

April 28, 2005

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, April 28, 2005, at 3:00 p.m. in the Council Room of the Rural Retreat Town Offices, 307 South Main Street, Rural Retreat, Virginia.

MEMBERS PRESENT

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

MEMBERS ABSENT

Gerald L. Brewer

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. Mr. Freeman thanked Mayor Bear for hosting the meeting.

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 - March 24, 2005

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

APPROVAL OF INVOICES

Mr. Gordon inquired if the AEP bill is a monthly bill or is the Joint IDA on a budget plan. Dr. Hawthorne responded that the Joint IDA is not on a budget plan and that the bill varies monthly

based on usage. Mr. Gordon asked if it would be easier for budgetary and accounting purposes to go with a budget plan. Dr. Hawthorne noted that the time it takes to enter the invoice into the accounting system is minimal. Mr. Freeman asked if there are any invoices for the ads for the Ivanhoe property that were not included in this summary. Mr. Webb replied that the invoice from the Mount Airy newspaper has not been received. Mr. Gordon asked if all the ads for Ivanhoe were similar in size. Dr. Hawthorne replied that the size of the ad was the same, but the amount of time the ads appeared in the papers varied. Mr. Gordon moved, and Dr. Snyder seconded, that the invoices be paid. The motion passed unanimously.

**Joint IDA of Wythe County
Check Register**

For the Period From Apr 1, 2005 to Apr 30, 2005

Filter Criteria includes: Report order is by Check Number.

Check #	Date	Payee	Amount
4567	4/6/05	U S Cellular	31.40
4568	4/28/05	American Electric Power	81.35
4569	4/28/05	Anthem Blue Cross and Blue Shield	1,296.24
4570	4/28/05	Companion Life Insurance Co	77.10
4571	4/28/05	Fort Dearborn Life Ins Co	26.85
4572	4/28/05	Gazette Twin County Classifieds	28.44
4573	4/28/05	Int'l Economic Dev Council	325.00
4574	4/28/05	The Roanoke Times	268.86
4575	4/28/05	Robert G. Moore	1,100.00
4576	4/28/05	Sprint	121.71
4577	4/28/05	Sprint	24.88
4578	4/28/05	Anthem Dental	91.80
4579	4/28/05	Virginia Employment Commission	116.74
4580	4/28/05	Bankcard Services	371.57
4581	4/28/05	Winston-Salem Journal	125.39
4582	4/28/05	Wytheville Office Supply	49.43
4583	4/28/05	Xerox	435.62
4584	4/28/05	Alan R. Hawthorne	3,474.83
4585	4/28/05	Angela D. Pack	1,631.34
4586	4/28/05	Michael B. Webb	1,974.76
4587	4/28/05	Alan Hawthorne - Reimbursement	506.66
4588	4/28/05	Angela D. Pack	30.38
4589	4/28/05	First Bank Of Virginia	2,656.97
4590	4/28/05	Mike Webb-Reimbursement	61.56
4591	4/28/05	VA Dept Of Taxation	421.56
Total			15,330.44

OLD BUSINESS

IVANHOE INDUSTRIAL PARK SUBDIVISION AND REQUEST FOR BIDS

Mr. Webb informed the board that all the ads have run. He noted that the website is receiving traffic. While no bids have been received to date, Mr. Webb stated that he anticipates several bids by May 20, 2005.

FAIRVIEW INDUSTRIAL PARK REAR LOTS

Dr. Hawthorne reported that he met with Mr. Dayne Umberger. He stated that Mr. Umberger was comfortable with the Joint IDA moving forward with advertising the property with the existing right-of-way. Dr. Hawthorne stated he will be assembling a proposal for the board's review.

FAIRVIEW INDUSTRIAL PARK COVENANTS EXPIRATION

Mr. Webb reported that Mr. Bob Fowlkes of Williams Manufacturing has been given a list of contact information for business landowners in Fairview Industrial Park and neighboring areas. Dr. Hawthorne inquired if the Joint IDA offered assistance to Mr. Fowlkes. Mr Webb responded that he offered the use of the conference room, and Mr. Freeman noted that he offered administrative assistance.

FAIRVIEW INDUSTRIAL PARK PAVING COMPLIANCE UPDATE

Mr. Webb reported that he and legal counsel Tom Hodges visited with Mark Umberger and his attorney to discuss paving of the Umberger lot. Mr. Webb reported that Mr. Hodges wishes to study the matter further. Dr. Hawthorne added that Mr. Umberger indicated a willingness to pave if he could secure a tenant willing to sign an extended lease for his building.

REPORT FROM GOLF TOURNAMENT COMMITTEE

Mr. Ayers stated that the time-line for the tournament is on target. He stated that he would like to have a few more hole sponsors and reception sponsors. Mr. Webb invited the board members to attend the reception on May 19, 2005, even if they are not playing in the tournament.

JOINT IDA SUMMER INTERN

Mr. Webb reported that the Joint IDA received a marketing grant from the Virginia Opportunity Region program and was able to offer a full-time summer internship to Elizabeth Webb. However, Ms. Webb accepted a position in Salem, Virginia. Mr. Webb explained that he contacted several departments at Virginia Tech and Radford University about the opportunity for internship work for their students and that Ms. Webb would inform her classmates a well. To date, no applications have been received.

RESPONSES TO QUESTIONS ABOUT PROPOSED JOINT IDA BUDGET

Dr. Hawthorne discussed his analysis and calculation of the cost of leasing a vehicle versus reimbursing mileage. The lease option was more expensive than reimbursing mileage.

Dr. Hawthorne discussed the revised budget and noted that the Joint IDA had earlier presented the Board of Supervisors with a base budget and an alternative budget to that included funding for a major website upgrade. The feedback from the Board of Supervisors was to focus on the base budget. Dr. Hawthorne noted that since developing the budget, the Joint IDA obtained a \$10,000 grant that will be shared with Smyth County for web-site upgrade. Wythe County's share of the grant is \$5,000. The revised budget reflects the \$5,000 increase in grant funding and a corresponding increase in advertising which is targeted toward the website improvement. Mr. Gordon asked what constitutes the largest part of the increase over last year's budget. Dr. Hawthorne responded that about \$7,500 is the website improvement. He added that the budget shows a \$10,000 salary increase, but that is primarily due to reclassifying the board's compensation as salaries with a corresponding reduction of \$6,300 under director compensation. The other items are primarily \$500 or less. There is an increase in expenditures for the copier, but this is offset by a corresponding decrease in office supply expenditures. Dr. Snyder asked if the increase in insurance was related to an increase in health insurance. Dr. Hawthorne replied that part of the increase is due to health insurance, and a second part is the need for public officials liability insurance for the Crossroads Regional Industrial Facility Authority. He explained that a third component is the need to insure the house in Fairview Industrial Park being vacated by the Recreation Department. The Joint IDA is exploring options on leasing the house. Mr. Gordon asked that Crossroads Regional Industrial Facility Authority contributions be shown on the summary page as a separate line item.

OTHER

Mr. Gordon asked about Fuel Systems' requirement to be in compliance with the Fairview Industrial Park covenants in regard to outside storage and screening. Mr. Freeman responded that it may be time to revisit the compliance audit that was conducted several years ago. Mr. Gordon pointed out that there is a great deal of litter along the street going into Fairview Industrial Park and suggested that the Joint IDA find someone to "adopt" the street.

NEW BUSINESS

TOUR OF NEW WYTHEVILLE TECHNOLOGIES FACILITY REPORT

Dr. Hawthorne highlighted the tour of Wytheville Technologies' new facility that the Wythe County Board of Supervisors, Crossroads Regional Industrial Facility Authority board, and Joint IDA board attended on April 26, 2005. Dr. Snyder noted that Wytheville Technologies thought highly of the workforce. Mr. Bucky Sharitz noted he was impressed with the company's environmental equipment.

I-81 ECONOMIC DEVELOPMENT STUDY

Mr. Webb explained that the Federal Highway Administration authorized a study of economic development along I-81 in Virginia and that the Joint IDA provided information for the study. He noted that the report was general in nature, but it did give traffic count data for Wythe County and mentioned the existence of Progress Park. The full report is available at www.fhwa.dot.gov/planning/econdev/i81va.htm.

2004 VEDP PER CAPITA RANKINGS

Dr. Hawthorne explained that the Virginia Economic Development Partnership (VEDP) authors a report at the end of each calendar year titled *Employment Creation and Capital Investment in Virginia*. The report includes an analysis of the employment created, capital investment made, and number of announcements on a per capita basis. Dr. Hawthorne explained that the Joint IDA took the rankings by county for each of the three categories and did a weighted average to identify overall standings. He boasted that six of the top fourteen localities in the overall rankings were in the aCorridor with Smyth County ranked 1st and Wythe County ranked 14th.

Mr. Webb shared findings of the 2004 fiscal year VEDP activity report. The report included the number of prospect visits and sites and building studies performed by VEDP for each locality.

EXISTING COMPANIES UPDATE

Mr. Webb reported that Donnkenny declared bankruptcy and filed a WARN notice with the Virginia Employment Commission. Donnkenny was subsequently purchased by another company, and for now, no layoffs are expected as the acquisition moves forward. He explained that Hutchinson Sealing Systems experienced a reduction in orders and is making temporary layoffs. This could affect Diversified Manufacturing Solutions which provides services to Hutchison. Dr. Hawthorne noted that Hutchinson's largest customer is General Motors, and General Motors is not doing well lately. Mr. Webb reported that he had a good visit with Tom Hough of Magnetic Technologies, and Dr. Hawthorne reported that he had a good visit with Mid-Atlantic Manufacturing and Hydraulics.

VOR MARKETING GRANT

Dr. Hawthorne discussed the Virginia Opportunity Region marketing grant jointly awarded to Smyth County and Wythe County. The Virginia's aCorridor also submitted a grant to implement the Chris Chmura study that identifies and ranks prospect opportunities.

VEDP/VEDA TRIP REPORT

Dr. Hawthorne briefed the board on his attendance at the Virginia Economic Developers Association (VEDA) meeting and his trip to the VEDP office. The VEDA meeting included a tour of the Port of Virginia. The meeting also involved a report by the Local Government Attorneys' Association regarding incentives in economic development. The panel was very clear that communities need to conduct incentive-related efforts through IDAs or EDAs in order to

avoid legal ramifications. Dr. Hawthorne suggested that the board endorse a resolution, which will be presented at the next Joint IDA meeting, that creates a Wythe Opportunity Fund. This would be established as a vehicle from which the localities could receive grants because the Code of Virginia explicitly states that IDAs have the authority to contribute grants to specific companies for economic development purposes. The board encouraged Dr. Hawthorne to proceed with the resolution for the creation of a Wythe Opportunity Fund. Dr. Hawthorne explained that he also had the opportunity to participate in VEDP's distribution task force meeting. Dr. Hawthorne stated that attending the VEDP meetings are by far the best marketing opportunity available to him because he gets to speak with project managers about what Wythe County has to offer. He noted that as a result of such recent interaction, Wythe County is now included in one of the building studies because the project manager learned about the Progress Park Virtual Building. Dr. Hawthorne declared his intentions to apply for a Robert Eley Johnson scholarship to attend a VEDA seminar in June.

OTHER

Dr. Hawthorne discussed the Wytheville Community College (WCC) workforce training program and their partnership with Virginia Highlands Community College to provide courses at the Smyth Education Center. WCC is applying for another grant that focuses on incumbent workers in Wythe County and possibly Carroll and Grayson Counties. Dr. Hawthorne explained that the Joint IDA is providing support for this effort.

Dr. Hawthorne explained that he attended an application workshop for the new Virginia Enterprise Zone program. The application must be completed and submitted by June 30th.

Dr. Hawthorne shared with the board a request from Camrett Logistics to the Town of Rural Retreat asking for paving of the road running along its property. He stated that the Joint IDA is committed to helping facilitate the request.

Mr. Elmore stated that the Workforce Investment Board (WIB) for Area II authorized a letter to be sent to economic development agencies offering an *ad hoc* non-voting seat on the WIB in exchange for the WIB executive director sitting on the economic development group boards as an *ad hoc* non-voting member. Dr. Hawthorne clarified that the WIB executive director will only be sitting on the boards of the aCorridor and the New River Alliance.

PROJECT UPDATES

Dr. Snyder 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. Motion was seconded by Mr. Ayers and passed unanimously. Mr. Gordon made motion, and Mr. Johnstone seconded, to reconvene in open session. The motion passed unanimously. Mr. Gordon 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
George Johnstone	Robert Ayers
David Elmore	Danny Gordon

NAYS: None

ABSENT DURING MEETING: Gerald Brewer

ABSENT DURING VOTE: Gerald Brewer

ADJOURN

Mr. Freeman asked if there was any further business to come before the Authority. There being none, the meeting adjourned at 4:35 p.m.

Joseph W. Freeman, Chairman

ATTEST:

Angela D. Pack, Secretary