\$503,551.53
A/R	\$662,500.00	\$0.00	\$662,500.00
Prepaid insurance	\$3,447.49	\$0.00	\$3,447.49
Total Current Assets	\$2,085,584.45	\$757,483.52	\$2,843,067.97
Inventory			
Inventory-land for sale	\$3,455,855.95	\$0.00	\$3,455,855.95
Inventory-buildings	\$0.00	\$0.00	\$0.00
Total Inventory	\$3,455,855.95	\$0.00	\$3,455,855.95
Property and Equipment			
Fixed assets-furniture/equip.	\$33,496.63	\$0.00	\$33,496.63
Accum. deprec.-equipment	(\$33,496.63)	\$0.00	(\$33,496.63)
Total Property and Equipment	\$0.00	\$0.00	\$0.00
Other Assets			
RLF Outstanding Loan Balance	\$0.00	\$0.00	\$0.00
Total Other Assets	\$0.00	\$0.00	\$0.00
Total Assets	\$5,541,440.40	\$757,483.52	\$6,298,923.92
LIABILITIES AND CAPITAL			
Current Liabilities			
Accounts payable	\$650,000.00	\$0.00	\$650,000.00
Accrued annual leave	\$12,273.55	\$0.00	\$12,273.55
Payroll taxes payable	\$5,238.13	\$0.00	\$5,238.13
Other liabilities-Lot 24 retainage	\$165,147.93	\$0.00	\$165,147.93
Deferred income	\$635,277.07	\$0.00	\$635,277.07
Total Current Liabilities	\$1,467,936.68	\$0.00	\$1,467,936.68
Long-Term Liabilities			
WC Lot 24/RD RLF Grant	\$3,307,508.41	\$500,000.00	\$3,807,508.41
Total Long-Term Liabilities	\$3,307,508.41	\$500,000.00	\$3,807,508.41
Total Liabilities	\$4,775,445.09	\$500,000.00	\$5,275,445.09
Capital			
Fund balance - BOY	\$759,699.67	\$256,880.17	\$1,016,579.84
Net Fund Change	\$6,295.64	\$603.35	\$6,898.99
Total Capital	\$765,995.31	\$257,483.52	\$1,023,478.83
Total Liabilities & Capital	\$5,541,440.40	\$757,483.52	\$6,298,923.92