

**JOINT INDUSTRIAL DEVELOPMENT AUTHORITY**  
**Minutes of Meeting**  
**June 25, 2020**

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, June 25, 2020, at 3:00 p.m., in the Council Room of the Wytheville Municipal Building at 150 East Monroe Street, Wytheville, Virginia. The meeting was live streamed for public participation via Webex.

**MEMBERS PRESENT**

David Kause, Chairman  
Charlie White  
David Carpenter  
Michael Cole  
Wes Mabe, Vice Chairman

**MEMBERS ABSENT**

Matthew Clarke  
Dicky Morgan

**EX-OFFICIO MEMBERS PRESENT**

C. Wayne Sutherland, Jr., Wytheville Town Manager  
Stephen Bear, Wythe County Administrator

**EX-OFFICIO MEMBERS ABSENT**

Jason Childers, Rural Retreat Town Manager

**JOINT IDA STAFF PRESENT**

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

**JOINT IDA STAFF ABSENT**

None

## **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 Beth Taylor, Mayor, Town of Wytheville, Wayne Sutherland, Town Manager, Town of Wytheville, Jennifer Atwell, Wytheville-Wythe-Bland Chamber of Commerce Director (Webex), Mark Bloomfield, Wytheville Town Council, and Holly Atkins, Wytheville Town Council (joining in July 2020) to the meeting. Chairman Kause asked if anyone would like to address the Board. There being none, Chairman Kause continued with the meeting.

## **SPECIAL PRESENTATION**

The following was read by Mr. Manley, JIDA Director and presented by Chairman Kause to retiring Wytheville Town Manager, Wayne Sutherland.

# **A Resolution Honoring Wayne Sutherland**

**WHEREAS**, C. Wayne Sutherland, Jr., has served the Town of Wytheville and its citizens as Assistant Town Manager beginning on July 1, 1980, then as Town Manager beginning on January 1, 1984; and

**WHEREAS**, Mr. Sutherland has supported progress through major initiatives in tourism, downtown revitalization, recreation, parks, public safety, and other contributors to the great quality of life Wytheville and its visitors enjoy; and

**WHEREAS**, Mr. Sutherland has been a tireless advocate for economic development ranging from his work with the Crossroads Regional Industrial Facility Authority and supporting the development of Progress Park to supporting infrastructure improvements that allowed for the recruitment of such game-changing industries as Pepsi; and

**WHEREAS**, Mr. Sutherland has been a faithful attendee of monthly Joint IDA Board Meetings, no matter how verbose the discourse or how long they ran; and

**WHEREAS**, through his public service with honor and distinction, Mr. Sutherland has been a role model to the staff of the Joint Industrial Development Authority; and

**WHEREAS**, Mr. Sutherland will be retiring from his role as Wytheville's Town Manager on June 30, 2020, after over 40 years of service to the people of his community; then

**THEREFORE, BE IT RESOLVED** by the Board of Directors and staff of the Joint Industrial Development Authority, that C. WAYNE SUTHERLAND, JR., is recognized and honored for his many contributions to the economic vitality of our community at-large, and wish him the best for future success, health, and happiness.

Adopted this the 25<sup>th</sup> day of June 2020.

/s/

/s/

**David Kause, Chairman**

**David Manley, Executive Director**

Chairman Kause asked if there was a motion to approve the resolution. Mr. Carpenter, seconded by Mr. Mabe, made a motion to approve the resolution as presented. With no further discussion, the motion passed unanimously.

**APPROVAL OF MINUTES—April 2020**

Chairman Kause asked if there were any questions or concerns regarding the minutes from April 2020. There being none, Chairman Kause asked for a motion to approve. Mr. Carpenter made a motion, seconded by Mr. Cole 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 May and June 2020. Mr. Carpenter made a motion, seconded by Dr. White, to approve the financial statements as presented. With no further discussion, the motion passed unanimously.

**Joint IDA of Wythe County  
Check Register  
May 1, 2020 through May 31, 2020**

Check #	Date	Payee	Amount
EFT	5-28-2020	Appalachian Power Company	61.70
EFT	5-28-2020	CenturyLink	155.86
EFT	5-28-2020	First Bank – MasterCard	2,379.37
EFT	5-28-2020	Robert G. Moore	1,100.00
EFT	5-28-2020	Xerox	29.27
7703	5-28-2020	Yard Barber Landscaping	120.00
7704	5-28-2020	Town of Wytheville	18,685.13

7705	5-28-2020	VIAA	20,610.00
7706	5-28-2020	Virginia Crockett	44.00
<b>Total</b>			<b>\$ 43185.33</b>

**Joint IDA of Wythe County  
Check Register  
June 1, 2020 through June 30, 2020**

<b>Check #</b>	<b>Date</b>	<b>Payee</b>	<b>Amount</b>
EFT	6-25-2020	Appalachian Power Company	140.27
EFT	6-25-2020	CenturyLink	155.92
EFT	6-25-2020	First Bank – Mastercard	675.67
EFT	6-25-2020	Robert G. Moore	1,100.00
EFT	6-25-2020	Xerox Corporation	10.30
7707	6-25-2020	St. Jude Children’s Hospital	100.00
7708	6-25-2020	Town of Wytheville	25,986.41
7709	6-25-2020	Virginia Crockett – Reimbursement	44.00
7710	6-25-2020	Cowan Perry PC	VOID
7711	6-25-2020	Cowan Perry, PC	2,084.50
<b>Total</b>			<b>\$ 30,297.07</b>

**STAFF REPORT – ASSOCIATE DIRECTOR**

**Meetings**

Business Services Unit  
 Klöckner Visit  
 Project Bow  
 Project Groove  
 Project Repeat  
 Properties - Commercial Real Estate Agents  
                   Property Owners  
                   Property Search Project  
 Revolving Loan Fund Recipients  
 Small Business Assistance  
 Virginia Economic Development Association (VEDA) – Annual Summer Meeting (virtual)  
 Virginia Economic Development Partnership (VEDP) – Business Retention and Expansion Committee  
 Virtual Career Fair Planning

**STAFF REPORTS – DIRECTOR**

**Executive Director’s Activity Highlights for period ending June 25, 2020**

**New or Expanding Business Activity**

- **Responded to inquiries from**
  - VEDP
  - Multiple Prospects
  - VIAA
  - Small businesses
  
- **Business Contacts and Meetings**
  - Stephen Bear, County Administrator
  - Scott Bortz, Peed & Bortz
  - Josh Lewis, VIAA
  - Stephen Versen, Va. Dept. of Ag. & Forestry
  - Emily Flippo, VDACS
  - Michaela Martin, VEDP
  - Wayne Sutherland, Town Manager – Wytheville
  - Eric Chapman, CowanPerry
  - Jim Cowan, CowanPerry
  - Pandy Brazeau, VEDP
  - Dan Tolley, Branch Botanicals
  - Cindy Snider, Virginia Community Capital
  - Ed Blevins, First Bank & Trust
  - Corbin Stone, RFCA
  - Green Faircloth, Atmos
  - John Smolak, Appalachian Power
  - John Griffith, Appalachian Power
  - Katherine Goodwin, VEDP
  - Jason Vaughan, Agracel
  - Andy Sorrell, Tobacco Commission
  - Jim Noel, York Co. Ec. Dev.
  - Steve Harrison, Hampton Roads EDA
  - Linda Green, Southern Virginia Regional Alliance
  - Todd Wolford, Downtown Wytheville
  - Jake Tabor, VIAA
  - Stephanie Surrect, SVAM COE
  - Jordan Snelling, VEDP
  - Connie Long, VEDA
  - Kalen Hunter, GO Virginia
  - Shannon Blevins, UVA Wise and GO Virginia
  - John Loftus, VEDP
  - Rebecca Rice, O'Connor Group
  - Chris Menerick, Wytheville Town Atty.
  - Holly Atkins, Wytheville Town Council
  - Gary Gillman, Wytheville Town Council
  - Dr. Beth Taylor, Wytheville Mayor
  - Adam Kidd, Bland County BOS

- Eric Workman, Bland County
- Jeremy Farley, Wythe County
- Among others...

- **Noteworthy or Other Activities**

- Orientation with new members of Wytheville Town Council
- Budget development
- WC BOS Ec. Dev. committee
- Performance agreements (draft, edit)
- Site visit
- RFI response
- Reviewed and edited minutes
- Reviewed financial reports
- Credit card reconciliation
- Project and financing discussions
- Project related research
- Many webinars, web conferences
- COVID-19 updates, information sharing
- Liaison to Secretary of Commerce and Trade for business rulings re: COVID guidelines
- Among much more

UPCOMING:

- Next announcement in July
- July board meeting on 23<sup>rd</sup>

**OLD OR UNFINISHED BUSINESS**

**REVOLVING LOAN FUND UPDATE**

Mr. Manley reminded the board that with their consent the Joint IDA has done forbearances for the active Revolving Loan Fund loanees through August. The original forbearance was through June, but it has been extended through August. He noted that the local courts have not reopened, so litigation for the loans in arrears has not been pursued. Once the courts open for regular business the litigation will continue. Mr. Manley mentioned that some of the borrowers continue to make payments notwithstanding the forbearance.

Mr. Mabe asked about Newhouse Enterprises. Mr. Manley answered that they were the company who took over the location of and part of the business of Wiffle Pops.

Mr. Manley thanked Mr. Matthews for his work on supplying the slides for the meeting today, they have been extremely helpful.

**SUSTAINABILITY LOANS**

Mr. Manley recounted that as a response to the widespread business shutdowns due to COVID-19, the JIDA partnered with Downtown Wytheville and the Wytheville-Wythe-Bland Chamber of Commerce to form the 2020

Sustainability Loan program. There have been 11 loans executed totaling \$22,000 and there is a remaining amount of \$38,000. The businesses that have borrowed have been most appreciative. Mr. Manley also noted that some communities were funding grant programs as opposed to loan programs.

Mr. Matthews stated that the Grayson Restaurant has already paid their loan off. They came in to make their payment in full and wanted to share their appreciation to the organizations on how helpful it was to get them over the hump while their business operations were restricted.

Mr. Manley mentioned that he had received several emails and texts from businesses commending the organizations regarding the loan program. He added that it was the right thing to do at the right time for the community. Mr. Manley stated that the loans will continue to be offered and he is happy to continue to partner with the other two organizations to be available to do our part to help the community.

## **COVID-19**

Mr. Manley noted that everything is moving at a different, slower pace because of the virus. He and staff look forward to a return to normalcy, although the JIDA has been busy during the pendency of the epidemic. He anticipates a bouncing back of manufacturing and additional reshoring of jobs in certain sectors. Regarding Wythe County's \$150 million+ tourism industry, Manley mentioned that he believes that people will look to smaller localities to take road trips and for vacations and expects that this area's business future will bode well from that and will help local businesses in our area with increasing tax dollars coming into the localities.

## **FY BUDGET 19-20 AMENDMENT**

Mr. Manley stated that he and Mr. Carpenter went through the FY 2019-2020 budget to do a bit of cleanup. He mentioned that travel had obviously stopped a few months ago, but there have been additional expenses replacing equipment and adding to our equipment because of more demand for digital and virtual interaction. He mentioned that he wanted to bring this information before the Board and asked for their adoption of the amended budget to make sure things balanced at the end of the fiscal year. Mr. Carpenter confirmed that the amendment was primarily needed to balance expense line items. Mr. Carpenter made a motion, seconded by Mr. Mabe, to adopt the amended budget for FY 2019-2020. With no further discussion, the motion passed unanimously.

## **OTHER**

None

## **NEW BUSINESS**

### **ACCEPTANCE AND CONVEYANCE OF PROPERTY FOR FOOD CITY DEVELOPMENT**

Mr. Manley mentioned the performance agreement and the deeds that had been handed out to the Board. Mr. Menerick, Wytheville Town Attorney, will discuss the information.

Mr. Menerick noted that, as the Board remembered the Food City Project, the Town of Wytheville had some right-of-way behind the existing Super Dollar building. The Town has vacated that right-of-way and agreed to transfer it to the Joint IDA and then the Joint IDA will transfer it over to Food City with agreed parameters. Mr.

Menerick noted each Board member has the information before them which is the draft Deed from the Town to the Joint IDA and then a draft Deed from the Joint IDA to whatever Food City's entity will be. Mr. Menerick mentioned that he thought it would be Marathon Realty Corporation. He added that there is a Performance Agreement with some conditions regarding expected use and timeframe for the project. While Food City may not agree to the operational timeline requirement of five years, he thinks having a general clawback option will be agreeable. Mr. Menerick noted that they will be looking at everything closely.

Chairman Kause asked that for clarification about the location in questions, which is 14<sup>th</sup> Street, the section behind the building. Mr. Menerick answered that, yes it was, it is 14<sup>th</sup> Street directly behind the building and an unimproved grass right-of-way that goes back between the houses. Mr. Carpenter asked if the land goes all the way to 16<sup>th</sup> Street. Mr. Menerick answered that the land is just a little short of 16<sup>th</sup> Street and only includes a few houses in that section. He added that it is mentioned in the description of the deed. Mr. Manley noted that the land was from 14<sup>th</sup> Street from Main Street to Monroe Street. Mr. Menerick noted that the grassy area just goes up to certain houses and then stops.

Mr. Carpenter read the information from the Deed to the Board. Mr. Manley noted that the Town of Wytheville has already conveyed the land to the Joint IDA by vote and that this board would need to approve the transfer forward to Food City's holding entity.

Chairman Kause asked if there was a motion to approve the acceptance and conveyance of the property mentioned on the Deed from the Town of Wytheville. Mr. Cole made a motion, seconded by Dr. White, to approve the transfers from the Town to the appropriate Food City entity. Chairman Kause asked for a roll call vote. The result is as follows:

Yea: David Carpenter  
Wes Mabe  
Mike Cole  
Charlie White  
David Kause

Nay: None

#### **ADOPTION OF FY 20-21 BUDGET**

Mr. Manley noted that this budget is for FY 2020-2021. He added that he did receive confirmation of local appropriations and they are reflected in this proposed budget. Mr. Manley thanked Wythe County, the Town of Wytheville, and the Town of Rural Retreat for showing faith in us for another year and assured all parties that the JIDA will be good stewards of the public money. Some category names have been adjusted and one area of an increase was Business Development. Mr. Carpenter mentioned the increase in office expenses and Mr. Manley went on to explain the anticipated need for more technology for virtual site visits and doing more work digitally, remotely, etc. Mr. Manley pointed out that the largest dollar change is for VIAA, which has gone up to \$1.75 per capita as mandated by the organization and the County. Mr. Manley noted that he and Mr. Carpenter worked on the budget for several hours and they feel that it is an overall good representation of expected needs and funds available. Chairman Kause asked if there was a motion to approve the FY 2020-2021 budget as presented. Mr. Carpenter made a motion, seconded by Mr. Cole to approve the FY 2020-2021 budget as presented. With no further discussion, the motion passed unanimously.



Mr. Manley mentioned that the 2020-2021 Financial Audit will be August 3 and 4.

## **OTHER**

WCC Student Thank You Letter – Mr. Manley mentioned that several years ago the Wythe Manufacturers Council through the JIDA sponsored an endowment to Wytheville Community College allowing a scholarship to be given every year to a student studying manufacturing. Mr. Samuel Clemmons sent a letter to the Joint IDA thanking us for the \$2,000 scholarship he received from the Wythe Manufacturing Council. Mr. Clemmons will move on to Danville Community College with the potential to become a Mechanical Engineer. Mr. Carpenter noted that Mr. Clemmons had been one of his students. Mr. Carpenter asked about the Wythe Manufacturing Council Scholarship and how it is funded. Mr. Matthews answered that he was not sure how much was put into the fund originally. He noted that Dr. Rhonda Catron-Wood from WCC came to visit the JIDA several years ago to explain the scholarship funds. Mr. Matthews pointed out that since he has been with the JIDA that fund has existed and there have not been any additional funds put into it. However, it continues to grow through their investments. Mr. Manley mentioned that the JIDA is happy to remain associated with the scholarship fund. Mr. Carpenter asked who maintained the fund. Mr. Manley noted it is maintained by the WCC Foundation and administered through the college.

Helheim Haunted Attraction – Mr. Manley explained that about this time every year, usually a little bit earlier Carter Pennington and Jock Saunders who operate Helheim Haunted Attraction located off of Exit 77 off of Interstate 81 come to us for financial assistance. The JIDA has provided two loans for them in the last two years which they have paid off completely and early, they have been one of the best RLF borrowers the JIDA has had. They have come back and asked for a loan again this year and Mr. Manley wanted to bring a proposal before the Board regarding their loans. Mr. Manley proposed that instead of doing a loan every year for them he would like to suggest a line of credit for them that could be renewed annually. In this proposed scenario, the company that operates Helheim could borrow the money, pay it off, and then the JIDA could loan it back out when they are again in need without need for continued loan closings and so forth. Mr. Manley noted that it is something that the JIDA could do, but he wanted to bring it to the attention of the Board for its consent. Helheim's numbers continue to increase. To wit: the traffic increased by about 30% last year, and their profits were significantly higher than they were the year before. Mr. Manley would like to support their entrepreneurial spirit of improvement and hence my recommendation per the memo before the Board.

Mr. Manley stated that a conventional loan could be undertaken if that is the board's preference, instead of a line of credit. Mr. Mabe asked what the loan amount was. Mr. Manley answered \$10,000. Mr. Mabe asked if both previous loans were for \$10,000 or was the first one \$5,000. Mr. Manley answered that the first loan was for \$5,000 and the second for \$10,000. Mr. Carpenter asked if they were requesting \$10,000 for this loan. Mr. Manley answered affirmatively.

Mr. Carpenter suggested a carefully worded agreement and Mr. Manley concurred. Mr. Manley stated that it would be and that he suggested a yearly review by the Board prior to renewal. He further suggested a periodic review and potential change to the interest rate to make sure it was at an appropriate level.

Mr. Mabe asked how the loan request would be reviewed. Mr. Manley stated that doing a line of credit would mean not having to do loan agreements every year. The account would be setup once and reviewed yearly by the staff and board. Mr. Carpenter asked if this is giving the Mr. Manley the authority without the Board to make this agreement annually without having to do loans every year. Mr. Manley noted that the agreement will be reviewed annually, but there would not be a new application. He added that this is not a typical case and would not be offered in every circumstance as is the prerogative of the Joint IDA.

Chairman Kause mentioned that he liked the idea of a line of credit. He added that it would be easier for them to borrow the money, pay it back, and then borrow the money and pay it back again with less red tape. Chairman Kause asked about the record keeping. Mr. Manley stated it would be kept up with along with all the other loans. Kause asked which option the borrower would prefer. Mr. Manley stated he thought they would be happy with either option. Their goal is to run their business successfully.

Chairman Kause asked if there was a motion to approve the line of credit for Helheim Haunted Attraction. Mr. Mabe mentioned that he is concerned that it may open a problem with future borrowers wanting to do the same thing. Mr. Manley did mention that Helheim did not request the line of credit, it was something that he personally thought that the Joint IDA could offer. Mr. Mabe did not want any problems or make any exceptions with other requests or borrowers in the future. Mr. Manley mentioned that what he has found in studying what other loan programs do, is they have less of a strict programmatic approach, e.g., Loan type A, B, or C. Best practices mimic private sector banking and loans are structured on a case by case basis and we have sort of started doing that with the different terms and rates on our loans. Mr. Cole asked about doing this for other loanees. Mr. Manley noted that we do not have to loan to anyone, and we can structure a loan to how we see fit.

Mr. Manley noted that when he started his position at the Joint IDA, he was the one who had the Revolving Loan Fund restructured to doing small loans to local businesses rather than to just manufacturers. One of his first visitors to the office was Craig Barbrow from the USDA and he said that if the funds were not utilized it would have to be returned. Mr. Manley acted quickly and asked to reprogram the money and that September there was an active loan fund. The Joint IDA has given out more than two dozen loans and supported dozens of jobs with these loans.

Mr. Manley noted that this type of loan, line of credit, may never be done again. The same deal will not be offered to every loan applicant.

Mr. Carpenter made a motion, seconded by Dr. White, to approve the line of credit for Helheim Haunted Attraction. With no further discussion, the motion passed unanimously.

**CLOSED SESSION AS PERMITTED BY CODE OF VIRGINIA §2.2-3711(A)(5) [prospective business including Projects Panel, Groove, Repeat]; and/or §2.2-3711(A)(7)[actual or probable litigation including RLF litigation, clawback].**

Wes Mabe moved that the Board of Directors of the Joint IDA of Wythe County enter closed session as permitted by the CODE OF VIRGINIA §2.2-3711(A)(5) [prospective business including Projects Panel, Groove, Repeat]; and/or §2.2-3711(A)(7)[actual or probable litigation including RLF litigation, clawback].

The motion was seconded by David Carpenter.

Roll Call Vote:

Yea – David Kause, Chairman  
David Carpenter  
Michael Cole  
Wes Mabe  
Charlie White

Nay – None

Absent during meeting: Dicky Morgan  
Matthew Clarke

Wes 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 Dr. White.

Roll Call Vote:

Yea – David Kause, Chairman  
David Carpenter  
Michael Cole  
Wes Mabe  
Charlie White

Nay – None

Absent during vote: Dicky Morgan  
Matthew Clarke

**ADJOURN**

There being no other business, Chairman Kause adjourned the meeting at 4:25 p.m.

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David Kause, Chairman

Attest:

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Virginia M. Crockett, Secretary