

June 26, 2008

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, June 26, 2008, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building located at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

Joe Freeman, Chairman
Linda DiYorio
Dana R. Pack
Foy Patton

Tom W. Jones
David Elmore
William F. Snyder, Vice Chairman

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

Chairman Freeman called the meeting to order and determined a quorum to be present. Dr. Snyder 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, Chairman Freeman proceeded with the meeting.

PRESS RELEASE—NEW ASSOCIATE DIRECTOR/INTRODUCTION OF MR BURTON

Dr. Hawthorne introduced and welcomed Mr. Patrick Burton to the Joint IDA. Patrick begins his position with the Joint IDA on July 1.

Joint IDA Selects New Associate Director

WYTHEVILLE—The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat is pleased to announce that the Board of Directors has selected Patrick G. Burton as the authority's new associate director.

Mr. Burton received both his master's degree in Urban and Regional Planning and his undergraduate degree in Urban Affairs from Virginia Polytechnic Institute and State University. A native of Smyth County, he is a resident of Wytheville where he lives with his wife, Denise, who is employed as a probation officer in Smyth County. Currently a planner with the Salem office of the Virginia Department of Transportation, Mr. Burton has previously worked with the New River and Mount Rogers Planning District Commissions as well as the Maryland Department of Natural Resources.

Mr. Burton will fill the position previously held by Mike Webb, who recently moved to Lexington to head the Rockbridge Partnership, an economic development organization similar to the Joint IDA. The associate director takes lead responsibility for the Joint IDA's existing industry program as well as performing research and support roles for the authority's recruitment efforts.

Joint IDA Chairman Joe Freeman said, "We are pleased to have Patrick join us at the Joint IDA and believe that our current team will continue to achieve the high standards that have brought us recognition over the past decade. Coupled with the significant advantages of doing business in Wythe County and the attributes of Progress Park, we expect this team to have continued success."

"I am excited to join such an accomplished and dynamic economic development group," Mr. Burton said.

PRESENTATION—PROPOSED APPALACHIAN EXPOSITION CENTER

Mr. Eric Crowgey gave a detailed presentation on the proposed Appalachian Agricultural Exposition Center. The proposed Center concept includes a venue with facilities for hosting agriculture-related events and competitions, but has the flexibility to host a variety of community events. Mr. Crowgey distributed information packets to the board members.

After some discussion among Board members, Dr. Hawthorne indicated that the Joint IDA would continue to work with Wythe County to explore ways to assist in the effort.

APPROVAL OF MINUTES—May 22, 2008, board meeting

Dr. Snyder made a motion, seconded by Mr. Elmore, to adopt the minutes as presented. The motion passed unanimously.

APPROVAL OF INVOICES

Mr. Jones asked about check #5603, and Dr. Hawthorne explained that it is for reimbursement to Mr. Bill Smith for a filing with the Wythe County Court Clerk's office regarding release of the trust note after final payment for the rear property in Fairview Industrial Park. Dr. Hawthorne stated that Check #5600 is for one-half month's accrued vacation time to Ms. Skeens. He further indicated that check #5608 is the HSA incentive contribution (plus elective employee contribution) to convert to the high deductible insurance plan and, with Ms. Skeens resignation, is being paid for him only. He stated that \$750 is being contributed by the Joint IDA with the remaining balance being his contribution. Dr. Snyder asked about Check #5606, and Dr. Hawthorne state that is for quarterly accrued unemployment insurance. Mr. Elmore made a motion, seconded by Mr. Jones, to approve the invoices. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County

Check Register

For the Period From May 23, 2008 through June 26, 2008

Check #	Date	Payee	Amount
5577	6/26/08	David L. Elmore	207.79
5578	6/26/08	Dana R. Pack	207.79
5579	6/26/08	Foy W. Patton	207.79
5580	6/26/08	Joseph W. Freeman	207.79
5581	6/26/08	Linda Diyorio	207.79
5582	6/26/08	Tom Jones	207.79
5583	6/26/08	William F. Snyder	207.79
5584	6/26/08	Appalachian Power	62.15
5585	6/26/08	Robert G. Moore	1,100.00
5586	6/26/08	Sprint PCS	134.70
5587	6/26/08	Embarq	134.60
5588	6/26/08	Town of Wytheville	22.68
5589	6/26/08	Virginia Highlands Community College	25.00
5590	6/26/08	Bankcard Services	119.40
5591	6/26/08	Va Municipal League Group	259.00
5592	6/26/08	Va Municipal Liability Pool	636.25
5593	6/26/08	Xerox	267.86
5594	6/26/08	Wytheville Office Supply	81.49
5595	6/26/08	VA Economic Dev Assoc.	95.00
5596	6/26/08	Anthem Southeast Dental	75.35
5597	6/26/08	Anthem Blue Cross and Blue Shield	1,139.05
5598	6/26/08	Alan R. Hawthorne	2,773.58
5599	6/26/08	Danielle M. Skeens	1,827.80
5600	6/26/08	Danielle M. Skeens	1,006.25
5601	6/26/08	Alan Hawthorne - Reimbursement	485.66
5602	6/26/08	Chamber of Commerce	250.00
5603	6/26/08	The Fairfield Glade Company	31.00

5604	6/26/08	First Bank of Virginia	1,908.17
5605	6/26/08	VA Dept Of Taxation	284.49
5606	6/26/08	Virginia Employment Commission	1.38
5607	6/26/08	Danielle M. Skeens	31.82
5608	6/26/08	Mellon Trust of New England, NA	2,800.00
5609	6/26/08	Duke's Printing	229.00
5610	6/26/08	Principal Life Insurance Co.	74.03
Total			17,310.24

OLD BUSINESS

ANNIVERSARY CELEBRATION EVENT

Dr. Hawthorne informed the board that he had spoken with Gatorade and Wytheville Technologies, and they are interested in exploring an Anniversary Celebration Event and would each be willing to appoint someone to serve on the committee. Dr. Hawthorne suggested having a seven-member committee with two company representatives plus representatives from Wythe County, Town of Wytheville, CRIFA, Joint IDA, and him serving as the Joint IDA staff member. He further commented that this committee would establish and explore an estimated budget early in the process. He indicated that no commitments have been made to hold such an event, and, if after committee evaluation, we determine that it's not practical then the effort can be terminated. Mr. Freeman asked for a volunteer from the board members. Ms. DiYorio asked who will be invited to the event, and Dr. Hawthorne responded that he envisioned it would likely be open to the whole community. Mr. Freeman discussed that the meetings will need to look at the details to get the whole scope. Mr. Elmore asked if it was absolutely necessary to have a member of the Joint IDA board to serve on the committee since Dr. Hawthorne would be serving. Dr. Hawthorne stated that he felt a member of the board should serve since the Joint IDA would be putting a lot of work and time into the event and is the initiator of the effort. Dr. Hawthorne asked Mr. Sharitz his opinion on the event, and he replied that he thought this was a great opportunity for Wythe County to get the community involved and recognize key players involved in developing Progress Park. He stated he thought it would be a worthwhile investment to hold the event and give community members a chance to see and learn more about Progress Park. Dr. Hawthorne commented that he thought it would be worth the investment. Ms. DiYorio stated that she would be very busy through November, but would agree to attend the first meeting and then will decide if she would serve on the committee. Mr. Freeman offered to assist Ms. DiYorio if she did agree to serve and couldn't attend a meeting by filling in for her. Dr. Hawthorne stated that there was a need to move forward so as to have plenty of time to plan. He will extend a formal invitation to the various parties to appoint a representative to serve on the committee.

RURAL RETREAT INDUSTRIAL PARK UPDATE

Dr. Hawthorne stated that he had been in preliminary discussions with Klöckner about purchasing the land in the middle of Rural Retreat Industrial Park. The approximately 43 acres,

known as the Etter property, was assessed at \$430,000 recently. He said Klöckner might be willing to sell the land and presented the board with a draft proposal letter to Klöckner to initiate the acquisition discussion. He also briefly discussed potential financing options. The board agreed to send the letter to Klöckner offering to purchase the property.

FENCING ORDINANCE FINDINGS AND RECOMMENDATION

Dr. Hawthorne informed the board about the Fencing Ordinance Findings and Recommendations that were developed and adopted at the June 5 board working session. These were provided to the Board of Supervisors as the Joint IDA's input to the fencing ordinance issue.

Findings and Recommendation Related to Fencing Ordinance Joint Industrial Development Authority of Wythe County

A study undertaken by the Joint IDA in order to form a position as to whether Wythe County should repeal its Fencing Ordinance has resulted in the following findings:

1. The importance of farming as a component of the Wythe County economy may be assessed by a variety of measures.
 - a. In 2002, farming sales were approximately \$30.5 M, with 92% of this due to livestock and related products and only 8% due to crop sales. This represented approximately 2.5% of all Wythe County sales and shipments in 2002 (*2002 Economic Census and 2002 Agricultural Census*). Based on Bureau of Economic Analysis data for 2006 (*CA45*), cash receipts from farm products in 2006 were \$31.8 M, again with nearly 92% from livestock and related products. The 2007 Economic Census data have not been issued yet, so the total county sales/shipments value for all sectors is not available, but it is expected to have grown significantly during the past five years.
 - b. Based on 2006 compensation data from the Bureau of Economic Analysis (*CA06N*), the farming sector provides over \$1.7 M in compensation in Wythe County. This represents 0.4% of total compensation in the county.
 - c. Many people were involved in farming in Wythe County in 2006 (*CA25N*) with 959 individuals indicated as employed in farming, with the vast majority (879) listed as proprietors. Based on the total employment in Wythe County of 15,558 for 2006, farming represented approximately 6% of the total employment.
2. A significant number of counties, especially along the I-81 corridor, have adopted fence-in ordinances.
 - a. Smyth, Washington, and Montgomery have fence-in ordinances.
 - b. Bland, Carroll, Pulaski, and Grayson are fence-out counties.
 - c. Some major agriculture counties such as Augusta County have adopted fence-in ordinances.
3. The gist of academic articles trends toward fence-in as the direction of movement, even recommending that open range states in the west should consider changing from fence-out to fence-in.
 - a. See *Reforming Outdated Fence Law Provisions: Good Fences Make Good Neighbors Only If They Are Fair* (<http://ageconsearch.umn.edu/bitstream/16688/1/fs9722.pdf>) by Terence J. Centner, Professor of Agricultural and Applied Economics, The University of Georgia, for a detailed evaluation with extensive references.
 - b. See Augusta County *Fencing Laws and Ordinances* web page for a good discussion of fence-in and fence-out (www.co.augusta.va.us/Index.aspx?page=170).
 - c. Dr. Leon Geyer at Virginia Tech has also addressed the state of fencing law at various times. See <http://www.ext.vt.edu/news/periodicals/fmu/2005-06/virginialaw.html> as an example.

4. Towns often have their own ordinances governing, and often excluding, livestock.
 - a. Many of our industrial facilities and non-farming residents live within town limits.
 - b. Progress Park has its own protective covenant that generally prohibits fence construction.

Having weighed all the information available, the Joint IDA hereby opines the following:

1. Farmers of Wythe County should not be held to the “strict liability” standard, but instead to a more reasonable “negligent liability.”
2. Fines and punishment for violation of the Fencing Ordinance should be consistent with those for violation of other similar ordinances. The standard should not be one of a higher (or lower) punishment. As best as we can determine, such fines are quite rare.
3. The basic philosophy, incorporated in the current ordinance, that it is the responsibility of the owner of livestock to not let that livestock trespass upon property of others should be maintained.
4. There is a fundamental difference in property rights between fence-in and fence-out, and this perspective is an important factor for many property owners and residents that Wythe County would like to attract.

It is the recommendation of the Joint Industrial Development Authority that the Wythe County Board of Supervisors modify its current Fencing Ordinance to address the concern of many in the farming sector by changing the strict liability standard to a negligent liability standard, and if appropriate, adjust penalties for violation of the ordinance.

Mr. Sharitz shared with the board that the Board of Supervisors voted 6-1 at their June 10 meeting to rescind the existing Wythe County fencing ordinance and revert to the relevant Commonwealth of Virginia code.

APPROVE FY 2008-2009 BUDGET

Dr. Hawthorne presented the board with three options on the proposed budget. Option one was to revise the budget asking for ½ of the originally proposed increase in jurisdictional support. Option two was the original proposed budget, and option three was with no increase jurisdictional support, but with ½ the originally proposed increased funded from reserve funds. Dr. Snyder asked if there was anything about option one that would in any way diminish the ability to recruit new industries and businesses into Wythe County. Dr. Hawthorne stated that this option had a decrease in advertising and was the only major operational difference between option one and two. He stated that there would be minimal impact and that efforts are made to not spend unnecessary resources at any time during operation of the Joint IDA. Ms. DiYorio made a motion to adopt the original budget (option two). Dr. Snyder seconded the motion and with no further discussion the motion passed unanimously.

OTHER

There was no other old business

NEW BUSINESS

STAFF STATUS UPDATE

Dr. Hawthorne reported the resignation of Ms. Skeens effective June 30, 2008, stating that she had an opportunity for advancement and to spend more time with her family. He commented that he had enjoyed working with Ms. Skeens and that she would be greatly missed. Mr. Freeman remarked that Ms. Skeens had done an excellent job as administrative assistant and wished her well. Dr. Hawthorne reminded everyone of the luncheon for Ms. Skeens on Monday, June 30, 2008, at noon at the Peking Restaurant.

Dr. Hawthorne stated that he had been in discussions with Mr. Freeman, and it was decided to proceed with advertising for this position as this was an operational matter. He stated that there has been a good response so far with many applications already being received. He further stated that he felt there would be a large pool from which to select. His plan is to select the top candidates for interview and conduct such interviews with a board committee as has been the practice in the past. Mr. Freeman asked Ms. DiYorio, Mr. Patton, and Mr. Elmore to serve on this committee and all agreed.

A&I MECHANICAL RLF

Dr. Hawthorne informed the board that A&I Mechanical had made its final Revolving Loan Fund payment, which completed the company's RLF obligations. He stated that only one Revolving Loan Fund remained and that was with Electro Finishing Services.

PERSONNEL POLICY DRAFT REVIEW

Dr. Hawthorne stated that Mr. Elmore and Ms. DiYorio had developed a rough draft personnel policy. He indicated that he had also prepared a condensed version of the draft for consideration as well. Ms. Skeens handed out the two draft versions to each board member. Chairman Freeman asked that the board members review the two drafts and be prepared to discuss them at the next meeting.

VEDP ALLIES MEETING

Dr. Hawthorne stated that he had recently attended the VEDP Allies semi-annual meeting and discussions were on the slowing economy and the challenges it brings. He stated it was again a productive trip, and he was able to network with important partners.

DBA VIRGINIA SMALL BUSINESS FINANCING AUTHORITY MEETING

Dr. Hawthorne informed the board that he had met with the director and program manager and was able to discuss several potential investment opportunities. Among topics discussed were (a) the opportunity to purchase land in the Rural Retreat Industrial Park, (b) the potential to move forward quickly on Lot 10 in Progress Park should that be needed, and (c) and the potential need for financing should the Joint IDA get to the construction phase for a recycled water project. The response received was that all of these projects sounded feasible, but perhaps not all at once. Dr. Hawthorne indicated that the likelihood of none of the projects moving forward was greater than of all three moving forward at once.

PROJECTS UPDATE

Dr. Hawthorne gave a brief update on current projects.

OTHER

Dr. Hawthorne informed the board that he is pursuing a scholarship that could be available through VEDA that would allow Mr. Burton to attend an upcoming regional Basic Economic Development Course in Chapel Hill, North Carolina. He stated that he is tentatively planning for Mr. Burton to attend this session during the first week of August should the scholarship become available.

Dr. Hawthorne discussed the website, indicating that he had recently been successful in switching the account over so that the Joint IDA has control and there is no intermediary. He also stated that ProgressPark.com is now working.

Dr. Hawthorne informed the board that the IRS had increase the mileage reimbursement rate to \$0.585 for the second half of 2008.

ADJOURN

There being no other business, Mr. Freeman adjourned the meeting at 5:01 p.m.

Joseph W. Freeman, Chairman

Attest:

Danielle M. Skeens, Secretary