

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
September 24, 2009

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, September 24, 2009, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building located at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

William Snyder, Chairman	Linda DiYorio
David Elmore, Vice Chairman	Foy Patton
Tom Jones	
Dana Pack	

MEMBERS ABSENT

Jennifer Jones

EX-OFFICIO MEMBERS PRESENT

None

EX-OFFICIO MEMBERS ABSENT

R. Cellell Dalton, Wythe County Administrator
C. Wayne Sutherland, Jr., Wytheville Town Manager
Raymond E. Matney, Rural Retreat Town Manager

DETERMINATION OF QUORUM

Chairman Snyder called the meeting to order and determined a quorum to be present. Bucky Sharitz offered the invocation, and Vice Chairman Elmore led the Pledge of Allegiance.

CITIZENS' TIME

Chairman Snyder welcomed Bucky Sharitz to the meeting and asked if there were any persons present who would like to address the Board during citizens' time. There being none, Chairman Snyder proceeded with the meeting. Dr. Snyder also welcomed Bill Smith who arrived later in the meeting.

APPROVAL OF MINUTES—August 27, 2009, meeting

Mr. Pack made a motion, seconded by Mr. Jones, to adopt the minutes. The motion passed unanimously.

APPROVAL OF INVOICES

Mr. Elmore made a motion, seconded by Mr. Pack, to approve the invoices. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County

Check Register

For the Period From August 28, 2009 through September 24, 2009

Check #	Date	Payee	Amount
5939	9/24/09	Alan R. Hawthorne	3,819.68
5940	9/24/09	David L. Elmore	207.79
5941	9/24/09	Dana R. Pack	207.79
5942	9/24/09	Foy W. Patton	207.79
5943	9/24/09	Jennifer W. Jones	207.79
5944	9/24/09	Linda DiYorio	207.79
5945	9/24/09	Patrick G. Burton	2,518.24
5946	9/24/09	Tom Jones	207.79
5947	9/24/09	Virginia M. Goodwin	1,536.60
5948	9/24/09	William F. Snyder	207.79
5949	9/24/09	Appalachian Power	106.30
5950	9/24/09	Alan Hawthorne - Reimbursement	371.77
5951	9/24/09	Anthem Southeast Dental	81.78
5952	9/24/09	Anthem Blue Cross and Blueshield	1,402.52
5953	9/24/09	Embarq	177.67
5954	9/24/09	Mellon Trust of New England	850.00
5955	9/24/09	Patrick Burton - Reimbursement	173.00
5956	9/24/09	Principal Life Insurance Co.	152.94
5957	9/24/09	Robert G. Moore	1,100.00
5958	9/24/09	Sprint PCS	82.03
5959	9/24/09	Virginia Goodwin - Reimbursement	43.34
5960	9/24/09	Wytheville Office Supply	32.99
5961	9/24/09	Xerox	267.86
Total			\$14,171.25

OLD BUSINESS

UPDATE ON LOT 1 GRADING PROJECT

Dr. Hawthorne updated the Board on the grading being done on Lot 1 in Progress Park. He presented several photographs showing the work that has been completed to date. Dr. Snyder inquired as to the cost of grading Lot 1. Mr. Sharitz indicated that the cost was somewhere in the range of \$750,000. Dr. Hawthorne stated that the project should be completed soon.

PROGRESS REPORT LOT 24

Dr. Hawthorne reported that he continues to work on the large rail-served project in the southwest corner of Progress Park. The Lot 24 project, as proposed, would result in an impressive 230-acre rail-served site with a 155-acre pad.

There was a standing room only pre-proposal meeting held on September 3 in the conference room at First Bank of Virginia. There were over 40 people in attendance representing companies interested in the project. Dr. Hawthorne reminded the Board members that they were provided with links to the Joint IDA website where the RFP information and questions and answers from the meeting were located to access for their review. Dr. Hawthorne thanked First Bank of Virginia for their hospitality. They graciously provided the meeting space, as well as refreshments for the meeting attendees.

On September 23, Dr. Hawthorne, Bucky Sharitz, Bill Snyder, Cellell Dalton, and Linda DiYorio attended the meeting of the Tobacco Indemnification and Community Revitalization Commission's (TICRC) Southwest Economic Development Committee. During the meeting Dr. Hawthorne presented the funding proposal for Lot 24 to the committee. The TICRC staff recommended that the proposal be shifted to another funding category which would not allow the effort to get started as soon as originally intended. The full commission meets on October 29 at which time they will consider and approve committee recommendations. After some discussion at the September 23 meeting, the Southwest Economic Development Committee decided to reconvene prior to the full commission meeting to review the RFP responses received by the Joint IDA, to verify that the Joint IDA has a proposal that meets expectations to get the work done, and also to review the public/private financing approach.

Dr. Hawthorne has done some additional research and, depending on what the committee's responses are and what the County is quoted for financing costs, there is a very good chance that Wythe County will directly finance the project. If that occurs, the County financing costs will be considered in the RFP evaluations. Also, should that happen, as Dr. Hawthorne thinks, there is a good chance that will remove the primary objection that the committee had to the application. The committee recognized that this project is a good economic development project and that there are not many other requests that relate to that.

Dr. Hawthorne stated that his observations were that the committee was principally concerned with how the financing package was being compiled. Dr. Hawthorne asked Ms. DiYorio, Dr. Snyder, and Mr. Sharitz to share their thoughts on the meeting. Dr. Snyder stated that he could see the support developing as the project was described. He thanked Ms. DiYorio for all of her hard work, efforts, and support on the project and stated that he thought the principal concern was that this type

of public/private funding has not been used with a TIC project before. He stated that he was looking forward to seeing what the proposals will be. Dr. Hawthorne expressed his gratitude to Ms. DiYorio and noted that all of her hard work was greatly appreciated.

Ms. DiYorio asked Dr. Hawthorne how he would get the word out to contractors/consultants and those responding to the RFP concerning the possibility of County financing. Dr. Hawthorne stated that the information has been posted on the Joint IDA website and that Patrick Burton has sent out an email message to those who attended the September 3 pre-proposal conference meeting.

Dr. Snyder added that he would like to point out that Dr. Hawthorne represented the Joint IDA and himself very well during the committee meeting. He thanked him for his hard work and efforts on the project.

AUDIT UPDATE

The auditors performed their on-site work during a one-day visit on September 10. The visit went well and the final reports should be received sometime during the next month.

RLF LOAN UPDATE

Dr. Hawthorne reported, in a previous Board meeting, that Electro-Finishing had fallen behind on the monthly payments of their RLF loan. On September 23, the balance of Electro-Finishing's loan was paid in full, as the result of refinancing through another loan provider. There are funds available in the RLF if a small business is interested in utilizing them.

Ms. DiYorio inquired about business eligibility for RLF loans. Dr. Hawthorne stated that businesses should be relatively small and preferably involved in manufacturing. The interest on the loan is usually 2% above the rate on treasury notes with a corresponding term. The amount loaned typically ranges from \$50,000 to \$150,000. In special situations, an amount of \$250,000 could be accommodated. The smallest amount that can be loaned is \$50,000 since the RLF is not considered to be a micro-loan fund.

OTHER

None

NEW BUSINESS

SELECTION CRITERIA - INDUSTRY OF THE YEAR AWARD

Dr. Hawthorne suggested that a committee be formed to select the Industry of the Year award recipient. During the decision process for the 2008 recipient, the Board members expressed the need for criteria to follow when choosing the recipient. Joint IDA staff have compiled a list of suggested criteria that will be provided to the committee for its use.

The award will be presented at the Wytheville, Wythe, Bland Chamber of Commerce Annual Dinner on November 16. Dr. Snyder asked for volunteers to serve on the committee. The

members will be David Elmore, Linda DiYorio, and Dr. Snyder. Dr. Snyder asked for Patrick and Alan's assistance in setting a date for the committee to meet. The members will be contacted once the date is set.

2010 GOLF TOURNAMENT

David Elmore consulted with the Golf Tournament committee members regarding joint sponsorship with the Chamber of Commerce for the 2010 tournament. He stated that there were more reasons to co-sponsor the tournament with the Chamber than not, with the most important reason being obtaining business sponsors. Mr. Elmore met with Jennifer Jones, Director of the Chamber of Commerce and she has agreed, without a commitment, to put the tournament in the Chamber's budget as if they were going to have a co-sponsor. Mr. Elmore will meet with the committees of both organizations to discuss ways to decrease the cost of the tournament. Mr. Elmore noted that, because the tournament expenses were thought to be high, discussion will focus on keeping or eliminating some of the traditional tournament components, such as providing shirts to each golfer and the dinner reception at the end of the tournament. Mr. Elmore stated that the golf tournament committee will meet at a later date to discuss the tournament and the matter will be brought before the Board to discuss during the January 2010 Board meeting. The Golf Tournament committee members are David Elmore, Linda DiYorio, Tom Jones, and Jennifer Jones. The discussion will be included in the January 2010 agenda.

EDA (AND OTHERS) GRANT APPLICATIONS FOR LOT 24 OFFSITE WORK

Dr. Hawthorne reported that he has had initial meetings with most all the involved funding agencies and the Joint IDA will soon be at the stage of submitting formal applications. With EDA being the largest fund source for the offsite project components, it is most likely the next application. Dr. Hawthorne stated that, if the IDA gets good news from the re-convened SWED committee and full Tobacco Commission meetings in late October, the EDA application will be submitted. EDA has a two-step application process, with the first step being assessment of a project summary and EDA willingness to fund. If invited by EDA, then the Joint IDA would move forward with the second step, which is a full application.

Dr. Hawthorne also noted ARC and VDOT funding applications related to site access. In the case of the VDOT funding, it is best to hold off as long as possible because CTB approval of funding starts a five-year time period during which private industrial investment must be made or the locality must pay back funds. At the same time, he indicated that the Joint IDA is working with VDOT to make sure that all eligibility criteria are met.

Dr. Hawthorne noted that the Board has given he and the Chairman the authority to sign the grant applications when the appropriate time comes.

VEDA ANNUAL MEETING

Dr. Hawthorne gave a report on the Virginia Economic Developers Association (VEDA) Fall Conference held at Hotel Roanoke on September 16, 17 and 18. The conference included several

speakers including futurist David Houle, who provided sessions with interesting insights on economic development. The Honorable Patrick O. Gottschalk, Secretary of Commerce & Trade for the Commonwealth of Virginia, gave an update on economic development for the Commonwealth during the past four years. Mentioned during the conference was the fact that Forbes magazine and CNBC are among several publications and news organizations reporting that Virginia continues to have a good business environment and is considered to be the number one state in which to do business in the United States. Dr. Charles W. Steger, President of Virginia Tech spoke about Virginia Tech's role in economic development across the Commonwealth. The Commonwealth of Virginia's gubernatorial candidates, The Honorable Creigh Deeds and The Honorable Robert Mc Donnell were speakers at the conference. Each candidate offered question and answer sessions for the conference attendees. Keynote Speaker Robert Martinez, Vice President of Business Development for Norfolk Southern Corporation highlighted rail related activities in Virginia. He noted that several other interesting speakers and sessions were held throughout the three-day conference.

FAIRFIELD GLADE VISIT IN OCTOBER

Dr. Hawthorne recalled a discussion four years ago by the Board regarding the development of the rear part of Fairview Park. The conclusion of the Board was that the 54-acre property could appropriately be used for a mid-range housing project. The property was purchased by Bill Smith who has ultimately developed the property as such. Dr. Hawthorne informed the Board that Mr. Smith had offered to provide a tour of the subdivision after the October 22 Board meeting. The Board members agreed to accept the offer and adjourn early to accommodate a tour at 4:00 p. m.

Mr. Smith commented that the project is 98% complete and there is a contract on the first lot for a fourteen hundred sq. ft. home. He added that since the market change he has found it difficult to do speculative building at this time. Mr. Smith's main focus is getting the subdivision up and going. He mentioned that he purchased adjacent land to the property which provided an area to build a very nice entrance to the subdivision. Mr. Elmore asked if he had any plans of building town homes on the property. Mr. Smith stated, at present, he had no plans to build town homes in the subdivision, but that he has two additional tracts that have not been subdivided that could be used for that purpose.

PROJECT UPDATES

Dr. Hawthorne reported that Project Indian had become active again and that he should be able to provide more information about the project at a later date. He will continue to keep the Board apprised of any other project changes and developments as they occur.

OTHER

Business Week article - Mr. Elmore mentioned that there is an article in the September 21, 2009, issue of *Business Week* entitled, "Can the Future Be Built in America?" that the Board members may be interested in reading. The article talks about the United States being at a disadvantage in manufacturing, corporate income taxes, and specialized industrial zones. Patrick Burton stated that he would email a link for the article to the Board members.

MTC Transformers - Dr. Snyder spoke about the article in the Wytheville Enterprise regarding the device that MTC Transformers is developing. He asked if the Joint IDA is offering any assistance to MTC. Dr. Hawthorne assured the Board that the Joint IDA has offered assistance in partnering with them in their efforts. Dr. Hawthorne explained how the battery-powered system that MTC is developing will function by using inductive charging.

ADJOURN

There being no other business, Chairman Snyder adjourned the meeting at 4:05 p. m.

William Snyder, Chairman

Attest:

Virginia M. Goodwin, Secretary