

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
November 20, 2008

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, November 20, 2008, at 3:00 p.m. in the Council Room of the Rural Retreat Town Hall located at 307 South Main Street, Rural Retreat, Virginia.

MEMBERS PRESENT

Joe Freeman, Chairman
Tom Jones
Linda DiYorio
Dana Pack

William Snyder, Vice-Chairman
Foy Patton
David Elmore

MEMBERS ABSENT

None

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

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

CITIZENS' TIME

Chairman Freeman asked if there were any persons present who wished to address the Board during citizens' time. There being none, Chairman Freeman proceeded with the meeting.

APPROVAL OF MINUTES—October 23, 2008, meeting

Mr. Elmore made a motion, seconded by Mr. Jones, to adopt the minutes as presented. The motion passed unanimously. Chairman Freeman thanked Dr. Snyder for conducting the October meeting in his absence.

PRESENTATION—DOROTHY COCHRAN, EMBARQ

Dorothy Cochran of Embarq gave a presentation on the issue regarding the State Corporation Commission staff recommendation to eliminate a component (i.e., Carrier Common Line Charge) of Embarq’s intrastate access charges in Virginia. The Commission asked for a report and recommendations on what the “proper level” of Embarq’s intrastate access charges should be and if there were any other relevant issues regarding the charges. Embarq is opposed to the reduction of access charges and has provided testimony from their internal economist, an outside expert and their costing team regarding the case. Embarq has made five points regarding the charges which are: (1) reducing access is against public policy because it’s necessary for the goals of universal service; (2) the amount that Embarq charges for the access service are actual costs to provide the service; (3) Embarq’s prices for the services do not cover costs’ absent the access charges; (4) Embarq is a good corporate citizen providing investment, jobs, broadband, etc.; and (5) eliminating the charges will not benefit the state of Virginia - the money would go back to Sprint and AT&T and not back to Virginia. Ms. Cochran distributed copies of a written summary of the issue to Board members.

Ms. Cochran thanked the Board for allowing her to speak about these issues and expressed her gratitude to Dr. Hawthorne for the letter he provided to the State Corporation Commission supporting Embarq’s position in the matter.

APPROVAL OF INVOICES

Dr. Hawthorne noted that the payment for the yearly audits for the Joint IDA and Crossroads Regional Industrial Facility Authority were included in this month’s invoices. Ms. DiYorio made a motion, seconded by Mr. Jones, to approve the invoices. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County

Check Register

For the Period From October 23, 2008 through November 20, 2008

Check #	Date	Payee	Amount
5731	11/20/08	Alan R. Hawthorne	4,275.27
5732	11/20/08	Patrick G. Burton	2,464.74
5733	11/20/08	Virginia M. Goodwin	1,503.66
5734	11/20/08	Appalachian Power	69.39
5735	11/20/08	Anthem Southeast Dental	100.72
5736	11/20/08	Anthem Blue Cross and Blue Shield	1,544.35

5737	11/20/08	D&D Trophies	35.00
5738	11/20/08	Embarq	152.30
5739	11/20/08	First Bank of Virginia	3,209.66
5740	11/20/08	Mellon Trust of New England	850.00
5741	11/20/08	Principal Life Insurance Co.	152.94
5742	11/20/08	Robert G. Moore	1,100.00
5743	11/20/08	Robinson, Farmer, Cox Associates	6,710.00
5744	11/20/08	Sprint PCS	81.61
5745	11/20/08	VA Dept. Of Taxation	524.21
5746	11/20/08	Xerox	267.86
5747	11/20/08	Bankcard Services	556.42

Total **\$23,598.13**

OLD BUSINESS

CHAMBER DINNER SUMMARY

Each Board member was provided a copy of the press release announcing the Joint IDA Special Recognition Award recipient for 2008. Gatorade Blue Ridge was presented the award during the Annual Chamber of Commerce dinner held on November 17. Dr. Hawthorne noted that he had received several positive comments regarding this year's dinner. The award recipients were very deserving of their honors, the food was excellent, and the program was conducted in a timely and organized fashion. He congratulated Jennifer Jones, the Chamber Board, and all others involved for their excellent job conducting the event. Dr. Hawthorne also thanked the Joint IDA Board members for their support and attendance at the ceremony.

PRESS RELEASE

Gatorade Blue Ridge Receives Joint IDA Special Recognition Award

WYTHEVILLE—The Joint Industrial Development Authority presented its Special Recognition Award to Gatorade Blue Ridge at the Wytheville-Wythe-Bland Chamber of Commerce annual membership dinner held at the Wytheville Meeting Center on November 17, 2008. Gatorade Blue Ridge, located in Progress Park, employs approximately 300 people and actively supports the local community, including the United Way of Wythe County, Wytheville-Wythe-Bland Chamber of Commerce, Chautauqua Festival, and Wythe Manufacturing Council, as well as other education, recreation, and cultural events and activities.

The Gatorade Blue Ridge facility officially opened in November 2006. The facility produces and distributes Gatorade Thirst Quencher and Propel fitness water to customers in the mid-Atlantic and Ohio Valley regions. At just under one million square feet, the facility is Wythe County's largest. In 2007, the Gatorade Blue Ridge facility received the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) designation at the gold certification level and was the largest food and

beverage production facility in the world to achieve the LEED gold-level designation at that time. Gatorade is a division of the PepsiCo family of brands and a leading producer and distributor of sports drinks.

The Joint IDA will present its Industry Tenure Awards (in five year intervals) for Wythe County industries at a luncheon to be held in January 2009 at the Wytheville Meeting Center.

###

CODE OF CONDUCT

A copy of the Joint IDA's Code of Conduct was distributed to each Board member to retain and use as a guide to settle any disputes, incidents, or conflicts that may arise during their tenure on the Joint IDA Board. Dr. Hawthorne asked the Board to read over the information and if any questions or ideas arise they could be addressed during the next regular Board meeting.

PROPOSED TERMS FOR ONE-STOP LEASE AND SUBLEASES

Continued progress has been made in the development of the One-Stop center. Negotiations with the owner are still ongoing. Dr. Hawthorne discussed the details of the proposed terms for the One-Stop lease and subleases. Mentioned in the discussion were building square footage, parking, tenants, rental charges, utility charges, and other pertinent information in regards to the leases. The proposed date to occupy the building is set for September 1, 2009. Dr. Hawthorne noted that he would like to have a committee formed to assist with the details and development of the lease and subleases. Chairman Freeman asked Dr. Snyder and Mr. Elmore if they would serve on the committee. Both agreed to assist.

The key agencies locating at the facility would be the Virginia Employment Commission, the Department of Rehabilitative Services, Wythe County's Department of Social Services and the Wythe County Health Department. Mr. Elmore added that there is a possibility of renting additional space to non-profit groups or military recruiters on independent leases. Mr. Freeman asked if the additional space could be rented to anyone that the Joint IDA chooses. Dr. Hawthorne stated that this has not been discussed and that he was waiting on a rough draft of the terms and could not say at this time. Dr. Snyder asked who would be responsible for infrastructure failure. Dr. Hawthorne said that all capital costs and repairs to the building would be the responsibility of the landlord. Chairman Freeman noted that updates and details regarding the progress of the One-Stop center will remain on the meeting agenda until the project is completed.

OTHER

Holiday Open House - Dr. Hawthorne reminded the Board about the Joint IDA's Holiday Open House and Board Chairman Retirement Reception being held on December 18 from 11:30 A. M. until 1:30 P. M. at the Joint IDA office.

Anniversary Celebration Event Committee - Dr. Hawthorne reported on the Anniversary Celebration Event Committee meeting held on Wednesday, November 19. Discussed at the meeting were ideas and suggestions on activities, food, speakers, tours and cost estimates for the celebration. Depending upon their availability, the committee would like to invite Governor Tim Kaine and Congressman Rick Boucher to speak at the event. The scheduled date for the function will be Saturday, June 6, 2009. The next meeting of the committee will be at 10:00 A. M., Tuesday, December 16 in the Joint IDA office.

Klöckner Pentaplast Visit Update - The meeting and plant tour with Klöckner Corporate Executives, Bob Turgon, Klöckner Site Manger, Ned Stephenson from the Tobacco Commission and Dr. Hawthorne proved to be successful. Correspondence was received from the Tobacco Commission stating that Klöckner has fulfilled the obligations that the TROF Grant required. The recommendation for Klöckner to donate land to the Joint IDA is being evaluated by Klöckner. They found the idea encouraging, but no response to the recommendation has been received. If there are any developments or announcements from Klöckner the information will be addressed at the next regular scheduled meeting.

NEW BUSINESS

INDUSTRY TENURE AWARDS CEREMONY ON JANUARY 22, 2009

The Industry Tenure Awards Luncheon will be held at the Wytheville Meeting Center on January 22, 2009. Wytheville Office Supply has graciously offered to sponsor the event again this year. The staff is currently in the process of obtaining quotes from caterers. Suggestions and considerations for a speaker are open for discussion. If any Board member has someone in mind that they would like to see as a speaker, they were asked to forward the suggestions to Dr. Hawthorne. Local government officials along with members of the press will be invited to attend. The final details will be presented to the Board at the next regular meeting in December.

FIRST QUARTER FINANCIAL REPORTS

First quarter financial reports were given to each Board member. Budget appropriations and actual expenditures are in line with no overspending in any category. Mr. Freeman asked the Board members to look over the information and if there were any questions or inquiries to please contact Dr. Hawthorne.

DRAFT 2009 CALENDAR

A draft of the 2009 Joint IDA events calendar was distributed to each Board member. The calendar was prepared similar to ones in past years. Dr. Hawthorne asked the Board to look over the calendar and inquired as to whether there were any suggestions or questions regarding needed changes. Chairman Freeman asked if there were questions regarding the calendar and if there was a motion to approve the calendar as presented. Mr. Elmore made a motion, seconded by Dr. Snyder, to adopt the calendar as presented. With no further discussion, the motion passed unanimously.

FALL 2008 JOINT IDA NEWSLETTER

Prior to the Board meeting the Fall 2008 Joint IDA Newsletter was distributed to all Board members. Items highlighted in this issue were the retirement of Joint IDA Board Chairman, Joe Freeman and the launching of the Environment, Safety and Health Group (ES&H) of the Wythe Manufacturing Council. The newsletter is available on the Joint IDA website if anyone would like to access it there.

PROJECT UPDATES

Dr. Hawthorne reported that there was a small company looking at two different lots in Progress Park. The company was very impressed, unfortunately the company decided to locate further away from our area and most likely will not be coming to Wythe County. Dr. Hawthorne noted that there were still ongoing projects and he would inform the Board of any new advances or progress during the next scheduled meeting.

OTHER

Lane Enterprises - Dr. Hawthorne reported that on November 12, the Wythe County Board of Supervisors granted a variance to Lane Enterprises' site plan. The Staff worked on this issue and attended the Board meeting on behalf of the Joint IDA. The matter is resolved and a building permit has been issued for Lane Enterprises to move forward with anchoring a small storage building.

Wythe Manufacturing Council - On November 19, Pepsi Bottling Group hosted the Wythe Manufacturing Council meeting. The Project Managers from the Manufacturing Technology Center gave a presentation on quality systems and their implementation and management. Lea Lofty and Stephanie Taylor from the Virginia Department of Business Assistance presented information regarding local high school student focus groups. They have conducted four focus group sessions in the Wythe County Schools and are currently in the process of compiling a written report on the information they collected from these sessions. There are plans of hosting a focus group to visit Gatorade for a guided tour and lunch sometime in the future. Dr. Hawthorne thanked Pepsi Bottling for hosting the meeting and providing lunch to the group. He also thanked the Project Managers from MTC for their very informative presentation and Ms. Lofty and Ms. Taylor for their information regarding the focus group sessions. Dr. Hawthorne will present the focus group report to the Board upon its completion.

Progress Park Development - Dr. Hawthorne is currently in the process of compiling a concept for development in Progress Park. The areas of concern are rail-served sites, the extension of rail service and grading. At this time there is a lot of concern and activity going on in Congress regarding economic development. There may be some infrastructure stimulus funding available next year due to these concerns. Projects that are ready and waiting to put people to work will be funded faster than ones that are not at that stage of their development.

International Economic Development Council (IEDC) Discussion - Dr. Hawthorne talked about the discussions of the IEDC regarding priorities for economic development by the new

administration. He also mentioned the items listed on the national agenda for economic development. Some of the items included on the agenda are: (1) rebuilding the nation's infrastructure and creating jobs; (2) continuing to insure a competitive workforce; (3) stimulating entrepreneurship; (4) developing and conserving energy reserves and growing a green economy; (5) promoting technology and innovation; and (6) insuring sound financing.

ADJOURN

There being no other business, Chairman Freeman adjourned the meeting at 4:30 p.m.

Joseph W. Freeman, Chairman

Attest:

Virginia Goodwin, Secretary

Joint IDA of Wythe County
Revenue and Expenses
For three-month period ending September 30, 2008

	General	Special	RLF	Total
Revenues				
Appropriations				
Wythe County	\$35,001.00			\$35,001.00
Wytheville	\$17,787.00			\$17,787.00
Rural Retreat	\$2,772.00			\$2,772.00
		\$55,560.00		
Service Fees				
Administrative fees	\$0.00			\$0.00
RLF management fees	\$323.85			\$323.85
CRIFA services	\$12,500.00			\$12,500.00
		\$12,823.85		
Sales/Leases				
Lease income on bldg	\$0.00			\$0.00
Sale of land		\$0.00		\$0.00
less cost of sales		<u>\$0.00</u>		\$0.00
		\$0.00	<u>\$0.00</u>	
Grants/Reimbursements				
VEDA grant		\$500.00		\$500.00
WOF grants - xxx		\$0.00		\$0.00
- xxxx		\$0.00		\$0.00
-xx refund		<u>\$0.00</u>		\$0.00
		\$500.00		
Reimbursements				\$0.00
		\$0.00		
Contributions/Events				
Contributions-WMC	\$0.00			\$0.00
Contributions-private	\$0.00			\$0.00
Golf tournament-sponsorships	\$100.00			\$100.00
Golf tournament-participants	\$0.00			\$0.00
Job Fair revenue	\$0.00			\$0.00
		\$100.00		
Interest Income				
LGIP interest	\$3,614.78			\$3,614.78
Other interest	\$119.04			\$119.04
		\$3,733.82		
Revolving Loan Fund				
RLF loan interest		\$598.82		\$598.82
RLF LGIP interest		\$4,474.92		\$4,474.92
RLF other interest		\$18.72		\$18.72
Total Net Revenue	\$72,217.67	\$500.00	\$5,092.46	\$77,810.13

	General	Special	RLF	Total
Expenses Summary				
Salaries	\$36,582.00			\$36,582.00
Directors salaries	\$1,575.00			\$1,575.00
Salary Related	\$8,392.38			\$8,392.38
Annual leave accrual	\$0.00			\$0.00
Contract Services	\$0.00			\$0.00
Copier	\$803.58			\$803.58
Advertising	\$383.11			\$383.11
Postage	\$1.34			\$1.34
Telecommunications	\$586.37			\$586.37
Office supplies	\$11.64			\$11.64
Office rent	\$3,300.00			\$3,300.00
Meeting expenses	\$54.14			\$54.14
Subscriptions/books	\$95.00			\$95.00
Dues/membership	\$7,094.75			\$7,094.75
Depreciation expense	\$0.00			\$0.00
Hosting	\$525.00			\$525.00
Mileage	\$1,445.79			\$1,445.79
Lodging/perdiem	\$452.21			\$452.21
Conventions/education	\$925.00	\$625.00		\$1,550.00
Repairs & Maintenance	\$3.97			\$3.97
Surety Bond	\$89.25			\$89.25
Property Insurance	\$31.25			\$31.25
Public Officials/General Liab. Ins.	\$515.75			\$515.75
Office equipment	\$0.00			\$0.00
Utilities	\$249.54			\$249.54
Job Fair expense	\$0.00			\$0.00
Industry Appreciation Act.	\$0.00			\$0.00
Industry Appreciation-golf	\$0.00			\$0.00
Other Expenses	\$0.00			\$0.00
Purchase discounts	\$0.03			\$0.03
WOF grants		\$0.00		\$0.00
RLF Closing & Other Expenses			\$323.85	\$323.85
RLF Bad Debt Expense				\$0.00
Total Expenses	\$63,117.10	\$625.00	\$323.85	\$64,065.95
Net Income	\$9,100.57	(\$125.00)	\$4,768.61	\$13,744.18

Joint IDA of Wythe County
Balance Sheet
September 30, 2008

	General	RLF	Total
ASSETS			
Current Assets			
Cash-petty cash	\$50.00	\$0.00	\$50.00
Cash-checking account	\$14,343.04	\$6,056.90	\$20,399.94
Cash-LGIP	\$573,531.77	\$707,465.68	\$1,280,997.45
A/R	\$12,738.85	\$648.91	\$13,387.76
Prepaid insurance	\$2,648.31	\$0.00	\$2,648.31
Total Current Assets	\$603,311.97	\$714,171.49	\$1,317,483.46
Inventory			
Inventory-land for sale	\$148,347.54	\$0.00	\$148,347.54
Inventory-buildings	\$0.00	\$0.00	\$0.00
Total Inventory	\$148,347.54	\$0.00	\$148,347.54
Property and Equipment			
Fixed assets-furniture/equip.	\$37,469.86	\$0.00	\$37,469.86
Accum. deprec.-equipment	(\$37,469.86)	\$0.00	(\$37,469.86)
Total Property and Equipment	\$0.00	\$0.00	\$0.00
Other Assets			
RLF Outstanding Loan Balance	\$0.00	\$31,036.76	\$31,036.76
Total Other Assets	\$0.00	\$31,036.76	\$31,036.76
Total Assets	\$751,659.51	\$745,208.25	\$1,496,867.76
LIABILITIES AND CAPITAL			
Current Liabilities			
Accounts payable	\$0.00	\$323.85	\$323.85
Accrued annual leave	\$7,793.98	\$0.00	\$7,793.98
Unemployment taxes payable	\$270.97	\$0.00	\$270.97
Deferred income	\$0.00	\$0.00	\$0.00
Total Current Liabilities	\$8,064.95	\$323.85	\$8,388.80
Long-Term Liabilities			
RD RLF Grant	\$0.00	\$500,000.00	\$500,000.00
Total Long-Term Liabilities	\$0.00	\$500,000.00	\$500,000.00
Total Liabilities	\$8,064.95	\$500,323.85	\$508,388.80
Capital			
Fund balance - BOY	\$734,618.99	\$240,115.79	\$974,734.78
Net Fund Change	\$8,975.57	\$4,768.61	\$13,744.18
Total Capital	\$743,594.56	\$244,884.40	\$988,478.96
Total Liabilities & Capital	\$751,659.51	\$745,208.25	\$1,496,867.76