

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY

Minutes of Meeting

December 3, 2015

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, December 3, 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
David Carpenter
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

DETERMINDATION 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.

WELCOME DAVID CARPENTER – NEW BOARD MEMBER

Mr. Manley introduced Mr. David Carpenter as the new appointee from Wythe County. He stated that his business is Southwest Specialty Heat Treat located on Marshall Street. Mr. Manley stated that Mr. Carpenter has been in business for 21 years. David moved to Wytheville originally from Connecticut and his father was involved in the former American Screw Company/AMSCO Products. Mr. Manley stated that Mr. Carpenter will be serving on the Board for a four-year term.

Mr. Carpenter stated that he was glad to be on the Board and noted that he is also an adjunct instructor at Wytheville Community College in the Machine Tool Technology teaching manufacturing processes in metals and heat treating. He stated that he is on the Manufacturing Technology Council Board (MTCB) serving as President. He added that the MTCB represents five community colleges in the southwest region of Virginia and he is also on a number of other Boards in the area. Mr. Carpenter thanked the Board for welcoming him and he hopes to have some knowledge to be able to pass on. He mentioned that he is hoping to learn a lot and understand a lot more. Mr. Kause welcomed Mr. Carpenter.

APPROVAL OF MINUTES—October 22, 2015

Chairman Kause asked if there were any questions or discussion regarding the October minutes. There being none, Chairman Kause asked if there was a motion to approve the minutes as presented. Mr. Mabe made a motion, seconded by Mr. Morgan, to approve the October minutes as presented. 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 November 2015 and asked if there was a motion to approve the invoices as presented. Mr. Manley stated that the CenturyLink billing is still not rectified and it was promised that it would be corrected by the next billing. The Joint IDA will be due some refunds and in order not to have our service interrupted, the next month’s bill payment was necessary. There will be monies due from the Town of Wytheville to reimburse the Joint IDA’s payment for Town services. Mr. Carpenter asked if the bill was incorrect because the Town of Wytheville added lines and somehow they were billed to the Joint IDA. Mr. Manley confirmed that. Chairman Kause asked where the Joint IDA stood with the reimbursement from Startup Wythe In. Mr. Manley stated that the Joint IDA has been reimbursed in full. Dr. White made a motion, seconded by Mr. Mabe, to approve the invoices as presented. With no further discussion, the motion passed. Ms. Atwell abstained with no further comment.

**Joint IDA of Wythe County
Check Register
For the Period from October 1, 2015 through October 31, 2015**

Check #	Date	Payee	Amount
EFT	11-9-15	Robert G. Moore	\$ 1,100.00
EFT	11-25-15	First Bank – MasterCard	2,550.18
EFT	11-25-15	Appalachian Power Company	33.26
EFT	11-25-15	Xerox Corporation	28.32
EFT	11-25-15	Appalachian Power Company	52.83
EFT	11-30-15	CenturyLink	402.90
7358	11-30-15	D&D Trophies	45.00
7359	11-30-15	David Manley	294.98
7360	11-30-15	MetroMedia, Inc.	395.00
7361	11-30-15	Robinson Farmer Cox	4,650.00
7362	11-30-15	Southern Economic Development Council	475.00
7363	11-30-15	TC’s Care and Repair	30.00
7364	11-30-15	Town of Wytheville	16,078.93
7365	11-30-15	Virginia M. Crockett – Reimbursement	30.94
7366	11-30-15	W-W-B Chamber of Commerce	500.00
Total			\$ 26,697.34

STAFF REPORT – ASSOCIATE DIRECTOR

Conferences & Workshops

Appalachian Power Economic Development Forum – November 12, Roanoke, VA
Webinar: 10 Key Trends for Economic Development Websites in 2016 – November 18
Virginia Economic Development Authority Annual Meeting – December 2, Staunton, VA

Meetings

Bob DiMarino & Denise Walters - Coperion
Donna Leonard – JIDA Revolving Loan Committee Member
Downtown Wytheville Economic Restructuring Committee
Jim Collins – SPX moving to Mid Atlantic Building in Rural Retreat
Perry Hughes – WCC Workforce Development
Vivian Womble – Coffee and Crumbs – Startup Wythe In
Workforce Development Team – Coperion: Denise Walters
Wythe-Bland Young Professionals and steering committee

Startup Wythe In

- Downtown Wytheville, Inc.’s Economic Restructuring Committee is following the progress of our finalists from the 2015 Startup Wythe In program. LuvBerry and Black Horse Artisan Guild are preparing to open in the spring of 2016, and Coffee and Crumbs has been able to purchase equipment to help expand their menu.

- The committee has decided to proceed with the 2016 Startup Wythe In program, and will begin planning at the December 17th meeting.

Enterprise Zone Reporting & Boundary Adjustment

- The 2014 Enterprise Zone Activity report for the Department of Housing and Community Development (DHCD) has been submitted.
- We are in the process of applying for the upcoming boundary adjustment. Because the new Coperion building is not attached to the existing building DHCD is requiring a full EZ Amendment application. We have met with the Town of Wytheville and Wythe County to identify additional property in Fairview to include in this expansion. Due to the nature of the amendment we have scheduled a public hearing to allow public comment at the December 8th Board of Supervisors meeting. At that time the board will approve a resolution allowing the expansion of the Enterprise Zone.

Coperion Workforce

Coperion requested to meet with local workforce development partners to discuss possible hiring and training strategies. The JIDA organized a round table discussion for Coperion’s HR Generalist, Denise Walters, to meet with the New River/Mount Rogers Workforce Investment Board, People Incorporated, Virginia Employment Commission, and WCC Workforce Development. The JIDA is also working to set up a meeting to discuss the Virginia Jobs Investment Program.

Fairview Sign

The JIDA is in the process of updating the Fairview Industrial Park sign to reflect company name changes that have occurred:

Acrylife Inc. changes to **CFE, Inc.**

ACP Precision Machining changes to **Clarke Precision Machining**

Horizon Healthcare changes to **Southern Pharmacy**

And we are adding **Schaffner North America**

Project Corona

Appalachian Power has issued pre-qualification documents for parties interested in bidding on an up-coming Request for Proposal (RFP) for up to 10 megawatts alternating current (MWac) of ground-mounted solar energy resources located in Virginia. The RFP will seek proposals that allow Appalachian either to own one or more solar projects or purchase such solar projects’ output under one or more 20-year renewable energy purchase agreements. Because of this RFP we have received requests from solar companies to identify possible public or privately owned properties for their consideration.

STAFF REPORT – EXECUTIVE DIRECTOR

New or Expanding Business Activity

- Responded to inquiries from
 - Local industry
 - Entrepreneurs
 - Site selection consultant
 - Commercial real estate broker
 - VEDP
 - Secretariat of Agriculture

Ongoing projects

- SET Management team/forum (Stronger Economies Together – USDA grant. Regional economic development planning)
- Downtown Wytheville Inc. Economic Restructuring Committee (planning for 2016)
- ACP claw back
- Evatran claw back
- CRIFA meeting next week; management agreement to be signed

Site Visit

- Project Norse – existing facility

New or Otherwise Notable

- Asked to chair the Southwest Virginia Manufacturing and Legislative Council

- First meeting Nov. 12 – multiple legislators in attendance as well as industrial leaders from the region. Quarterly meeting planned.
- Presented Industry award at Chamber annual dinner to Coperion. They didn't attend, so the award will be given in February at the tenure awards luncheon.
- Webinar on effective economic development websites
- Josh Lewis appointed aCorridor executive director
- VEDA annual meeting in Staunton. Workforce these. Speakers included Jay Garner.
 - Asked to be vice-chair of the VEDA Community Economic Development Awards committee
- ACP sale: Clarke Precision Machining

Meetings/Business Contacts

- Todd Haymore – Secretary of Agriculture and Forestry
- Cass Rasnick – Deputy Secretary of Agriculture and Forestry
- Stephen Versen – Project manager, Virginia Department of Agriculture and Consumer Services
- Stephanie Surret, Exec. Dir – SVAM Center of Excellence
- Mary Rae Carter, Special Advisor for Rural Partnerships – Office of Governor Terry McAuliffe
- Perry Hughes, Director of Workforce Development – Wytheville Community College
- Bob Di Marino and Denise Walters – Coperion Corp. workforce discussion
- Wythe Co. Board of Supervisors Economic Development Committee
- Downtown Wytheville Economic Restructuring Committee
- Peter Argue, Somic America
- Nelson Teed, Director – Manufacturing Technology Center
- Pandy Brazeau, Project Manager – VEDP
- Joe Gillespie, Project Manager – VEDP (various projects)
- Kara Hart, Assoc. General Counsel – VEDP (performance agreements)
- Sandi McNinch, General Counsel – VEDP
- Stacey Richardson, Executive Secretary to Virginia Tobacco Region Revitalization Commission
- Ned Stephenson, Deputy Director, VaTRRC (performance agreements)
- Tim Pfohl, Grants Director, VaTRRC (Project Mockingbird)
- Cellell Dalton, County Administrator (numerous)
- Wythe-Bland Young Professionals and Steering committee
- Tim Pennington, CFO – Schaffner MTC (grants)
- Trent Crewe, Mayor – Town of Wytheville
- David Carpenter, President – Southwest Specialty Heat Treat (board orientation)
- Ellen Reynolds – Wythe County Tourism/Beagle Ridge Herb Farm
- Katherine Goodwin, St. Research Project Manager – VEDP
- Michael Solomon, Economic Development Director – Pulaski County, VA
- John Smolak, Economic Development Director – AEP (Project Tiger, VEDA, marketing)
- David Denny, Consultant – Sanford Holshauser (VEDA, aCorridor, I-81)
- Lennie Gail Mitcham, SVAM Exec, Director (various)
- Dr. Dan Tolley, Tom Burns, and others (SP Global)
- Mariya Hurwitz, Economic Development Manager – Pepsico
- Deborah Flippo, Business Development Manager – Draper Aden Associates
- Joe Hines, PE, Director of Economic Development – Timmons Group
- New board member orientation – Wythe County BOS – Charlie Lester
- Loan applicants
- David Stoner, Energy consultant
- Wythe County BOS regular meeting
- JIDA loan committee
- Maintenance engineer (industrial contacts)

Upcoming:

- IEDC certification training class – Baltimore, MD, last week of February
- Meet the Consultants – Atlanta, GA, mid-March
- Budget Draft in February prior to March Joint Governing Bodies meeting
- Holiday Open House – December 17, 2015 from 3 to 6 pm
- Economic development project forecast for Mount Rogers Planning District Commission
- Gathering metrics for annual reporting

TAKEAWAYS FROM VEDA WORKFORCE MEETING

- Community leadership outweighs all other factors in determining how successful economic development is.
- Of tangible factors – available workforce is generally considered most important (skilled labor)
- 80% of projects see existing buildings
- A site selection consultant or company doing due diligence on an area will read blogs, news comments, letters to the editor, local papers, and glean news from a number of sources before they even speak to an economic development group
- Site selection should be called site elimination
- 30% of projects use site selection consultants
 - Reaching the other 70% is infinitely more difficult
 - 5% of this consultant's projects find the existing building they seek
- Successful communities are progressive, adaptive, and exhibit modernity
- Successful communities nurture business of all size and eliminate undue burdens. Entrepreneurs get special one on one attention.
- Speed to market is critical a critical deal-breaker
- Processes that took 18 months in selecting a site now can be done in 6 to 9 months
- Incentives are among the less important factors to some
- Public safety and public schools are considerations for companies
- Spec buildings are just that: speculative. Sometimes one is in use before it's finished. Sometimes they sit empty for 15 years. Not a current best practice.
- **QUALITY OF PLACE** becoming more important in each process as demographics change

OLD BUSINESS

REVOLVING LOAN FUND UPDATE

Mr. Manley reported that there were no revolving loan fund applications to bring before the Board this month. He noted that there have been three to four inquiries with no follow-through as of yet. He added that the existing loans are making payments on time.

ENTERPRISE ZONE

Mr. Matthews reported on the status of the Enterprise Zone report during his staff report.

OTHER

Appalachian Cast Products – Mr. Manley stated that the last monies that are owed to Wythe County from Appalachian Cast Products grants have been received. He noted that Board action would be needed to write the check and close out the account. Chairman Kause asked if there was a motion to close out the account of the funds from Appalachian Cast Products and to write the checks to the proper jurisdictions. Mr. Morgan, seconded by Mr. Carpenter, made a motion to allow the Joint IDA staff to write the appropriate checks and closeout the account for Appalachian Cast Products. Chairman Kause asked if there was any further discussion or questions. With no further questions, the motion passed unanimously.

Evatran – Mr. Manley stated that Evatran is responsible for paying funds from the Wythe Opportunity Fund at the end of 2015 back to Wythe County. Evatran has made an offer to Wythe County that they are going to reject. Mr. Manley added that once an agreement has been made Evatran will likely pay the Joint IDA and the Joint IDA will in turn pay Wythe County. The transaction will only be a pass through.

Schaffner MTC – Mr. Manley passed around a letter for the Board's information regarding the grants that will be paid to Schaffner MTC. Mr. Manley stated that the Board would need to take action to agree to pay the grants pursuant to the performance agreements. He noted that the monies will more than likely be in hand once Schaffner's letter of credit arrives. Mr. Morgan asked about the grants for Schaffner MTC. Mr. Manley stated that the Joint IDA helped Schaffner MTC secure grants. The grants are from the Wythe Opportunity Fund for \$87,500, Commonwealth Opportunity Fund for \$175,000, and the Tobacco Region Revitalization Commission for \$260,000. Mr. Manley stated that Board action to make the payments when received would be helpful in getting the grants paid. Chairman Kause asked if there was a motion to make the grants as set forth in the letter from Mr. Manley. Mr. Carpenter made a motion, seconded by Mr. Mabe, to pay the grants as set forth in the letter from Mr. Manley to Schaffner MTC once funds are received. With no further discussion, the motion passed unanimously.

Southwest Virginia Manufacturing Legislative Council – Mr. Manley stated that there is a new organization that he has been asked to chair called the Southwest Virginia Manufacturing Legislative Council. He noted that the first meeting was held a month ago. Those in attendance were Congressman Griffith, the various State legislators, and representatives from both United States Senators offices, and approximately six invited industry leaders. Mr. Manley mentioned that this is going to be an ongoing quarterly meeting to discuss anything the two parties wish to discuss. Workforce training needs including soft skills were discussed in the first meeting. Mr. Manley added that it is an important opportunity for our area to be involved with legislators on a quarterly basis and a great opportunity for the Joint IDA.

aCorridor Executive Director – Mr. Manley stated that the aCorridor has appointed a new executive director. His name is Josh Lewis who was previously with Goodwill in Greensboro and was hired by downtown Roanoke to do economic work. He began his work as aCorridor Executive Director on or around the first of December.

CRIFA – Chairman Kause asked about the standing with CRIFA. Mr. Manley stated that CRIFA will be meeting next week to approve the dividends and at that point the Joint IDA will get a signature on the Management Agreement. The agreement will then be brought back to the Joint IDA Board after it is approved and signed.

Project Mockingbird – Mr. Manley stated that a Project Mockingbird meeting took place in Richmond. Involved in the session were Secretary of Agriculture Todd Haymore, Dep. Sec’y. Cass Rasnick, Stephen Versen (program manager for VDACS grants), Tim Pfohl from the Tobacco Commission, and six from the corporate entity that will be undertaking the project. It was a productive meeting and did receive the first bit of feedback from them on December 2. He noted more information is due shortly.

NEW BUSINESS

HOLIDAY OPEN HOUSE

Mr. Manley reminded the Board that the Joint IDA Open House would be held on Thursday, December 17 from 3:00 p.m. until 6:00 p.m. He noted that the local Boards, Councils, and other persons affiliated with the Joint IDA have been invited. Mr. Manley stated that he hoped that all Board members would be able to attend.

OTHER

Nomination of Vice Chairman – The Board chose to wait until the January 2016 Board meeting to nominate a Board Vice Chairman.

Audit – Mr. Manley stated that all Board members received a copy of the 2014-2015 Audit and with it a letter that needs to be returned back to Joint IDA personnel. He noted that the audit contains an outline of the Joint IDA’s finances and noted that there are some new accounting rules in place. Mr. Manley mentioned that the Joint IDA had a clean audit and that there is a regular finding that the Joint IDA has every year, that will always be in the audit. He noted that there were end-of-the-year adjustments that Robinson, Farmer, Cox posts every year for the Joint IDA. Mr. Manley stated that because of new accounting regulations they are required to disclose that they make the adjustments. Mr. Manley asked Corbin Stone to send an email explaining the procedure and each Board member should have received a copy of the email. He noted that, as it is, 90% of their small audits get this and will always get it as long as they make entries for us, but that it was too pricey to justify the expense to hire someone to do it, so Robinson, Farmer, Cox does it as a part of the audit. Chairman Kause asked which letter needed to be returned. Mr. Manley stated the stapled letter needed to be returned. He noted that the audit did not have to be approved today and added that if the Board chooses to look over the information, it could be approved next month. Mr. Manley stated that if Chairman Kause saw fit to appoint an audit committee to look over it that would certainly be his privilege to do so. Chairman Kause stated that if there were findings and issues he thought there would be a need for an audit committee, but he did not see a need for a committee at this point. Ms. Atwell asked if Robinson, Farmer, Cox comes in and does the adjusting entries. Mr. Manley stated they do it every year. Mr. Carpenter asked how they are done, as a journal ledger entry, or otherwise. Mr. Manley stated that in the future the Joint IDA will sit down with Mr. Stone to figure out how to do the entries ourselves. Mr. Carpenter asked if the Joint IDA goes back and make the adjustments in the books to match what Robinson, Farmer, Cox has changed. Mr. Manley referred the board to the full audit report and stated that the accountants would be queried and then staff would report back. Mr. Carpenter added that there was nothing wrong but some accounts were assigned improperly. Mr. Carpenter asked if we went back to correct the books or whether the firm does. Mr. Manley responded that they would be working with the firm to make the changes. Mr. Manley asked Mrs. Atwell how the Chamber’s audit reflected such activities and there was no response. Mr. Carpenter said that in his firm he makes general ledger entries to his unaudited books to make sure category assignment is proper. A discussion ensued between Mr. Carpenter and Mr. Manley regarding the proper accounting for grant pass-throughs and repayments and how each grant must be accounted for by granting body and by grantee. Mr. Kause inquired as to the difference between the Commonwealth Opportunity Fund and the Governor’s Opportunity Fund. Mr. Manley replied that it was the same fund, just renamed, with

the same parameters. Chairman Kause asked that the audit approval be put on the next agenda for approval. Chairman Kause asked if there were any other questions or concerns. Mr. Carpenter stated that he would like to review it more and added that his type of report was what he had every year in his business. Mrs. Atwell commented that there was incorrect categorization and Mr. Manley asked for an example. Mrs. Atwell said she had not had time to digest the report. Mr. Carpenter noted that most comments were directed toward adjustments or reclassifications but that nothing was earth-shattering based on his experience as a business owner. There was discussion among Mr. Carpenter, Mr. Manley, and Ms. Crockett about how the land transaction for zero dollars would properly be reflected in the books and further about flow-through activity. Mr. Carpenter suggested that working with the auditing firm would be a tremendous advantage. Mr. Manley expressed optimism that RFC would work with the JIDA to make any additional adjustments. Mr. Manley asked for all of the letters to be returned. Ms. Atwell stated that she wanted to keep the letter. Mr. Manley asked for the letter back again and stated that it could be seen in the office at any time. Ms. Atwell stated that she did not have time to visit the office to review the letter. Mr. Manley reiterated the need to return the letter. Chairman Kause stated that he did not think that it would be appropriate for Ms. Atwell to keep the letter when it needed to stay in the Joint IDA office. Ms. Atwell stated that she was the treasurer, she needed to review it, and she was going to keep it. Mr. Manley stated that the information security was an ongoing concern. Ms. Atwell stated she was keeping it. Mr. Manley reiterated the need for the letter to be kept in the office. Mrs. Atwell said she was keeping the letter. Mr. Manley stated to Chairman Kause that he would like to go on the record expressing his trepidation. Chairman Kause stated that it was duly noted and would be reflected in the record.

PROJECT UPDATES

Mr. Mabe 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 Mr. Morgan, and passed unanimously. The meeting entered discussion in closed session.

Upon conclusion of the closed meeting, Mr. Mabe 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.

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
	David Carpenter	Dicky Morgan
	Charlie White	Jennifer Atwell

NAYS: None

ABSENT DURING MEETING: John Silva

ABSENT DURING VOTE: John Silva

ADJOURN

There being no other business, Chairman Kause adjourned the meeting at 4:45 p.m.

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary