

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
August 22, 2019

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, August 22, 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
David Carpenter
Michael Cole
Matthew Clarke

MEMBERS ABSENT

Charlie White

EX-OFFICIO MEMBERS PRESENT

Stephen Bear, Wythe County Administrator

EX-OFFICIO MEMBERS ABSENT

Jason Childers, Rural Retreat Town Manager
C. Wayne Sutherland, Jr., Wytheville Town Manager

JOINT IDA STAFF PRESENT

David Manley, Executive Director
John Matthews, Associate Director
Virginia M. Crockett, Administrative Assistant

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; Mark Bloomfield, Wytheville Town Council; Chris Menerick, Wytheville Town Attorney; Jennifer Atwell, Wytheville-Wythe-Bland Chamber of Commerce; and Stephen Bear, Wythe County Administrator to the meeting. Chairman Kause asked if there was anyone who would like to address the Board. There being none, the meeting continued.

BOARD MEMBER REPORTS

Dicky Morgan – noted that the construction business is having a hard time finding employees including the company he works for.

Michael Cole – reported that he has been working with the Farmer's Market in Rural Retreat, which is held on Wednesday. Since produce came in the market started getting busy, averaging up to 200 visitors each week. Mr. Cole noted that they have been able to obtain and keep good vendors. The Town of Rural Retreat has demolished the old Randy's building in the middle of town. With some grants and funds, the town is in the process of trying to turn that lot into some sort of kiosk for another market situation and a walking track. The water towers were also painted.

David Carpenter – reported that he attended the Southwest Virginia Manufacturing Association's manufacturing day in Abingdon. He noted that it was a good event and that Volvo had one tremendous display and added what they are doing is phenomenal. Mr. Carpenter wished more people had attended the event to realize what is made and the expertise that is in Southwest Virginia. He met with two leaders from Somic America who shared that their business is good, but they need more employees.

David Kause – he reported challenges with Gatorade's switching service maintaining adequate employment. It is a particular challenge because Gatorade is as busy as it has ever been, and they anticipate setting a record number of total cases shipped this year. The number could surpass 46 million.

Matthew Clarke – They are starting to see the markets soften just a bit in the construction and automotive sectors that they serve, but that is not necessarily unusual for vacation season. He added that Clarke Precision Machine will have a banner year setting a new record, as well.

Wes Mabe – he reported that a few weeks ago that Mr. Manley had sent each Board member an email about a certain trucking company that was potentially relocating from Carroll County to Wythe County. They now occupy the former Cochran Industries building just south of Fort Chiswell High School on Red Hollow Road. He remarked that it was good to see that building utilized again. He added that Volvo is not a part of Wythe County but just from an economic standpoint they are seeing the market softening as well. Mr. Mabe stated that the truck order intake has slowed.

APPROVAL OF MINUTES – June 27, 2019

Chairman Kause asked if there was any discussion or changes to the minutes of June 27, 2019. With there being none, Mr. Mabe 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 July and August of 2019. Mr. Carpenter made a motion, seconded by Mr. Clarke, to approve the financial statements as presented. With no further discussion, the motion passed unanimously.

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

Check #	Date	Payee	Amount
EFT	8-5-19	Appalachian Power Company	61.96
EFT	8-22-19	CenturyLink	178.62
EFT	8-22-19	First Bank – MasterCard	2,111.97
EFT	8-22-19	Robert G Moore	1,100.00
EFT	8-22-19	Xerox Corporation	19.22
EFT	8-22-19	Appalachian Power Company	52.59
7652	8-22-19	David Manley	944.24
7653	8-22-19	Southwest Signs	300.00
7654	8-22-19	Town of Wytheville	18,697.53
7655	8-22-19	VIAA	11,621.00
7656	8-22-19	Wytheville Office Supply	11.98
7657	8-22-19	Yard Barber Landscaping	540.00
Total			\$ 35,639.11

STAFF REPORT – ASSOCIATE DIRECTOR

Meetings

- Branch Botanicals
- Business Services Unit Meetings – Planning learning sessions for workforce services
- Joint Governing Bodies
- Project Arrow
- Project James
- Properties - Commercial Real Estate Agents
- Property Owners
- Property Search Projects
- Revolving Loan Fund Applicants
- Schaffner – Grant evaluations – TROF
- Site Characterization - VEDP
- Southern Economic Development Council - Annual Meeting
- Virginia Business Print Ad
- Website Update
- Wythe-Bland Young Professionals

Upcoming Events

- August 28 – Workforce Exchange: A panel discussion for workforce partners
- September 11 – Manufacturing Roundtable

Workforce Resource Series:

October 2 – Work Opportunity Tax Credit (WOTC)

October 23 – Bonding Program

November 15 – Generations in the Workplace

STAFF REPORTS – DIRECTOR

New or Expanding Business Activity

- **Responded to inquiries from**
 - VAAA
 - Local Entrepreneurs
 - VEDP
 - Multiple Prospects
 - Real estate broker(s)
 - Local industry
 - Regional retailer

- **Business Contacts and Meetings**
 - Stephen Bear, County Administrator
 - Scott Bortz, Peed & Bortz
 - Josh Lewis, VAAA
 - David Clark, Seven Sisters Brewery
 - Chris Menerick, Town Atty.
 - Dale Clark, Skeeter's
 - Stephen Versen, Va. Dept. of Ag. & Forestry
 - Mariya Hurwitz, Pepsico
 - John Smolak, AEP
 - Wayne Sutherland, Town Manager – Wytheville
 - Andy Sorrell, Tobacco Region Revitalization Commission
 - Eric Chapman, CowanPerry
 - Mark Bloomfield, Wytheville Town Council
 - Joy Gardner, Citizens Coop
 - Tommy Miller, VEDP
 - Sandy Ratliff, Virginia Community Capital
 - Stephen Moret, VEDP CEO
 - Aileen Martz, VEDP
 - Pandy Brazeau, VEDP
 - Michelle Poe, VEDP
 - Dan Tolley, Branch Botanicals
 - Glenn Dyke, CBRE

Noteworthy or Other Activities

- Site characterization webinar with KPMG and VEDP

- Aviation research for project – resubmission
- Site visit Project James
- Project Arrow ongoing
- Chamber leadership input meeting
- GO Virginia interview for research
- Skeeter’s ribbon cutting
- VCC / DHCD / USDA RD revolving loan fund seminar
- Manufacturing Expo – SVAM
- Visit to Eupepsia
- Welcome center celebration with VTC
- VEDA public policy conference call (VEDA Day Chair)
- Manufacturing Legislative Council meeting at Universal Fibers
- Review revised Growth and Diversification plan for GO Virginia Region I
- SEDC annual conference
- Ongoing discussions with TROF and VDACS for AFID for Project Emerald
- WC BOS Ec. Dev. committee
- Negotiation for Project Beagle TROF award w/ Town, County, TRRC
- Website updates ongoing
- Revised PPT presentation
- VEDA leadership retreat
- Reviewed and edited minutes
- Reviewed financial reports
- Credit card reconciliation
- Millwald Theatre Board of Directors
- Among much more

JOINT GOVERNING BODIES REPORT

- I.) On behalf of the entire Joint IDA and staff, we’d like to send our sincere condolences to the Sutherland family on the occasion of their tragic loss.
- II.) Thanks, and introduce any staff / board members
- III.) Current representation
 - a. Town of Rural Retreat: Mike Cole
 - b. Town of Wytheville: Chairman David Kause and Charlie White
 - c. Wythe County – Vice Chairman Wes Mabe, Dicky Morgan, Treasurer David Carpenter, and Matt Clarke
- IV.) Thank you for your budgetary support for the new fiscal year. We are very careful with the trust placed in us by the taxpayer and their elected officials and we take our fiscal responsibility very seriously, as well.
- V.) Current activities we’re working on:
 - a. **Site Characterization study** – Virginia Economic Development Partnership is paying for engineering and characterization work done on certain industrial sites in Virginia over 25 acres. The engineering firm that won our region is Draper Aden Associates.
 - i. We participated in similar work a couple years back and had work done in Progress Park
 - ii. This expands on the work and will open the door for more grant funded site improvements in time to come.

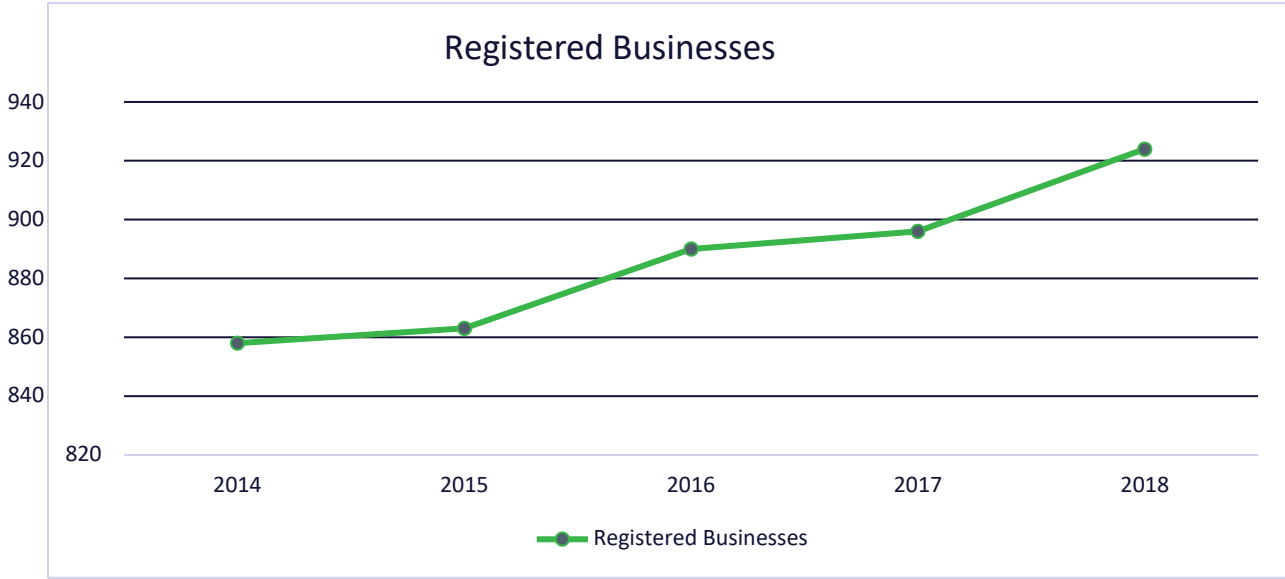
- iii. The immediate benefit is that it mitigates risk and allows for third party verification of the facts and figures we use when responding to requests for information on various projects.
 - b. **Additional site planning work** with Peed & Bortz
 - i. This includes preparing new maps showing potential layouts for projects as well as grading time and cost estimates.
 - 1. Timelines are very compressed in site selection – sometimes the period from questionnaire to construction can be just a few months – eliminating uncertainties can keep a community in the running and that’s why we’re doing this. To remain competitive.
 - c. **Wrapping up website revamp**
 - i. We won some grant money late last year to offset the somewhat expensive work of a website revamp – this goes beyond data and text to an entire architectural overhaul, including simplified navigation, increased use of infographics, and an easier overall user experience. People are spending less time on websites – instead of minutes, they look for answers in seconds.
 - 1. This doesn’t mean we’re doing away with the dozens of pages of content we’ve created and update; we’re just creating an express lane of sorts for those in a hurry.
 - ii. Along with this work we’ve done some updates to marketing materials, our graphic identity, one pager, and so on. All of this means a fresher look for the Joint IDA and what we produce.
 - d. **Professional development and participation** are still a priority for staff and staff development.
 - i. John Matthews chairs the local business services unit – a collaboration between workforce service providers and employers.
 - ii. I’m a member of the board of directors of the Virginia Economic Developers Association and chair the General Assembly day committee and co-chair communications committee. This gives me unique access to economic development leadership in the public and private sectors statewide including regular sit-downs with state agency heads and decisionmakers.
 - iii. We support the work at GO Virginia, Virginia Careerworks, the New River Mt. Rogers workforce organization, the Southwest Virginia Manufacturing Legislative Council, the Advanced Manufacturing Center of Excellence, among others.
 - iv. We support the work of Downtown Wytheville, the various tourism organisms in the area, the Millwald Theatre historic renovation, and others as requested. We’ve helped various organizations pursue and win grants when able, as well.
 - e. Our Manufacturers Roundtable has been productive. They worked in conjunction with Wythe County Public Schools and will be launching an accredited apprenticeship/internship program that will give high school students actual experience in manufacturing facilities in our community. Next meeting date for that is September 11 – you’d all be welcome to attend.
- VI.) Small business – we meet regularly with people trying to launch a small business. We help them most often with business planning, seeking capital, sustainability and succession planning, and more. Our internal resources are limited but we work with these people as best as we can and refer them out when necessary.

- a. We did host and help teach a series of small business classes this spring; the topics covered based on demand were marketing, social media, and sustainability. We had great attendance and feedback.
 - b. Our loan fund has lent out approximately \$400,000. We've only had one loan write off due to bankruptcy and have had several pay theirs off early. All in all, we've supported dozens of jobs and been able to leverage other capital with our loan fund proceeds – benefitting 20+/- businesses.
- VII.) Enterprise zone – we updated the zone before the end of the year; state incentives paid out during the last calendar year yielded over \$120,000 for local businesses.
- a. There are discussions to accommodate future projects with zone expansions for this year already underway. Over 391 acres are still available for use and any number can be reassigned.
- VIII.) On the business attraction side – it had been very slow the last year and a half leading up to spring. In about March things began to pick up. Active projects began showing interest in our area again and here are the shareable details of some of the projects:
- a. Two expansions are active – one looking to build a facility and one looking to take over a vacant one.
 - i. We've had several discussions over the past month and more discussions and meetings are pending. It would be a significant building under roof in our area.
 - b. We have five or six active new business projects. Including a data center prospect and some manufacturing and distribution operations.
 - c. Jobs range on the low end from 15-20 jobs and \$2 million capital expenditure to \$90 million and 200 jobs. On the larger end 2,100 jobs and \$400MM in investment. We monitor these regularly.
 - i. We did have a site visit back in April, but they wanted to move somewhere a little more secluded – they commented they wanted to be somewhere smaller.
 - ii. We do have a site visit set in about 10 days for another prospect. Based on preliminary discussions with the project team we've got a great location.
 - d. In the past few years on expansions, we've worked on projects yielding nearly \$60 million in capital expenditure with dozens of new jobs created. (Coperion, Pepsico, Gatorade, Schaffner, CPM, and American Tire.

Because this is a perfect segue, I'm going to stop there and direct your attention to the economic benchmarks handout that has been produced by us and distributed to you today. It details wages, employment numbers, and so forth for our area going back about five years.

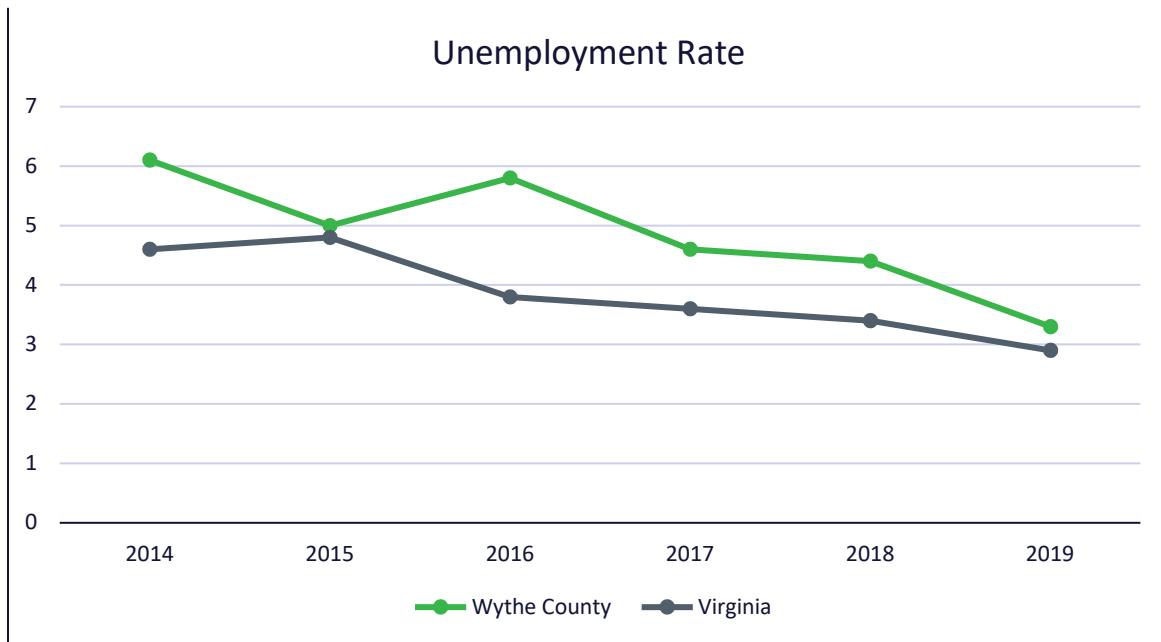
WYTHE COUNTY ECONOMIC BENCHMARKS

BUSINESS ACTIVITY



UNEMPLOYMENT RATE

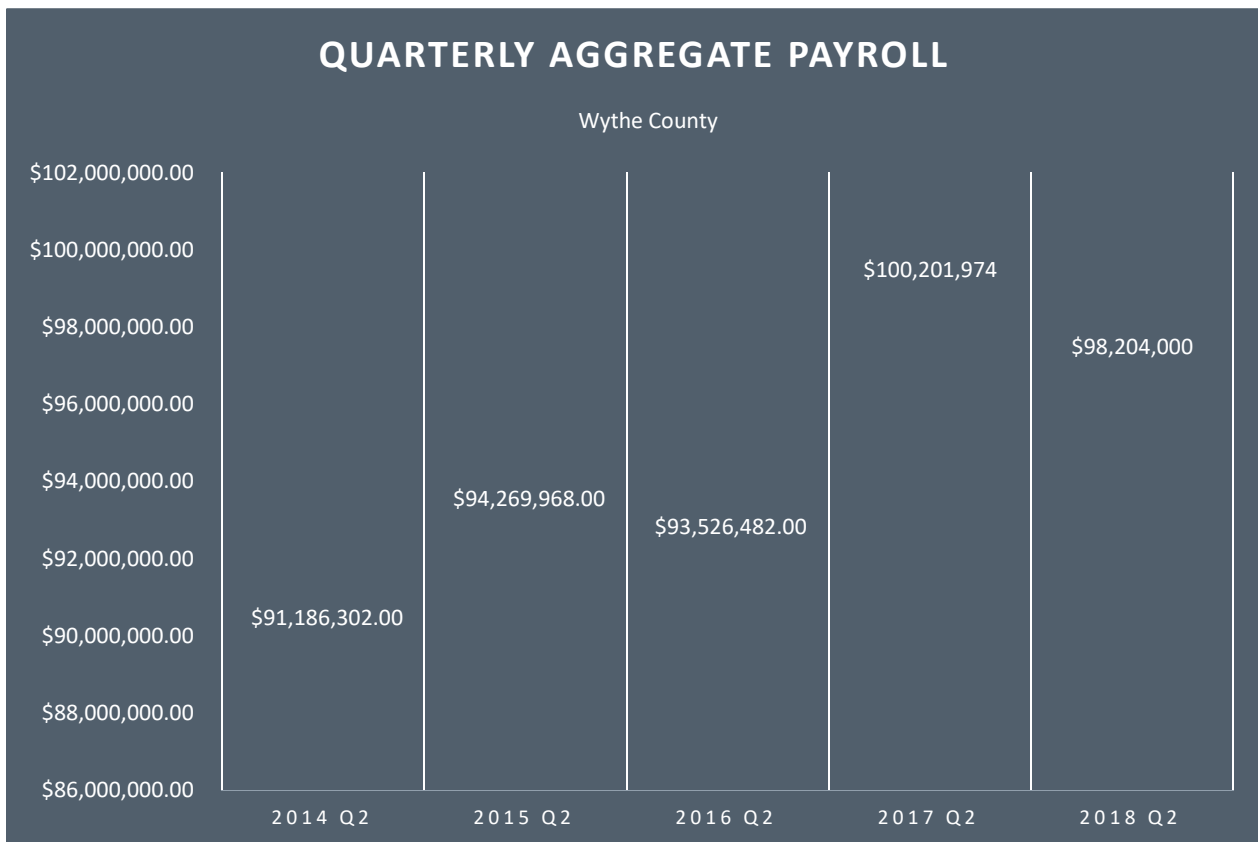
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Wythe County	6.1%	5%	5.8%	4.6%	4.4%	3.3%
Virginia	4.6%	4.8%	3.8%	3.6%	3.4%	2.9%



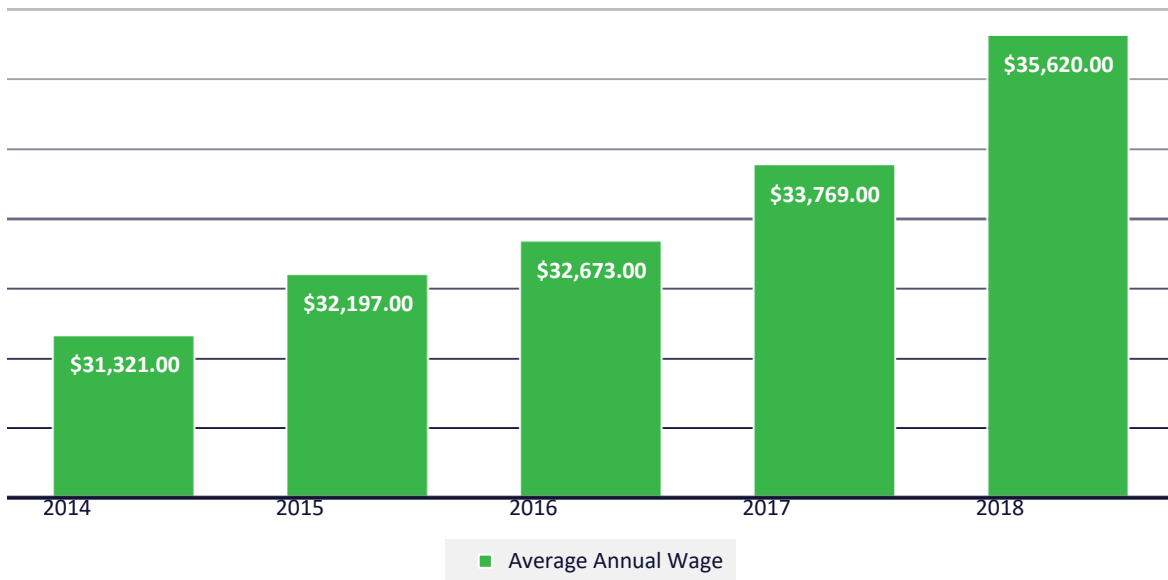
WORKFORCE SIZE

Year	Labor Force	Employed	Unemployed
May 2019	13,576	13,127	449
Nov. 2018	13,434	12,921	513
Nov. 2017	13,531	12,946	585
Nov. 2016	13,508	12,757	751
Nov. 2015	13,129	12,490	639
Nov. 2014	13,341	12,500	841

WYTHE COUNTY PAYROLL



Average Annual Wage



Average Weekly Wage



OLD OR UNFINISHED BUSINESS

REVOLVING LOAN FUND UPDATE

Mr. Manley stated that a second round of collection letters will go out to Lakes to Florida and Movin' Dogs. Ms. Yelton did respond to the last letter and has made several payments since then. Chairman Kause was concerned that Lakes to Florida has not made any payments at all. Mr. Manley stated that he had spoken with her and she had encountered challenges with the state fire marshal. He does not know of any changes. Mr. Bear stated that the fire marshal is a state agency involved in the inspection. Further guidance will be needed on the loan and will need to be discussed in closed session. The Board agreed to go into closed session to discuss. Mr. Mabe asked about the wrecker service. Mr. Manley stated that they will be resubmitting a new application based on a different business scenario. Mr. Morgan asked about Branch Botanicals. Mr. Manley answered that a written update from them is expected forthwith.

WEBSITE UPDATES

Mr. Manley mentioned that the website updates will be complete soon. The Joint IDA received grant funds to have the work completed by The O'Connor Group, the original website contractor.

ENGINEERING UPDATE

Mr. Manley reported that Peed & Bortz are nearing completion of the local site desktop engineering work for Progress Park designed to minimize contingencies for certain sites related to site preparation. The additional VEDP site characterization work was wrapping up and reporting should be out soon.

OTHER

Budget amendment – Mr. Manley stated that the County allocation was slightly off from original estimates. To clean up the budget, minor changes were made. Board approval was requested. Chairman Kause asked if there was any discussion regarding the changes. With there being none, he asked if there was a motion to approve the revised budget. Mr. Carpenter, seconded by Mr. Cole, made a motion to approve the budget as revised. With no further discussion, the motion passed unanimously.

NEW BUSINESS

VIRGINIA BUSINESS AD

The Joint IDA's full page ad editorial content in Virginia Business magazine was discussed and Mr. Manley passed the magazine around for the Board to see the ad. There will be another bonus ad in a future edition. Positive feedback has been received by staff on the ad's content and design.

AUDIT – JIDA AND CRIFA SEPTEMBER 12, 2019

Mr. Manley mentioned that the FY 2018-2019 audit will be on September 12, 2019 for both CRIFA and JIDA.

PROJECT UPDATES

Will take place in closed session.

OTHER

Update – Mr. Manley distributed a copy of the items he discussed during the joint governing bodies meeting. He presented an update on the activities of the Joint IDA including the most recent economic benchmarks for the county. [INCLUDED IN THIS DOCUMENT]

The Joint IDA will meet at the APEX center later this year. A tour was requested. Details will be announced when confirmed.

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

Vice Chairman Mabe moved that the Board of Directors of the Joint IDA of Wythe County enter closed session as permitted by the Code of Virginia section 2.2-3711(a)(5): Prospective Business Discussion, and Code of Virginia section 2.2-3705(a)(6): Proprietary Information Related to an Economic Development Prospect.

The motion was seconded by Mr. Cole.

Roll Call Vote:

- Yea – Dicky Morgan
- Chairman David Kause
- David Carpenter
- Michael Cole
- Wes Mabe
- Matthew Clarke
- Nay – None

Absent during vote: Dr. Charlie White

Mr. Mabe then moved that the Board of Directors of the Joint IDA of Wythe County re-enter open session and further certify that the only matters discussed in closed session were matters permitted and identified.

The motion was seconded by Mr. Cole.

Roll Call Vote:

- Yea – Dicky Morgan
- Chairman David Kause
- David Carpenter
- Michael Cole
- Wes Mabe
- Matthew Clarke
- Nay – None

Absent during vote: Dr. Charlie White

CLOSED SESSION AS PERMITTED BY CODE OF VIRGINIA §2.2-3711(a)(7)

Vice Chairman Mabe moved that the Board of Directors of the Joint IDA of Wythe County enter closed session as permitted by the Code of Virginia section 2.2-3711(a)(7): to discuss actual or probable litigation. The motion was seconded by Mr. Carpenter.

Roll Call Vote:

- Yea – Dicky Morgan
- Chairman David Kause
- David Carpenter
- Michael Cole
- Wes Mabe
- Matthew Clarke
- Nay – None

Absent during vote: Dr. Charlie White

Mr. Mabe then moved that the Board of Directors of the Joint IDA of Wythe County re-enter open session and further certify that the only matters discussed in closed session were matters permitted and identified.

The motion was seconded by Mr. Carpenter.

Roll Call Vote:

- Yea – Dicky Morgan
- Chairman David Kause
- David Carpenter
- Michael Cole
- Wes Mabe
- Matthew Clarke
- Nay – None

Absent during vote: Dr. Charlie White

ADJOURN

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

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary