

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
January 27, 2011

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, January 27, 2011, 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 F. Snyder, Chairman
Linda DiYorio
Tom Jones
Dana Pack

Dave Elmore, Vice Chairman
Foy Patton
Jennifer Atwell

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 Vice Chairman Elmore led the Pledge of Allegiance.

CITIZENS' TIME

Chairman Snyder welcomed Bucky Sharitz and Wytheville Enterprise Reporter, Amanda Evans 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.

TODD CHRISTENSEN, EXECUTIVE DIRECTOR SWVA CULTURAL HERITAGE COMMISSION—HERITAGE TOURISM

Mr. Christensen briefed the Board on the activities of the Southwest Virginia Cultural Heritage Commission and the Virginia Department of Housing and Community Development (DHCD). He reported that the Commission was established in 2008 to encourage development of the creative economy in southwest Virginia. He noted that southwest Virginia has become a nationally and internationally known destination for travelers and for people seeking to share Virginia's quality of life and is now the third-ranked tourism destination in Virginia. He indicated there is a goal to develop a southwest Virginia brand that will be nationally and internationally known. He reported that, over the last 10 years, DHCD has provided substantial technical assistance and financial investment resulting in: the creation of The Crooked Road, *Virginia's Heritage Music Trail* and Round the Mountain, *Southwest Virginia's Artisan Network*; the revitalization of several downtowns in Southwest Virginia; and the creation of many businesses including retail, lodging, restaurants, theaters, music venues, artisan studios, and related businesses. Mr. Christensen noted that The Crooked Road has been named by the National Trust for Historic Preservation as one of the 2010 "Dozen Distinctive Destinations". Mr. Christensen indicated that tourism revenue and meals and lodging tax revenue have increased significantly in southwest Virginia since 2003. He reported that Heartwood, a gateway for southwest Virginia's cultural heritage destinations, is under construction in Abingdon, Virginia. He added that many entrepreneurs have been drawn to the region's quality of life. Mr. Christensen indicated that in 2011 a trip-planning website and a comprehensive marketing initiative will be activated.

Mr. Christensen noted that there are 2 major outdoor recreation initiatives for which planning efforts are being launched by the Commission. These initiatives focus on the New River and Clinch River, which are seen as under-developed destinations. He sees potential for Wythe County's portion of the New River and New River Trail.

Chairman Snyder and the Board thanked Mr. Christensen for his informative presentation regarding the efforts to promote Southwest Virginia by the Cultural Heritage Commission.

APPROVAL OF MINUTES—November 18, 2010

Chairman Snyder asked if there were any questions regarding the minutes of the November 18, 2010 meeting. There being none, Chairman Snyder asked for a motion to approve the November 2010 minutes as presented. Ms. DiYorio made a motion, seconded by Mr. Pack, to approve the minutes as presented. The motion passed unanimously.

APPROVAL OF INVOICES

Chairman Snyder asked if there were any questions or concerns regarding the invoices from December 2010 and January 2011. Chairman Snyder explained that since the December meeting was cancelled due to inclement weather, the Board needed to approve both the December and January invoices. Mr. Pack asked Chairman Snyder if both months were to be approved together. Chairman Snyder stated that both months would be approved at the same time. Dr.

Hawthorne explained that check number 6270 in the amount of \$259,168.69 issued to Evatran was for 95% payment of their December invoice to the TICRC. He noted that during a previous meeting, the Board agreed that the Joint IDA would pay Evatran 95% on invoices submitted to the TICRC, and once funds are received from the TICRC, the remaining 5% will be remitted to Evatran. Chairman Snyder asked if there were any further questions and whether there was a motion to approve the invoices from December 2010 and January 2011, as presented. Mr. Pack made a motion, seconded by Ms. DiYorio, to approve the invoices. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County

Check Register

For the Period From November 19, 2010 through December 31, 2010

| Check # | Date | Payee | Amount |
|----------------|-------------|-----------------------------------|---------------------|
| 6187V | 12/30/10 | Linda DiYorio | -207.79 |
| 6245 | 12/13/10 | Evatran, LLC | 266,822.90 |
| 6246 | 12/16/10 | Alan R. Hawthorne | 4,423.12 |
| 6247 | 12/16/10 | David L. Elmore | 207.79 |
| 6248 | 12/16/10 | Dana R. Pack | 207.79 |
| 6249 | 12/16/10 | Foy W. Patton | 207.79 |
| 6250 | 12/16/10 | Jennifer W. Atwell | 207.79 |
| 6251 | 12/16/10 | Linda DiYorio | 207.79 |
| 6252 | 12/16/10 | Patrick G. Burton | 2,550.53 |
| 6253 | 12/16/10 | Tom Jones | 207.79 |
| 6254 | 12/16/10 | Virginia M. Goodwin | 1,629.35 |
| 6255 | 12/16/10 | William F. Snyder | 207.79 |
| 6256 | 12/16/10 | Appalachian Power Company | 109.62 |
| 6257 | 12/16/10 | Alan Hawthorne- Reimbursement | 495.73 |
| 6258 | 12/16/10 | Anthem Southeast Dental | 84.66 |
| 6259 | 12/16/10 | Anthem Blue Cross and Blue Shield | 1,246.76 |
| 6260 | 12/16/10 | Branch Highways, Inc. | 155,078.00 |
| 6261 | 12/16/10 | CenturyLink | 117.75 |
| 6262 | 12/16/10 | Chamber of Commerce | 125.00 |
| 6263 | 12/16/10 | Mellon Trust of New England, NA | 840.00 |
| 6264 | 12/16/10 | Principal Life Insurance Co. | 161.24 |
| 6265 | 12/16/10 | Robert G. Moore | 1,100.00 |
| 6266 | 12/16/10 | Sprint PCS | 72.64 |
| 6267 | 12/16/10 | Virginia Goodwin - Reimbursement | 20.13 |
| 6268 | 12/16/10 | Xerox | 16.68 |
| 6269 | 12/30/10 | Linda DiYorio | 207.79 |
| Total | | | \$436,348.64 |

Joint IDA of Wythe County

Check Register

For the Period From November 19, 2010 through December 31, 2010

| Check # | Date | Payee | Amount |
|--------------|---------|-----------------------------------|---------------------|
| 6270 | 1/10/11 | Evatran, LLC | 259,168.69 |
| 6271 | 1/27/11 | Alan R. Hawthorne | 4,574.32 |
| 6272 | 1/27/11 | Patrick G. Burton | 2,623.29 |
| 6273 | 1/27/11 | Virginia M. Goodwin | 1,673.69 |
| 6274 | 1/27/11 | Appalachian Power | 216.94 |
| 6275 | 1/27/11 | Alan Hawthorne - Reimbursement | 583.06 |
| 6276 | 1/27/11 | Anthem Southeast Dental | 84.66 |
| 6277 | 1/27/11 | Anthem Blue Cross and Blue Shield | 1,246.76 |
| 6278 | 1/27/11 | CenturyLink | 130.00 |
| 6279 | 1/27/11 | D&D Trophies | 490.00 |
| 6280 | 1/27/11 | Mellon Trust of New England, NA | 837.00 |
| 6281 | 1/27/11 | Principal Life Insurance Co. | 161.24 |
| 6282 | 1/27/11 | Robert G. Moore | 1,100.00 |
| 6283 | 1/27/11 | Sprint PCS | 72.90 |
| 6284 | 1/27/11 | VA Economic Dev Assoc. | 300.00 |
| 6285 | 1/27/11 | Virginia Goodwin - Reimbursement | 89.70 |
| 6286 | 1/27/11 | Wytheville Office Supply | 35.96 |
| 6287 | 1/27/11 | Wytheville Enterprise | 38.60 |
| 6288 | 1/27/11 | Wytheville Meeting Center | 75.00 |
| 6289 | 1/27/11 | Xerox | 36.37 |
| 6290 | 1/27/11 | The Log House 1776 Restaurant | 431.64 |
| Total | | | \$273,969.82 |

OLD BUSINESS

LOT 24 UPDATE

Dr. Hawthorne updated the Board on the recent Lot 24 grant application activity. He reported that the Economic Development Administration (EDA) decided not to award a grant for Lot 24. Dr. Hawthorne reported that he completed and submitted an application to the Appalachian Regional Commission (ARC). He has been in contact with the Commission, but to-date has not received a response concerning a decision on funding the grant. Dr. Hawthorne thanked Linda DiYorio for her efforts in helping obtain an additional one-year extension of the Crossroads Regional Industrial Facility Authority's grant issued by the TICRC several years ago in the amount of \$150,000. This grant will be used for the southern sewer interceptor line which will help serve Lot 24.

Dr. Hawthorne discussed the storm water management facility for the Lot 24 site, which could either be onsite or offsite; adjustment of the rail spur alignment and preliminary approval by an existing industry to swap one-third of an acre to accommodate the shift; and the route for the

sewer lines which will ultimately go outside Progress Park. He mentioned that the proposed sewer route could raise issues regarding historic resources. An alternate sewer route, along with cost differences, is being discussed/considered. Once the design is complete the construction of these activities will be put to bid in the spring.

Dr. Hawthorne asked the Board if they had any questions or concerns regarding Lot 24. Mr. Elmore asked if everyone saw Governor McDonnell's State of the Commonwealth address stating that there may be grant funds available. Dr. Hawthorne stated that there is a possibility of around \$54 million becoming available in the future. He also mentioned that Tom Elliott, Executive Director of Virginia's aCorridor, is currently working on marketing Lot 24 and the aCorridor region.

FAIRVIEW INDUSTRIAL PARK SIGN

Dr. Hawthorne reported that the Fairview Industrial Park Sign work had been put on hold due to inclement weather. He noted that the structure has been completely stripped and that work will continue once the weather has improved. Dr. Hawthorne added that the park occupants were approached concerning donations to assist with the cost of the repairs. Two occupants have responded with donations/pledges. Dr. Snyder asked if there was a target date set for completion. Patrick Burton responded that once the weather improves for a sustained period of time the work will continue.

INDUSTRY TENURE AWARDS LUNCHEON UPDATE

Chairman Snyder commented that he thought the Industry Tenure Awards luncheon was well done and that each of the award recipients seemed to be pleased with the outcome of the event. He also mentioned that the caterers were to be commended on the meal. Dr. Hawthorne added that all of the Joint IDA Board members were in attendance and that there were a few companies that were unable to attend, but that the majority of the recipients were present. He also mentioned that each jurisdiction had representatives present at the event. Mr. Elmore commented on how well the plaques looked. Patrick Burton thanked several of the Board members for their assistance in contacting some of the recipients to offer personal invitations to the luncheon. Patrick also stated that he will be visiting with, and delivering plaques to, each of the recipients who were not in attendance. Dr. Hawthorne thanked the Board members and jurisdictions for their participation and commended the Joint IDA staff for planning and organizing the successful event.

VSBFA LOAN FOR MT. EMPIRE AIRPORT COMMISSION

Chairman Snyder asked Dr. Hawthorne to update the Board on the background of the Mt. Empire Airport project. Dr. Hawthorne explained that the Virginia Department of Aviation had awarded Mountain Empire Airport a grant to fund 90% of the construction of a new terminal. The Joint IDA was approached by Celledl Dalton, Wythe County Administrator asking for assistance in acquiring additional funding for local match for the project. With prior Board approval, the Joint IDA submitted a loan application to the Virginia Small Business Financing Authority (VSBFA) to provide the local matching funds for the project. VSBFA has agreed to provide the loan to the Joint IDA and the Wythe County Board of Supervisors has approved a moral obligation to pay the principal and interest on the \$250,000 loan for the airport project and then will collect funding from member jurisdictions of the Airport Commission to support payments on the loan. Dr.

Hawthorne added that the Board would need to act on the "Borrowing Resolution" that was distributed to each Board member prior to the meeting. Dr. Hawthorne stated that, if the resolution is approved, the next step would be the loan agreement with the Airport Commission. The proposed agreement is for 7 years with a \$42,000 annual principal and interest payment, plus management fees, to be paid to the Joint IDA. Chairman Snyder asked the Board if there was a motion to approve the "Borrowing Resolution" for an application to the Virginia Small Business Financing Authority for funds to finance the local contribution to construct a terminal building at the Mt. Empire Airport. Mr. Elmore made a motion, seconded by Mr. Patton, to approve the "Borrowing Resolution." Chairman Snyder asked if there were any further questions or concerns regarding the "Borrowing Resolution". There being none, the motion passed unanimously.

BORROWING RESOLUTION

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

WHEREAS,

- The Joint IDA is applying to the Virginia Small Business Financing Authority ("VSBFA") for funds to finance the local contribution to construct a terminal building at the Mountain Empire Airport (the "Airport Terminal Project");
- The Airport Terminal Project will further economic development opportunities for Wythe County and throughout the region by providing an attractive and necessary facility for business users; and
- Wythe County will provide a Moral Obligation to repay the VSBFA loan in the event that the Smyth-Wythe Airport Commission defaults on its annual repayment obligations.

NOW THEREFORE BE IT RESOLVED THAT

The Joint IDA board of directors hereby authorizes the Chairman, William F. Snyder, (and Vice Chairman, David L. Elmore, in the Chairman's absence) and Executive Director, Alan Hawthorne, to execute any and all documents required to borrow \$248,000.00, including a Note setting forth the terms and conditions of the borrowing.

Adopted unanimously this 27th day of January 2011 at which a quorum was present.

William F. Snyder, Chairman

ATTEST:

Virginia M. Goodwin, Board Secretary

FINANCIAL DISCLOSURE STATEMENTS—JANUARY 15, 2011

Dr. Hawthorne reminded the Board that their Financial Disclosure Statements were due to their respective appointing jurisdictions on January 15, 2011.

COMPLETION OF NEW RIVER VALLEY AIRPORT PROJECT

Dr. Hawthorne stated, that even though the Mt. Empire Airport project is of primary interest to the Board, the Joint IDA was approached by Cellell Dalton, Wythe County Administrator, several months ago with a letter from the NRV Airport Commission requesting a donation to assist with the re-paving project at the New River Valley Airport. He noted that since Gatorade/Pepsico were significant users of the New River Valley Airport they were asked if they would make a monetary donation to the project. Gatorade/Pepsico made a donation of approximately \$500 to the project. Dr. Hawthorne mentioned that the New River Valley Airport Commission has offered to do a presentation for the Board regarding the airport's improvement project, if the Board was interested. There was a consensus that the Board did not need a presentation at this time.

LT. GOVERNOR'S VISIT TO PROGRESS PARK

Dr. Hawthorne reported that during the week prior to Christmas, Lt. Governor Bill Bolling and Mary Rae Carter, Deputy Secretary of Commerce and Trade for Rural Economic Development, visited Lot 24 and Progress Park. He added that Somic America hosted a luncheon for the group and that Wythe County Administrator Cellell Dalton, Mayor Trent Crewe, Wythe County Board of Supervisors Chairman Bucky Sharitz, and Joint IDA Chairman William Snyder were in attendance. Lt. Governor Bolling and Deputy Secretary Carter were encouraged by the recent activities of the companies located in Progress Park, as well as the Lot 24 development project being awarded the first Major Employment Investment (MEI) grant in Southwest Virginia. Chairman Snyder mentioned that they were impressed by the work being done in Progress Park and that their visit allowed the Joint IDA and Wythe County to market Progress Park to some of Virginia's upper level government officials.

OTHER

Ivanhoe property - Dr. Hawthorne stated that, per prior Board approval, invitations to make an offer to purchase the small parcel in Ivanhoe were extended to the adjacent landowners. He mentioned that the Joint IDA has received an offer from one of the landowners in the amount of \$1,500. Chairman Snyder asked if there was a motion to accept the offer of \$1,500 from the adjoining landowner for the purchase of the Ivanhoe property. Mr. Jones made a motion, seconded by Ms. Diyorio, to accept the offer of \$1,500 for the purchase of the Ivanhoe property. Chairman Snyder asked if there was any further discussion or comments. There being none, the motion passed unanimously.

Mr. Patton asked if the Joint IDA would incur any costs associated with the sale of the property. Dr. Hawthorne stated that there may be a grantor's fee, but other costs associated with the sale of the property will be the responsibility of the buyer.

NEW BUSINESS

2011-2012 BUDGET PROCESS

Dr. Hawthorne reported that, since there was not a December Board meeting, Chairman Snyder elected to appoint the Executive Committee, consisting of Chairman Snyder, Dave Elmore and Linda DiYorio, to the 2011-2012 Budget Committee. Dr. Hawthorne stated that prior to completing the budget he will be meeting with Bucky Sharitz, Chairman of Crossroads Regional Industrial Facility Authority (CRIFA), regarding the 2011-2012 management agreement and fees between the Joint IDA and CRIFA. The proposed budget will be available for review at the February Board meeting.

VEDP ALLIES/VEDA/VIRGINIA CHAMBER MEETINGS REPORT

Dr. Hawthorne reported that in early December he attended the Virginia Economic Development Partnership (VEDP) semi-annual allies meeting. The focus of the meeting was wind energy and particularly off-shore wind energy opportunities. The meeting also included an update on a return-on-investment model that is being developed for use by localities.

Dr. Hawthorne also attended the Virginia Economic Developers Association meeting during this same trip. Lt. Governor Bill Bolling addressed the gathering and provided an update on the McDonnell administration's economic development programs, policies, and recent accomplishments. Dr. Hawthorne reported that he was elected president of the organization for 2011. He noted that this is the second time that an individual from Wythe County has served as president during VEDA's 30-year history.

VIRGINIA CHAMBER OF COMMERCE TORCHBEARER AWARD

Dr. Hawthorne announced that on December 2 the Virginia Chamber of Commerce honored the Joint Industrial Development Authority of Wythe County with the Virginia Torchbearer Award for the Ninth Congressional District. A copy of the Virginia Chamber of Commerce's press release was distributed prior to the meeting and the award and presentation photograph were passed around during the meeting. Dr. Hawthorne stated that the Board should be proud of this prestigious award and that their hard work and dedication has proven to be successful.

2011 INDUSTRY APPRECIATION GOLF TOURNAMENT—MAY 19, 2011

Patrick Burton reported that he had contacted the Wytheville Golf Club and has tentatively set the date for the Industry Appreciation Golf Tournament for Thursday, May 19. He mentioned that the week of May 19 had been set as Virginia's Business Appreciation Week, but due to extenuating circumstances regarding the Governor's schedule it has been changed to the first week of May. Dr. Hawthorne recommended that the proposed date of May 19 remain as is because it would allow more of the government dignitaries and employees to participate in our tournament which would not interfere with Virginia's celebration of Business Appreciation Week. Mr. Elmore accepted

Chairman Snyder's invitation to act as chairman of the Golf Tournament Committee for 2011. Mr. Elmore stated that he would contact the Board members for their assistance on the committee and that the first meeting would be held prior to the February 2011 Board meeting.

EXISTING BUSINESS OPPORTUNITIES

Patrick Burton described some recent assistance opportunities available to Wythe County industries.

- In early January, the Joint IDA helped distribute information about the *Western Virginia Transportation Equipment Manufacturing Competitiveness Initiative*. Through the initiative, southwest Virginia companies in the transportation equipment-manufacturing sector may be eligible for grant-funded assistance available through Virginia Tech. The grant funds are provided by the U.S. Department of Commerce. The total grant funding amount available is approximately \$1 million. Selected projects will focus on product development, process improvement, and/or green technologies. Technical assistance will be provided by Virginia Tech faculty members, mostly from the College of Engineering. Approximately 20 projects will be funded across Planning Districts 3, 4, and 5 during the three-year life of the initiative. For the initial funding cycle, interested companies were asked to submit statements of business need to Virginia Tech by February 8th. It is anticipated that decisions on funding for selected assistance projects will be announced in mid-April.
- The *Innovation Matching Grant Program* was announced in late 2010 by GENEDGE Alliance, the Manufacturing Extension Partnership for the Commonwealth of Virginia. Through this program, approximately \$1 million in grant funding will be available to assist Virginia companies with activities related to innovation and new growth initiatives. Eligible companies must be located in Virginia's tobacco region and operate in any manufacturing industry or specific scientific, technical, or research-related industries. The purpose of the funding is to help participating companies achieve success and accelerated growth by using specialized evaluation tools, product development processes, improved marketing, and executive growth coaching available exclusively through the NIST-MEP. A workshop on this program was held at WCC's Smyth Education Center in late January. Companies interested in the program may contact the GENEDGE Alliance directly.
- The Joint IDA partnered with the Virginia Department of Business Assistance and WCC's Workforce Development Program to survey organizational development training needs of Wythe County industries during December and January. Based on survey response, the Department of Business Assistance has a menu selected course offerings that will be made available free of charge.

Dr. Hawthorne spoke about the CREATES green construction jobs training initiative offered through a partnership between Community Housing Partners and 3 Community Colleges, including WCC. He also reported that Evatran's R&D grant invoice process has been streamlined and the funds are getting to them more efficiently. He noted that Evatran will be making some announcements and holding an event in the near future. Dr. Hawthorne will be speaking with Ms. Linda DiYorio and Mr. Ned Stephenson of the Tobacco Indemnification and Community Revitalization Commission (TICRC) regarding continued support on the R&D effort in the future.

Patrick Burton mentioned that the tour of Mt. Rogers IDC would be re-scheduled for prior to the Board meeting in either February or March. Chairman Snyder stated that whatever could be arranged with Mt. Rogers would be suitable for the Board. After some discussion, it was decided to hold the tour in March.

Mr. Elmore asked if there had ever been any interest in developing an SAP Software program at Wytheville Community College. Dr. Hawthorne said that he has heard comments that the software is difficult, but he does know that Gatorade and several other manufacturers in the area use the software. Mr. Elmore added that the manufacturers usually train their employees on the software themselves which could possibly involve a higher cost than sending a new employee to a program at the Community College. He suggested that maybe it could be researched and discussed with Wytheville Community College (WCC) regarding adding it to their curriculum. Mr. Elmore's thoughts are that using the Community College may help the companies realize a cost-savings..

QUARTERLY FINANCIAL STATEMENTS

The quarterly financial reports were distributed to the Board members prior to the meeting. Dr. Hawthorne highlighted the income and expense items associated with the grants and the Evatran R&D program. He noted that the stimulus funds have brought approximately \$3.5 million to the community and that investments have been made that will pay off in the next couple of years. Dr. Hawthorne reported that the expenditures and the budget are on target for the first half of the year. Chairman Snyder asked the Board if they had any questions or concerns regarding the quarterly financial statements. Dr. Hawthorne mentioned that if any of the Board members were to have questions regarding the reports, at a later date, they were welcome to call the Joint IDA office at any time.

SWMF CONSTRUCTION OPTION—BHI CONTRACT

Dr. Hawthorne discussed the Lot 24 storm water management facility. In his discussion, he noted that there is already an option to construct the facility in the contract with Branch Highways, Inc. The cost of an offsite facility will be several million dollars and there are issues involving impacts on streams with such a facility. Dr. Hawthorne is currently working with Wythe County Administrator Celledl Dalton concerning the onsite/offsite option. The Joint IDA Board will need to authorize the option once the decision is made. Dr. Hawthorne stated that he would suggest agreeing with the option that Wythe County decides to take. He added that the Board would need to vote to authorize Chairman Snyder to execute the change order once the choice of onsite or offsite has been made. Chairman Snyder asked if there was a motion to authorize the Chairman to sign and execute the change order for the storm water management facility once the onsite/offsite decision is made. Mr. Elmore made the motion, seconded by Mr. Pack, to authorize the Joint IDA Chairman to sign the necessary agreements to execute the change order regarding the storm water management facility. Chairman Snyder asked if there were any questions or further discussion. There being none, the motion passed unanimously.

PROJECT UPDATES

Dr. Hawthorne reported that there were two potential prospects who chose to build in other locations. The Joint IDA is currently working with two active prospects. Since the projects are

relatively new, in-depth details regarding the prospects are limited. Chairman Snyder asked the Board if they would like to go into closed session to discuss project updates. The Board concurred that they would like to wait until further information is gathered regarding the prospects. Dr. Hawthorne will keep the Board apprised of any changes or developments.

OTHER

Norfolk Southern Railway - Dr. Hawthorne mentioned that Norfolk Southern Railway's annual report highlighted the opportunities available in Progress Park with the Lot 24 construction. He noted that during the railroad's annual meeting with industrial site consultants this year, keynote speaker Dan Motley will specifically be addressing/focusing on Progress Park and Lot 24. Dr. Hawthorne added that this will be excellent exposure for the Park and Lot 24.

Southern Economic Development Council - Dr. Hawthorne reported that in May the Southern Economic Development Council will be holding a retreat that he and Tom Elliott, Executive Director, Virginia's aCorridor, plan to attend. A key feature of the retreat will be "Meeting the Consultants." The retreat will help the Joint IDA staff develop priorities and identify gaps/needs in crafting a marketing program for Lot 24.

VEDA June Meeting - Dr. Hawthorne reported that VEDA has chosen to hold its annual June meeting in Wytheville. Plans are currently being made with the Wytheville Meeting Center for the event. Dr. Hawthorne mentioned that VEDA depends on sponsorships to pay for these events and he asked the Board if they would be interested in assisting with a sponsorship. He noted that Tom Elliott, Executive Director Virginia's aCorridor, would like to split a \$500 VEDA meeting sponsorship with the Joint IDA resulting in a cost of \$250. Chairman Snyder asked the Board if there was a motion to approve a sponsorship for the VEDA June meeting in the amount of \$250. Mr. Jones made a motion, seconded by Mr. Patton, to approve the sponsorship for the VEDA annual meeting. Chairman Snyder asked if there was any further discussion. There being none, the motion passed unanimously.

ADJOURN

There being no other business, Chairman Snyder adjourned the meeting at 4:50 p. m.

William F. Snyder, Chairman

Attest:

Virginia M. Goodwin, Secretary

Joint IDA of Wythe County
Revenue and Expenses
For six-month period ending December 31, 2010

| | <u>General</u> | <u>Special</u> | <u>RLF</u> | <u>Total</u> |
|------------------------------|---------------------|-----------------------|-------------------|-----------------------|
| Revenues | | | | |
| Appropriations | | | | |
| Wythe County | \$70,704.00 | | | \$70,704.00 |
| Wytheville | \$35,934.00 | | | \$35,934.00 |
| Rural Retreat | \$5,604.00 | | | \$5,604.00 |
| | | \$112,242.00 | | |
| Service Fees | | | | |
| IDB administrative fees | \$0.00 | | | \$0.00 |
| RLF management fees | \$0.00 | | | \$0.00 |
| CRIFA services | \$25,000.00 | | | \$25,000.00 |
| SBDC office services | \$150.00 | | | \$150.00 |
| | | \$25,150.00 | | |
| Sales/Leases | | | | |
| Lease income on bldg | \$450.00 | | | \$450.00 |
| Sale of land | | \$0.00 | | \$0.00 |
| less cost of sales | | <u>\$0.00</u> | | \$0.00 |
| | \$450.00 | \$0.00 | | |
| Grants/Reimbursements | | | | |
| VEDA grant | | \$0.00 | | \$0.00 |
| WOF grants - Evatran | | \$435,000.00 | | \$435,000.00 |
| WC - Lot 24 | | \$2,650,485.80 | | \$2,650,485.80 |
| TICRC - Evatran R&D | | \$266,822.90 | | \$266,822.90 |
| TICRC - Lot 24 | | <u>\$139,499.27</u> | | \$139,499.27 |
| | | \$3,491,807.97 | | |
| Reimbursements | \$1,035.54 | | | \$1,035.54 |
| | | \$1,035.54 | | |
| Contributions/Events | | | | |
| Contributions-WMC | \$0.00 | | | \$0.00 |
| Contributions-EE workshop | \$0.00 | | | \$0.00 |
| Golf tournament-sponsorships | \$0.00 | | | \$0.00 |
| Golf tournament-participants | \$0.00 | | | \$0.00 |
| Awards luncheon sponsor | \$600.00 | | | \$600.00 |
| | | \$600.00 | | |
| Interest Income | | | | |
| LGIP interest | \$131.64 | | | \$131.64 |
| MM interest | \$3,315.05 | | | \$3,315.05 |
| Other interest | \$4,781.73 | | | \$4,781.73 |
| | | \$8,228.42 | | |
| Revolving Loan Fund | | | | |
| RLF loan interest | | | \$0.00 | \$0.00 |
| RLF LGIP interest | | | \$889.21 | \$889.21 |
| RLF other interest | | | \$203.52 | \$203.52 |
| Total Net Revenue | \$147,705.96 | \$3,491,807.97 | \$1,092.73 | \$3,640,606.66 |

-For Management Purposes Only-

| | General | Special | RLF | Total |
|-------------------------------------|---------------------|-----------------------|-------------------|-----------------------|
| Expenses Summary | | | | |
| Salaries | \$80,565.00 | | | \$80,565.00 |
| Directors salaries | \$3,150.00 | | | \$3,150.00 |
| Salary Related | \$22,356.73 | | | \$22,356.73 |
| Annual leave accrual | \$0.00 | | | \$0.00 |
| Contract Services | \$7,117.00 | \$2,790,993.07 | | \$2,798,110.07 |
| Copier | \$127.01 | | | \$127.01 |
| Advertising | \$38.60 | | | \$38.60 |
| Postage | \$65.39 | | | \$65.39 |
| Telecommunications | \$1,356.73 | | | \$1,356.73 |
| Office supplies | \$253.82 | | | \$253.82 |
| Office rent | \$6,600.00 | | | \$6,600.00 |
| Meeting expenses | \$23.49 | | | \$23.49 |
| Subscriptions/books | \$0.00 | | | \$0.00 |
| Dues/membership | \$13,964.52 | | | \$13,964.52 |
| Depreciation expense | \$789.00 | | | \$789.00 |
| Hosting | \$0.00 | | | \$0.00 |
| Mileage | \$2,554.50 | | | \$2,554.50 |
| Lodging/perdiem | \$747.72 | | | \$747.72 |
| Conventions/education | \$812.50 | | | \$812.50 |
| Repairs & Maintenance | \$6.87 | | | \$6.87 |
| Park expenses | \$6,944.00 | | | \$6,944.00 |
| Surety Bond | \$150.00 | | | \$150.00 |
| Property Insurance | \$59.00 | | | \$59.00 |
| Public Officials/General Liab. Ins. | \$984.50 | | | \$984.50 |
| Office equipment | \$0.00 | | | \$0.00 |
| Utilities | \$625.72 | | | \$625.72 |
| Job Fair expense | \$0.00 | | | \$0.00 |
| Industry Appreciation Act. | \$0.00 | | | \$0.00 |
| Industry Appreciation-golf | \$0.00 | | | \$0.00 |
| Other Expense–Jr. Achiev. grant | \$0.00 | | | \$0.00 |
| Other Expenses | \$0.00 | | | \$0.00 |
| Purchase discounts | \$0.00 | | | \$0.00 |
| WOF grants | | \$435,000.00 | | \$435,000.00 |
| Other grant expenses - R&D grant | | \$266,822.90 | | \$266,822.90 |
| RLF Closing & Other Expenses | | | \$0.00 | \$0.00 |
| RLF Bad Debt Expense | | | | \$0.00 |
| Total Expenses | \$149,292.10 | \$3,492,815.97 | \$0.00 | \$3,642,108.07 |
| Net Income | (\$1,586.14) | (\$1,008.00) | \$1,092.73 | (\$1,501.41) |

-For Management Purposes Only-

Joint IDA of Wythe County

Balance Sheet

December 31, 2010

| | General | RLF | Total |
|-------------------------------------|-----------------------|---------------------|-----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash-petty cash | \$50.00 | \$0.00 | \$50.00 |
| Cash-checking account | \$1,127,287.82 | \$39,871.39 | \$1,167,159.21 |
| Cash-LGIP | \$106,299.65 | \$718,101.51 | \$824,401.16 |
| Cash-MM | \$505,113.51 | \$0.00 | \$505,113.51 |
| A/R-other | \$1,200.00 | \$0.00 | \$1,200.00 |
| Prepaid insurance | \$2,790.29 | \$0.00 | \$2,790.29 |
| Total Current Assets | \$1,742,741.27 | \$757,972.90 | \$2,500,714.17 |
| Inventory | | | |
| Inventory-land for sale | \$3,982,683.10 | \$0.00 | \$3,982,683.10 |
| Inventory-buildings | \$0.00 | \$0.00 | \$0.00 |
| Total Inventory | \$3,982,683.10 | \$0.00 | \$3,982,683.10 |
| Property and Equipment | | | |
| Fixed assets-furniture/equip. | \$34,285.63 | \$0.00 | \$34,285.63 |
| Accum. deprec.-equipment | (\$34,285.63) | \$0.00 | (\$34,285.63) |
| Total Property and Equipment | \$0.00 | \$0.00 | \$0.00 |
| Other Assets | | | |
| Deferred payment on land sale | \$0.00 | | \$0.00 |
| RLF Outstanding Loan Balance | \$0.00 | \$0.00 | \$0.00 |
| Total Other Assets | \$0.00 | \$0.00 | \$0.00 |
| Total Assets | \$5,725,424.37 | \$757,972.90 | \$6,483,397.27 |

Joint IDA of Wythe County
Balance Sheet (con't.)
December 31, 2010

| | General | RLF | Total |
|--|-----------------------|---------------------|-----------------------|
| LIABILITIES AND CAPITAL | | | |
| Current Liabilities | | | |
| Accounts payable | \$3,546.57 | \$0.00 | \$3,546.57 |
| Accrued annual leave | \$12,273.55 | \$0.00 | \$12,273.55 |
| Payroll taxes payable | \$5,238.16 | \$0.00 | \$5,238.16 |
| Other liabilities-Lot 24 retainage | \$191,489.28 | \$0.00 | \$191,489.28 |
| Deferred income - TICRC R&D | \$312,500.00 | \$0.00 | \$312,500.00 |
| Deferred income - TICRC Lot 24 | \$608,510.72 | \$0.00 | \$608,510.72 |
| Deferred income - other | \$425.00 | \$0.00 | \$425.00 |
| Total Current Liabilities | \$1,133,983.28 | \$0.00 | \$1,133,983.28 |
| Long-Term Liabilities | | | |
| WC Lot 24/RD RLF Grant | \$3,834,335.56 | \$500,000.00 | \$4,334,335.56 |
| Total Long-Term Liabilities | \$3,834,335.56 | \$500,000.00 | \$4,334,335.56 |
| Total Liabilities | \$4,968,318.84 | \$500,000.00 | \$5,468,318.84 |
| Capital | | | |
| Fund balance - BOY | \$759,699.67 | \$256,880.17 | \$1,016,579.84 |
| Net Fund Change | (\$2,594.14) | \$1,092.73 | (\$1,501.41) |
| Total Capital | \$757,105.53 | \$257,972.90 | \$1,015,078.43 |
| Total Liabilities & Capital | \$5,725,424.37 | \$757,972.90 | \$6,483,397.27 |