

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
January 25, 2018

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, January 25, 2018, at 3:00 p.m. in Council Room of the Wytheville Municipal Building at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

David Kause, Chairman
Dicky Morgan
Matthew Clarke
Wes Mabe, Vice Chairman
Charlie White

MEMBERS ABSENT

David Carpenter
John Silva

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
Virginia Crockett, Administrative Assistant

DETERMINATION 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 Patricia Bevil with the Virginia Employment Commission, 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 during citizens' time. There being none, Chairman Kause continued with the meeting.

PRESENTATION OF FY 16-17 AUDIT – Corbin Stone, CPA, of Robinson Farmer Cox

Mr. Stone from Robinson Farmer Cox Certified Public Accountants presented the fiscal year 2016-2017 audit to the Board. He discussed the audit in full, as well as journal entries that will need to be completed regarding employee benefits, and other necessary changes that are normal. Mr. Stone stated that the JIDA Staff is cooperative with the auditors and supplies all necessary information needed for the audit. He mentioned that there were no findings in the JIDA audit, that it was a "clean" audit, and that the outcome was "as good as it gets" for an organization like the Joint IDA. Mr. Stoned opened the floor for questions.

Chairman Kause stated since there were no questions or concerns, he asked for a motion to accept the JIDA FY 2016-2017 Financial Audit as presented. Mr. Morgan made a motion, seconded by Dr. White, to accept the audit as presented. With no further discussion, the motion passed unanimously.

APPROVAL OF MINUTES—November 30, 2017

Chairman Kause asked if there were any questions or discussion regarding the minutes from November 2017 and he asked for a motion to approve. There being none Mr. Clarke, seconded by Mr. Morgan, made a motion to approve the November 2017 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 invoices for both December 2017 and January 2018. He asked if the Treasurer, David Carpenter had mentioned any concerns. Mr. Manley answered that he had not during their earlier telephone conversation. There being no discussion, Chairman Kause asked if there was a motion to approve both December and January invoices. Mr. Clarke asked about the journal entries that Mr. Stone had discussed during his presentation. Mr. Manley answered that the journal entries were not performed until the audit had been presented and approved by the Board so that there would be full knowledge of any necessary changes. He mentioned that the changes will be reflected in the reports for February 2018. Mr. Mabe, seconded by Mr. Clarke, made a motion to approve the invoices for both December 2017 and January 2018. With no further discussion or questions, the motion passed unanimously.

**Joint IDA of Wythe County
Check Register
December 1, 2017 through December 31, 2017**

Check #	Date	Payee	Amount
EFT	12-29-17	Appalachian Power	119.88
EFT	12-29-17	CenturyLink	158.62
EFT	12-29-17	First Bank-MasterCard	2,852.20
EFT	12-29-17	Robert G. Moore	1,100.00
EFT	12-29-17	Xerox Corporation	155.72
7535	12-29-17	David Manley-Reimbursement	207.05
7536	12-29-17	IEDC	420.00
7537	12-29-17	John Matthews	269.27
7538	12-29-17	SEDC	250.00
7539	12-29-17	SVAM	50.00
7540	12-29-17	Town of Wytheville	18,666.59
7541	12-29-17	Virginia Crockett-Reimbursement	315.42
7542	12-29-17	W-W-B Chamber of Commerce	138.00
7543	12-29-17	Wytheville Office Supply	17.21
Total			\$ 27,719.96

**Joint IDA of Wythe County
Check Register
January 1, 2018 through January 31, 2018**

Check #	Date	Payee	Amount
EFT	1-25-18	Appalachian Power	222.32
EFT	1-25-18	CenturyLink	159.24
EFT	1-25-18	First Bank-MasterCard	1,091.78
EFT	1-25-18	Robert G. Moore	1,100.00
EFT	1-25-18	Xerox Corporation	23.91
7544	1-25-18	Town of Wytheville	23,771.37
7545	1-25-18	Virginia Crockett	26.51
Total			\$ 26,395.13

STAFF REPORT – ASSOCIATE DIRECTOR

Workshops

DHCD Entrepreneurial Innovation Day – December 6, Charlottesville, VA

Meetings

B2B Engage – Continued Client Management Software Training
Camrett Tour
Economic Vitality Committee – Evolution Wytheville
Human Resources Advisory Lunch
Industry Salary and Benefits Survey Planning
JIDA Christmas Open House
Joe Wilkins, Wythe County Community Hospital CEO
Manufacturing Career Fair & FAM Tours planning
New River SHRM conference call
Project Stratus
Properties - Commercial Real Estate Agents
Property Owners
Retail Coach
Rural King
Revolving Loan Fund Recipients and Applicant
Small Business Assistance
Wythe-Bland Young Professionals and Steering Committee
Wythe County Board of Supervisors
Wythe Manufacturing Roundtable

Upcoming Events

Manufacturing Round Table – February 21, 8-9:15 AM at the Wytheville Meeting Center

STAFF REPORT – EXECUTIVE DIRECTOR

- **Responded to inquiries from**
 - VEDP
 - Appalachian Power Co.
 - Commercial real estate broker
 - Entrepreneurs
 - Existing industry
 - Local hotelier

- **Business Contacts and Meetings**
 - Wythe County Board of Supervisors update/closed session
 - Crystal Morphis, Creative Economic Development
 - Stephen Bear, County Administrator
 - Dan Tolley, Branch Botanicals
 - SWVA Wedding group
 - Randy Rose, VEDP Workforce and VJIP
 - Aaron Farmer, The Retail Coach
 - Mayor Trent Crewe
 - Will Kline, The Retail Coach
 - Stacey Richardson, Virginia TRRC
 - Mariya Hurwitz, PepsiCo

- Tommy Miller, VEDP
- Sandi McNinch, VEDP general council
- Corbin Stone, RFC accountants
- Scott Bortz, Peed & Bortz
- Matt Clarke, Clarke Precision Machine
- Michelle Jenkins, Office of Congressman Morgan Griffith
- Katherine Goodwin, VEDP
- Matt McLaren, VEDP
- Jay Langston, VEDP
- Josh Lewis, VIAA
- Katherine Asbury, BRCEDA
- Victoria Hanson, Amherst Co. Economic Development
- George Anas, Rockingham Co. Economic Development
- Michael Solomon, Pulaski Co. Economic Development
- Robert Dunn, The Stump Companies
- John Smolak, AEP
- John Griffith, AEP
- Del. Jeff Campbell
- Del. Will Morefield
- Del. Israel O'Quinn
- Sen. Ben Chafin
- Dylan Bishop, Aide to Sen. Bill Carrico
- Del. Betsy Carr
- Del. Matthew James
- Del. Chris Hurst
- Chris Lloyd, McGuire Woods Consulting
- Mike Woods, Troutman Sanders Strategies
- Downtown Wytheville Economic Vitality Committee

- **Noteworthy or Other Activities**

- GO Virginia regional council meeting
- VEDA Board meeting
- VEDA Winter membership meeting
- Orientation meeting for new Supervisors Lawson and Vaught
- VEDA conference calls re: public policy/ VEDA day @ General Assembly
- VEDA legislative reception in conjunction with VEDA day at the General Assembly
- Audit review for JIDA
- Reviewed and edited minutes
- Reviewed financial reports
- Credit card reconciliation
- Revolving loan fund work
- The Retail Coach working group update
- Project Glacier
- Project Stratus
- Radio Interview WYVE/WXBX

- **Upcoming**

- The Retail Coach update: Next week
- Tenure Awards: March 22, 2018 (tentative)
- Evolution Wytheville Classes kick off: February 1, 2018

OLD OR UNFINISHED BUSINESS

REVOLVING LOAN FUND UPDATE

Mr. Manley reported that there are two major delinquencies that the Board does know about. Although the accounting firm wrote off one of them the JIDA will still pursue collection of the loan. Mr. Manley stated that a new letter has been drafted that will go out soon. A signature will be required upon delivery. He mentioned that the JIDA letter will state that collection action will begin in "x" number of days if they do not make some good faith payment arrangement. Mr. Manley added that the Board of Directors would need to determine what legal action to take in furtherance of the collection. He added that there would be a final warning (perhaps in person) if needed before legal action would be commenced. He mentioned that he doubted that either of the parties would contest the warrant in debt, so it could end with an automatic judgment and that the JIDA would then use to collect. Mr. Manley stated that this last letter going out states very clearly that the JIDA will move forward and collect if they do not respond promptly.

Mr. Mabe mentioned the Rogers loan. Mr. Manley answered that she has been in contact with the JIDA twice in the last week and is working on a payment arrangement to get caught up. He added that the JIDA has transmitted to her what her debt is. She has reported slow sales and some turnover in staff and the JIDA is trying to work with her to get caught up.

Mr. Manley added that there will be a loan application to come up in closed session to discuss due to the applicant being an unannounced prospect.

Mr. Morgan asked about Branch Botanicals. Mr. Manley answered that there was a pending change in management in the company and they had planned to come to Wytheville at the end of the month to give a report. He added that the project is proceeding but behind schedule.

OTHER

None

NEW BUSINESS

TENURE AWARDS LUNCHEON – February 22, 2018

Mr. Manley stated that with the approval of the Board Chairman the JIDA staff has opted to change the date to March. He mentioned that since there had been an abundance of sickness and bad weather issues that the date for the Tenure Awards luncheon has been tentatively rescheduled for the fourth Thursday of the month prior to the regular Board meeting. It will be held Thursday, March 22, 2018, beginning at 12:00 pm at the ballroom at the Bolling Wilson Hotel.

2018 IRS MILEAGE RATE

Mr. Manley informed the Board that the new IRS mileage rate has increased for 2018 from \$.535 to \$.545.

REQUEST TO RURAL RETREAT TOWN COUNCIL FOR APPOINTMENT

Mr. Manley stated that in consultation with the Board Chairman and discussion with the Rural Retreat Town Manager, Jason Childers, it was found that there was common interest in a new appointment representing Rural Retreat. Mr. Manley mentioned that Mr. Silva, in the past, had indicated to Town staff that he would like to resign, but he has not signed any documents doing so to his knowledge. Mr. Manley presented a draft letter to the board requesting a new appointment to replace Mr. Silva. Chairman Kause read the letter that will be sent to the Rural Retreat Town Council regarding a new appointee.

Chairman Kause asked if there was a motion to approve the letter. Mr. Morgan, seconded by Mr. Mabe, made a motion to approve the signature of the Chairman on the letter to be submitted to the Rural Retreat Town Council. With no further discussion, the motion passed unanimously.

ECONOMIC INDICATORS UPDATE

A report regarding Wythe County Economic Benchmarks was distributed to each Board member. Mr. Manley discussed new business activity, unemployment rates, workforce size, and the Wythe County payroll. There were several questions regarding unemployment that were answered by Mr. Manley and Ms. Bevil of the Virginia Employment Commission. Most economic indicators were in positive territory including lower unemployment and higher payroll in the County. With no further discussion, Chairman Kause continued with the meeting.

INFORMATIONAL UPDATE ON PROGRESS PARK CONNECTOR

Mr. Manley gave an update of the Progress Park connector road noting that there have been a number of inquiries he has received over the past several weeks. He had received information from the County Administrator, Stephen Bear, that gives the current status of the connector road. Mr. Manley stated that Mr. Bear mentioned that the County's Engineering firm had a meeting with county staff and VDOT about two weeks ago with one of the primary issues was to go over environmental requirements to move forward. Should the project be funded by VDOT's Smart Scale application there will be increased environmental work that would be required. The county is currently getting updated right-of-entry agreements from landowners for studying any environmental issues with proposed alignment. Mr. Bear also stated that plans are being pursued for an at-grade crossing at Lovers Lane which would eliminate the need for its bisection.

ECONOMIC GARDENING UPDATE

Mr. Manley stated that he would like to invite Mr. Clarke to give an update on the Economic Gardening program since he was one of the successful participants in Virginia's pilot program. Mr. Manley added that the program had been in the news a bit and that word was sent from Richmond that Clarke Precision Machine's participation was greatly appreciated. Mr. Clarke stated that it was a great program. He stated that the details of how it came about was that you had to be nominated by a local economic development authority and several businesses in our region were nominated. Mr. Clarke mentioned that he then went through an application process with the State and eventually a total of 14 companies were chosen to participate. Clarke Precision Machine was the only manufacturer west of Roanoke that made the cut for the program. He was proud that Clarke Precision Machine was chosen, and he noted that he did not initially know what to expect. However, he characterized the experience and early outcomes as phenomenal.

Clarke Precision Machine was paired with a team leader based in Denver as well as four subject matter experts that took a deep dive into evaluating his business in different sectors. One sector was the competitive analysis,

one was the customer analysis, another was the digital presence -- evaluating the website, and marketing. The project lasted approximately 12 weeks. Mr. Clarke had a short list of low hanging fruit that could make an immediate impact that came out of the recommendations that they made. There was also a longer list of big picture items that helped him to understand the competitor customer analysis side and what long term measures that could be taken to assist the business's growth and sustainability. Mr. Clarke stated that he could not state enough about how valuable the program is to a company the size of Clarke Precision Machine or one that is two, three, or four times that size. Mr. Manley asked if Mr. Clarke knew the nominal value of such a project if purchased on the open market. Mr. Clarke answered that it would more than likely be around \$20 to \$40 thousand dollars or more.

Mr. Clarke mentioned that there were five consultants involved who were well managed, each taking one step from the next, and all going off the information that the management and staff were providing. The key for a company to succeed in economic gardening is that it must first be a well-organized company. He does hope that there will be a phase II of the program to see how he has progressed from the first phase. He has already implemented suggestions and has seen direct result impacts from the analysis and it would be good to come back a year later after some of the short and mid-term goals have been implemented.

Mr. Manley mentioned that the JIDA has been contacted by the division vice president that is overseeing the Economic Gardening Program for VEDP and has endorsed the program to continue. The group will be coming to the JIDA to conduct an interview in February with the JIDA Staff. Mr. Manley characterized the long-term value of something like this to a business person is incalculable. The JIDA Staff invited the Board to refer companies for the program.

OTHER

VEDA PUBLIC POLICY UPDATE REGARDING SB714 – Mr. Manley distributed information regarding potentially significant legislation introduced in the Senate of Virginia, SB714. He was asking that if so inclined, Board members contact (call/email) the members of the Senate Committee on Local Government to make them aware of the severe, negative impact this legislation would have on economic development. Mr. Manley briefly discussed SB714 and then asked that all Board members contact their representatives. Mr. Manley will forward contact information to each Board member.

SITE SELECTOR'S MATERIAL REVIEW/ASSESSMENT – Chairman Kause asked if there had been any action taken on the review. Mr. Manley answered that in conjunction with the consultant it was decided to put the review off until after the holidays. Mr. Matthews has collected the information and they hoped for a report soon.

PROJECT UPDATES

Closed session.

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 2.2-3705.6: Proprietary Information Related to an Economic Development Prospect.

The motion was seconded by Mr. Clarke.

Roll Call Vote:

Yea – Dickie Morgan
Dr. Charlie White
Chairman David Kause
Matthew Clarke
Wes Mabe

Nay – None

Absent during vote: John Silva
David Carpenter

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

The motion was seconded by Mr. White.

Roll Call Vote:

Yea – Dickie Morgan
Dr. Charlie White
Chairman David Kause
Matthew Clarke
Wes Mabe

Nay – None

Absent during vote: John Silva
David Carpenter

In open session Chairman Kause asked if there were any questions or discussion and if there was a motion to approve the loan to Project Beagle. Mr. Clarke, seconded by Mr. Morgan, made a motion to approve the RLF loan for the benefit of Project Beagle. With no further discussion or questions, the motion passed unanimously.

ADJOURN

There being no other business, Chairman Kause adjourned the meeting at 4:10 p.m.

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary