

January 22, 2004

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting Thursday, January 22, 2004, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building, 150 East Monroe Street, Wytheville, Virginia.

**MEMBERS PRESENT**

Steven D. Irvin, Chairman	George T. Johnstone, Treasurer
Robert J. Ayers	Gerald Brewer
Danny B. Gordon	William F. Snyder

**MEMBERS ABSENT**

Joseph W. Freeman

**EX-OFFICIO MEMBERS PRESENT**

Wayne Sutherland, Wytheville Town Manager

**EX-OFFICIO MEMBERS ABSENT**

R. Cellell Dalton, Wythe County Administrator  
Raymond E. Matney, Rural Retreat Town Manager

**DETERMINATION OF QUORUM**

The meeting was called to order and a quorum determined to be present by Mr. Irvin, Chairman. Mr. Irvin reminded everyone that the 2004 board meeting times have been changed to 3:00 p.m. The meeting locations for 2004 will alternate between the participating jurisdictions of the Authority. Mr. Irvin thanked Authority members for their attendance. The invocation was given by Mr. Gordon, and the Pledge of Allegiance was led by Mr. Irvin.

**TOWN OF WYTHEVILLE APPOINTMENT OF DR. WILLIAM SNYDER AS NEW BOARD MEMBER**

Mr. Irvin welcomed Dr. Snyder as a new board member. Dr. Snyder was appointed by the Town of Wytheville. Mr. Irvin congratulated Mr. Gordon on his reappointment by Wythe County.

**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.

## ELECTION OF VICE CHAIRMAN

Mr. Irvin opened nominations for Vice-Chairman. Mr. Johnstone made a motion to nominate Mr. Freeman as Vice-Chairman seconded by Mr. Ayers. Mr. Gordon made a motion to nominate Mr. Brewer as Vice-Chairman. Mr. Johnstone made a motion that the nominations for Vice-Chairman are closed seconded by Mr. Ayers and passed. Mr. Irvin called for a vote for the nominations of Vice-Chairman. The election results for Vice-Chairman for Mr. Freeman were: For: Dr. Snyder, Mr. Johnstone, Mr. Brewer, and Mr. Ayers. The election results for Vice-Chairman for Mr. Brewer were: For: Mr. Gordon. Mr. Irvin abstained from voting. Mr. Irvin instructed Ms. Lester or Dr. Hawthorne to notify Mr. Freeman that he has been elected Vice-Chairman.

## APPROVAL OF MINUTES

Motion was made by Mr. Gordon that the minutes of the regular meeting held on December 11, 2003, be approved as presented, seconded by Mr. Johnstone and passed unanimously.

## APPROVAL OF INVOICES

Mr. Gordon asked about check #4135, Robert G. Moore, Inc. Dr. Hawthorne explained that this is the invoice for the office rent for February and check #4127 is for the January office rent. Mr. Gordon asked about check #4141, Town of Wytheville - Postage. Dr. Hawthorne noted that this is reimbursement to the Town of Wytheville for postage. Mr. Irvin asked about check #4149, Postmaster. Dr. Hawthorne commented that this is the post office box rental for 2004. Mr. Gordon made a motion to pay the invoices as presented seconded by Mr. Brewer and passed.

### Joint IDA of Wythe County Check Register

For the Period From Dec 12, 2003 to Jan 22, 2004

Filter Criteria includes: Report order is by Check Number.

Check #	Date	Payee	Amount
4122	12/15/03	Linda D. Lester	739.07
4123	12/22/03	American Electric Power	79.85
4124	12/22/03	Bankcard Services	531.08
4125	12/22/03	Sprint	12.37
4126	12/22/03	Stallard Studios	41.25
4127	12/22/03	Robert G. Moore	1,100.00
4128	12/22/03	Sprint	127.07
4129	12/31/03	Linda D. Lester	811.42
4130	1/8/04	First VA Bk-Fed. Tax Deposit	2,677.04
4131	1/8/04	VA Dept. of Taxation	429.25
4132	1/8/04	U S Cellular	30.41
4133	1/15/04	Linda D. Lester	739.07
4134	1/22/04	American Electric Power	104.55

4135	1/22/04	Robert G. Moore	1,100.00
4136	1/22/04	Chamber of Commerce	120.00
4137	1/22/04	Xerox	146.80
4138	1/22/04	Sprint	127.87
4139	1/22/04	Sprint	9.23
4140	1/22/04	Trigon Dental	102.67
4141	1/22/04	Town of Wytheville - Postage	92.01
4142	1/22/04	Bankcard Services	202.48
4143	1/22/04	Mike Webb-Reimbursement	30.89
4144	1/22/04	Trigon	1,389.18
4145	1/22/04	Companion Life Insurance Co.	79.32
4146	1/22/04	Fort Dearborn Life Ins Co.	31.95
4147	1/22/04	JIDA Petty Cash	23.41
4148	1/22/04	Alan Hawthorne - Reimbursement	305.39
4149	1/22/04	Postmaster	68.00
4150	1/22/04	Linda Lester-Reimbursement	7.82
4151	1/22/04	Alan R. Hawthorne	3,364.14
4152	1/22/04	Michael B. Webb	2,049.48
Total			16,673.07

## **OLD BUSINESS**

### **UPDATE PRESENTATION - ELVAN PEED, PEED & BORTZ, LLC**

Mr. Irvin welcomed Elvan Peed and Scott Bortz from Peed & Bortz, LLC. Mr. Peed thanked the authority for allowing Peed & Bortz, LLC to speak today. Mr. Peed began his presentation summarizing the Phase I construction of Progress Park, which has been completed for several years. A major construction project (Phase II) opening the southern, rail-served portion of Progress Park is approaching completion. This construction project accomplished four major objectives: (1) construction of a 4200' paved industrial access road from the southern entrance past Lot 31, (2) construction of a 25-acre rail-served pad on Lot 18 near the center of the Park, (3) construction of the road and rail corridor from Lot 31 to Lot 18, and (4) initial grading work on a future international trade terminal next to the Norfolk Southern rail line in the southern portion of the park. Site plans have been developed for the remaining lots. Mr. Gordon asked what the turnaround time is to prepare a proposed site plan for a prospect in Progress Park. Mr. Peed answered the turnaround time is one day. Mr. Peed noted that Wytheville Technologies developed their lots based on the site plans developed by Peed & Bortz, LLC. Mr. Gordon asked Mr. Peed to comment on plans for green space. Mr. Peed explained that green space would evolve due to the topography of the park with most of the green space being owned by industries as well as natural green space. Mr. Gordon asked if there was data available that shows the number of times the railroad crossing is closed. Dr. Hawthorne commented that eleven trains travel through Wytheville daily. Mr. Irvin asked if there were restrictions relating to the railroad crossing. Mr. Peed answered that there are no restrictions.

Mr. Peed explained that more information is required in order to evaluate the remaining lots in

the Fairview Industrial Park. Mr. Peed and Mr. Bortz are coordinating the use of a backhoe and operator with the Town of Wytheville for the digging of test pits in the park in order to assess the area. Mr. Irvin commended Mr. Peed and Mr. Bortz for their work and thanked them for the presentation.

### **RLF LOAN UPDATE**

Dr. Hawthorne informed the board that one of the Authority's Revolving Loan Fund loans in the original amount of \$150,000 has been deemed an impaired loan by the accountant, and has been charged off as a bad debt.

### **OFFICE SIGNS**

Dr. Hawthorne provided an update on the office signs.

### **UPDATE ON *SB&D* AD OFFER AND AD HOC ADVERTISING COMMITTEE**

Mr. Webb shared with the board the recommendations from the Ad Hoc Advertising Committee. Dr. Hawthorne recommended passing on this offer to publish an ad in *SB&D*. Mr. Irvin instructed the committee to continue to work on developing several ads for future advertising.

### **OTHER**

Mr. Webb reported that he has received a request from Jonathan Zook, J.Z. Utility Barns, in Rural Retreat for including his business to the Rural Retreat Industrial Park entrance sign and a directional sign. Mr. Webb has contacted Stan Scott, Southwest Signs, for an approximate cost of adding this business to the entrance sign and a directional sign. Mr. Scott has responded with an approximate cost of \$125. Mr. Gordon asked Mr. Webb if he had spoken with the Rural Retreat Town Council regarding the signs. Dr. Hawthorne commented that the Rural Retreat Town Council realizes that these are directional signs only. Mr. Irvin asked how this company was missed. Mr. Webb commented that the company was not included on the Wythe County Industry list. Mr. Johnstone made a motion to proceed with adding J.Z. Utility Barns to the Rural Retreat Industrial Park entrance sign and a directional sign with an approximate cost of \$125. Motion was seconded by Mr. Gordon and passed.

### **NEW BUSINESS**

### **HIGHLIGHTS OF BOARD WORKING SESSION**

Dr. Hawthorne informed the board that this meeting was cancelled due to lack of a quorum.

### **FINANCIAL AUDIT REPORT**

The board reviewed the financial audit report for fiscal year ended June 30, 2003. Dr. Hawthorne highlighted Note 11 of the report regarding the loan impairment. The impairment of this loan was

facilitated by bankruptcy and subsequent liquidation of the company. The Authority continues to hold a deed of trust from the borrowers and will pursue collection of the loan's remaining balance. The Authority measures loan impairment based on the present value of future cash flows method. As a result, the expected value of the loan as of June 30, 2003 is equal to principal payments received subsequent to that date, which totaled \$1,811. Bad debt expense recognized as a result of the loan impairment is \$90,042. Mr. Gordon inquired about the revenue bond outstanding for RARCO-Wytheville. Dr. Hawthorne explained that this is an industrial revenue bond for the shopping center located at the east end of Wytheville. The board did not express concerns regarding the financial audit report for fiscal year ended June 30, 2003.

### **FINANCIAL UPDATE AS OF 12/31/03**

Dr. Hawthorne reminded the board that they had received the financial update as of 12/31/03 in the board working session materials. This item will be discussed further in the next working session meeting.

### **APPROVAL OF REAL ESTATE SALE RESOLUTION & REPAYMENT OF RURAL DEVELOPMENT RBEG**

Dr. Hawthorne directed the board's attention to the draft resolution that was attached to their board package. This resolution, if approved, authorizes the Chairman to sign a general warranty deed and such related documents that may be required to execute the sale of the Ivanhoe Shell Building, and to execute the documents required to fulfill the repayment requirements to USDA Rural Development, which is appended to the minutes. Mr. Gordon made a motion to adopt the resolution as presented. Motion was seconded by Mr. Brewer and passed.

### **RESOLUTION AUTHORIZING SALE OF REAL ESTATE**

WHEREAS the **Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat** (the "Authority") is a duly created political subdivision created under the Virginia Industrial Development and Revenue Bond Act (Code of Virginia, as amended, §15.2-4900 *et seq.*) with offices at 190 South First Street, Wytheville, Virginia; and

WHEREAS the Authority is the fee simple owner of 6.0± acres of real estate with a manufacturing building located thereon in the Ivanhoe Industrial Park; and

WHEREAS the Authority has leased said property to Commonwealth Manufacturing and Development, Inc., with an option to purchase said property for \$184,456.73 less accumulated discount under the terms of the lease/purchase agreement; and

WHEREAS a portion of the cost of development of the said property was financed with a USDA Rural Development grant under which a prorated portion of the sales proceeds is to be returned to Rural Development and that amount having been determined to be \$170,676.00.

NOW THEREFORE BE IT RESOLVED that Steven D. Irvin, Chairman, acting for and on behalf of the Authority, hereby is authorized and empowered to sign a general warranty deed and such related documents as may be required to execute this transfer of real estate and to execute such documents as are required to fulfill the repayment requirement to USDA Rural Development.

BE IT FURTHER RESOLVED that the warranty deed and other documents executed by said officer of the Authority in connection therewith are hereby ratified and approved by the Board of Directors.

As Authority Secretary, I, Linda Lester, do certify and attest that this resolution was adopted at a duly conducted meeting of the Authority Board of Directors on January 22, 2004.

**Joint Industrial Development Authority of  
Wythe County, Wytheville, and Rural Retreat**

/s/Linda Lester (SEAL)  
Linda Lester, Secretary                      Date

**15<sup>TH</sup> ANNIVERSARY EVENTS COMMITTEE**

Dr. Hawthorne informed the board that the Joint Industrial Development Authority will celebrate its 15<sup>th</sup> year anniversary this year and it would be appropriate to plan an event or events to celebrate. Dr. Hawthorne suggested contacting Benny Burkett to serve on the 15<sup>th</sup> Anniversary Events Committee with Dr. Snyder. Mr. Irvin and Mr. Johnstone volunteered to serve on the 15<sup>th</sup> Anniversary Events Committee with Mr. Burkett and Dr. Snyder. Mr. Irvin agreed to contact Mr. Burkett.

**INDUSTRY APPRECIATION GOLF TOURNAMENT**

Dr. Hawthorne commented that Governor Warner has declared the week of May 16-22 to be business Appreciation Week. In recognition of Business Appreciation Week, the Joint IDA will host its annual Industry Appreciation Golf Tournament and Reception on May 13 at Wytheville Golf Club. Mr. Ayers requested that Mr. Irvin appoint members to serve on the tournament planning committee to contact sponsors and collect prizes. Mr. Irvin appointed Mr. Freeman to serve on the tournament planning committee. Dr. Snyder volunteered to serve on the tournament planning committee. Mr. Gordon recommended naming the tournament after an individual that has contributed to economic development.

**VIRGINIA FREEDOM OF INFORMATION ACT GUIDE**

The board was provided a copy of the Local Government Officials' Guide to the Virginia Freedom of Information Act. Mr. Irvin encouraged everyone to review the guide and requested

that Ms. Lester develop a five-question quiz to test the board's knowledge of the Local Government Officials' Guide to the Virginia Freedom of Information Act for the February 12 working session meeting.

## **OTHER**

Dr. Hawthorne provided the board with a copy of the presentation for the January 29 Board of Supervisors meeting.

Dr. Hawthorne provided project updates for Commonwealth Manufacturing, Musser Lumber, and Wytheville Technologies. He noted that discussions continue with Commonwealth Manufacturing regarding the purchase of the Ivanhoe industrial building from the IDA. The Musser Lumber water and sewer service projects are underway. Wytheville Technologies has entered into a binding construction agreement with H. S. Williams as the general contractor for the design and construction of their new facility on Lot 11 in Progress Park.

The board reviewed the appreciation resolution for Thomas Green, III. Mr. Irvin recommended that the resolution include additional information regarding Mr. Green's efforts in the development of Progress Park.

Dr. Hawthorne noted that Virginia was recognized in *Plant Sites & Parks* as number one in actual facilities. Virginia was ranked 18th in perception, as the best place to go with a manufacturing facility. North Carolina ranked as number one as perceived as the best place to go with a manufacturing facility.

Dr. Hawthorne provided information regarding the 2003 corporate survey conducted by *Area Development*. The survey noted that two-thirds of the respondents consider available buildings at locations under consideration a factor in their location decision. Nearly half said an available building is equal in importance to other site selection factors. State and local incentives ranked as the number-one factor considered very important or important by 92.7 percent of the survey respondents.

Mr. Irvin asked Mr. Sharitz to provide an update to the board on the Regional Water Authority in March.

## **ADJOURN**

Mr. Irvin asked if there was any further business to come before the Authority. There being none Mr. Irvin adjourned the meeting at 4:45 p.m.

---

Steven Irvin, Chairman

ATTEST:

---

Linda Lester, Secretary