

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
November 17, 2011

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, November 17, 2011, 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

Linda DiYorio, Chairman	Dave Elmore
Tom Jones	Dana Pack
Foy Patton	Jennifer Atwell

MEMBERS ABSENT

William F. Snyder

EX-OFFICIO MEMBERS PRESENT

None

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

DETERMINATION OF QUORUM

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

CITIZENS' TIME

Chairman DiYorio welcomed Wythe "Bucky" Sharitz and Michael James to the meeting. She asked if there were any persons present who would like to address the Board during citizens' time. There being none, Chairman DiYorio proceeded with the meeting.

APPROVAL OF MINUTES—October 27, 2011

Chairman DiYorio asked if there were any corrections, additions, or questions regarding the minutes of the October 27, 2011, meeting. There being none, Chairman DiYorio asked for a motion to approve the October 2011 minutes as presented. Mr. Pack made a motion, seconded by Mr. Jones, to approve the minutes as presented. The motion passed unanimously.

APPROVAL OF INVOICES

Chairman DiYorio asked if there were questions or discussion regarding the invoices for November 2011. Dr. Hawthorne mentioned that there was a copy of the Branch Highways invoice attached to the check register for the Board to review. He stated that, to this point in the Lot 24 construction there has been a retainage fee, which is 5% of the total invoiced cost of the project, withheld. The retainage fee is capped at 2.5% of the total project cost. With the present invoice, the retainage has now reached the cap and will no longer be withheld from the invoices going forward. Chairman DiYorio asked if the payment to Mt. Rogers Development Partnership payment was for the year. Dr. Hawthorne stated that the payment was for the second quarter.

Chairman DiYorio asked if there were any further questions or discussions and asked if there was a motion to approve the invoices from November 2011. Mr. Elmore made a motion, seconded by Mr. Patton, to approve the invoices as presented. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County Check Register For the Period From November 1, 2011 through November 30, 2011

Check #	Date	Payee	Amount
6478	11/17/11	Alan R. Hawthorne	\$ 4,664.94
6479	11/17/11	Virginia M. Goodwin	1,673.56
6480	11/17/11	Appalachian Power	71.46
6481	11/17/11	Anthem Southeast Dental	59.12
6482	11/17/11	Anthem Blue Cross and Blue Shield	1,035.92
6483	11/17/11	Branch Highways, Inc.	506,990.24
6484	11/17/11	CenturyLink	125.36
6485	11/17/11	ACS/BNY Mellon HSA	587.00
6486	11/17/11	The Mount Rogers Dev Partnership	6,899.75
6487	11/17/11	Principal Life Insurance Co.	141.42
6488	11/17/11	Robert G. Moore	1,100.00
6489	11/17/11	Sprint PCS	73.39
6490	11/17/11	VA Economic Dev. Assoc.	50.00
6491	11/17/11	Xerox	13.11
Total			\$ 523,485.27

OLD BUSINESS

LOT 24 UPDATE

Dr. Hawthorne gave a brief update on the progress of Lot 24. He mentioned that construction had shut-down for the season, but that some work will be continuing during the winter months. Ms. DiYorio mentioned the interview with the TV station WDBJ-7 regarding Lot 24. Dr. Hawthorne added that Jenna Coleman, Public Information Officer/Grants Coordinator for Wythe County, had setup an interview to speak about Lot 24 and Progress Park with the news channel on Wednesday, November 16.

Dr. Hawthorne stated that he had received a debriefing call from Steve Semones and Senator Warner's office regarding the USACE permit status. He said that during the conversation with the Army Corp. of Engineers they stated that they did not have to do as other agencies requested, but it is their practice to defer to the request if it is reasonable. They will require that the streams be protected in Progress Park with restrictive deed covenants as they deem this a reasonable request. Cellell Dalton, Wythe County Administrator, was not available for the conversation, but was contacted by Dr. Hawthorne afterwards. Mr. Dalton will be meeting with the Wythe County Economic Development Committee of the Board of Supervisors to discuss the requests. Dr. Hawthorne noted that the Army Corp. of Engineers is not going to issue the permit and that he did not feel that it would be productive to go into legal litigation. He suggested that Wythe County comply with their recommendations to be able to receive the proper permits and move forward with the project. Dr. Hawthorne added that Senator Warner's office was supportive of the efforts and would assist with whatever needed to be done to make the project successful. Chairman DiYorio asked if everything is at a standstill until spring, awaiting the issuing of the permits. Dr. Hawthorne stated that the permitting needed to be completed, as soon as possible, prior to the beginning of construction in the spring of 2012 and was needed for some planned activities this winter. He added that grading and fill work cannot be completed without the permits. Construction of the rail spur also cannot proceed without the permits. With no further comments, Chairman DiYorio continued with the meeting.

CHAMBER DINNER SUMMARY

Chairman DiYorio mentioned that the Wytheville-Wythe-Bland Chamber of Commerce dinner was an enjoyable and successful event. Dr. Hawthorne added that Quadrant EPP, the recipient of the Joint IDA's Industry Recognition Award for 2011, was appreciative of the award and thanked the Joint IDA for the honor.

MT. EMPIRE AIRPORT VISIT

Chairman DiYorio reported on the visit to the Mt. Empire Airport prior to the Board meeting. She commented that the visit was interesting and educational. She mentioned that the parking lot to the new terminal had been done, but the terminal was not completed. The Board did not visit the new terminal. Ms. Atwell added that the manager of the airport stated that the project was to be completed by December 22, but will probably not be done until March 2012. Dr. Hawthorne suggested that there be an invitation extended to the airport commission or manager to give a presentation at a future Joint IDA Board meeting.

AUDIT REPORT

The 2010-2011 Joint IDA audit report and letter to the Board, giving details regarding the audit by Robinson, Farmer, and Cox, were distributed to the Board members prior to the meeting. Dr. Hawthorne stated that there were no unusual findings in the audit. Ms. Atwell stated that each Board member should take the time to thoroughly read the audit and bring back any questions they may have. Chairman DiYorio asked that each Board member go through the audit so they will have an understanding of the Joint IDA finances.

BUDGET DISCUSSION

Dr. Hawthorne discussed the 2011-2012 budget with the Board. He noted that, since an associate director had not been hired, it was appropriate for the jurisdictions to reduce their payment amounts to the Joint IDA and that a revised budget had been prepared to reflect the adjustments. Dr. Hawthorne noted that he spoke with Cellell Dalton, Wythe County Administrator, regarding rebudgeting the funds to accommodate the payment for a Preliminary Engineering Report (PER) for a potential recycled water line from the Town of Wytheville's wastewater treatment facility to Progress Park. Dr. Hawthorne added that Mr. Dalton agreed that the proposal had merit and warranted consideration. He noted that without an appropriate study, we would not be able to obtain construction funding assistance from the Tobacco Indemnification and Community Revitalization Commission (TICRC) or other funding sources. Such a study also added credibility to our marketing efforts as well as adding to the park's "green" aspect.

Ms. Atwell asked why the jurisdictions would be looking to do a recycled water line. Dr. Hawthorne stated that a big user of water often prefers a recycled water source for cooling. He noted that recycled water is becoming an important "green" feature for the Commonwealth of Virginia and for the nation as a whole and that the Environmental Protection Agency (EPA) is encouraging the use of recycled water. Further, as recycled water is typically available at a lower cost than potable water, it is also a cost factor in site selection. Ms. Atwell asked why the Joint IDA would offer to do the PER. Dr. Hawthorne answered that it would be an asset to Progress Park and that it would enhance our competitive advantage. Chairman DiYorio asked Dr. Hawthorne if he had spoken with our jurisdictions about refocusing the funds. Dr. Hawthorne answered that he had spoken briefly with Cellell Dalton, Wythe County Administrator.

Dr. Hawthorne stated that adding the recycled water line to Progress Park would create value to the park and Wythe County would become a more competitive community for industry. He noted that treated water costs approximately \$2 per 1000 gallons in comparison to perhaps \$1.00 per 1000 gallons for recycled water. He noted that the PER study will show who will contract with the Town of Wytheville to do the recycling. Chairman DiYorio asked if there had been any potential industries who have asked about recycled water. Dr. Hawthorne answered, yes that there had been several projects interested, especially data centers looking for sites with recycled water.

Ms. Atwell asked if the county would consider the recycled water project and if there would be a company hired to do the PER study to show how much the cost would be and what would be needed to complete the project. She also asked if a TICRC application had to be done to do the PER study. Dr. Hawthorne noted that a company would be hired to do the study showing all costs, etc., and that a TICRC application to do such a study was turned down a couple of years ago. The feedback was that we might expect construction funding assistance, but that the locality needed to fund the feasibility study.

Chairman DiYorio asked if there was a motion to allow Dr. Hawthorne to make a proposal to the jurisdictions to rebudget funds from the first portion of the budget year 2011-2012, originally to be used for the associate director position, to fund a Preliminary Engineering Report for recycled water in Progress Park. Mr. Elmore made a motion, seconded by Mr. Patton, to instruct Dr. Hawthorne to make the proposal to the jurisdictions to rebudget funds to cover the cost of a PER for recycled water in Progress Park. With no further questions, the motion passed unanimously.

OTHER

None

NEW BUSINESS

DISCUSSION OF SABBATICAL POLICY

A draft of a potential sabbatical policy was distributed to the Board members prior to the meeting. Several questions regarding the sabbatical policy were discussed including paid time off, unpaid leave, personnel policies, the needs of Dr. Hawthorne's experience and expertise to the authority, retirement or part-time status, etc. The need for and the experience of a new associate director was also discussed. Mr. Patton noted that he would like to think about the information and have further discussion before making a decision regarding the sabbatical policy and other personnel issues. Chairman DiYorio agreed that the matter needed further discussion before a motion was brought before the Board. Ms. Atwell made a motion, seconded by Mr. Patton, to table the discussion to allow for further research and gathering of information and that the subject be added to the January 2012 agenda. With no further questions or discussion, the motion passed unanimously.

INDUSTRY TENURE AWARDS LUNCHEON - FEBRUARY 23, 2012

Dr. Hawthorne stated that the Industry Tenure awards luncheon has been confirmed for February 23, 2012, at 12:00 noon at the Wytheville Meeting Center. He asked the Board members to offer any suggestions they may have regarding a speaker for the luncheon. The Board members were asked to contact the Joint IDA staff with their suggestions.

DRAFT 2012 CALENDAR

The draft 2012 events calendar was distributed to the Board members. Dr. Hawthorne asked the Board if there were any objections to moving the March 22 Board meeting to March 29 due to the VEDP Spring Conference being scheduled on March 22. The Board agreed to change the meeting date to March 29. The Joint IDA staff will update the calendar.

CHRISTMAS OPEN HOUSE

Dr. Hawthorne stated that the Joint IDA has at times in the past held a Christmas Open House event at the Joint IDA office, especially if there are retiring Board members. Chairman DiYorio suggested that, instead of holding a Christmas open house, she would like to hold a luncheon at 1:00 p.m. for the Board members at her home prior to the Board meeting on December 15. She

also suggested that the Board hold a working session immediately following the luncheon. The Board agreed to the luncheon at the Chairman's home with a working session to be scheduled immediately before the regular board meeting that day.

FALL 2011 NEWSLETTER

A draft copy of the Fall 2011 Newsletter was distributed to the Board members. Dr. Hawthorne stated that the newsletter was given to them as a draft because he is waiting on a current aerial photograph from Branch Highways, Inc. of Lot 24 to insert into the article "Lot 24 Project Completes Second Year Grading," before posting it on the Joint IDA website. As soon as the photograph is received the newsletter will be updated and posted on the website. The Board will be notified, via email, once the change has been made.

PROJECT UPDATES

Dr. Hawthorne updated the Board on recent project activity. He noted that there has been interest from a manufacturing and distribution company for a potential project to develop on Lot 10 in Progress Park. Information has been presented to the company and a visit to tour the lot may or may not develop. Chairman DiYorio asked if there were still three active projects. Dr. Hawthorne stated that there were still three active projects going at this time. He will keep the Board informed of any changes in activity as it occurs.

OTHER

WDBJ-7 News Coverage on Lot 24 in Progress Park - Dr. Hawthorne spoke briefly about his interview with Karen Kiley from the WDBJ-7 news station on Wednesday, November 16, regarding the Lot 24 project in Progress Park. Jenna Coleman, Public Information Officer/Grants Coordinator for Wythe County coordinated the interview. He noted that the interview was good coverage for the Lot 24 project with some positive and negative concerns mentioned.

Wytheville economy - Dr. Hawthorne mentioned that Wytheville and Wythe County had been hit hard by the recession, but that most companies in the area have come back to full production. He noted that the only manufacturer lost was AMSCO and that the area had seen some organic growth and has added approximately 800 jobs in the past year or so. He mentioned that the employment growth in Wythe County was greater than that for the Commonwealth of Virginia (see newsletter). Dr. Hawthorne noted that the growth was both internal and external to Wythe County, but as a whole the momentum in growth here was better than in most areas of the Commonwealth.

Group presentations - Dr. Hawthorne noted that he had recently completed presentations to both the Rotary Club and a local HR Professional group. He reminded the Board that if they knew of any groups who would like a presentation from the Joint IDA at one of their meetings to please have them contact the Joint IDA office.

Martin Briley, President and CEO of Virginia Economic Development Partnership - Dr. Hawthorne told the Board about Martin Briley's, President and CEO of the Virginia Economic Development Partnership, visit prior to the Board meeting. Mr. Briley visited various areas in Southwest Virginia including the coalfield area. Tom Elliott, Executive Director of Virginia's aCorridor, coordinated and hosted his visit. Dr. Hawthorne stated that he was enthusiastic about

Mr. Briley's influence in the area and his emphasis on marketing. He feels that Mr. Briley will be a good leader, which is what the organization needs. Chairman DiYorio suggested that the Joint IDA ask Mr. Briley to be the speaker at the upcoming Industry Tenure awards luncheon. The suggestions will be considered further.

ADJOURN

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

Linda DiYorio, Chairman

Attest:

Virginia M. Goodwin, Secretary