

January 27, 2005

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, January 27, 2005, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building, 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 L. Brewer | David L. Elmore |

MEMBERS ABSENT

Danny B. Gordon

EX-OFFICIO MEMBERS PRESENT

C. Wayne Sutherland, Jr., Wytheville Town Manager

EX-OFFICIO MEMBERS ABSENT

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

DETERMINATION OF QUORUM

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

RESOLUTION OF APPRECIATION FOR STEVEN D. IRVIN

Dr. Snyder moved, and Mr. Brewer seconded, to approve the resolution of appreciation for Steven D. Irvin. The motion passed unanimously. Mr. Freeman read the resolution and invited Mr. Irvin to come forward and receive the signed copy. Mr. Irvin thanked Mr. Sharitz, Mr. Sutherland, Mr. Crewe, the Joint IDA board members, and Dr. Hawthorne for their leadership. He wished everyone future success. Mr. Freeman thanked Mr. Irvin for his contributions to the community. A copy of the resolution is as follows:

RESOLUTION

WHEREAS Steven D. Irvin served with diligence and integrity as a member of the Joint Industrial Development Authority from November 1996 to November 2004; and

WHEREAS Mr. Irvin served with distinction as Chairman of the Authority from July 1997 through November 2004; and

WHEREAS as Chairman he facilitated the selection and acquisition of the 1210-acre Progress Park, a premier regional industrial park; and

WHEREAS, upon retirement of the entire Joint IDA staff, Mr. Irvin led efforts to engage new staff, the selection of which he viewed as one of his major responsibilities; and

WHEREAS under his leadership the Authority emphasized support of existing industries, with the result that Wythe County's utilization of the Department of Business Assistance's Workforce Services program frequently tripled that of other communities; and

WHEREAS under his leadership the Joint Industrial Development Authority was recognized by *Site Selection* as among the Top 10 Economic Development organizations in the nation in 2002; and

WHEREAS the Joint IDA was runner-up for the U.S. Department of Commerce's Economic Development Administration 2004 Excellence in Rural Economic Development award; and

WHEREAS Mr. Irvin was selected as the Virginia Economic Developers Association's Volunteer of the Year award in 2003 and was the Commonwealth's representative candidate for the 17-state Southern Economic Development Council that year; and

WHEREAS Mr. Irvin provided unwavering support, guidance, and encouragement to the staff of the Joint Industrial Development Authority:

NOW, THEREFORE, BE IT RESOLVED that the Joint Industrial Development Authority directors, through this resolution, express their esteem, respect, and gratitude to Steven D. Irvin for his outstanding contributions to the Board and extend to him best wishes for success, health, and happiness.

Adopted this 27th day of January, 2005.

_____/s/ Joseph W. Freeman_____
Joseph W. Freeman, Chairman

ATTEST:

_____/s/ Angela Pack_____
Angela Pack, Secretary

CITIZENS' TIME

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

APPROVAL OF MINUTES - DECEMBER 9, 2004

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

APPROVAL OF INVOICES

Dr. Hawthorne explained that because of a printout problem, the invoices were listed on two different sheets with two different dates. He noted that the date on the second sheet would be changed from December 1, 2004, to the correct date of January 27, 2005. Dr. Hawthorne stated that the check written to the Joint IDA was for the Joint IDA's money market account that was closed and then partially rolled over to the Local Government Investment Pool (LGIP). The entire amount of the money market account was not deposited in the LGIP in order to give the Joint IDA more of a buffer for the operating account. Mr. Freeman asked if the second page of the printout is actually a list of checks that are supposed to be dated January 27, 2005. Dr. Hawthorne confirmed that the checks should reflect the January 27, 2005 date. Mr. Johnstone moved, and Mr. Ayers seconded, that the invoices be approved subject to the date change on the checks. The motion passed unanimously.

Joint IDA of Wythe County Check Register

For the Period From Jan 1, 2005 to Jan 27, 2005

Filter Criteria includes: Report order is by Date.

| Check # | Date | Payee | Amount |
|---------------|---------|-----------------------------------|------------|
| 4484 | 1/6/05 | Treasurer of Virginia | 35.00 |
| 4485 | 1/13/05 | U S Cellular | 30.84 |
| 4486 | 1/13/05 | First Bank of Virginia | 2,692.39 |
| 4487 | 1/13/05 | VA Dept Of Taxation | 435.47 |
| Cashier check | 1/19/05 | Joint IDA of Wythe County | 55,160.53 |
| 4489 | 1/21/05 | Angela D. Pack | 1,631.34 |
| 4488 | 1/21/05 | Local Govt Investment Pool | 50,000.00 |
| 4506 | 1/27/05 | Michael B. Webb | 1,974.76 |
| 4507 | 1/27/05 | Alan R. Hawthorne | 3,474.83 |
| 4490 | 1/27/05 | American Electric Power | 103.11 |
| 4491 | 1/27/05 | Alan Hawthorne - Reimbursement | 632.81 |
| 4492 | 1/27/05 | Angela D. Pack | 18.91 |
| 4493 | 1/27/05 | Anthem Blue Cross and Blue Shield | 1,296.24 |
| 4494 | 1/27/05 | Duke's Printing | 396.78 |
| 4495 | 1/27/05 | Fort Dearborn Life Ins Co | 31.05 |
| 4496 | 1/27/05 | The Mount Rogers Dev Partnership | 2,299.92 |
| 4498 | 1/27/05 | Robert G. Moore | 1,100.00 |
| 4499 | 1/27/05 | Southern Business & Development | 525.00 |
| 4500 | 1/27/05 | Sprint | 123.01 |
| 4501 | 1/27/05 | Sprint | 10.89 |
| 4502 | 1/27/05 | Anthem Dental | 91.80 |
| 4503 | 1/27/05 | Bankcard Services | 356.11 |
| 4504 | 1/27/05 | Wytheville Office Supply | 116.78 |
| 4505 | 1/27/05 | Xerox | 375.52 |
| Total | | | 122,913.09 |

OLD BUSINESS

REPORT ON CHRISTMAS OPEN HOUSE

Ms. Pack stated that approximately twenty individuals attended the Joint IDA's Christmas Open House on December 10, 2004. Dr. Hawthorne added that the Joint IDA received positive comments from the guests regarding the open house, and Mr. Freeman congratulated the Joint IDA staff on the event's success. Dr. Hawthorne stated that the open house was another opportunity to encourage people to come by and visit the Joint IDA office, specifically officials from the Joint IDA's member jurisdictions.

STATUS OF BAD REVOLVING LOAN FUND DEBT

Mr. Webb informed the board that on November 27, 2004, Joint IDA legal counsel Tom Hodges recorded a judgement against Alvin and Monterey Cassell for the amount of \$90,042.47. The Joint IDA incurred \$468 in court costs and attorney fees in the process. Currently, Mr. Hodges is exploring possible settlement with the Cassells' attorney. Mr. Webb noted that Dr. Hawthorne will be sending Mr. Hodges a letter that updates the interest rate of the outstanding principal to match current interest rates.

IVANHOE INDUSTRIAL PARK SUBDIVISION AND REQUEST FOR BIDS

Mr. Webb reported that Mr. Armentrout did not complete the plats in time for inclusion on the Wythe County Planning Commission's February meeting agenda. Mr. Webb explained that Mr. Armentrout committed to having the plats completed by January 28, 2005.

PARTICIPATION IN SB&D RURAL SOUTH SUBSIDIZED ADVERTISING CAMPAIGN

Mr. Webb shared a copy of the Rural South issue of *Southern Business & Development* and noted that the Progress Park ad is on page 67.

INDUSTRY RECOGNITION AWARDS PRESS RELEASE

The board reviewed a press release regarding the industry recognition awards.

PRESS RELEASE

Joint IDA Recognizes Local Companies

WYTHEVILLE—The Joint Industrial Development Authority recently presented recognition awards to several community businesses at its annual awards ceremony. These awards were presented at the Wytheville-Wythe-Bland Chamber of Commerce's annual membership dinner held at Wolhfahrt Haus dinner theatre on November 29, 2004.

A Special Recognition Award was given to Pepsi Bottling Group for the valuable contributions that PBG has made to the community since deciding to locate its state-of-

the-art bottling facility in Wytheville in 2002. On behalf of the company, Plant Manager Rodney Coleman expressed appreciation for the recognition and the warm welcome extended by the community.

The following companies received recognition for their contributions to the community over extended periods of time: 10-year award—*Dalton Enterprises, Electro-Finishing Services, J. J. Haines and Company, and R.H. Sheppard Co.*; 15-year award—*Appalachian Hardwood and Dimension*; 20-year award—*Hutchinson Sealing Systems and S&W Fertilizer*; 30-year award—*Quadrant Engineering Plastic Products and Wythe Power Equipment*; and 50-year award—*Southern States Wythe County Co-Op*.

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Release Date: Immediate

Contact:

Alan Hawthorne
Executive Director
Joint Industrial Development Authority
276-223-3370
DirectorJIDA@wytheville.org

JOINT IDA 2005 MEETING SCHEDULE AND CALENDAR

Dr. Hawthorne stated that the calendar reflects the recommendations of the governance committee and the action taken by the board at the January 13, 2005, working session to continue holding regularly scheduled meetings but to hold working sessions only as needed. Dr. Hawthorne informed the board that the location of the Joint IDA's February board meeting will be moved from the Wythe County Board of Supervisor's Chambers to the Wytheville Town Council Chambers because construction on the Board of Supervisor's chambers will not be complete by the meeting date. The March Joint IDA board meeting will be held at the Wythe County Board of Supervisors' Chambers if construction of the facility is completed by then. Dr. Snyder moved, and Mr. Brewer seconded, to approve the calendar as corrected to reflect the change of location for February's Joint IDA board meeting. The motion passed unanimously.

OTHER

There was no other old business.

NEW BUSINESS

HIGHLIGHTS OF BOARD WORKING SESSION

Dr. Hawthorne reported that the transfer of funds from the Joint IDA's money market account to the LGIP that was approved at the January 13, 2005, board working session is complete. He stated that the transfer resulted in a one percentage point higher interest rate return and reduced administrative costs.

Dr. Hawthorne informed the board that he spoke with Mr. Dalton concerning the rear lots in Fairview as discussed in the January 13, 2005, working session. Dr. Hawthorne noted that this item will be on the agenda for the next board meeting.

EXISTING INDUSTRY ACTIVITY UPDATE PRESENTATION

Mr. Webb provided a slide show that summarized the Joint IDA's involvement with local industries during 2004. He noted that most companies are seeing an increase in activity and many even plan to hire a few workers. Mr. Webb explained that types of services provided by the Joint IDA to local industries included helping local companies obtain funds from the Virginia Department of Business Assistance Workforce Services Division. He noted that Workforce Services provided funding for fourteen Wythe County companies in the amount of \$149,789.75 for training or retraining workers. He also noted that the Joint IDA assisted the Virginia Economic Development Partnership's International Trade Division in hosting an event in which the VEDP overseas project managers met with interested businesses in this region. Mr. Webb recommended the following strategies for 2005: continue working with the Workforce Investment Board and Wytheville Community College; continue partnering with Virginia Department of Business Assistance Workforce Services Division; work with landowners in Fairview Industrial Park concerning the expiration of the park covenants; monitor labor availability and quality; and strengthen the Wythe Manufacturing Council.

Dr. Snyder asked if there have been any users of the Joint IDA's video conferencing equipment. Dr. Hawthorne responded that usage has been disappointingly low. One factor that may explain the low usage is that the technology to give quality of service throughput on the internet is not adequate because there is lag between the video relative to the audio which is distractive to some people. Other locations lack sufficient bandwidth to communicate via video conferencing. The Joint IDA has attempted to inform as many organizations as possible that video conferencing is available and that the Joint IDA's conference room may be reserved for that purpose. Mr. Freeman asked Mr. Webb if he is repeating industry visitations in 2005, and Mr. Webb replied that he would be doing so. Dr. Snyder asked what the level of optimism is among the existing industries. Mr. Webb responded that most of the companies are much more optimistic as compared to just a few years ago and that many are seeing an increase in demand. Dr. Hawthorne added some companies are actually struggling to keep up with demand, and hopefully, this will translate into expanded capacity in either workers and/or capital investments. Mr. Freeman asked if Mr. Webb plans to encourage discussion regarding the pre-employment prep class. Dr. Hawthorne noted that the Joint IDA tries to promote training classes that the Workforce Investment Board is conducting.

INDUSTRY APPRECIATION GOLF TOURNAMENT - MAY 19

Mr. Webb noted that the statewide Business Appreciation Week is May 15-21, 2005. Concurrent with statewide activities, the Joint IDA will host the annual Industry Appreciation Golf Tournament on May 19 at the Wytheville Golf Club. Mr. Freeman appointed Mr. Ayers to chair the golf tournament committee. Mr. Elmore and Dr. Snyder volunteered to serve on the committee, and Mr. Elmore volunteered to obtain prizes.

EXPIRATION OF FAIRVIEW INDUSTRIAL PARK COVENANTS

Mr. Webb explained that the Fairview Industrial Park covenants expire in July 2006. The covenants specify that upon expiration, in order for the land owners to retain some type of land use restrictions, they must form a landowners association. Mr. Webb noted that Robert Fowlkes of Williams Manufacturing is very supportive of a landowners association. Mr. Freeman volunteered to call Mr. Fowlkes to discuss possible courses of action regarding a landowners association.

JOINT IDA TECHNOLOGY UPGRADES

Dr. Hawthorne updated the board on the new Xerox Work Center, the external hard-drive for data backup, and the two new Dell computers that were recently purchased.

FOIA UPDATE

At Dr. Hawthorne's request, this item was deferred without objection to the next meeting.

ADD JOINT IDA DIRECTORS AS EMPLOYEES

Dr. Hawthorne informed the board that the IRS determined that board members of groups such as the Joint IDA must be considered employees. This means that board members will receive W-2 forms for 2005 instead of a Form 1099 as in past years.

FY 2005-2006 Draft Budget

Dr. Hawthorne presented a draft budget that involved two different versions. One version of the budget assumes that the Joint IDA will revamp its website in-house whereas the second version assumes a total high quality overhaul of the website that will be outsourced. Wythe County has requested that the Joint IDA submit its budget request by February 11. Mr. Johnstone moved, and Dr. Snyder seconded, that the budget be submitted with the website upgrade as a separate line item. The motion passed unanimously.

OTHER

Dr. Hawthorne shared a copy of the Virginia Municipal League newsletter in which coverage was given to Dr. Hawthorne's IEDC award.

Dr. Hawthorne requested that the Joint IDA's one year certificate of deposit that will mature in February be rolled over into the LGIP fund. Mr. Elmore moved, and Mr. Johnstone seconded, that the certificate of deposit be transferred to the LGIP fund. The motion passed unanimously.

Dr. Hawthorne discussed an idea involving development of the mini-park within Progress Park. He noted that development could be financed with a combination of revenue from the potential sale of land in Fairview Industrial Park, a grant from the Virginia Tobacco Commission, and a loan from the Virginia Small Business Financing Authority. The consensus of the board was for Dr. Hawthorne to proceed with developing a proposal to be presented at the next regular board

meeting.

Dr. Hawthorne updated the board on the status of the Virginia Enterprise Zone program. The Wythe/Carroll Enterprise Zone expired December 31, 2004, and the entire Enterprise Zone program sunsets on June 30, 2005. Legislation is being considered by both Houses that would alter the Virginia Enterprise Zone program. The Finance Committee of the Senate decided that the legislation would need to be studied further and cannot be acted upon at this time. Legislation is also being considered that would push back the sunset date of the original program to 2007. Wythe County is asking that an amendment be added that would extend the life of the zones that just expired until DHCD accepts new applications. Dr. Hawthorne reported that he made two trips to Richmond to speak with legislators about the matter.

ADJOURN

Mr. Freeman asked if there was any further business to come before the Authority. There being none, the meeting adjourned at 5:00 p.m.

Joseph W. Freeman, Chairman

ATTEST:

Angela D. Pack, Secretary