

**JOINT INDUSTRIAL DEVELOPMENT AUTHORITY**  
**Minutes of Meeting**  
**February 25, 2010**

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, February 25, 2010, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building located at 150 East Monroe Street, Wytheville, Virginia.

**MEMBERS PRESENT**

Dave Elmore, Vice Chairman  
Tom Jones  
Foy Patton

Linda DiYorio  
Dana Pack  
Jennifer Jones

**MEMBERS ABSENT**

William Snyder, Chairman

**EX-OFFICIO MEMBERS PRESENT**

None

**EX-OFFICIO MEMBERS ABSENT**

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

**DETERMINATION OF QUORUM**

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

**CITIZENS' TIME**

Vice Chairman Elmore welcomed Bucky Sharitz to the meeting and asked if there were any persons present who would like to address the Board during citizens' time. There being none, Vice Chairman Elmore proceeded with the meeting.

## **APPROVAL OF MINUTES—January 28, 2010, meeting**

Vice Chairman Elmore asked if there were any questions regarding the minutes of the January 28, 2010 meeting. There being none, Vice Chairman Elmore asked for a motion to approve the minutes. Mr. Pack made a motion, seconded by Mr. Jones, to adopt the minutes as presented. The motion passed unanimously.

## **APPROVAL OF INVOICES**

Vice Chairman Elmore asked if there were any questions concerning the invoices. Dr. Hawthorne explained that his reimbursements were higher this month due to having to replace the office telephone and not receiving reimbursement for his expenses by the Commonwealth of Virginia for a Career Technical Advisory Board meeting in January. When Dr. Hawthorne is reimbursed by the Commonwealth of Virginia, it will be deducted from his expenditures in the month it is received. Mr. Elmore mentioned that the Xerox bill was high this month. Dr. Hawthorne explained that it was due to the new contract and the one time payment for the purchase of the copier. Dr. Hawthorne noted that the quarterly aCorridor payment was also made this month. Mr. Elmore asked if there was further discussion and whether there was a motion to approve the invoices. Mr. Pack made a motion, seconded by Ms. Jones, to approve the invoices. With no further discussion, the motion passed unanimously.

### **Joint IDA of Wythe County**

#### **Check Register**

For the Period From January 29, 2010 through February 25, 2010

<b>Check #</b>	<b>Date</b>	<b>Payee</b>	<b>Amount</b>
6036	2/25/10	Alan R. Hawthorne	\$4,263.10
6037	2/25/10	Patrick G. Burton	2,507.68
6038	2/25/10	Virginia M. Goodwin	1,527.28
6039	2/25/10	Appalachian Power	192.52
6040	2/25/10	Alan Hawthorne-Reimbursement	1,477.88
6041	2/25/10	Anthem Southeast Dental	81.78
6042	2/25/10	Anthem Blue Cross and Blue Shield	1,402.52
6043	2/25/10	Embarq	185.90
6044	2/25/10	Mellon Trust of New England	685.00
6045	2/25/10	The Mount Rogers Dev Partnership	6,899.76
6046	2/25/10	Patrick Burton - Reimbursement	65.53
6047	2/25/10	Postmaster	88.00
6048	2/25/10	Principal Life Insurance Co.	152.94
6049	2/25/10	Robert G. Moore	1,100.00
6050	2/25/10	Sprint PCS	67.35
6051	2/25/10	Xerox	1,196.00
<b>Total</b>			<b>\$21,893.24</b>

## **OLD BUSINESS**

### **LOT 24 UPDATE**

Dr. Hawthorne reported that during the last meeting the Board members received the first draft of the Lot 24 agreement with Wythe County. On Friday, January 29 an updated agreement was received. The changes involved transfer of the land to the Joint IDA. The County will be transferring the ownership of the land to the Joint IDA for a period not to exceed 5 years. At the end of the 5 years, the ownership of the property will return back to Wythe County. The County agrees to fund up to \$9.815 million to cover the cost of development of the lot. Dr. Hawthorne reported that the Joint IDA had asked whether legal review and survey costs could be paid out of the County funding for the lot development. The County response was that these costs should be paid with Joint IDA funds. Dr. Hawthorne asked the Board if they had any questions regarding the agreement with Wythe County.

The second item of discussion was the design/build contract document. The design/build contract has been reviewed by legal counsel. Dr. Hawthorne indicated that he received an extensive list of comments from legal counsel regarding the contract. Eighty percent of the comments were items that had been considered and were included in discussions and contract negotiations. Many of the items were addressed in other parts of the contract documents. A few items were discussed with Branch Highways and additional concessions were achieved. The legal review was thorough and the legal counsel group was responsive in getting the information back to the Joint IDA. Dr. Hawthorne went through and made an annotated list of the points that legal counsel identified and developed responses to each point. He discussed the points and responses with the Joint IDA Vice Chairman David Elmore, County Administrator Cellell Dalton and Wythe County Attorney Scott Farthing. Dr. Hawthorne requested their input concerning the responses. Dr. Hawthorne asked if the Board had any questions regarding the design/build contract. Mr. Patton asked if payback had been finalized. Dr. Hawthorne noted that there was a schedule of payments included in Appendix F of the contract. Dr. Hawthorne added that the Joint IDA will apply for additional funds for the project from the Tobacco Indemnification and Community Revitalization Commission (TICRC) when applications are accepted in June. With no more questions, Dr. Hawthorne read the Authorization Resolution to the Board. Vice Chairman Elmore asked if there were any questions and if there was a motion to approve the Authorization Resolution. Mr. Patton made a motion, seconded by Ms. DiYorio, to approve the Authorization Resolution.

The following roll call vote was taken after the motion:

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

NAYS:       None

ABSENT DURING MEETING:   Chairman William Snyder

ABSENT DURING VOTE:       None

## **AUTHORIZATION RESOLUTION**

WHEREAS, the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat (“Joint IDA”) is pursuing the development of a large, rail-served industrial lot (“Lot 24 Project”) in Progress Park; and

WHEREAS, Wythe County is supporting the Lot 24 Project by contributing land and partially funding the development (“Wythe County Agreement”); and

WHEREAS, the development proposal submitted by Branch Highways, Inc., was selected by the Joint IDA as the vehicle for site development (“Design-Build Contract”); and

WHEREAS, the Joint IDA needs to formally execute both the Wythe County Agreement and the Design-Build Contract to accomplish development of the Lot 24 Project.

NOW THEREFORE, be it resolved that Dr. William F. Snyder, Chairman, or in his absence, Mr. David L. Elmore, Vice Chairman, is hereby authorized to execute any and all documents required to consummate the required agreements and contracts.

Adopted this 25th day of February 2010.

### **2010 INDUSTRY APPRECIATION GOLF TOURNAMENT COMMITTEE UPDATE**

Vice Chairman Elmore reported that the golf committee met in early February. He indicated that the tournament date was set for May 12. Letters have gone out to potential reception sponsors. He noted the committee will meet again in mid-March. In response to the request of the committee, Patrick Burton reported that he had emailed a list of potential hole sponsors to the committee for their review. The Joint IDA staff requested that changes/updates to the list be submitted by March 4.

Dr. Hawthorne added that he had spoken with Christy Parker, Washington County Assistant County Administrator, who asked if the Joint IDA could schedule their tournament in close proximity to the one held in Washington County. This would allow Richmond guests the opportunity to save travel costs and participate in both tournaments while in the area. Dr. Hawthorne told her that the date for the Joint IDA tournament was already set for May 12.

Patrick Burton mentioned that the next committee meeting was scheduled for March 19 at 3:00 p.m. in the Joint IDA office. Vice Chairman Elmore commented that there would be more to report during the March Board meeting.

### **PROGRESS REPORT IVANHOE PROPERTY TREES**

Patrick Burton reported that he had spoken with forestry consultant Louis Brossy regarding the removal of the trees on the Ivanhoe property. Mr. Brossy is willing to look at the property and make an assessment on the cost of cutting and removing the trees. Initially, Mr. Brossy had a tentative deal that would have paired the Joint IDA property with another property in the area for logging.

That deal has fallen through, as the other owner took his timber off the market. Patrick will stay in contact with Mr. Brossy and the landowner and will convey any information he receives to the Board at a later date.

Dr. Hawthorne stated that the trees may be removed within the next year. He mentioned that Gene Dunford, who has cut wood from other parts of the Ivanhoe property in the past, will again be cutting wood to supply to people in the community free of charge.

## **OTHER**

HB 387 - Patrick Burton updated the Board regarding HB 387. A letter signed by Chairman Snyder was sent to Delegate Terry Kilgore with copies provided to both Delegates Crockett-Stark and Carrico. Patrick reported that the bill was approved by the committee with Delegate Kilgore voting against it. Key changes and amendments were made to the bill on the floor of the House which helped address CenturyLink's concerns. A copy of a message from CenturyLink concerning HB 387 was distributed to the Board.

Tenure Award recognition - Dr. Hawthorne told the Board that Carole Pratt, Virginia Economic Development Partnership (VEDP) representative, had sent several cards thanking the Joint IDA and the Board for inviting her to the Industry Tenure Awards ceremony. She was appreciative of the invitation and expressed how she enjoyed speaking with the local industry and government leaders at the event. Dr. Hawthorne added that the Joint IDA should include the VEDP representative for the area on the list of invitations to the Industry Appreciation Golf Tournament.

## **NEW BUSINESS**

### **QUARTERLY FINANCIAL STATEMENTS**

The Board members received a copy of the quarterly financial statements prior to the meeting. Dr. Hawthorne informed the Board that the Joint IDA is running within budget and is managing well. He asked if there were any questions regarding the financial statements. Vice Chairman Elmore asked if there were any questions or concerns. There being none, Mr. Elmore continued with the meeting.

### **PROPOSED 2010-2011 BUDGET**

Prior to the meeting the Board members received copies of the proposed 2010-2011 budget. Dr. Hawthorne reported that the Budget Committee met in January and approved the budget with no increases. The final copy will be presented to the Board in May or June once insurance changes/increases are received and included in the budget. Vice Chairman Elmore asked if there were any questions regarding the proposed budget and asked if there was a motion to present it to the jurisdictions. Mr. Pack made a motion, seconded by Ms. Jones, to present the proposed budget to the jurisdictions. With no further discussion, the motion passed unanimously.

## **MONEY MARKET FUND/CD RATES**

Dr. Hawthorne reported that the Treasury of Virginia's Local Government Investment Pool (LGIP) currently has extremely low interest rates. He stated that the local banks were researched regarding CD and Money Market account interest rates. It was found that First Bank of Virginia, the Joint IDA's bank, has the highest interest rates and is a government approved facility. Dr. Hawthorne's recommendation was to transfer funds from the LGIP account to a First Bank of Virginia money market account to take advantage of the higher interest rates. Vice Chairman Elmore asked if there were any questions or concerns regarding Dr. Hawthorne's suggestion of transferring funds to a First Bank of Virginia money market account and if there was a motion to transfer the funds. Ms. DiYorio made a motion, seconded by Mr. Patton, to transfers funds to a First Bank of Virginia money market account. With no further discussion, the motion passed unanimously.

## **STATUS OF HB 1298**

Dr. Hawthorne reported on the status of HB1298 which was introduced in the House of Delegates by Delegate Crockett-Stark. The bill would provide for a 25-job threshold in distressed communities in which certain non-manufacturing projects would qualify for a sales tax exemption on computer equipment. As originally proposed, to qualify a community would need to have 0.5% higher than the state average unemployment rate. Delegate Crockett-Stark called Dr. Hawthorne to request his assistance and support, noting that the Virginia Economic Development Partnership (VEDP) was going to oppose the bill. After looking at the unemployment rates, Dr. Hawthorne suggested that the qualification be changed to 150% of the state average unemployment rate. Delegate Crockett-Stark amended the bill going into the sub-committee. The sub-committee reacted positively concerning the impact the bill would have on small communities. The Finance sub-committee along with the VEDP supported the bill. HB1298 was subsequently approved by the full Finance Committee and received a 99 to 0 vote in the House and is in the Senate before its Finance Committee. Two key individuals on that committee are Senators Wampler and Reynolds. They both offered their full support for the bill. Dr. Hawthorne expressed that he was pleased with the outcome and suggested to the Board that, if they have the opportunity, they should express their appreciation to Senators Wampler and Reynolds.

## **PROGRESS PARK OFF-SITE INFRASTRUCTURE GRANT APPLICATIONS**

Dr. Hawthorne discussed Phase II of the development of Lot 24. During the week of March 1 through 5, Wythe County will do interviews for an architect/engineer to assist with the off-site activities. The Joint IDA has made a commitment to work on grant applications. It is anticipated that a significant component of funding will be an Economic Development Administration (EDA) grant with a matching grant coming from the Tobacco Indemnification and Community Revitalization Commission (TICRC) through its matching fund for grant applications. Dr. Hawthorne received good news from the Virginia Department of Transportation (VDOT) concerning funding for the extension of Trinkle Drive to Lot 24. VDOT agrees that the southern entrance is not a good entrance to the lot because it is too steep. It is thought that the southern entrance can be used for an alternative automobile/employee entrance and the truck entrance would be from the north. The project will qualify for funding from VDOT. Dr. Hawthorne added that other sources of funding will be the Industrial Rail Access Fund and the Appalachian Regional Commission (ARC). Dr Hawthorne added that the Joint IDA will start the grant application process in the next one to two months.

## **QUARTERLY NEWSLETTER**

Dr. Hawthorne mentioned that the Winter 2010 Newsletter had been completed and was among the handouts to the Board members today.

## **PROJECT UPDATES**

Dr. Hawthorne gave an update on current projects. He stated that there has been some activity and that a prospect has a visit tentatively planned for March 17 or 18. The prospect seems to be serious about locating in Wytheville/Wythe County. The Joint IDA is looking at locations in Progress Park, as well as outside Progress Park. Dr. Hawthorne reported that there is a company in Northern Virginia interested in exploring locations for a new operation. Joint IDA staff will submit a package of information to the company.

Dr. Hawthorne noted that, at the national level, there are some signs of hiring demand. There are programs and training funds coming from both the state and federal government which are aimed at trying to entice manufacturers to hire new employees. He mentioned that there may be an opportunity to provide assistance in Wythe County. He added that unemployment is a primary concern since there has been an increase in unemployment claims.

## **OTHER**

Bob Huff Chevrolet - Ms. DiYorio spoke briefly on the status of GM's proposed closing of the Bob Huff Chevrolet dealership. She mentioned that several organizations, businesses and individuals have written letters on behalf of the dealership. Ms. DiYorio told the Board that General Motors has put together an arbitration process which will allow the affected dealerships a chance to appeal their case. Ms. DiYorio noted the importance of the Bob Huff dealership to Wytheville and Wythe County. General Motors' assumption was that customers would go to the Galax or Marion dealerships. The Huffs believe that GM did not factor in the number of people coming off of the Interstates for service and from the larger region for purchases. The Huffs will incorporate this information along with other details that will be highlighted in their submission to the arbitration panel.

Patrick Burton mentioned that during the summer of 2009 the Joint IDA staff put together a package of information about Wythe County's growth as an economic and commercial center. Staff will modify the earlier letter to include additional information for Dr. Snyder's signature.

Vice Chairman Elmore asked where the arbitration meetings would be held. Dr. Hawthorne stated that he was not sure, but thought that they could possibly be held in Richmond, Northern Virginia, or West Virginia.

TICRC - Dr. Hawthorne reported that he will be attending a meeting in Richmond on April 8 regarding Evatran's application with the Tobacco Indemnification and Community Revitalization Commission (TICRC) R&D committee.

Joint IDA Office Telephone System - Dr. Hawthorne reported to the Board that the base unit of the telephone system in the office had to be replaced. The unit was easily purchased, has been received, and is up and working.

Gatorade - Dr. Hawthorne reported that he had a meeting with Gatorade officials this week and was informed that Gatorade had closed their manufacturing facility in Pryor, OK. He was reassured that the plant in Wytheville is in a strong position and is at maximum employment of approximately 300 people. They are currently investigating energy saving projects.

**ADJOURN**

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

\_\_\_\_\_  
David L. Elmore, Vice Chairman

Attest:

\_\_\_\_\_  
Virginia M. Goodwin, Secretary

Joint IDA of Wythe County  
**Revenue and Expenses**  
For six-month period ending December 31, 2009

	<u>General</u>	<u>Special</u>	<u>RLF</u>	<u>Total</u>
<b>Revenues</b>				
Appropriations				
Wythe County	\$70,704.00			\$70,704.00
Wytheville	\$35,934.00			\$35,934.00
Rural Retreat	\$5,604.00			\$5,604.00
		\$112,242.00		
Service Fees				
IDB administrative fees	\$0.00			\$0.00
RLF management fees	\$287.34			\$287.34
CRIFA services	\$25,000.00			\$25,000.00
		\$25,287.34		
Sales/Leases				
Lease income on bldg	\$450.00			\$450.00
Sale of land		\$0.00		\$0.00
less cost of sales		<u>\$0.00</u>		<u>\$0.00</u>
	\$450.00	\$0.00		
Grants/Reimbursements				
VEDA grant		\$0.00		\$0.00
WOF grants - xxx		\$0.00		\$0.00
- xxxx		\$0.00		\$0.00
-xx refund		<u>\$0.00</u>		<u>\$0.00</u>
		\$0.00		
Reimbursements	\$990.68			\$990.68
		\$990.68		
Contributions/Events				
Contributions-WMC	\$0.00			\$0.00
Contributions-EE workshop	\$0.00			\$0.00
Golf tournament-sponsorships	\$0.00			\$0.00
Golf tournament-participants	\$0.00			\$0.00
Awards luncheon sponsor	\$600.00			\$600.00
		\$600.00		
Interest Income				
LGIP interest	\$1,118.75			\$1,118.75
Other interest	\$193.66			\$193.66
		\$1,312.41		
Revolving Loan Fund				
RLF loan interest			\$377.72	\$377.72
RLF LGIP interest			\$1,336.66	\$1,336.66
RLF other interest			\$165.63	\$165.63
<b>Total Net Revenue</b>	<b>\$140,882.43</b>	<b>\$0.00</b>	<b>\$1,880.01</b>	<b>\$142,762.44</b>

-For Management Purposes Only-

	<b>General</b>	<b>Special</b>	<b>RLF</b>	<b>Total</b>
<b>Expenses Summary</b>				
Salaries	\$78,978.00			\$78,978.00
Directors salaries	\$3,150.00			\$3,150.00
Salary Related	\$20,610.21			\$20,610.21
Annual leave accrual	\$0.00			\$0.00
Contract Services	\$6,910.00			\$6,910.00
Copier	\$1,670.03			\$1,670.03
Advertising	\$0.00			\$0.00
Postage	\$10.31			\$10.31
Telecommunications	\$1,540.01			\$1,540.01
Office supplies	\$184.53			\$184.53
Office rent	\$6,600.00			\$6,600.00
Meeting expenses	\$328.88			\$328.88
Subscriptions/books	\$14.99			\$14.99
Dues/membership	\$14,099.52			\$14,099.52
Depreciation expense	\$0.00			\$0.00
Hosting	\$0.00			\$0.00
Mileage	\$2,303.45			\$2,303.45
Lodging/perdiem	\$922.30			\$922.30
Conventions/education	\$535.00			\$535.00
Repairs & Maintenance	\$0.00			\$0.00
Surety Bond	\$164.00			\$164.00
Property Insurance	\$66.00			\$66.00
Public Officials/General Liab. Ins.	\$1,063.00			\$1,063.00
Office equipment	\$148.88			\$148.88
Utilities	\$583.55			\$583.55
Job Fair expense	\$0.00			\$0.00
Industry Appreciation Act.	\$535.00			\$535.00
Industry Appreciation-golf	\$0.00			\$0.00
Other Expense–Jr. Achiev. grant	\$0.00			\$0.00
Other Expenses	\$10.00			\$10.00
Purchase discounts	(\$0.01)			(\$0.01)
WOF grants		\$0.00		\$0.00
RLF Closing & Other Expenses			\$287.34	\$287.34
RLF Bad Debt Expense				\$0.00
<b>Total Expenses</b>	<b>\$140,427.65</b>	<b>\$0.00</b>	<b>\$287.34</b>	<b>\$140,714.99</b>
<b>Net Income</b>	<b>\$454.78</b>	<b>\$0.00</b>	<b>\$1,592.67</b>	<b>\$2,047.45</b>

*-For Management Purposes Only-*

Joint IDA of Wythe County

**Balance Sheet**

December 31, 2009

	<b>General</b>	<b>RLF</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash-petty cash	\$50.00	\$0.00	\$50.00
Cash-checking account	\$12,892.57	\$39,436.19	\$52,328.76
Cash-LGIP	\$605,808.48	\$716,398.35	\$1,322,206.83
A/R-other	\$600.00	\$0.00	\$600.00
Prepaid insurance	\$3,053.80	\$0.00	\$3,053.80
<b>Total Current Assets</b>	<b>\$622,404.85</b>	<b>\$755,834.54</b>	<b>\$1,378,239.39</b>
<b>Inventory</b>			
Inventory-land for sale	\$148,347.54	\$0.00	\$148,347.54
Inventory-buildings	\$0.00	\$0.00	\$0.00
<b>Total Inventory</b>	<b>\$148,347.54</b>	<b>\$0.00</b>	<b>\$148,347.54</b>
<b>Property and Equipment</b>			
Fixed assets-furniture/equip.	\$32,859.37	\$0.00	\$32,859.37
Accum. deprec.-equipment	(\$32,859.37)	\$0.00	(\$32,859.37)
<b>Total Property and Equipment</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Other Assets</b>			
Deferred payment on land sale	\$0.00		\$0.00
RLF Outstanding Loan Balance	\$0.00	\$0.00	\$0.00
<b>Total Other Assets</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Assets</b>	<b>\$770,752.39</b>	<b>\$755,834.54</b>	<b>\$1,526,586.93</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Current Liabilities</b>			
Accounts payable	(\$15.00)	\$0.00	(\$15.00)
Accrued annual leave	\$12,011.75	\$0.00	\$12,011.75
Unemployment taxes payable	\$5,062.11	\$0.00	\$5,062.11
Deferred income	\$0.00	\$0.00	\$0.00
<b>Total Current Liabilities</b>	<b>\$17,058.86</b>	<b>\$0.00</b>	<b>\$17,058.86</b>
<b>Long-Term Liabilities</b>			
RD RLF Grant	\$0.00	\$500,000.00	\$500,000.00
<b>Total Long-Term Liabilities</b>	<b>\$0.00</b>	<b>\$500,000.00</b>	<b>\$500,000.00</b>
<b>Total Liabilities</b>	<b>\$17,058.86</b>	<b>\$500,000.00</b>	<b>\$517,058.86</b>
<b>Capital</b>			
Fund balance - BOY	\$753,238.75	\$254,241.87	\$1,007,480.62
Net Fund Change	\$454.78	\$1,592.67	\$2,047.45
<b>Total Capital</b>	<b>\$753,693.53</b>	<b>\$255,834.54</b>	<b>\$1,009,528.07</b>
<b>Total Liabilities &amp; Capital</b>	<b>\$770,752.39</b>	<b>\$755,834.54</b>	<b>\$1,526,586.93</b>