

July 29, 2004

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, July 29, 2004, at 3:00 p.m. in the Conference Room of the Wythe County Law Enforcement & Judicial Center, 245 South Fourth Street, Wytheville, Virginia.

MEMBERS PRESENT

Steven D. Irvin, Chairman

George T. Johnstone, Treasurer

Danny B. Gordon

Joseph W. Freeman, Vice-Chairman

Gerald Brewer

William F. Snyder

MEMBERS ABSENT

Robert J. Ayers

EX-OFFICIO MEMBERS ABSENT

R. Cellell Dalton, Wythe County Administrator

Raymond E. Matney, Rural Retreat Town Manager

Wayne Sutherland, Wytheville Town Manager

DETERMINATION OF QUORUM

The meeting was called to order and a quorum determined to be present by Mr. Irvin, Chairman. Mr. Irvin thanked Authority members for their attendance and welcomed visitors. The invocation was given by Mr. Gordon, and the Pledge of Allegiance was led by Mr. Irvin.

CITIZENS' TIME

Mr. Irvin stated the next agenda item is Citizens' Time. He inquired if there are persons present who wish to address the board during Citizens' Time. There being none, he proceeded with the agenda.

NEW RIVER REGIONAL WATER AUTHORITY PRESENTATION - R. CELLELL DALTON

Dr. Hawthorne introduced Elvan Peed, Peed & Bortz, LLC, and informed the board that Mr. Peed will be giving the New River Regional Water Authority presentation. Mr. Peed commented that it is interesting how economic development and water resource development are kind of related in how you approach them. In planning for economic development and water resource development, you should plan for the future and not today. The New River Regional Water Authority is developing the water supply for the future of Wythe County, Carroll County, and the Town of Wytheville. Mr. Peed explained that in 1999, a study was conducted to examine the technical and financial aspects of a regional water system to serve portions of Carroll, Grayson,

and Wythe Counties, the City of Galax, and the Towns of Fries, Hillsville, Independence, and Wytheville. Following are the summarized conclusions of the study: (1) Due to limited and impacted source watersheds, aged treatment processes, and a widespread dependence on groundwater wells, the effect of new and proposed water treatment regulations will significantly impact existing systems in the study area, (2) Regional solutions to water treatment issues are strongly encouraged by regulatory and funding agencies, (3) The New River is the preferred water source in the study area, (4) Option 1A, consisting of a 12.0 MGD water treatment facility on the New River at Austinville and an associated transmission network extending from Independence to Wytheville, is the preferred system alternative (5) Preliminary cost estimates for the proposed system total \$49,436,000. Annual operations, maintenance, and administration costs total \$2,955,500, and (6) Because of the magnitude of the project, in terms of both cost and operational changes, phasing is proposed. After formation of a regional water authority, Phase I will consist of incorporation of the water production facilities within the eight localities under the regional authority. Phase II will consist of construction of transmission links between localities and the phasing out all water production facilities except for Wytheville and Galax. Phase III will consist of construction of a new water treatment facility and associated transmission links, and closure of the Wytheville and Galax facilities to complete Option 1A. Phase III is scheduled to be completed in 2006. Mr. Peed commented that eventually everybody had to evaluate on their own what was best for them and for various reasons the City of Galax and Grayson County elected not to be a participant in the authority. The New River Regional Water Authority was formed in November 2003, for the purposes to acquire, purchase, lease, construct, reconstruct, improve, extend, operate, maintain and finance a water system. Mr. Peed explained that many things have evolved from the environmental and regulatory community that have made utilizing small streams, such as Reed Creek, very difficult. In the past you could take out almost 100% of the water from the water supply. Requirements have been established that limit the amount of water that can be taken from a water supply. Mr. Irvin asked if environmental concerns have been raised regarding taking water from the New River. Mr. Peed stated not at this time. Mr. Sharitz commented that when Wythe County purchased the Austinville water system from New Jersey Zinc in the 1990s, a right to take water out of the New River came with the system. Mr. Irvin thanked Mr. Peed for his presentation and commended the jurisdictions and Wythe County for bringing the plan together.

ELECTION OF OFFICERS

Mr. Irvin requested Dr. Hawthorne preside during the election of chairman of the Joint IDA. Dr. Hawthorne asked for nominations for the office of Chairman. Mr. Johnstone made a motion to reappoint Mr. Irvin as Chairman. Mr. Irvin thanked Mr. Johnstone for the nomination and commented that his tenure on the board expires in November 2004. Dr. Snyder moved that the nominations close and that Mr. Irvin be elected by acclamation. Motion was seconded by Mr. Johnstone and passed unanimously. Dr. Hawthorne turned the meeting over to Chairman Irvin. Mr. Irvin opened nominations for Vice-Chairman. Dr. Snyder made a motion to nominate Mr. Freeman as Vice-Chairman seconded by Mr. Johnstone. Mr. Brewer made a motion to nominate Mr. Gordon as Vice-Chairman. Dr. Snyder made a motion that the nominations for Vice-Chairman be closed seconded by Mr. Brewer and passed. Mr. Irvin asked if either of the candidates would like to make a statement. There being none, Mr. Irvin called for a vote for the nominations of Vice-Chairman. Mr. Irvin asked the members that are in favor of Mr. Freeman as

Vice-Chairman signify by raising their right hand. The voting results were: Mr. Johnstone, Mr. Irvin, and Dr. Snyder. Mr. Freeman abstained from voting. Mr. Irvin asked the members that are in favor of Mr. Gordon as Vice-Chairman to signify by raising their right hand. The voting results were: Mr. Brewer and Mr. Gordon. Mr. Irvin opened nominations for Secretary. Mr. Johnstone made a motion to reappoint Mrs. Lester as Secretary. Motion was seconded by Mr. Brewer and passed. Mr. Johnstone made a motion that the nominations for Secretary be closed seconded by Dr. Snyder and passed. Mr. Irvin asked the members that are in favor of Mrs. Lester as Secretary to signify by raising their right hand. The voting results were: Mr. Brewer, Mr. Gordon, Mr. Irvin, Mr. Johnstone, Dr. Snyder, and Mr. Freeman. Mr. Irvin opened nominations for Treasurer. Mr. Brewer made a motion to nominate Mr. Johnstone as Treasurer seconded by Mr. Gordon and passed. Mr. Brewer made a motion that the nominations for Treasurer be closed seconded by Mr. Gordon and passed. Mr. Irvin asked the members that are in favor of Mr. Johnstone as Treasurer to signify by raising their right hand. The voting results were: Mr. Brewer, Mr. Gordon, Mr. Irvin, Dr. Snyder, and Mr. Freeman. Mr. Johnstone abstained from voting.

APPROVAL OF MINUTES - JUNE 24, 2004

Mr. Gordon informed the members that the minutes of the June 24, 2004, meeting should be corrected to reflect that the authority adjourned the meeting. Motion was made by Mr. Brewer that the minutes of the regular meeting held on June 24, 2004, be approved as corrected, seconded by Mr. Gordon, and passed unanimously.

APPROVAL OF INVOICES

Mr. Gordon asked about check #4311, USDA Rural Development. Dr. Hawthorne explained that this check represents USDA Rural Development’s share of the sale of the Ivanhoe Shell Building to Commonwealth Manufacturing & Development, Inc. Dr. Hawthorne explained that check #4318, Hodges & Campbell, represents two invoices (1) evaluating and providing an opinion on the recovering of the impaired RLF loan and (2) evaluating and providing an opinion as to enforcement of violations of paving requirements and drafting proposed letter to landowners. Mrs. Lester commented that check #4319, The Squire’s Tavern, was related to the reimbursement of beverages for the Joint IDA Business After Hours. Mr. Gordon made a motion to approve the invoices as presented seconded by Mr. Johnstone and passed unanimously.

Joint IDA of Wythe County
Check Register

For the Period From Jun 26, 2004 to Jul 29, 2004

Filter Criteria includes: Report order is by Check Number.

Check #	Date	Payee	Amount
4306	6/30/04	Linda D. Lester	739.07
4307	7/15/04	U S Cellular	30.77
4308	7/15/04	First Bank of Virginia	2,646.44
4309	7/15/04	VA Dept Of Taxation	423.44
4310	7/15/04	Revolving Loan Fund	1,297.82
4311	7/15/04	USDA Rural Development	170,676.00

4312	7/15/04	Linda D. Lester	743.20
4313	7/29/04	Virginia Employment Commission	7.97
4314	7/29/04	Sprint	119.99
4315	7/29/04	Sprint	14.71
4316	7/29/04	American Electric Power	63.06
4317	7/29/04	Xerox	146.80
4318	7/29/04	Hodges & Campbell	510.00
4319	7/29/04	The Squire's Tavern	120.00
4320	7/29/04	Bankcard Services	295.95
4321	7/29/04	Robert G. Moore	1,100.00
4322	7/29/04	Chamber of Commerce	100.00
4323	7/29/04	Trigon	1,458.28
4324	7/29/04	Trigon Dental	110.36
4325	7/29/04	Companion Life Insurance Co	79.32
4326	7/29/04	Fort Dearborn Life Ins Co	31.95
4327	7/29/04	JIDA Petty Cash	29.60
4328	7/29/04	Alan Hawthorne - Reimbursement	204.75
4329	7/29/04	Mike Webb-Reimbursement	28.88
4330	7/29/04	Town of Wytheville - Postage	25.14
4331	7/29/04	Linda Lester-Reimbursement	16.88
4332	7/29/04	Michael B. Webb	2,035.36
4333	7/29/04	Alan R. Hawthorne	3,469.45
Total			186,525.19

OLD BUSINESS

SALE OF IVANHOE SHELL BUILDING TO COMMONWEALTH MANUFACTURING

Dr. Hawthorne announced that Commonwealth Manufacturing and Development, Inc. has purchased the Ivanhoe industrial shell building from the Joint Industrial Development Authority and has immediate plans to expand the building by about 50% in size. The company has leased the building for the past six years and manufactures a range of custom-designed rubber components that are used in a variety of applications. The shell building was built by the Joint IDA in 1990 with assistance from a U.S. Department of Agriculture Rural Business Enterprise Grant (RBEG). Following is a copy of the press release.

PRESS RELEASE

Commonwealth Manufacturing Buys Ivanhoe Shell Building

WYTHEVILLE—Commonwealth Manufacturing and Development, Inc., has purchased the Ivanhoe industrial shell building from the Joint Industrial Development Authority and has immediate plans to expand the building by about 50% in size. The company has leased the building for the past six years and manufactures a range of custom-designed rubber components that are used in a variety of applications. Manufacturers within the

transportation sector and, increasingly, the defense sector are among the company's key customers. The shell building was built by the Joint IDA in 1990 with assistance from a U.S. Department of Agriculture Rural Business Enterprise Grant (RBEG).

"Commonwealth Manufacturing is experiencing a strong demand for its products, and we look forward to expanding our production capacity," said Dan Good, president of the company. "We seem to have demand for as much as we can produce."

"We are pleased to see Commonwealth Manufacturing grow in the Ivanhoe community. The Joint IDA has been a partner with them for many years and looks forward to their continued success." Joint IDA Chairman Steve Irvin said.

The Virginia Department of Business Assistance will assist the company's expansion through its Workforce Services Program.

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Release Date – July 29, 2004

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IVANHOE INDUSTRIAL PARK PROPERTY

Dr. Hawthorne commented that a specific offer has been made to purchase 56 acres in the Ivanhoe Industrial Park. Mr. Gordon made a motion that the Chairman appoint a subcommittee to evaluate options for the sale of the remaining property in the Ivanhoe Industrial Park seconded by Mr. Johnstone and passed. Mr. Irvin appointed Mr. Johnstone, Mr. Freeman, and Mr. Gordon to the committee.

FAIRVIEW INDUSTRIAL PARK PAVING UPDATE

Mr. Webb provided an update regarding the paving in the Fairview Industrial Park. Mr. Gordon made a motion instructing the staff to notify legal counsel and request that a letter be sent certified mail with return receipt requested, in accordance with Section I.F of the Deed of Dedication and Restrictions, to the land owners in violation of the paving requirements. Motion was seconded by Mr. Freeman and passed.

FAIRVIEW INDUSTRIAL PARK REAR LOTS

Dr. Hawthorne explained that plans continue regarding the completion of the development in Fairview Industrial Park. In order to proceed with a development option, the current Fairview

Industrial Park covenants need to be amended in Section III (Amendments) and the Joint IDA must give owner or owners not less than fourteen (14) days in which to submit written comments to the Authority. Mr. Freeman made a motion to notify the Fairview Industrial Park landowners in writing, in order to give the owners not less than fourteen (14) days to submit written comments to the Authority, regarding the proposed amendment. Motion was seconded by Mr. Gordon and passed.

PROGRESS PARK ADVERTISING ON CAMRETT TRAILERS

Mr. Webb informed the board that fifty decals have been ordered to be placed on the Camrett Logistics' trailers.

OTHER

Dr. Hawthorne provided an update on the virtual building proposal for Lot 8 in Progress Park. Crossroads RIFA has applied for a \$15,000 grant through Virginia Economic Development Partnership's (VEDP) new Virtual Building Demonstration Grant Program. The grant program will cover 50 percent of the development costs of the Virtual Building up to \$15,000.

NEW BUSINESS

HIGHLIGHTS OF BOARD WORKING SESSION

Dr. Hawthorne reported most of these items have been, or will be, covered elsewhere on today's agenda.

ENTERPRISE ZONE RENEWAL

Dr. Hawthorne informed the board that he and Mr. Dalton attended a workshop in Roanoke relating to the enterprise zone renewal. Last year, a joint enterprise zone application encompassing portions of Bland, Carroll, and Wythe Counties, and Wytheville was submitted and did not result in a new Virginia Enterprise Zone designation. Dr. Hawthorne explained that the guidelines have been studied in consultation with Wythe County for this year's application and the specific strengths and weaknesses of last year's application as conveyed by Department of Housing and Community Development staff. It has been determined that it is best to proceed with an application that focuses only on an Enterprise Zone surrounding the area of Progress Park. The potential benefits of an Enterprise Zone designation for Progress Park to the entire region are significant. The incremental benefits of a multi county zone that encourages development peripheral to Progress Park, while desirable, don't outweigh the increased risk of an unsuccessful application that is likely to result from proposing a complicated joint zone structure and administration. Both Bland and Carroll Counties would be far better served to have Progress Park as an Enterprise Zone than to risk having no zone at all. The application deadline for submission is October 1, 2004.

PROJECTED END-OF-YEAR FINANCIAL STATEMENTS

Dr. Hawthorne provided the board with the projected end-of-year financial statements for the month ending June 30, 2004. Mr. Gordon made a motion to accept the projected end-of-year financial statements as presented seconded by Mr. Johnstone and passed. Mr. Irvin commended the staff for a well kept shop.

PROJECT UPDATES

Dr. Hawthorne provided an update on projects.

OTHER

Mrs. Lester requested the board's guidance regarding the Joint IDA annual picnic. Plans are to have the picnic on September 9, 2004, at 5:30 p.m. at Elizabeth Brown Park and to contract The Squire's Tavern as caterer. A motion was made by Mr. Brewer to hold the picnic September 9, 2004, at Elizabeth Brown Park. Motion was seconded by Mr. Gordon and passed.

Dr. Hawthorne informed the board that Supervisor Hagee has spoken with Gene Dunford, who is willing to manage fire wood cutting in the Ivanhoe Industrial Park. Language has been drafted to include the following regarding the assumption of risk: (1) The parties are aware that wood cutting and removal are potentially hazardous activities in which they could be injured as a result of their own actions, the actions or inactions of other participants, or the environment or conditions of the site, (2) They assume the risk of all bodily injuries and property damage which might arise from their participation in wood cutting or any other activity in which they engage while on property of the Joint Industrial Development Authority of Wythe County, (3) In applying for the wood cutting permit, they are not relying on any representations from the Joint Industrial Development Authority, Wythe County, or anyone else about the conditions or potential risks of wood cutting and removal, (4) They understand that the Joint Industrial Development Authority has only given permission for cutting of firewood for personal use and is not responsible for its planning or operation, and waive any and all claims against the Joint Industrial Development Authority and Wythe County associated with such an activity, (5) In assuming the risk of injury or damage they recognize that this includes injury or damages occurring as the result of any action or inaction by the Joint Industrial Development Authority including but not limited to negligence and/or gross negligence of the Authority or its employees, (6) They recognize that the Authority is relying on the trust of their assertions in this assumption of risk as the basis for allowing them to participate, and (7) They agree to restrict their activities to the designated areas and relinquish their permit and leave the property should they be so requested. Mr. Johnstone made a motion to proceed with the wood cutting program as outlined by Dr. Hawthorne seconded by Dr. Snyder. The motion was approved with the following voting in favor: For: Mr. Freeman, Dr. Snyder, Mr. Johnstone, and Mr. Irvin. Against: Mr. Brewer and Mr. Gordon.

Dr. Hawthorne informed the board that he has been selected as the recipient of the 2004 Outstanding New Economic Developer of the Year given by the International Economic Development Council (IEDC). The award recognizes an individual who has attained outstanding achievement in the first five years of his/her economic development career. The award will be presented at the IEDC Recognition Dinner during the 2004 Annual Conference in St. Louis, MO. Mr. Irvin congratulated Dr. Hawthorne for this prestigious award. Mr. Irvin deferred the costs associated with the conference until the next board working session and instructed the staff to prepare a press release announcing this accomplishment.

ADJOURN

Mr. Irvin asked if there was any further business to come before the Authority. There being none, the meeting adjourned at 5:10 p.m.

Steven D. Irvin, Chairman

ATTEST:

Linda Lester, Secretary