

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
October 23, 2008

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, October 23, 2008, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building located at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

William Snyder, Vice-Chairman
Foy Patton
David Elmore

Tom Jones
Linda DiYorio
Dana Pack

MEMBERS ABSENT

Joe Freeman, Chairman

EX-OFFICIO MEMBERS PRESENT

None

EX-OFFICIO MEMBERS ABSENT

R. Cellell Dalton, Wythe County Administrator
Raymond E. Matney, Rural Retreat Town Manager
C. Wayne Sutherland, Jr., Wytheville Town Manager

DETERMINATION OF QUORUM

Vice-Chairman Snyder called the meeting to order and determined a quorum to be present. Dr. Hawthorne offered the invocation, and Vice-Chairman Snyder led the Pledge of Allegiance.

CITIZENS' TIME

Vice-Chairman Snyder asked if there were any persons present who wished to address the Board during citizens' time. There being none, Vice-Chairman Snyder proceeded with the meeting. Ms. Jennifer Jones was present during the meeting, but arrived after the recognition of visitors in the audience. Vice-Chairman Snyder acknowledged Ms. Jones' presence and asked if she would like to address the Board.

APPROVAL OF MINUTES—September 25, 2008, meeting

Mr. Elmore made a motion, seconded by Mr. Jones, to adopt the minutes as presented. The motion passed unanimously.

APPROVAL OF INVOICES

Dr. Hawthorne noted that the first check listed was from the Revolving Loan Fund for payment of the 2008 End-of-Year Annual Service Fee. Mr. Elmore made a motion, seconded by Mr. Pack, to approve the invoices. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County

Check Register

For the Period From September 26, 2008 through October 23, 2008

Check #	Date	Payee	Amount
1047	10/22/08	Joint IDA of Wythe County	323.85
5710	10/23/08	Alan R. Hawthorne	4,275.27
5711	10/23/08	Patrick G. Burton	2,464.74
5712	10/23/08	Virginia M. Goodwin	1,503.66
5713	10/23/08	Appalachian Power Co.	79.23
5714	10/23/08	Alan Hawthorne-Reimbursement	566.18
5715	10/23/08	Anthem Southeast Dental	100.72
5716	10/23/08	Anthem Blue Cross and Blue Shield	1,544.35
5717	10/23/08	Chamber of Commerce	375.00
5718	10/23/08	Embarq	137.38
5719	10/23/08	First Bank of Virginia	3,209.66
5720	10/23/08	Mellon Trust of New England	850.00
5721	10/23/08	The Mount Rogers Dev. Partnership	2,299.91
5722	10/23/08	Principal Life Insurance Co.	152.94
5723	10/23/08	Robert G. Moore	1,100.00
5724	10/23/08	Sprint PCS	81.61
5725	10/23/08	VA Dept. of Taxation	524.21
5726	10/23/08	Virginia Employment Commission	14.47
5727	10/23/08	Virginia Goodwin-Reimbursement	41.92
5728	10/23/08	Bankcard Services	610.57
5729	10/23/08	Wytheville Office Supply	8.91
5730	10/23/08	Xerox	353.06
Total			\$20,617.64

OLD BUSINESS

ELECTION OF BOARD SECRETARY

Dr. Hawthorne noted that when officers were elected in July the Secretary/Clerk was elected on a temporary basis at that time. The Board agreed to fill the position permanently during elections in December. Dr. Hawthorne, who currently holds this position, stated that he hereby tendered his resignation as Secretary/Clerk and recommended the Board unanimously elect Virginia Goodwin to fill the position. Mr. Pack made a motion, seconded by Mr. Jones to elect Virginia Goodwin to serve as the Board Secretary/Clerk. The motion passed unanimously.

YEAR-END FINANCIAL STATEMENT/MD&A CORRECTION

Dr. Hawthorne explained that there was a mistake found in the year-end financial statements distributed during the July 2008 Board meeting and the MD&A distributed during the September 2008 Board meeting. The error was found in the allocation of principal and interest for Electro Finishing Services' Revolving Loan Fund account. Electro Finishing Services made an extra principal payment earlier in the year and the information was not entered correctly into the accounting software. The allocations in the actual financial audit and MD&A have been corrected to reflect the change.

ONE-STOP FACILITY UPDATE

Dr. Hawthorne informed the Board that the decision to create the One-Stop facility in our community has been formally communicated to the State of Virginia by the Workforce Investment Board and Wythe County. Negotiations with the owner of the Big Lot's/Goody's building are continuing and all or most of the combined building space will be procured to lease. The Department of General Services has agreed to engage their services to assist with the project. Dr. Hawthorne stated that everything is progressing nicely and he is sure all parties will be pleased with the final lease agreement which should be ready for review by the end of this year. It is anticipated that the Grand Opening/Ribbon Cutting ceremonies will be held sometime in October of 2009. Dr. Hawthorne thanked Mr. Elmore, Jennifer Jones and the other members of the Site Selection Committee for their accomplishments. He noted that the committee strived to come up with a workable and affordable plan for this project. Mr. Elmore added that this would have to be a fast-moving project to get all of the remodeling work completed before next October. He also said that the Lane Group is currently working on the design of the facility.

Ms. DiYorio asked if the recently announced State budget cuts would have any impact on the plans for the facility. Dr. Hawthorne said that due to the potential savings that would be created by having the combined facility and the priority status of the One-Stop concept of the state level, there would probably be an urgency to get it completed as soon as possible. He felt it should move forward without many delays.

Dr. Snyder thanked everyone for their hard work on this project and noted that he is sure the facility will be a real asset to the community.

RURAL RETREAT INDUSTRIAL PARK UPDATE

Dr. Hawthorne reported that on September 29th there was a meeting held between Klöckner Pentaplast and local government officials to discuss issues of mutual interest. Those in attendance were Klöckner Corporate Executives and the local Facility Manager, Mayor Tim Litz and Town Manager Ray Matney from the Town of Rural Retreat, Chairman Wythe B. Sharitz from the Wythe County Board of Supervisors, Wythe County Administrator Cellell Dalton, and Joe Freeman and Dr. Hawthorne from the Joint IDA. There are continuing discussions between the parties regarding property currently owned by Klöckner. Dr. Hawthorne is optimistic that the property may potentially be acquired by the Joint IDA (or the county) to allow for potential industrial park expansion in Rural Retreat. On October 24th, Ned Stephenson from the Tobacco Commission will be joining Dr. Hawthorne and the Executives of Klöckner at the Rural Retreat Plant for a meeting and tour of the facility. This meeting will provide Dr. Hawthorne and Klöckner executives with an opportunity to update Mr. Stephenson concerning achievements made during the most recent Klöckner expansion project, which was partially supported by a TROF Grant that was provided in association with the expansion. Dr. Hawthorne will keep everyone posted on how things progress in that area.

Dr. Snyder asked if there was any room on the portion of land not being considered for sale that Klöckner could use for additional expansions. Dr. Hawthorne noted that Klöckner does have room for expansion to their building.

LOT 1 GRADING UPDATE

The Joint IDA may be involved with facilitating expansion on Lot 1 in Progress Park. The urgency to complete grading work was because a significant project was considering Lot 1 as their manufacturing site. In order to remain in competition commitments had to be made to provide grading of the lot. Despite all efforts, Wythe County is no longer being considered because the site was not rail-served. Wythe County will continue with their plans to grade the lot and is in the process of receiving bids. The amount of grading needed and the lead time necessary for grading is often a determining factor as to whether a prospect will choose a site or not. This has been a factor in several large projects choosing not to locate in Progress Park. Dr. Snyder asked how much time is saved for the company by grading ahead of time. Dr. Hawthorne noted that it depended on the needs of a particular project. There is potential to save several months, but the time of year construction is started and other unexpected events can also be contributing factors to time saved or lost. Dr. Hawthorne reported that the County put out an RFP and received more than 10 bids.

ANNUAL DINNER MEETING AND AWARD WITH W-W-B CHAMBER OF COMMERCE - NOVEMBER 17

Arrangements have been made for the Wytheville-Wythe-Bland Chamber of Commerce Annual Dinner Meeting. The Joint IDA will sponsor a table of six for \$375.00. Five of the six tickets have been taken. If any other Board member would like to attend, they should contact Dr. Hawthorne, Patrick Burton or Virginia Goodwin. The Industry of the Year plaque has been ordered and Gatorade has been notified of being chosen the recipient of this year's award. Gatorade has invited representatives from their local and corporate offices to attend the ceremony.

OTHER

Dr. Hawthorne told the Board that he had lunch with Arnie Wodtke today, October 23rd, and that Mr. Wodtke informed him that he would be taking an early retirement from Gatorade next year. Mr. Wodtke is an active member of our community and has also created a positive impact on many people in our area. Dr. Hawthorne asked that, if anyone happens to see Mr. Wodtke out, to please thank him for his support and involvement and remember to wish him well.

NEW BUSINESS

FY 2008 FINANCIAL AUDIT REPORT

Prior to the meeting, copies of the Financial Audit Report and letter discussing the auditing process were distributed to each Board member. Dr. Hawthorne informed the Board that this report was in the same format as past years. He reported that the information provided was consistent with the financial statements and suggested when reading the information each member should also read the notes attached to each statement. Dr. Hawthorne stated that if anyone had questions or needed explanations for any of the financial statements or notes they should contact him. Dr. Snyder added that as he scanned over the information there appeared to be no significant findings or problems noted in the reports. He suggested that each Board member review the information and any discussion or questions they have can be addressed in the next regular Board meeting.

JOINT IDA CHRISTMAS OPEN HOUSE/RETIREMENT RECEPTION FOR OUTGOING BOARD MEMBER

Plans are being made for the annual Christmas Open House and Retirement Reception. The function is planned for the day of the December Board meeting. Dr. Hawthorne suggested a time frame of 11:30 A. M. through 1:30 P.M., but noted whatever time frame the Board would like would be fine. Dr. Snyder asked if there was any discussion regarding the reception. Dr. Hawthorne reminded the Board that Joe Freeman would be retiring this year and he hoped everyone would attend and let him know how much his hard work and dedication was appreciated and thank him for his efforts and contributions during his service on the Joint IDA Board. Dr. Snyder and the other Board members acknowledged that they were looking forward to attending.

SNAPSHOT OF EMPLOYMENT AND WAGE GROWTH

Dr. Hawthorne gave an informative presentation comparing Wythe County's number of establishments, employment, and wage statistics to those of the state, region and nation. Mentioned in the presentation were quarterly and yearly statistics regarding establishments, employment rates and changes in wages, in both the manufacturing sector and all sectors of the economy. Dr. Hawthorne explained that Wythe County has shown establishment, wage, and employment growth across all sectors in recent years. The current economic downturn is not fully reflected in the statistics, which ran through 2007 and the first quarter of 2008. There has been positive growth in manufacturing wages and employment in Wythe County between 2005 and 2007 and wages are starting to catch-up with other areas of the state rather than continuously lagging behind. He also

noted that the local economy has been performing well recently, even with higher unemployment rates. The statistics show that Wythe County's high unemployment rates are primarily impacted by the recent layoffs of Volvo in Dublin. Dr. Hawthorne mentioned he would research the information again in six months to see what impact the failing economy is having on Wythe County.

UPDATES ON VEDA, SEDC, AND SEUS/JAPAN MEETINGS

Dr. Hawthorne updated the Board on activities he has been involved in during the past two months. He distributed copies of press releases and reports generated from some of the conferences and meetings he has recently attended.

Board of Education - Career and Technical Education Advisory Committee - This 15-member committee consists of representation from practicing career and technical educators who know the ins and outs of teaching, as well as business owners and operators who employ welders and other technical employees. The group is working to support and encourage emphasis on making career and technical education a strong, viable option as part of the K-12 education process. One of the activities under way and getting attention is the focus on a technical high school degree that recognizes participation in the program. There was also discussion about the number of credit hours that will be required for this particular composition of classes.

Dr. Hawthorne noted that participation on this committee is a good opportunity for Wytheville and Wythe County to have a voice about the importance of having a strong career flow coming into our industries. He also noted that the committee has scheduled quarterly meetings with two of them being held in conjunction with the Career and Technical Association meetings. Dr. Hawthorne hopes to attend at least one of the combined meetings to have the opportunity to gain insight on more of their plans and activities.

Dr. Snyder asked if there was any discussion about Career Counseling. Dr. Hawthorne told him that he spoke about the career coaches and he also mentioned the tuition assistance provided by the Wythe-Bland Community Foundation to Wythe and Bland County high school graduates who attend Wytheville Community College.

Virginia Economic Developers Association (VEDA) - This year the VEDA annual conference was held in Richmond. There were several interesting presenters and speakers at the conference who offered insight on various topics. The vacant officers' positions were filled during the meeting which resulted in Dr. Hawthorne being elected to serve as Treasurer of the group. Tom Elliott, Executive Director of Virginia's aCorridor will also be serving on the Board. Governor Tim Kaine spoke at the event highlighting the importance of Economic Development and Virginia's current budget.

Southern Economic Development Council (SEDC) - The meeting of the SEDC was held in Virginia this year. Dan Motley, Industrial Development Manager of Norfolk Southern Corporation served as Chairman of the Conference. Gatorade and golf towels, provided by Gatorade Blue Ridge, were distributed to each participant in the golf outing. Energy was the focus of the conference. Speakers for the event were the President of Dominion Power and the CEO from Alpha Natural Resources. Topics presented were on climate change and alternative energy. The information was well received and Virginia served as a gracious, outstanding host for the event.

Southeast U. S./Japan Association (SEUS/JAPAN) - The 32nd Annual Joint Meeting of the Southeast U.S./Japan and Japan-Southeast U.S. Associations was held in Raleigh, NC and had approximately 500 business and government officials in attendance. Keynote speaker for the event was Yasuo Hayashi, Ambassador and Chairman & CEO of Japan External Trade Organization (JETRO). The conference provided opportunities for the participants to meet leaders from Japan and the southeastern United States, as well as hear from experts and leaders on a variety of topics regarding the global economy. The conference also included a presentation on Japan's earlier financial crisis, similar in nature to the current U. S. crisis, and how Japan overcame that challenge.

PROJECT UPDATES

Mr. Pack made a motion to enter into a closed session as permitted by Section 2.2-3711(a)(5) of the Virginia Freedom of Information Act, Code of Virginia to discuss unannounced projects. The motion was seconded by Mr. Jones, and passed unanimously. Mr. Pack made a motion, and Mr. Patton, seconded, to reconvene in an open session. The motion passed unanimously. Mr. Pack moved that the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat certify that, in the closed meeting just concluded, nothing was discussed except the matter (1) specifically identified in the motion to convene in a closed meeting and (2) lawfully permitted to be so discussed under the provisions of the Virginia Freedom of Information Act cited in that motion. The motion was seconded by Mr. Elmore, and passed.

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certificate by the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certificate resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Joint Industrial Development Authority of Wythe County, Wytheville and Rural Retreat.

Motion was passed with the following roll call vote:

AYES:	William Snyder	Tom Jones
	Dana Pack	Dave Elmore
	Linda DiYorio	Foy Patton

NAYS: None

ABSENT DURING MEETING: Joe Freeman
ABSENT DURING VOTE: Joe Freeman

OTHER

Generic Issues - Dr. Hawthorne asked to address the Board regarding information pertaining to some generic issues that have impacted recent projects. The issues fit into several categories with the first being pre-treatment facilities. There has been interest from several prospects who are in the food processing sector. Food processing manufacturers have high levels of BOD (Biological Oxygen Demand) and TSS (Total Suspended Solids) in their wastewater. Wythe County has a relatively small wastewater treatment plant that cannot handle the high outputs of these waste components. The food manufacturers would have to provide their own on site pre-treatment facilities to treat the waste before it is released into the public waste system. On site pre-treatment facilities are costly and public waste treatment facilities can charge relatively high surcharges for receiving the waste. High costs associated with pre-treatment facilities and surcharges are a deterrent and usually cause food manufacturers to choose sites elsewhere. Some ideas for discussion would be to grant funds to prospects to assist with the cost of building pre-treatment facilities, build a regional facility within the park, or lower surcharges as an incentive to capture these manufacturers.

The second issue is preparedness. Having larger graded sites ready for a potential project is one step ahead in being prepared. There are economic incentives to having a site ready such as costs of financing and development. One of the challenges of improving our competitive position would be to get sites graded. Wythe County is beginning grading on Lot 1 to reduce the amount of site preparation and lead time needed for a project that may want to locate there.

The third issue is rail service area. There have been a significant number of prospects who are looking for rail served sites. There are sites in Progress Park that are capable of providing rail service to potential prospects. Norfolk Southern highlights Progress Park as a rail service area in their annual report. Dr. Hawthorne stated that efforts need to be made to continue with the completion of the rail service extensions in Progress Park. There may be a possibility, next year, of having federal funding available to help with the project.

Mr. Pack asked to what extent the grading would be done and who funds the extension of the rail service in Progress Park. Dr. Hawthorne stated that the grading would be done to the extent of having a flat pad and Wythe County is responsible for obtaining funding for the extension of the rail service.

Mr. Pack also inquired about pre-treatment facilities. He asked if Gatorade provided their own and Dr. Hawthorne stated that it was fully funded by Gatorade. Mr. Pack wanted to know if potential prospects were asking us to fund the pre-treatment facilities. Dr. Hawthorne stated they were.

Dr. Snyder said that he encourages any efforts that can help to initiate progress on these issues.

Comprehensive Plan - Dr. Snyder mentioned the Comprehensive Plan discussed in the September Board meeting. Dr. Hawthorne assured him that the staff was currently gathering information from the different local governments to aid in compiling and creating the Comprehensive Plan for the

Joint IDA. Dr. Hawthorne indicated he would like to ensure that the update of the Joint IDA Strategic Plan is consistent with the member localities' Comprehensive Plans. He also indicated that he would also like to convene a working group to meet with the Planning Commissions to get their input in the update process.

ADJOURN

There being no other business, Dr. Snyder adjourned the meeting at 4:50 p.m.

William Snyder, Vice- Chairman

Attest:

Virginia Goodwin, Secretary