

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
May 24, 2018

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, May 24, 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
Wes Mabe, Vice Chairman
David Carpenter
Charlie White

MEMBERS ABSENT

Matthew Clarke
John Silva
Dicky Morgan

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. Chairman Kause offered the invocation and led the Pledge of Allegiance.

CITIZENS' TIME

Chairman Kause asked Mr. Manley to introduce several guests attending the meeting. Mr. Manley introduced Mr. Mark Bloomfield, newly elected Wytheville Town Council member, Jennifer Atwell, W-W-B Chamber of

Commerce, Wayne Sutherland, Wytheville Town Manager, Dr. Beth Taylor, newly elected Mayor for the Town of Wytheville, and Chris Menerick, relatively new attorney for the Town of Wytheville. Mr. Manley invited each person back to future JIDA Board meetings. All participation is appreciated. Stephen Bear joined the meeting later as it was in progress.

Mr. Manley asked the JIDA Board to introduce themselves, so the Town Council members and guests would know who they are. Each Board member introduced themselves.

Mr. Manley introduced Josh Lewis, Executive Director of VIAA (Virginia's Industrial Advancement Alliance) to the Board and guests. VIAA is the former aCorridor that represents the counties of Carroll, Grayson, Bland, Smyth, Wythe, and the City of Galax as its regional economic development marketing organization.

PRESENTATION AND UPDATE BY JOSH LEWIS (EXECUTIVE DIRECTOR OF VIAA – Virginia's Industrial Advancement Alliance)

Mr. Lewis gave a brief update of the activities of the VIAA. He showed a recent marketing video which has been circulated and was part of a recent direct mail campaign. He also discussed what the VIAA is doing and what has been accomplished to market the region in the past year.

Mr. Bear, Wythe County Administrator discussed GO Virginia.

Mr. Kause mentioned that he would like to commend Wythe County on their waste management project opening this week at Exit 24 and asked Mr. Bear if he would like to discuss the project.

Mr. Bear briefly updated the Board on the project and thanked Chairman Kause for attending. He mentioned that the County appreciated everyone's attendance and explained how important the waste water treatment plant was to economic and retail development for the area.

APPROVAL OF MINUTES—March 22, 2018

Chairman Kause asked if there were any questions or discussion regarding the minutes from March 2018 and he asked for a motion to approve. Mr. Carpenter noted a word change on page 134. Mr. Carpenter, seconded by Mr. Mabe, made a motion to approve the March 2018 minutes as corrected. 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 or reports. Mr. Carpenter asked for a clarification on the Virginia Tourism \$2,500 and what it entailed. Mr. Manley explained that it was the wedding grant and that the Joint IDA will be reimbursed for that expense once the grant cycle is complete. Mr. Carpenter asked if the Revolving Loan Fund loans would be reviewed later. Mr. Manley stated they would. Chairman Kause if there were any further discussion regarding the financials for April and May. Mr. Manley noted that a couple of the budget expenses will hit 100 percent. Benefits and publications are both expected to exceed originally-budgeted amounts. As the end of the fiscal year was approaching, the consensus was to proceed without a last-minute budget amendment.

Chairman Kause asked if there were any further questions or comments. Mr. Carpenter, seconded by Mr. Mabe, made a motion to approve the financial reports for April and May. With no further discussion, the motion passed unanimously.

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

Check #	Date	Payee	Amount
EFT	5-24-18	Appalachian Power	89.48
EFT	5-24-18	CenturyLink	159.34
EFT	5-24-18	Robert G. Moore	1,100.00
EFT	5-24-18	Xerox Corporation	72.37
EFT	5-24-18	First Bank – Master Card	2,228.62
7563	5-24-18	David Manley	453.31
7564	5-24-18	John Matthews	87.20
7565	5-24-18	Town of Wytheville	17,049.43
7566	5-24-18	Yard Barber Landscaping	140.00
7567	5-24-18	Virginia Crockett – Reimbursement	120.00
7568	5-24-18	W-W-B Chamber of Commerce	600.00
7569	5-24-18	Wytheville Golf Club	2,016.75
7570	5-24-18	The Restaurant @ WGC	1,478.10
7571	5-24-18	VIAA Regional Economic Dev.	9,136.00
Total			\$ 34,730.60

STAFF REPORT – ASSOCIATE DIRECTOR

Workshops

Grant Writing Workshop – WCC – March 27, 2018
 Advance SEO for Economic Developers – Webinar – April 12, 2018
 Apprenticeship Forum – Abingdon, VA – May 8, 2018

Meetings

B2B Engage – Continued Client Management Software Training
 Branch Botanicals
 Chamber Tourism Roundtable
 Economic Vitality Committee – Evolution Wytheville
 Enterprise Zone – DHCD Discussion – Current Zone & Boundary Amendment
 Golf Tournament
 Industry Wages and Benefits Survey Planning
 John Loftus (VEDP) – Real Estate Tour
 Manufacturing Round Table
 MEC Tour

Properties – Commercial Real Estate Agents
Property Owners
The Retail Coach
Revolving Loan Fund recipients and possible applicant
Secretary of Commerce and VEDP Visit
Small Business Assistance
Tenure Awards
Trish Morrison – DOLI Director of Registered Apprenticeships
Work Ready Communities
Wythe-Bland Young Professionals and Steering Committee

STAFF REPORT – EXECUTIVE DIRECTOR

New or Expanding Business Activity

- **Responded to inquiries from**
 - VEDP
 - VIAA
 - Entrepreneurs
 - Evolution Wytheville participants
 - Media

- **Business Contacts and Meetings**
 - Wytheville IDA
 - Wythe County BOS Economic Development Committee
 - Wytheville Town Council work session
 - Stephen Moret, VEDP CEO
 - Stephen Bear, County Administrator
 - Dan Tolley, Branch Botanicals
 - SWVA Wedding group
 - Scott Bortz, Peed & Bortz
 - Josh Lewis, VIAA
 - John Smolak, AEP
 - Downtown Wytheville Economic Vitality Committee
 - Kim Ellett, VEDP compliance
 - Joe Gillespie, VEDP BRE
 - Scot Farthing, Wythe County Attorney
 - Deborah Flippo, Draper Aden Assoc.
 - Pandy Brazeau, VEDP
 - John Loftus, VEDP
 - Sandy McNinch, VEDP General Counsel
 - Scot Farthing, Wythe County Attorney
 - Wayne Sutherland, Wytheville Town Manager
 - Jason Childers, Rural Retreat Town Manager
 - Aaron Farmer, The Retail Coach
 - Peter Patel, developer and hotelier

- Andrew Larson, VEDP
- Mark Sechrest
- Retail Coach working group
- SVAM Center of Excellence board of directors conf. call
- Mary Jane Umberger, HR Alliance
- Rosa Lee Jude, Wytheville CVB
- Mariya Hurwitz, PepsiCo
- Faye Barker, Wythe County Commissioner of Revenue
- Bob Di Marino, Coperion
- Stacey Richardson, Virginia Tobacco Region Revitalization Commission
- Trish Morrison, Dept. of Labor and Industry
- Barb Sewell, Three Rivers Media
- Katherine Goodwin, VEDP

Noteworthy or Other Activities

- Joint Governing Bodies meeting and presentation
- Compliance update for Coperion, Schaffner, Branch, Evatran
- Tenure Awards luncheon
- Presented proclamation to Mayor Crewe
- Golf tournament
- Undisclosed expansion projects
- Evolution Wytheville – judging/presentation/awards
- DHCD visit (Enterprise Zone, collaboration opportunities)
- Reviewed and edited minutes
- Reviewed financial reports
- Credit card reconciliation
- Revolving loan fund work
- Project PE
- YP Candidate Forum
- YP social
- Loan closing for Seven Sisters Brewery
- IEDC Finance and Credit Analysis class
- Community meeting with Sen. Mark Warner @ Bolling Wilson Hotel

Upcoming

- VEDA summer meeting in Danville – 6/4-6/5/2018
- New fiscal year begins 7/1/2018

OLD OR UNFINISHED BUSINESS

REVOLVING LOAN FUND UPDATE

Mr. Manley updated the Board on the Revolving Loan Fund. He noted as the Board recalled from the March meeting, the sternly worded letter that was sent out was effective. The letter got to all our delinquent borrowers except the one who has declared bankruptcy into paying something regularly or make goodwill payments. Mr. Manley stated that at least \$50 will be received from one and in the case of another, \$100 or \$200 a month. He mentioned that they do not come in on any particular day of the month, but as long as they do come in monthly pursuing any particular collection activity against them is not recommended. Mr. Manley stated that as all are aware, there was a borrower bankruptcy that is a Chapter 7 (liquidation). He mentioned that the odds of the JIDA recovering the loan are minimal, but the JIDA will be attending the creditors conference during the next week in Abingdon. He noted that council will not be engaged for this as there is no point in this period of the game. Fortunately, the County Attorney has offered to review the documents because he is a bankruptcy specialist. Mr. Manley thanked Mr. Farthing for being willing to do that.

Mr. Carpenter asked about the report that was sent out. Mr. Manley stated that nothing has been touched since it was sent out. He mentioned that all payments are being kept up with.

Mr. Manley stated there has been some light interest in future revolving fund loans, but nothing is close enough to discuss with committee now. Chairman Kause asked the balance of funds still available to loan. Mr. Manley answered that there was approximately \$389,000.

TENURE AWARDS LUNCHEON UPDATE

Discussed during Staff Reports.

BUDGET UPDATE

Mr. Manley mentioned that he did email the JIDA Board the news that Wythe County was kind enough to approve and fund the 2018-2019 Budget request at 100 percent. He stated that staff will be finalizing the budget that was previously presented now that the income is known from the three governing bodies. Mr. Manley mentioned that there will hardly be any changes and that it will be presented at the next Board meeting for approval.

OTHER

None

NEW BUSINESS

EVOLUTION WYTHEVILLE COMPLETION

Discussed during Staff Reports.

ENTERPRISE ZONE ADMENDMENT

Discussed during Staff Reports.

COMPLIANCE UPDATE (EVATRAN, SCHAFFNER, COPERION, BRANCH BOTANICALS)

Mr. Manley reported that at least annually (and usually more often) the JIDA staff checks with any company that has any sort of performance agreement with the County or the State. Mr. Manley noted that Evatran left Wytheville several years ago, as the Board is aware. He mentioned that they did move their corporate office to Richmond. There was a deal approximately a year ago in which a Chinese firm was moving to purchase the company outright, the deal has apparently fallen through. Evatran is still under the same ownership as of April this year according to his research. VEDP has worked out an agreement with the company and Mr. Manley has asked for a compliance update. Mr. Manley noted that Wythe County is working on compliance of the \$100,000 that they owe the County. The County attorney has been pursuing that, instead of the JIDA, to simplify matters.

Mr. Manley noted that there is an inquiry in to Schaffner for their status of investment and employees. He forecasted that they were on track to meet their compliance goals. He added that the JIDA could always ask for an extension of the term.

Mr. Manley reported that Coperion exceeded their investment requirements by millions of dollars and by several employees. He noted that the JIDA was working with their bank and with the County to get their letter of credit released. The letter of credit was a security instrument for compliance. Mr. Bear gave the release to Mr. Manley during the meeting.

Mr. Manley stated that Branch Botanicals is not currently compliant, but there is still time left on their performance period. Mr. Bear and Mr. Matthews both recently met with Dan Tolley while David was away on business. Mr. Manley added that he met with Mr. Tolley and spoken with him on the telephone once since that meeting. He noted that he will be making a trip to visit in the next couple of weeks and there will be a serious conversation about expectations and what is eminent otherwise. Mr. Carpenter asked about the RLF loan. Mr. Manley noted that loan payments are current. The situation is being monitored closely. Chairman Kause asked when Dr. Tolley could be asked back to the JIDA Board meeting for a follow-up report. Mr. Manley answered that the fall would be the first likely period.

OTHER

None

PROJECT UPDATES

Mr. Manley reported that there have been a couple of information requests, one of which is a Lot 24 project.

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 4:30 p.m.

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary