

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
April 25, 2019

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, April 25, 2019, 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
Wes Mabe, Vice Chairman
Dicky Morgan
Matthew Clarke

MEMBERS ABSENT

David Carpenter
Michael Cole
Charlie White

EX-OFFICIO MEMBERS PRESENT

C. Wayne Sutherland, Jr., Wytheville Town Manager

EX-OFFICIO MEMBERS ABSENT

Jason Childers, Rural Retreat Town Manager
Stephen Bear, Wythe County Administrator

JOINT IDA STAFF PRESENT

David Manley, Executive Director
John Matthews, Associate Director

DETERMINATION OF QUORUM

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

CITIZENS' TIME

Chairman Kause welcomed Dr. Beth Taylor, Wytheville Mayor; Chris Menerick, Wytheville Town Attorney; Jennifer Atwell, Wytheville-Wythe-Bland Chamber of Commerce; and Wayne Sutherland, Wytheville Town Manager to the meeting. Chairman Kause asked if there was anyone who would like to address the Board. There being none, the meeting continued.

APPROVAL OF MINUTES—February 28, 2019

Chairman Kause asked if there was any discussion or changes to the minutes of February 28, 2019. With there being no questions, Chairman Kause asked for a motion to approve as presented. Mr. Morgan made a motion, seconded by Mr. Clarke, to approve the minutes as presented. With no further discussion, the motion passed unanimously.

FINANCIAL REPORTS AND APPROVAL OF INVOICES

Chairman Kause asked if there were any questions or concerns regarding the financial statements for March and April of 2019. There being none, Chairman Kause asked for a motion to approve. Mr. Clarke made a motion, seconded by Mr. Morgan, to approve the financial statements as presented. With no further discussion, the motion passed unanimously.

**Joint IDA of Wythe County
Check Register
March 1, 2019 through March 31, 2019**

Check #	Date	Payee	Amount
EFT	3-28-19	Appalachian Power	141.33
EFT	3-28-19	CenturyLink	173.30
EFT	3-28-19	Robert G. Moore	1,100.00
EFT	3-28-19	Xerox Corporation	18.64
EFT	3-28-19	First Bank – MasterCard	883.29
7610	3-28-19	VIAA Regional Eco.	18,272.00
7611	3-28-19	Yard Barber Landscaping	225.00
7612	3-28-19	AAUW Wytheville	75.00
7613	3-28-19	Peed and Bortz	2,500.00
7614	3-28-19	Town of Wytheville	18,063.24
7615	3-28-19	Wytheville Office Supply	20.99
Total			\$ 41,472.79

**Joint IDA of Wythe County
Check Register
April 1, 2019 through April 30, 2019**

Check #	Date	Payee	Amount
EFT	4-25-19	Appalachian Power Company	130.57
EFT	4-25-19	CenturyLink	173.30
EFT	4-25-19	Robert G. Moore	1,100.00
EFT	4-25-19	Xerox Corporation	51.01
EFT	4-25-19	First Bank – MasterCard	2,486.35
EFT	4-25-19	Robert G. Moore	1,100.00
7616	4-25-19	VOID	0.00
7617	4-25-19	Southwest Signs	75.00
7618	4-25-19	Town of Wytheville	18,368.47
7619	4-25-19	VIAA Regional Eco.	9,136.00
7620	4-25-19	Wytheville Office Supply	141.75
Total			\$ 32,762.45

STAFF REPORT – ASSOCIATE DIRECTOR

Meetings

Business Services Unit
Downtown Wytheville & Chamber – Small Business Workshops
Jeremy Hoard – First Community Bank
Site Engineering Project
Small Scale Developer Lecture – DCHD
Patient Family Advisory Council – Wythe County Community Hospital
Perkins Advisory Council – Wythe Technology Center
Project Emerald
Properties - Commercial Real Estate Agents
Property Owners
Property Search Projects
Retail Coach
Revolving Loan Fund - Applicants
Schaffner – Grant evaluations
Small Business Assistance
Spring Career Fair
Work-Based Learning Opportunities
Wythe-Bland Young Professionals

Upcoming Events

Small Business Workshops – Sustainability & Planning, April 30 at the Wytheville VHDA office

STAFF REPORTS – DIRECTOR

New or Expanding Business Activity

- **Responded to inquiries from**
 - VIAA
 - Local Entrepreneurs
 - Local businesses/industry
 - VEDP
 - Project financier

- **Business Contacts and Meetings**
 - Katherine Goodwin, VEDP AVP of Investment
 - Stephen Bear, County Administrator
 - Scott Bortz, Peed & Bortz
 - Josh Lewis, VIAA
 - David Clark, Seven Sisters Brewery
 - Mike Woods, Troutman Sanders Strategies
 - Stephen Versen, Va. Dept. of Ag. & Forestry
 - Bill Smith, Smith Enterprises
 - Pandy Brazeau, VEDP
 - Matt Clarke, CPM
 - Randy Rose, VEDP / Workforce
 - Mariya Hurwitz, Pepsico
 - Aaron Farmer, The Retail Coach
 - John Smolak, AEP
 - John Griffith, AEP
 - Joy Gardner, Citizens
 - Wayne Sutherland, Town Manager – Wytheville
 - Deborah Flippo, Draper Aden Assoc.
 - Lori Kroll, Draper Aden Assoc.
 - Dennis Jarvis, Vance Co. NC Ec. Dev.
 - Dan Tolley, Branch Botanicals
 - Kim Ellett, VEDP
 - Cindy Snider, VA Community Capital
 - Andy Sorrell, Tobacco Region Revitalization Commission
 - Jan Wolford, First Community Bank
 - Jeremy Hoard, First Community Bank
 - Jim Grubbs, Skyline National Bank
 - Blake Edwards, Skyline National Bank
 - Jonathan Kruckow, Skyline National Bank

Noteworthy or Other Activities

- Budget hearing @ WC BOS
- Project update with WC BOS
- Fox Mountain Inn visit
- Project Emerald
- Project APE
- Project Arrow

- Prepared and submitted RFI for Project ZEF
- Journalist visit / advanced manufacturing theme
- Skyline National Bank luncheon – business lending
- Insurance renewals, CRIFA, JIDA
- Site visit for industrial prospect
- Recorded video for CGI project / Town of Wytheville
- M&T tax analysis
- Updated economic data for 2019
- Presented to Wytheville IDA annual meeting
- Tenure Awards luncheon
- Meet the Consultants / SEDC
- Hospital candidate luncheon
- VEDA Spring Conference
- Reviewed and edited minutes
- Reviewed financial reports
- Credit card reconciliation
- RLF meetings
- Loan committee
- WC BOS Ec. Dev. Committee
- SVAM CoE Board of Directors meeting
- Small business class w/ WWB Chamber and Downtown Wytheville
- VEDA Public Policy conference calls
- Millwald Theatre Board of Directors
- Brownfields discussion

UPCOMING

- Golf Tournament, May 16 @ Wytheville Golf Club
- Joint Governing Bodies cancelled for April 29, 2019 (next possibly in August)
- Manufacturing Legislative Council, May 1, 2019 @ Universal Fibers in Bristol

OLD OR UNFINISHED BUSINESS

REVOLVING LOAN FUND UPDATE

Mr. Manley and Mr. Matthews discussed three revolving loan applications.

Mr. Matthews spoke first about Wythe Axe LLC. The applicants are looking to do a mobile concept of axe throwing which is done at festivals and in lots of other locales. Essentially, they will find a trailer and construct a nine-foot metal cage that would allow for people to throw and protect the thrower and those around the area. They would be able to travel to festivals such as Chautauqua or to brewery festivals, music festivals, parties, events, and such. What they are asking from the JIDA is a loan for startup and operating capital. They are hoping to get the operation underway this Summer. The amount they are asking for is \$4,000 on the 18-month zero-interest loan. The loan committee did feel positive about the business. Chairman Kause asked if the JIDA has any liability regarding the business. Mr. Manley answered that they have procured insurance quotes. Mr. Clarke

made a motion, seconded by Mr. Mabe, to approve the loan to Wythe Axe LLC. With no further discussion, the motion passed unanimously.

Mr. Manley spoke on the second loan application for Helheim Haunted Attraction. He mentioned the first year was a success. The business received a loan of \$5,000 that was repaid in less than half the time scheduled. They are asking to borrow \$10,000 and the recommendation was to make it a two-year term, but to charge four percent interest. Mr. Manley mentioned that one thing he was impressed with was not only did they pay their first loan off in advance, but they went ahead and paid six-months of rent this year in advance with their profits. The only downside is that made their profit shrink for the last calendar year. The new loan will be used primarily to purchase construction materials because they are going to be doubling the size of the attraction and they will be moving it out onto the racetrack area. The loan committee agreed, like the first loan, it was a low risk with their RLF history. Chairman Kause stated his concern was that they did not own the property. Mr. Manley stated that he had discussed that fact with them from the beginning and they do have a year lease at present, and it is not sure that the land would ever be sold in its entirety because it is a large tract. Mr. Manley also mentioned they are going to try and extend the activities for several months longer than last year. He mentioned the individuals are motivated and engaged. Chairman Kause asked if the proximity to the APEX Center was a plus or a minus. Mr. Manley stated that it will likely increase the visibility of their facility. Chairman Kause asked if they can put some type of sign up to draw attention to the attraction and location. Mr. Manley answered that is part of their long-term plans. Chairman Kause asked if there was any further discussion and asked for a motion to approve or reject the loan. Vice Chairman Mabe asked if it was \$10,000 for two years at four percent interest. Mr. Manley answered yes it was and their intention, the same as the last loan, was if they can pay it off early, they will certainly do that. Mr. Clarke made a motion, seconded by Mr. Morgan, to approve the loan for \$10,000 for two years at four percent interest as presented. With no further discussion, the motion passed unanimously.

Mr. Manley discussed the third loan for McRoberts Auto. Mr. Morgan asked where the location was. Mr. Manley stated it was adjacent to the existing business on Highway 94 approximately 4 miles from the intersection with US-52. They have one acre of land that they have set aside to build a 60' x 60' building. Mr. Morgan asked if they have an existing building. Mr. Manley stated they did, but not on the property they own. Mr. Mabe asked if they were asking to loan \$150,000. Mr. Manley answered yes, but that is not the recommendation of the loan committee. He mentioned that this is a 30-year old business that is going to be taking on essentially a new ownership, but the new ownership has been operating it for some time. The business is currently owned by a member of the Wythe County Board of Supervisors, Coy McRoberts, and that his grandchildren would be taking over the business. There is no loan to Mr. McRoberts or any business entity in which he has an ownership interest. After extensive discussion with the loan committee of what has been presented, the loan committee recommended a \$75,000 loan over a 10-year term with collateral. Mr. Manley has investigated what kind of vehicle collateral they have available and it is worth over \$200,000. He mentioned that two of the vehicles can be attached to the loan for collateral and it would be more than that loan amount of \$75,000. The loan committee recommended revisiting the loan once construction is near-commencement or underway to discuss extending the loan for additional funds. They have been offered an invitation to revisit the JIDA and apply for another loan once they are established and show progress on the first phase. It was also discussed that once the building is finished it could become collateral to enhance the next part of the loan, because once you have an outfitted garage it will be worth more than the \$75,000 of the second half of the loan. That does not have to be decided today, but he did let them know that we would invite them back to apply for the second half once a certain percentage of the work was complete. Mr. Morgan asked if he knew where the garage would be located. Mr. Manley answered that new building would be close to where the existing business is, but on a separate piece of property. Chairman Kause asked if they are only working on cars. Mr. Manley answered that their plan is to work on cars, motorcycles, vans, RV's and the such. Mr. Manley noted that they have 30 years of towing experience and will be routing the repairs to their own shop rather than someone else's. Mr. Mabe asked when the building would be complete. Mr. Manley stated they wanted to complete it as soon as possible but will more than likely be in the fall. Chairman Kause asked Mr. Menerick if the Joint IDA had the mechanisms to go back

after the truck if the bills are not paid. Mr. Menerick stated that the IDA's have the power to sue. Mr. Manley stated that there will be a guaranty and there could be liens taken out on the vehicles at the DMV. Mr. Menerick stated that the IDA has rights through the agreement once they secure the loan. Mr. Morgan asked if the land would be attached to the loan. Mr. Manley stated that it would just be the vehicles initially and then for phase two to attach the building and the land as security. Mr. Clarke stated his only concern was the cash flow and proper accounting. Mr. Manley stated that was investigated and they do not pay themselves, staff also works on commission. Additional clarity will come with new financial statements. The committee decided that the first \$75,000 was not a risk if the collateral was secured. Chairman Kause asked if there was a motion to approve or deny the loan. Mr. Mabe made a motion, seconded by Mr. Morgan, to approve the loan for \$75,000. With no further discussion, the motion passed unanimously.

Mr. Mabe asked about the status of the current loans. Mr. Manley explained the reason for not having the spreadsheet showing payment information was because the server crashed and that is where it is stored. The data will be recovered, so the information will be available at the next meeting. Sarah Yelton made two payments since the last meeting, Ms. Womble is paying each month, Ms. Rogers has not paid.

GOLF TOURNAMENT

Mr. Matthews updated the Board on the status of the tournament coming up May 16. All is going according to plan.

OTHER

Mr. Mabe asked about the tour of the APEX center. Mr. Manley stated that he would make arrangements for a tour during the May or June meeting. Mr. Manley is not sure if the meeting will be held there or just meet there for a tour. That will be discussed with the APEX staff.

NEW BUSINESS

ECONOMIC BENCHMARKS REPORT FOR WYTHE COUNTY

Mr. Manley discussed the annual Wythe County Economic Benchmarks report for Spring 2019. The information included Business Activity, Unemployment Rates, Workforce Size, Wythe County Payroll, Average Annual Wage, and Average Weekly Wage.

UPCOMING CONSULTANTS VISIT

Mr. Manley reported that VEDP, VIAA, and the localities in this region are working together to host a consultants' visit in May. They will be going on a tour of Progress Park, and the JIDA will be participating in a lunch presentation at Wytheville Community College.

PROJECT UPDATES

Discussed in the Director's report. Expansion with a company in town and that the office is busy at the present time.

OTHER

Retail Coach – Mr. Manley stated that it was the consensus that the Retail Coach contract was not going to be renewed for 2019-2020. Ownership of all information that they have worked on will go to the JIDA.

Chairman Kause suggested that any information gathered by other organizations to please send it to the JIDA office personnel so it can be followed up on after the Retail Coach termination to be able to keep the momentum up and to contact any leads that have been received.

CLOSED SESSION AS PERMITTED BY CODE OF VIRGINIA §2.2-3711(A)(5)

None.

ADJOURN

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

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary