

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
November 19, 2009

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, November 19, 2009, at 3:00 p.m. in the Council Room of the Rural Retreat Town Hall located at 307 South Main Street, Rural Retreat, Virginia.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

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. Chairman Snyder offered the invocation, and Mr. 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.

APPROVAL OF MINUTES—October 22, 2009, meeting

Dr. Snyder asked if there were any question regarding the minutes of the October 22 meeting. Ms. Jones noted that the section of the October 22 minutes regarding the annual dinner meeting of the W-W-B Chamber of Commerce did not note that she had abstained from voting for the Joint IDA table sponsorship. Dr. Snyder asked that the October 22 minutes be corrected and asked if there were any other questions or concerns. There being none, Dr. Snyder asked for a motion to approve the minutes with the noted change. Mr. Pack made a motion, seconded by Ms. DiYorio, to adopt the minutes as amended. The motion passed unanimously.

APPROVAL OF INVOICES

Dr. Hawthorne explained that the expenditure total was higher than normal due to payment of the invoice to Robinson, Farmer, Cox Associates for performing the audit and payment to the Mount Rogers Development Partnership. 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 October 22, 2009 through November 19, 2009

Check #	Date	Payee	Amount
5977	11/19/09	Alan R. Hawthorne	\$4,165.83
5978	11/19/09	Patrick G. Burton	2,518.24
5979	11/19/09	Virginia M. Goodwin	1,536.60
5980	11/19/09	Appalachian Power	83.36
5981	11/19/09	Alan Hawthorne - Reimbursement	324.47
5982	11/19/09	Anthem Southeast Dental	81.78
5983	11/19/09	Anthem Blue Cross and Blue Shield	1,402.52
5984	11/19/09	D&D Trophies	35.00
5985	11/19/09	Embarq	181.13
5986	11/19/09	Mellon Trust of New England, NA	850.00
5987	11/19/09	The Mount Rogers Dev Partnership	6,899.76
5988	11/19/09	Principal Life Insurance Co.	152.94
5989	11/19/09	Robert G. Moore	1,100.00
5990	11/19/09	Robinson, Farmer, Cox Associates	6,910.00
5991	11/19/09	Sprint PCS	65.94
5992	11/19/09	VA Economic Development Association	100.00
5993	11/19/09	Xerox	267.86
Total			\$26,675.43

OLD BUSINESS

LOT 24 UPDATE

Dr. Hawthorne stated that there were several items to report since the last Board meeting. The proposal was brought before the Wythe County Board of Supervisors on Tuesday, October 27. The Board of Supervisors gave their unanimous support to continue with the project. The Tobacco Indemnification and Community Revitalization Commission's (TICRC) Economic Development Committee met prior to the TICRC's full commission meeting on Thursday, October 29 at the Wytheville Meeting Center. The Economic Development Committee committed to the full \$2.5 million grant to develop Lot 24 during their meeting. The grant was later approved by the full commission. The Joint IDA has subsequently received an agreement package from the TICRC. The TICRC will retain an interest if the funds are used for something other than the original project. Dr. Hawthorne noted that there are other details, but it is a standard agreement form. Dr. Hawthorne asked the Board to vote to authorize the Board Chairman, Board Secretary, and the Executive Director to sign the letter of agreement relative to the TICRC grant.

Dr. Snyder commented that the agreement calls for prior approval by the TICRC of any kind of announcement or news release. He asked that the Board members refrain from discussion until such proper/formal announcements have been made. Dr. Snyder added that he wanted to thank Ms. DiYorio for all of her assistance and guidance in the grant process. Dr. Hawthorne also thanked Ms. DiYorio for all of her efforts and her enthusiasm regarding the project. Dr. Snyder asked if there was a motion to allow signing of the TICRC grant. Ms. DiYorio made a motion, seconded by Mr. Patton, to grant permission to the Board Chairman, Secretary, and Executive Director to sign the TICRC letter of agreement. With no further discussion, the motion passed unanimously.

Dr. Hawthorne mentioned that there were other items of discussion regarding the Lot 24 project. He noted that the Proposal Evaluation Committee continues to meet with Branch Highways and that the Joint IDA staff has initiated a search for legal counsel and has issued a Request for Qualifications (RFQ) to five law firms. Since the selection of a firm is time sensitive, Dr. Hawthorne recommended that a small committee be formed to select the proper counsel. Dr. Snyder asked the Board members if there was anyone who felt they were qualified or had expertise in this respect. Ms. DiYorio and Mr. Elmore agreed to serve on the committee. The committee members will be Mr. Elmore, Ms. DiYorio, and Dr. Snyder. Dr. Hawthorne said that he would share the information received from the firms with the committee and together a decision will be made.

The next item that Dr. Hawthorne brought before the Board was the letter of intent with Branch Highways. Branch Highways feels that a formal letter of intent would be helpful in showing that their company was selected to be the contractor for the project. The letter would give them something with an official appearance to share with their employees. Dr. Snyder noted that the draft letter accurately included a number of conditional statements. Dr. Snyder asked if there was a motion to allow a letter of intent be submitted to Branch Highways. Mr. Pack made a motion, seconded by Mr. Patton, to allow the Joint IDA to submit a letter of intent to Branch Highways. With no further discussion, the motion passed unanimously.

Dr. Hawthorne told the Board that there is a timeline that generally is being followed and ideally the start date was set for the beginning of December. He noted that he should have the contract

documents ready for approval at the December Board meeting, but that it depended on the approval of the scope of work with Branch Highways and the agreement with the Wythe County Board of Supervisors. Dr. Hawthorne said that if the documents are not ready by the December meeting a meeting could be called in January to place them into effect. He noted that no action is required on the matter at this time.

FY 2008-2009 FINANCIAL AUDIT REPORT

Dr. Hawthorne reminded the Board that each of them received a copy of the 2008-2009 Financial Audit report and that he would be glad to answer any questions they may have. Dr. Snyder asked if there were any questions regarding the report. There being none, Dr. Snyder asked for a motion to accept the audit. Ms. DiYorio made a motion, seconded by Mr. Elmore, to accept the audit report. The motion passed unanimously.

CHAMBER DINNER SUMMARY

Dr. Hawthorne stated that he received positive comments regarding the Chamber of Commerce dinner. He thanked the Chamber for allowing the Joint IDA to participate in the event. MTC Transformers appreciated recognition as the Joint IDA Industry of the Year. Dr. Hawthorne mentioned that the dinner was well done and very successful.

Mr. Elmore noted that there was full attendance of the Joint IDA Board this year.

Dr. Snyder commended the Chamber, its leadership and its Executive Director for being so well organized. The event was meaningful for the community.

FAIRFIELD GLADE SUMMARY

Patrick Burton gave a brief summary of the Fairfield Glade tour following the October 22 Board meeting. As background, he outlined the Joint IDA's decision in 2005 to consider sale of approximately 51 acres of undeveloped property on the rear side of Fairview Industrial Park that was not suitable for industrial use. The Joint IDA's intent was to find a developer that would develop residential properties that were affordable for manufacturing employees. The Joint IDA issued an RFP for purchase and development of the property. The Fairfield Glade Company, a subsidiary of Smith Enterprises, was selected. Fairfield Glade acquired an additional 25 acres to facilitate access. Earlier this year, the entrance off Rt. 52 was completed. Since that time, the street and utilities for Fairfield Glade Phase 1 have been completed. Bill Smith led the tour and described the development. While Phase 1 consists of 35 lots, ultimate buildout of the subdivision will include four phases and a second entrance connecting to George James Drive.

OTHER

None

NEW BUSINESS

INDUSTRY TENURE AWARDS CEREMONY—JANUARY 28, 2010

Dr. Hawthorne announced that the 2010 Industry Tenure Awards ceremony will be held at the Wytheville Meeting Center on January 28, 2010, with Katie's Catering providing the meal. There will be 12 industries/companies receiving awards. One company will be celebrating 110 years in business. Dr. Hawthorne mentioned that, again this year, a letter has been drafted to send to Wytheville Office Supply asking for sponsorship to help cover the cost of the luncheon.

Ms. DiYorio addressed the low attendance at the 2009 ceremony and asked if the Board could perhaps be of assistance in contacting the recipients to encourage them to attend. Patrick Burton assured the Board that the 2009 recipients were contacted by phone prior to mailing invitation letters for the event, but some had prior engagements that prevented them from attending. Dr. Hawthorne thanked Ms. DiYorio for her suggestion and asked for the Board's assistance in making personal telephone calls to the 2010 recipients to encourage their participation.

FIRST QUARTER FINANCIAL REPORTS

First quarter financial reports were distributed to the Board members prior to the meeting. Dr. Hawthorne explained that the Joint IDA revenues were slightly lower due to decreased interest rates. Expenses were slightly higher because of electric and insurance rates. He noted that there have been no capital investments and that none were planned. Included in the report was the balance sheet showing that the revolving loans have been fully paid. There are revolving loan funds available to businesses if needed. Dr. Snyder asked if any action was needed on the first quarter financial reports. Dr. Hawthorne stated that no action was required and that the reports were for the Board's information.

DRAFT 2010 CALENDAR

Dr. Snyder asked if there were any questions or concerns regarding the 2010 Events Calendar. Mr. Elmore made a motion, seconded by Mr. Jones, to accept the calendar as presented. Dr. Snyder asked if there was any discussion. Ms. Jones inquired as to what partial staff meant beside some of the listed holidays. Dr. Hawthorne explained that on some of the holidays the Joint IDA office remained open and was staffed with at least one employee. With no further discussion, the motion passed unanimously.

TICRC RESOLUTION—EVATRAN

Evatran, a subsidiary of MTC Transformers, contacted the Joint IDA to apply for a Tobacco Indemnification and Community Revitalization Commission (TICRC) grant for research and development. Mr. Patton inquired as to whether this was being done on Evatran's behalf. Dr. Hawthorne stated that the application had to be submitted by a non-profit or government agency that acts as a pass-through to the company. The Joint IDA is the formal applicant who will receive the grant and then pass the funds through to Evatran. Ms. Jones asked if this was for any industry who asked the Joint IDA to do this or were there guidelines that had to be followed. Dr. Hawthorne said that a company has to have a research and development department before they can apply. Dr. Snyder stated that he was not being critical of the company, but Evatran asked for assistance with

the grant application on Thursday and it was due the following Monday. He commended Dr. Hawthorne on his efforts to assist the company in getting the application completed, signed, and submitted on time. Ms. Jones noted that it would be to the advantage of the Board if they could know of these situations before they occur, instead of having to back-up and approve something after the fact. Dr. Hawthorne said that he was concerned about the timeline as well, but if he were to have waited until November's Board meeting to get approval on the application, it would not have been submitted on time. He noted that the company was fully aware of his concern. Dr. Snyder stated that the timing of some projects does not always fit meeting schedules and, as a rule of thumb the Joint IDA tries to accommodate the businesses and industries as much as possible with their efforts.

The purpose of the resolution presented to the Board was to authorize the Joint IDA to send an application to the TICRC for a research and development grant on behalf of Evatran. Dr. Snyder asked for a motion to approve the resolution. Mr. Elmore made a motion, seconded by Mr. Patton, to approve the resolution authorizing the submission of the TICRC grant application on behalf of Evatran. With no further discussion, the motion passed unanimously.

RESOLUTION

By this resolution, the Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat ("Joint IDA") hereby states and/or authorizes the following:

WHEREAS,

- The Joint Industrial Development Authority ("Applicant") is applying to the Tobacco Indemnification and Community Revitalization Commission (TICRC) for funds to assist Evatran™ LLC ("Beneficiary") with applied research and development of its Plugless Power™ technology for the emerging electric vehicle industry;
- The project will significantly further economic development opportunities for Wythe County and throughout the region by providing quality manufacturing and supporting job opportunities;
- The required applied R&D is necessary in a timely manner to obtain market advantage; and
- TICRC funding has been identified as critical to project success, which is time sensitive.

NOW THEREFORE BE IT RESOLVED THAT

The Joint IDA Board of Directors hereby authorizes the Chairman and Executive Director to submit all information necessary to apply for TICRC funds, to meet other program administrative and reporting requirements for this project, and to accept responsibility for the accuracy of the application and for the appropriate use of the funds.

Adopted this 19th day of November 2009.

CHRISTMAS OPEN HOUSE

Dr. Hawthorne noted that in past years the Christmas Open House was held prior to the December Board meeting in honor of a retiring Board member. Since there were no retiring members this year, he stated that it was the staff's suggestion that the open house not be held this Christmas. Dr. Hawthorne added that the staff will make plans to host the open house, if the Board so desires. It was the consensus of the Board to not sponsor the open house this year.

FALL 2009 NEWSLETTER

Prior to the meeting each Board member received a copy of the Fall 2009 newsletter. The newsletter will be added to the website on Friday after approval from the TICRC is received regarding the article about the Lot 24 project. Dr. Hawthorne mentioned that any feedback from the Board regarding the newsletter would be welcomed.

FOCUS GROUP PRESENTATION

Patrick Burton gave a presentation regarding the area high school focus group sessions held earlier this year concerning awareness and perception of manufacturing. The sessions were a joint effort sponsored by the Wythe Manufacturing Council (WMC), Wythe County Public Schools and the Joint IDA with assistance from the Virginia Department of Business Assistance (VDBA). VDBA project managers served as facilitators of the sessions. The student perceptions of manufacturing were generally not favorable. The manufacturing sector was thought to have low-paying, mundane jobs that did not have career paths. The work environments were thought to be harsh and physically demanding. The responses from these groups indicated that the students did not have access to accurate information about manufacturing.

After an initial summary of the focus group findings was received, the WMC identified a priority need to address some of the awareness and perception issues of the high school students. The WMC invited a group of high school students to a follow-up event to meet with three manufacturing managers in a demonstrated effort to provide students with accurate information about manufacturing and related careers. The group visited the Gatorade Blue Ridge facility and was able to hear from managers of three advanced manufacturing companies located in Wythe County. In addition, the students heard from and had an opportunity to speak with Gatorade technicians and were allowed to see first-hand what an advanced manufacturing operation looked like.

As indicated through a survey of participating students, the event follow-up demonstrated that straightforward communication of accurate information can have a positive impact on student perceptions of manufacturing and manufacturing career opportunities.

At the conclusion of the presentation, Mr. Elmore suggested that the Joint IDA look into pursuing a video production of some of the advanced manufacturing companies to have available to the area high schools. Dr. Hawthorne said that he had spoken with the Department of Business Assistance about doing a video. Dr. Hawthorne stated that there is a group from the Virginia Department of Business Assistance (VEDP) coming to see the advanced manufacturing facilities and they will be filming the facilities in early December. They will be visiting the Wytheville Technologies and Gatorade facilities.

Mr. Sharitz added that the Regional Water Committee has also discussed the fact that there was a shortage of water and waste water treatment plant operators and that the average age of current operators in the area is 56. The committee suggested speaking with Mr. White at Wytheville Community College about beginning a college course that would educate plant operators.

PROJECT UPDATES

Dr. Hawthorne reported that the Joint IDA continues to work on on-going projects. He stated that project Indian starts and stops and that some issues may require actions of the General Assembly. Dr. Hawthorne stated that he will update the Board as changes or developments occur.

OTHER

None

ADJOURN

There being no other business, Chairman Snyder adjourned the meeting at 4:30 p. m.

William Snyder, Chairman

Attest:

Virginia M. Goodwin, Secretary

Joint IDA of Wythe County
Revenue and Expenses
For three-month period ending September 30, 2009

	<u>General</u>	<u>Special</u>	<u>RLF</u>	<u>Total</u>
Revenues				
Appropriations				
Wythe County	\$35,352.00			\$35,352.00
Wytheville	\$17,967.00			\$17,967.00
Rural Retreat	\$2,802.00			\$2,802.00
		\$56,121.00		
Service Fees				
Administrative fees	\$0.00			\$0.00
RLF management fees	\$287.34			\$287.34
CRIFA services	\$12,500.00			\$12,500.00
		\$12,787.34		
Sales/Leases				
Lease income on bldg	\$0.00			\$0.00
Sale of land		\$0.00		\$0.00
less cost of sales		<u>\$0.00</u>		\$0.00
		\$0.00	\$0.00	
Grants/Reimbursements				
VEDA grant		\$0.00		\$0.00
WOF grants - xxx		\$0.00		\$0.00
- xxxx		\$0.00		\$0.00
-xx refund		<u>\$0.00</u>		\$0.00
		\$0.00		
Reimbursements	\$765.18			\$765.18
		\$765.18		
Contributions/Events				
Contributions-WMC	\$0.00			\$0.00
Contributions-private	\$0.00			\$0.00
Golf tournament-sponsorships	\$0.00			\$0.00
Golf tournament-participants	\$0.00			\$0.00
Job Fair revenue	\$0.00			\$0.00
		\$0.00		
Interest Income				
LGIP interest	\$651.62			\$651.62
Other interest	\$108.58			\$108.58
		\$760.20		
Revolving Loan Fund				
RLF loan interest			\$377.72	\$377.72
RLF LGIP interest			\$784.26	\$784.26
RLF other interest			\$36.62	\$36.62
Total Net Revenue	\$70,433.72	\$0.00	\$1,198.60	\$71,632.32

	General	Special	RLF	Total
Expenses Summary				
Salaries	\$39,489.00			\$39,489.00
Directors salaries	\$1,575.00			\$1,575.00
Salary Related	\$10,271.80			\$10,271.80
Annual leave accrual	\$0.00			\$0.00
Contract Services	\$0.00			\$0.00
Copier	\$803.58			\$803.58
Advertising	\$0.00			\$0.00
Postage	\$1.22			\$1.22
Telecommunications	\$787.31			\$787.31
Office supplies	\$106.58			\$106.58
Office rent	\$3,300.00			\$3,300.00
Meeting expenses	\$201.65			\$201.65
Subscriptions/books	\$0.00			\$0.00
Dues/membership	\$6,899.76			\$6,899.76
Depreciation expense	\$0.00			\$0.00
Hosting	\$0.00			\$0.00
Mileage	\$1,770.27			\$1,770.27
Lodging/perdiem	\$478.88			\$478.88
Conventions/education	\$410.00			\$410.00
Repairs & Maintenance	\$0.00			\$0.00
Surety Bond	\$82.00			\$82.00
Property Insurance	\$33.00			\$33.00
Public Officials/General Liab. Ins.	\$531.50			\$531.50
Office equipment	\$0.00			\$0.00
Utilities	\$309.82			\$309.82
Job Fair expense	\$0.00			\$0.00
Industry Appreciation Act.	\$0.00			\$0.00
Industry Appreciation-golf	\$0.00			\$0.00
Other Expenses	\$10.00			\$10.00
Purchase discounts	\$0.00			\$0.00
WOF grants		\$0.00		\$0.00
RLF Closing & Other Expenses			\$287.34	\$287.34
RLF Bad Debt Expense				\$0.00
Total Expenses	\$67,061.37	\$0.00	\$287.34	\$67,348.71
Net Income	\$3,372.35	\$0.00	\$911.26	\$4,283.61

Joint IDA of Wythe County
Balance Sheet
September 30, 2009

	General	RLF	Total
ASSETS			
Current Assets			
Cash-petty cash	\$50.00	\$0.00	\$50.00
Cash-checking account	\$3,167.45	\$39,307.18	\$42,474.63
Cash-LGIP	\$605,341.35	\$715,845.95	\$1,321,187.30
A/R	\$12,573.00	\$0.00	\$12,573.00
Prepaid insurance	\$3,778.51	\$0.00	\$3,778.51
Total Current Assets	\$624,910.31	\$755,153.13	\$1,380,063.44
Inventory			
Inventory-land for sale	\$148,347.54	\$0.00	\$148,347.54
Inventory-buildings	\$0.00	\$0.00	\$0.00
Total Inventory	\$148,347.54	\$0.00	\$148,347.54
Property and Equipment			
Fixed assets-furniture/equip.	\$32,859.37	\$0.00	\$32,859.37
Accum. deprec.-equipment	(\$32,859.37)	\$0.00	(\$32,859.37)
Total Property and Equipment	\$0.00	\$0.00	\$0.00
Other Assets			
RLF Outstanding Loan Balance	\$0.00	\$0.00	\$0.00
Total Other Assets	\$0.00	\$0.00	\$0.00
Total Assets	\$773,257.85	\$755,153.13	\$1,528,410.98
LIABILITIES AND CAPITAL			
Current Liabilities			
Accounts payable	\$0.00	\$0.00	\$0.00
Accrued annual leave	\$12,011.75	\$0.00	\$12,011.75
Payroll taxes payable	\$4,635.00	\$0.00	\$4,635.00
Deferred income	\$0.00	\$0.00	\$0.00
Total Current Liabilities	\$16,646.75	\$0.00	\$16,646.75
Long-Term Liabilities			
RD RLF Grant	\$0.00	\$500,000.00	\$500,000.00
Total Long-Term Liabilities	\$0.00	\$500,000.00	\$500,000.00
Total Liabilities	\$16,646.75	\$500,000.00	\$516,646.75
Capital			
Fund balance - BOY	\$753,238.75	\$254,241.87	\$1,007,480.62
Net Fund Change	\$3,372.35	\$911.26	\$4,283.61
Total Capital	\$756,611.10	\$255,153.13	\$1,011,764.23
Total Liabilities & Capital	\$773,257.85	\$755,153.13	\$1,528,410.98