

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
August 26, 2010

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, August 26, 2010, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building located at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

Dave Elmore, Vice Chairman
Tom Jones
Foy Patton

Linda DiYorio
Dana Pack
Jennifer Jones

MEMBERS ABSENT

William F. Snyder, Chairman

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

Vice Chairman Elmore called the meeting to order and determined a quorum to be present. Dr. Hawthorne offered the invocation and Vice Chairman Elmore led the Pledge of Allegiance.

CITIZENS' TIME

Vice Chairman Elmore 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, Vice Chairman Elmore proceeded with the meeting.

APPROVAL OF MINUTES—July 22, 2010, meeting

Vice Chairman Elmore asked if there were any questions regarding the minutes of the July 22, 2010 meeting. Ginny Goodwin noted that the adjournment for the July 22 meeting was omitted, but that it had been added prior to today's Board meeting. There being no other concerns or questions, Vice Chairman Elmore asked for a motion to approve the minutes. Mr. Jones made a motion, seconded by Mr. Pack, to approve the minutes as amended. The motion passed unanimously.

APPROVAL OF INVOICES

Vice Chairman Elmore asked if there were any questions concerning the invoices. Dr. Hawthorne explained that check number 6152, written/approved for payment of the TROF/WOF/GOF Grants to Evatran during the July 2010 Board meeting, had to be voided and reissued in two separate checks (numbers 6161 and 6162) due to late payment of the TROF grant to Wythe County.

Vice Chairman Elmore asked if there was a motion to approve the invoices as presented. Ms. DiYorio made a motion, seconded by Ms. Jones, to approve the invoices. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County
Check Register
For the Period From July 23, 2010 through August 26, 2010

Check #	Date	Payee	Amount
6152V	8/2/10	Evatran, LLC	-\$485,000.00
6161	8/2/10	Evatran, LLC	50,000.00
6162	8/2/10	Evatran, LLC	435,000.00
6163	8/26/10	Alan R. Hawthorne	4,423.12
6164	8/26/10	Patrick G. Burton	2,550.00
6165	8/26/10	Virginia M. Goodwin	1,629.35
6166	8/26/10	Appalachian Power Company	123.03
6167	8/26/10	Alan Hawthorne - Reimbursements	49.24
6168	8/26/10	Anthem Southeast Dental	84.66
6169	8/26/10	Anthem Blue Cross and Blue Shield	1,246.76
6170	8/26/10	Balzer and Associates, Inc.	1,008.00
6171	8/26/10	Branch Highways, Inc.	700,000.00
6172	8/26/10	Century Link	167.18
6173	8/26/10	Mellon Trust of New England, NA	840.00
6174	8/26/10	The Mount Rogers Dev. Partnership	6,899.76
6175	8/26/10	Patrick Burton - Reimbursements	99.00
6176	8/26/10	Principal Life Insurance Co.	161.24
6177	8/26/10	Robert G. Moore	1,100.00
6178	8/26/10	Sprint PCS	72.30
6179	8/26/10	VA Economic Dev. Assoc	215.00
6180	8/26/10	Virginia M. Goodwin	26.40
6181	8/26/10	Xerox	19.15
Total			\$720,714.72

OLD BUSINESS

LOT 24 UPDATE

Dr. Hawthorne updated the Board on the status of the Lot 24 project. Dr. Hawthorne explained that the Joint IDA, with assistance from Ms. DiYorio and others, was successful in obtaining an additional grant in the amount of \$1 million from the Tobacco Indemnification and Community Revitalization Commission (TICRC) to assist with the grading of Lot 24. Dr. Hawthorne has received the documents regarding the grant. He asked that the Board provide authorization for the Chairman to sign the required documents to execute the grant agreement. Vice Chairman Elmore asked if there were any questions or concerns regarding the documents. There being none, he asked for a motion to authorize the Joint IDA Board Chairman to sign necessary documents

associated with the TICRC grant. Mr. Pack made a motion, seconded by Mr. Patton, to authorize the Joint IDA Board Chairman to sign/execute any documents associated with the TICRC grant. Chairman Elmore asked if there was any further discussion. There being none, the motion passed unanimously.

Dr. Hawthorne reported that the Wythe County Board of Supervisors and Planning Commission, the Wytheville Town Council, and jurisdiction staff toured the Lot 24 site on Tuesday, August 24. Several positive, encouraging comments were heard from the group.

Dr. Hawthorne noted that the next progress meeting with Branch Highways will be held on Thursday, September 2. He noted that the storm water management may be done on-site rather than off-site and that there may be alternative funding available for this component. He stated that EDA funds cannot be used for on-site construction according to the EDA criteria.

Vice Chairman Elmore asked whether a marketing plan had been established for Lot 24. Dr. Hawthorne stated that he is currently working on a website for Lot 24 that will highlight construction progress on the project, as well as features, infrastructure, and possible configurations of the finished site. Dr. Hawthorne and Cellell Dalton, Wythe County Administrator, have discussed including photos of the progress from the beginning of construction to the end. Input will be sought from Virginia Economic Development Partnership (VEDP) and Norfolk Southern staff. Dr. Hawthorne gave the website address to the Board members and asked that they review the website and offer any suggestions/recommendations that they think may be helpful to add to the website. The website should be ready for public viewing sometime during the Spring of 2011.

UPDATE ON TICRC R&D GRANT AGREEMENT

Dr. Hawthorne updated the Board on the Tobacco Indemnification and Community Revitalization Commission (TICRC) R&D Grant awarded to Evatran. Dr. Hawthorne recently met with several TICRC staff and committee members to address the draft agreement. There were concerns regarding the lien required by TICRC, as well as the fact that the funds cannot be spent outside the Tobacco Region. In the revised agreement, the Joint IDA will no longer have any liability regarding the grant. The TICRC and Evatran will be responsible for liability associated with the grant.

Dr. Hawthorne stated that the Board would need to authorize the Chairman to sign the agreement once it is received. Vice Chairman Elmore asked the Board if they had any questions or concerns regarding the grant agreement and asked if there was a motion to authorize the Chairman to sign the necessary documents associated with the grant once received. Mr. Jones made a motion, seconded by Mr. Pack, to authorize the Chairman to sign any necessary documents associated with the grant. With no further discussion, the motion passed unanimously.

Mr. Jones asked if Mr. Hough had been attending the meetings with Dr. Hawthorne regarding the grant. Dr. Hawthorne stated that Brent Dicker, Evatran Chief Financial Officer, has attended the meetings with him regarding the grant.

UPDATE/APPROVAL FOR FAIRVIEW SIGN WORK

Dr. Hawthorne discussed the information distributed to the Board members prior to the meeting regarding the Fairview Sign repairs. The Board received copies of two proposals received for the work. Skyway Outdoor, Inc., located in Bastian, Va., and Southwest Signs from Wytheville submitted bids for the sign repairs. Chairman Snyder, Dr. Hawthorne, and Patrick Burton met with Stan Scott of Southwest Signs to speak with him concerning his bid submission and to make he included all of the work items specified in the RFP. The Southwest Signs bid appears to include all of the work specified in the RFP.

Dr. Hawthorne reminded the Board about Chairman Snyder's suggestion that each of the park's businesses be asked to make contributions to help cover the cost of the sign repairs. Dr. Hawthorne stated that, if the Board felt comfortable with the two bids, they would need to decide on which bid to accept. Ms. Jones asked about where the costs would fall within the budget. Dr. Hawthorne stated that the costs were not included in the 2010-2011 budget, but would fall under "other expenses." Vice Chairman Elmore added that the Joint IDA would not be able to determine how much each business would donate/contribute until the funds are received. Until that time the Joint IDA would pay the full cost and then apply any contributions to the cost when received. Vice Chairman Elmore asked if these two bids were the only ones received. Dr. Hawthorne answered that they were the only ones received. Ms. DiYorio asked if there was any reason not to accept Mr. Scott's bid. Dr. Hawthorne stated that there were a few reservations, particularly liability insurance, but that one advantage was that Mr. Scott was a local vendor and that he did not require cash payment prior to the work being completed. Ms. DiYorio made a motion, seconded by Mr. Pack to accept the bid submitted by Stan Scott of Southwest Signs. The motion carried with 4 yes and 1 no vote.

OTHER

Ivanhoe property - Dr. Hawthorne spoke briefly regarding the Ivanhoe property. The Joint IDA staff recommends two options regarding the property. One option would be to sell the property to one of the two adjoining landowners with a minimum bid of \$1,560, which reflects a prorated value for the 0.78 acre parcel using an assessed value of \$2,000 per acre. It is not certain that the property would sell for that amount. The other option would be to donate the property to either Habitat for Humanity or Hope Ministries with the stipulation that a stick-built home or a mobile home be placed on the property to provide a home for a qualifying family within 2 years. He noted that donating the property and requiring development of the land would bring about a better tax revenue return for the County. Dr. Hawthorne indicated that both Habitat for Humanity and Hope Ministries expressed some initial interest in the property.

Mr. Jones asked if the adjoining landowners would get first options on the purchase of the land. Mr. Pack asked about potential tax revenue for the County. Vice Chairman Elmore stated that, if the landowners were to purchase the property and it remain undeveloped, the tax return would be low, but if Habitat for Humanity or Hope Ministries received the land and developed it with either a built home or a mobile home, the tax revenue for the County would be greater. Ms. DiYorio asked Mr. Jones whether he knew the adjoining landowners. Mr. Jones stated that he did and that one of the gentlemen was interested in purchasing the property, but he was not sure about how much he would offer.

Ms. Jones made a motion, seconded by Mr. Pack, to donate the land to either Habitat for Humanity or Hope Ministries with the condition that it be developed. Dr. Hawthorne added that the terms would need to be discussed and there would need to be general performance by the acquiring organization within a specific period of time or the property would revert back to the Joint IDA. Mr. Patton asked if the liability of the trees would be transferred to the group that acquires the property. Dr. Hawthorne replied that it would become their responsibility. Ms. Jones asked if the two groups would be given a timeframe to accept the offer. Dr. Hawthorne stated that the groups will be asked to make a proposal and the decision as to who will receive the property will be decided based on the proposal. Dr. Hawthorne suggested that the Joint IDA allow the groups to submit proposals and that the Board allow the staff to research and submit a recommendation to the Board. Vice Chairman Elmore noted that there had been a motion made and seconded to donate the property to either Habitat for Humanity or Hope Ministries with the stipulation that the land be developed. With no further discussion the motion passed unanimously.

Fairview Sign - Ms. DiYorio asked to further discuss the decision made regarding the Fairview sign. She noted that Mr. Patton voted "no" on the repairs to the sign and she felt that it was in regards to the decision made regarding the Rural Retreat Industrial Park sign. Mr. Patton noted that he knew that the Fairview sign was a matter of needed repairs and that the Rural Retreat sign

was related to updating to match the style of other directional signs more recently placed in Rural Retreat.

NEW BUSINESS

INDUSTRY SPECIAL RECOGNITION AWARD COMMITTEE APPOINTMENTS

Dr. Hawthorne spoke with Chairman Snyder prior to the Board meeting regarding the appointment of Committee members. Chairman Snyder asked that Ms. Jones, Vice Chairman Elmore, and Mr. Patton serve on the committee. Each of these individuals agreed to serve on the committee. The committee will set a date for their meeting to discuss the industry/business choices immediately following the Board meeting. The committee will present their recommendations to the Board during the September Board meeting.

Dr. Hawthorne mentioned that each Board member received a copy of the Industry Special Recognition Award Scoring Sheet, a list of past recipients, and a list of the Wytheville/Wythe County Top Industries by employment prior to the Board meeting. He asked that each Board member review the handouts which will assist them in their decision-making.

EOY FINANCIAL STATEMENTS

Dr. Hawthorne discussed the End-of-Year Financial Statements distributed to the Board members prior to the Board meeting. The Financial Statements are the documents that were used for the audit. Dr. Hawthorne noted that there were two changes made in the statements. The changes involved the payments for Lot 24 construction made to Branch Highways. The auditors suggested that the funds be taken out of assets and entered into long-term liabilities. The auditor's reports will reflect the noted changes. Dr. Hawthorne asked the Board if there were any questions regarding the financial statements. There being none, Vice Chairman Elmore continued with the meeting.

DRAFT MDA FOR AUDIT

Dr. Hawthorne reported that he will complete the Management Discussion and Analysis (MDA) upon receiving the completed auditor's report. He stated that the MDA should be available at or by the September Joint IDA Board meeting.

REPORT ON VEDP ALLIES MEETING/DATA CENTER VISIT

Dr. Hawthorne reported on the Virginia Economic Development Partnership (VEDP) Allies meeting held in June. During the meeting the group was given legislative updates, reports on bills related to funding, information on how economic development issues fared in the General Assembly, and the creation of jobs in the Commonwealth of Virginia. The main focus of the meeting was large data centers and how Culpeper, Virginia, was selected for the Terremark Technologies facility. The group had the opportunity to tour the Terremark Data Center which is located adjacent to the Germanna Community College facility in Culpeper. Dr. Hawthorne reported that the meeting was very informative and interesting.

REPORT ON VEDA MEETING

Dr. Hawthorne reported on the Virginia Economic Developers Association (VEDA) membership luncheon meeting held on July 22. The focus of the meeting was job creation and economic prosperity. Attending the meeting were members of the Governor's Job Creation Commission who spoke on the representation of various groups and organizations on the Commission and some of the draft recommendations that the Commission will propose.

NEWSLETTER

The Summer 2010 Newsletter was distributed to the Board members prior to the meeting. Dr. Hawthorne reported that the newsletter is available on the Joint IDA website and notification has been sent to the individuals on our distribution list.

PROJECT UPDATES

Dr. Hawthorne reported that the Joint IDA continues to work on on-going projects. Dr. Hawthorne will keep the Board apprised of any developments or announcements that are made in the future.

OTHER

New Program - Dr. Hawthorne discussed a new program that was established during last year's General Assembly session. The legislation created the Major Employment and Investment Project Grant Program (MEI) which incorporates many of the recommendations of the 2007 Governor's Mega Projects Advisory Committee. The goal of the program is to create sites suitable for location of mega projects which will result in creation of least 400 new jobs and an investment of at least \$250 million. The Tobacco Indemnification and Community Revitalization Commission (TICRC) is providing the \$5 million in funding to VEDP for the initial year of the MEI. The 2010 round of funding is divided into two pools: Planning Grants (\$2 million); and Site Improvement Grants (\$3 million). The Lot 24 project falls well within the criteria of the MEI Program. Obtaining a MEI Site Improvement Grant will help move the Lot 24 project forward. Dr. Hawthorne will be working on a funding proposal which will actually be submitted by the Wythe County Board of Supervisors. The application must be submitted in September and the decision will be announced in November. Dr. Hawthorne attended a workshop concerning the MEI Program held recently at Wytheville Community College. He mentioned that John Loftus with VEDP visited Lot 24 while he was in the area and that Mr. Loftus was enthusiastic and excited about the project.

Department of Historic Resources meeting - Dr. Hawthorne reported that he, Elvin Peed, and Cellell Dalton attended a meeting in Richmond with the Department of Historic Resources (DHR) regarding the Progress Park Inland Port area. The meeting has led to discussions about a Phase 2 archaeological study which could ultimately help clear the site for development.

Out of Office – Dr. Hawthorne reported that Ginny Goodwin will be out of the office beginning August 30 for approximately 4 to 6 weeks for surgery/recovery. Dr. Hawthorne will be out of the office beginning September 10 through September 19 for vacation. Patrick Burton will be available during their absence.

ADJOURN

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

Dave Elmore, Vice Chairman

Attest:

Virginia M. Goodwin, Secretary