

May 26, 2005

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, May 26, 2005, at 3:00 p.m. in the Council Room of the Wytheville Town Offices, 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

Joseph W. Freeman, Chairman	William F. Snyder, Vice Chairman
George T. Johnstone, Treasurer	Robert J. Ayers
Gerald Brewer	David L. Elmore
Danny B. Gordon	

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

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

CITIZENS' TIME

Mr. Freeman asked if there were any persons present who wished to address the board during citizens' time. There being none, he proceeded with the agenda.

APPROVAL OF MINUTES - April 28, 2005

Mr. Gordon made motion, and Mr. Johnstone seconded, that the minutes be approved as presented. The motion passed unanimously.

APPROVAL OF INVOICES

Joint IDA of Wythe County Check Register

For the Period From April 28, 2005 to May 31, 2005

Filter Criteria includes: Report order is by Check Number.

Check #	Date	Payee	Amount
4592	5/12/05	U S Cellular	98.37
4593	5/26/05	Alan R. Hawthorne	3,474.83
4594	5/26/05	Angela D. Pack	1,631.34
4595	5/26/05	Michael B. Webb	1,974.76
4596	5/26/05	American Electric Power	63.33
4597	5/26/05	Alan Hawthorne - Reimbursement	177.39
4598	5/26/05	Angela D. Pack	37.26
4599	5/26/05	Anthem Blue Cross and Blue Shield	1,296.24
4600	5/26/05	Companion Life Insurance Co	72.37
4601	5/26/05	First Bank of Virginia	2,656.97
4602	5/26/05	Fort Dearborn Life Ins Co	26.85
4603	5/26/05	Gazette Twin County Classifieds	56.88
4604	5/26/05	The Mount Rogers Dev Partnersh	6,899.75
4605	5/26/05	Media General - TC/SWVA	458.20
4606	5/26/05	Mike Webb-Reimbursement	31.59
4607	5/26/05	Robert G. Moore	1,100.00
4608	5/26/05	Sprint	121.51
4609	5/26/05	Sprint	27.22
4610	5/26/05	Anthem Dental	91.80
4611	5/26/05	VA Dept Of Taxation	421.56
4612	5/26/05	Bankcard Services	389.06
4613	5/26/05	Wytheville Office Supply	145.94
4614	5/26/05	Xerox	267.86
4615	5/26/05	Wytheville Golf Club	5,314.65
Total			26,835.73

PRESS RELEASE - MID-ATLANTIC MANUFACTURING & HYDRAULICS

Mr. Webb shared a press release that the Joint IDA distributed to the media. A copy follows.

PRESS RELEASE

Mid-Atlantic Manufacturing & Hydraulics Achieves ISO 9001:2000 Certification

RURAL RETREAT—Mid-Atlantic Manufacturing & Hydraulics, Inc., of Rural Retreat is pleased to announce it earned an ISO 9001:2000 certification. Mid-Atlantic provides machining for the fluid power, mining, and construction industries and offers friction welding services. The

company has received twenty new part numbers to be produced for Caterpillar, Inc., its primary customer, and has more than tripled its operations in the last three years. In addition to its ISO certification, Mid-Atlantic will start a new apprenticeship program in Fall 2005.

Mid-Atlantic Manufacturing & Hydraulics is a division of Swanson Industries, Inc., of Morgantown, West Virginia. The company has operated in the Rural Retreat Industrial Park since 2001.

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Release Date: May 26, 2005

Contacts:

Alan Hawthorne
Executive Director
Joint IDA of Wythe County
(276) 223-3370
DirectorJIDA@Wytheville.org

Frank McDonald
Plant Manager
Mid-Atlantic Mfg & Hydraulics
(276) 686-5000

Mr. Gordon asked if a letter could be sent from the chairman congratulating Mid-Atlantic for its success. Mr. Freeman replied that he thought that was a great idea and agreed to do so.

OLD BUSINESS

RFB RESPONSES FOR IVANHOE PROPERTY

Mr. Webb stated that the Joint IDA did not receive any bids on the property, and Dr. Hawthorne commented that this was disappointing. Dr. Hawthorne explained that the website received hits and a few individuals stopped by the Joint IDA's office for information about the request for bids. Mr. Gordon commented that this item could be put on the back-burner until the Jellystone Park is complete, which could then cause more interest in the Ivanhoe property. Consensus of the board was to take no further action at this time.

FAIRVIEW INDUSTRIAL PARK UPDATES

Mr. Webb reported that Mr. Bob Fowlkes requested a meeting with the Joint IDA to discuss the Fairview Land Owners Association. Mr. Freeman relayed that Mr. Fowlkes wished to participate in the inspection to see who is in compliance with the covenants. Dr. Hawthorne mentioned that he thought Mr. Freeman offered to lead the inspection, and Mr. Freeman confirmed that he did offer. Dr. Hawthorne noted that the Joint IDA would add staff support in any way possible. Mr. Freeman asked if he could expect some type of a discussion with Mr. Fowlkes before the next meeting, and Mr. Webb replied yes. Mr. Gordon commented that the trash along Stafford Umberger Drive had been picked up. Ms. Pack explained the process to adopt a highway and noted that Stafford Umberger Drive does not fall within the guidelines established by the Virginia Department of Transportation. Dr. Hawthorne asked if there is a different program for streets within the town limits. Ms. Pack said that she would have to check with Ms. Kimberly

Salts, Adopt-A-Highway representative for Wythe County. Dr. Hawthorne suggested Ms. Pack contact Ms. Marilyn Jackson with the Town of Wytheville for information.

REPORT ON INDUSTRY APPRECIATION GOLF TOURNAMENT

Mr. Ayers reported that the tournament was a success as twenty-seven teams participated. He stated that the total revenue was \$5,980 and the tournament cost was \$5,314. Dr. Hawthorne commented that the remaining funds could be used when the Joint IDA participates in the Chamber of Commerce's recognition dinner. Mr. Ayers thanked Dr. Snyder, Mr. Elmore, Mr. Webb, and Ms. Pack for their assistance with the tournament. Mr. Freeman added that the tournament was very well planned and executed and that he heard many positive comments. Dr. Hawthorne commented that he spoke with many out of town participants who were very impressed with the quality of the tournament.

JOINT IDA SUMMER INTERN

Mr. Webb reported that the Joint IDA received one additional application for the summer internship position. After interviewing this person, he and Dr. Hawthorne felt that this person was not an appropriate match for the Joint IDA.

PROPOSED BUDGET REDUCTIONS

Dr. Hawthorne informed the board that the Joint IDA's requested budget was not approved. The approved amount from the Board of Supervisors was only \$125,000, and based on the funding formula, the two towns will decrease their funding proportionally. This translates into a reduction of slightly over \$8,500. He discussed that the Joint IDA requested an additional \$5,000 increase from Crossroads Regional Industrial Facility Authority to match some cash revenue flows. The CRIFA board took no action on this request at its May meeting, but the issue will be addressed again during CRIFA's June meeting. The Joint IDA will also lose \$1,000 of annual revenue because the hospital is retiring its bond. This leaves the Joint IDA \$15,000 below its proposed budget. Dr. Hawthorne recommends that the board recess today's meeting and address the budget cuts when it reconvenes on June 9, 2005.

OTHER

There was no other old business.

NEW BUSINESS

VIRGINIA ENTERPRISE ZONE APPLICATION

Mr. Webb informed the board that the Virginia Department of Housing and Community Development is accepting applications for Virginia Enterprise Zone designations. He stated that Wythe County will hold a public hearing at 7:05 pm on June 14 to solicit input on its application. He noted that Wythe County's application would be on the agenda for the June 9, 2005, reconvened meeting.

RESOLUTION CREATING WYTHE OPPORTUNITY FUND

Dr. Hawthorne presented a draft resolution that would implement a Wythe Opportunity Fund. This will be a formal fund for receiving, managing, and distributing grants that are company-specific. Grants would be repaid to the fund if a company failed to meet its obligations. Dr. Hawthorne stated he submitted his plans to the administrative offices of the Joint IDA's member jurisdictions but has not received any comments. He proposed that the board defer action until the June 9, 2005, meeting.

JOINT IDA CELLULAR SERVICE PROVIDER

Dr. Hawthorne explained that he would have access to the internet while out of the office with a Sprint PCS digital network and new multifunction tool. He discussed a Sprint PCS plan for 700 minutes of voice time and unlimited data service for a monthly fee of \$65. The plan covers the I-81 corridor, Richmond, and other areas that would typically be called. There would be no roaming or long distance fees associated with this plan. Mr. Gordon asked if Dr. Hawthorne would receive a new phone with this change, and Dr. Hawthorne replied that it could be purchased for a discounted rate with a two-year contract for around \$300 instead of \$600. Mr. Gordon inquired about walkie-talkie type devices to allow the Joint IDA staff to communicate with each other. Mr. Brewer responded that using that type of device will not provide privacy because anyone could pick up the conversation. Mr. Elmore stated that he did not think that a 700-minutes plan provides enough minutes. He asked Dr. Hawthorne to check the cost of the 1,600-minute plan. Mr. Brewer asked if the \$121.50 invoice from Sprint was for long distance service on the land line. Dr. Hawthorne explained that cost was for the local service which included a phone. Dr. Hawthorne stated that the next level of service is 1,100 minutes at a cost of \$80 per month. Mr. Gordon moved, and Mr. Elmore seconded, that Dr. Hawthorne's proposal for the Sprint PCS service be approved with the plan that includes 1,100 minutes. The motion passed unanimously.

CONSIDERATION OF TEMPORARY EXEMPTION TO VACATION CARRYOVER POLICY

Dr. Hawthorne requested a one-time exemption to the vacation carryover limit policy of 192 hours per year. The request is for permission to carry over an extra week in addition to the 192 hours per year of vacation for the 2005-2006 fiscal year due to the fact that his earned vacation will be lost because recent project activities prevented him from taking vacation. Dr. Snyder moved, and Mr. Ayers seconded, that the request for a one time exemption to the vacation carryover policy be granted. The motion passed unanimously.

OTHER

Mr. Elmore reported that his employer, Rohm and Haas, decided to close its Wytheville operations. He commented that the company's decision was driven by the fact that it only needs two of the three powder coating plants that it currently operates. The Wytheville plant was chosen for closure because it is located farther from customers than the other two plants. The decision was not because of employees' performances.

PROJECT UPDATES

Mr. Brewer made a motion to enter into 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 Dr. Snyder and passed unanimously. Mr. Gordon made motion, and Mr. Johnstone seconded, to reconvene in open session. The motion passed unanimously. Mr. Brewer 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. Motion was seconded by Mr. Johnstone 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: Joe Freeman	William Snyder
Robert Ayers	Gerald Brewer
David Elmore	Danny Gordon
George Johnstone	

NAYS: None

ABSENT DURING MEETING: None

ABSENT DURING VOTE: None

RECESS

With no further business to come before the board, Mr. Freeman recessed the meeting until 3:00 p.m, Thursday, June 9, 2005, in the Joint IDA conference room located at 190 South First Street, Wytheville, Virginia.

RECONVENE

Mr. Freeman reconvened the meeting at 3:00 p.m., Thursday, June 9, 2005, in the Joint IDA conference room located at 190 South First Street, Wytheville, Virginia.

MEMBERS PRESENT

Joseph W. Freeman, Chairman
Robert J. Ayers
David L. Elmore

George T. Johnstone, Treasurer
Gerald Brewer
Danny B. Gordon

MEMBERS ABSENT

William F. Snyder, Vice 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

Mr. Freeman reconvened the meeting and determined a quorum to be present.

WORKING SESSION MINUTES - APPROVE JANUARY 13, 2005

Mr. Gordon moved, and Mr. Ayers seconded, that the minutes be approved as corrected to reflect the appropriate spelling of Dr. Hawthorne's name on the last page. The motion passed unanimously.

OLD BUSINESS

There was no old business.

NEW BUSINESS

WWB CHAMBER OF COMMERCE DIRECTORY ADVERTISEMENT

Mr. Webb informed the board that the Wytheville-Wythe-Bland Chamber of Commerce is publishing a new directory. The Joint IDA has until July 15 to place an ad in the new directory. Mr. Webb shared copies of the Joint IDA ad placed in the last two editions of the directory. Mr. Gordon moved, and Mr. Brewer seconded, that the board approve placing the half page ad that was placed last year along with the appropriate updates. Mr. Ayers asked if there was a reason to go with another size. Dr. Hawthorne replied that it was just a matter of cost. The motion passed unanimously.

WYTHE COUNTY ENTERPRISE ZONE APPLICATION

Mr. Webb stated that Department of Housing and Community Development Deputy Director, Ms. Shea Hollifield, met with the Joint IDA to discuss Wythe County's Enterprise Zone application. Mr. Webb shared a slide show that he earlier presented to Ms. Hollifield. During the presentation, Mr. Webb noted that the Joint IDA could consider offering a half-point discount on its Revolving Loan Fund as a zone incentive. Dr. Hawthorne suggested that 10 jobs and \$1 million of capital investment could be a minimum requirement for qualifying for this incentive. Mr. Gordon moved, and Mr. Brewer seconded, to approve the half-point discount rate for those making a \$1 million investment with a 10 job creation in the Enterprise Zone. The motion passed unanimously.

WYTHE OPPORTUNITY FUND

Dr. Hawthorne reiterated that the fund is to allow the Joint IDA to be the recipient of funds from federal, state, or local agencies targeted toward company specific performance based parameters. He stated that Mr. Dalton agreed with the wording of the resolution. Mr. Johnstone moved, and Mr. Ayers seconded, that the creation of the Wythe Opportunity Fund be approved. The motion passed unanimously. A copy of the resolution follows.

ESTABLISHMENT OF WYTHE OPPORTUNITY FUND

WHEREAS it is the mission of the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat to initiate, develop, and coordinate industrial and economic development efforts in order to achieve and sustain the optimum quality of life for all Wythe County citizens, and

WHEREAS upon proper assessment of the benefits of a company expansion or location in Wythe County, Wytheville, or Rural Retreat, it may be determined that various federal, state, or local grants are appropriate to induce such expansion, and

WHEREAS the management and administration of such grants, including performance agreement administration, are often the responsibility of the Joint Industrial Development Authority, and

WHEREAS the establishment of a WYTHE OPPORTUNITY FUND to be used to receive federal, state, or local grants for the direct facilitation of company-specific inducements and to fund such company-specific assistance as authorized by the Industrial Development and Revenue Bond Act (*Code of Virginia, §15.2-4900 et seq.*) will assist the Joint Industrial Development Authority in fulfillment of the above goals:

NOW THEREFORE BE IT RESOLVED that the WYTHE OPPORTUNITY FUND is hereby established to receive company-specific grant funding and to fund performance-based grants by the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat. The Joint Industrial Development Authority is further authorized to accept responsibility for monitoring performance-based agreements as may be made between recipients and grantors and/or the Authority, including the return of such funds to the grantor as are received from the company in the case of grant repayment due to the terms of a performance agreement. Funds in the WYTHE OPPORTUNITY FUND are to be treated as restricted funds and accounted for as a fund separate from the Joint Industrial Development Authority's operating fund.

Adopted by the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat on the 9th day of June 2005.

Joseph W. Freeman, Chairman

ATTEST:

Angela D. Pack, Board Secretary

FY 2005-2006 BUDGET SHORTFALL

Dr. Hawthorne thanked Mr. Freeman, Dr. Snyder, and Mr. Webb for their efforts to secure requested funding from the Board of Supervisors. He stated that he received written confirmation that the Joint IDA budget funding was restored to its requested amount. The two towns will consequently increase their allocations accordingly. This solves about \$8,500 of the projected shortfall. Dr. Hawthorne recommended that the Joint IDA reaffirm its proposal to CRIFA for an additional \$5,000 of management services fees.

DISCUSSION OF PROGRESS PART LOTS 9 AND 13

Dr. Hawthorne informed the board that there may be an opportunity to do some grading and blasting before facilities locate on nearby lots.

PROJECT UPDATES

Dr. Hawthorne stated that there was a prospect visit approximately two weeks ago that probably would not have occurred had it not been for the virtual building. Another prospect is scheduled to visit soon.

Mr. Gordon asked about the timetable for Lane Enterprises. Dr Hawthorne replied that he would need to contact them. Mr. Gordon asked if Lane Enterprises foregoes the option on the property, could it sell the land to someone else. Dr. Hawthorne stated that they could sell the property back to the county but could not convey it to someone else.

OTHER

Dr. Hawthorne reminded the board that the Joint IDA jointly received a \$10,00 grant with Smyth County for website upgrades. VEDP requires one of the two agencies to manage the grant and requires both parties to sign a contract. Dr. Hawthorne proposed that the board allow Sally Morgan, Smyth County Community Planner, to manage the grant and to authorize Mr. Freeman to execute the required contract documents. Mr. Gordon moved, and Mr. Johnstone seconded, to authorize the chairman to sign the appropriate documents. The motion passed unanimously.

ADJOURN

There being no further business, the meeting adjourned at 4:20 p.m.

Joseph W. Freeman, Chairman

ATTEST:

Angela D. Pack, Secretary