

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY

Minutes of Meeting

December 13, 2012

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, December 13, 2012, at 3:00 p.m. in the Conference Room of the Mt. Rogers IDC at 255 George James Drive, Wytheville, Virginia.

MEMBERS PRESENT

Linda DiYorio, Chairman
Carolyn Dankowski
Jennifer Atwell

Tom Jones
Dana Pack
Bill Dixon

MEMBERS ABSENT

Foy Patton

EX-OFFICIO MEMBERS PRESENT

R. Cellell Dalton, Wythe County Administrator

EX-OFFICIO MEMBERS ABSENT

C. Wayne Sutherland, Jr., Wytheville Town Manager
Michael S. James, 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 Mr. Jones led the Pledge of Allegiance.

CITIZENS' TIME

Chairman DiYorio welcomed Cellell Dalton, Wythe County Administrator, Tim Reeves, Wythe County Board of Supervisors member, and introduced William Dixon as the newest member to the Joint IDA Board. Chairman DiYorio 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 25, 2012

Chairman DiYorio asked if there were any corrections, additions, or questions regarding the minutes of the October 25, 2012, meeting and if there was a motion to approve the minutes as presented. Mr. Pack made a motion, seconded by Ms. Dankowski, 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 1, 2012, through December 13, 2012, and if there was a motion to approve the invoices as presented. Dr. Hawthorne stated that the CenturyLink telephone bill was not included because it had not been received as of today and will be paid as soon as it is received. Chairman DiYorio explained the invoices to Mr. Dixon and Mr. Pack asked how often the Mt. Rogers invoice was paid. Dr. Hawthorne responded that it was paid once a quarter. Chairman DiYorio asked if there was any further discussion. There being none, Ms. Dankowski made a motion, seconded by Ms. Atwell, to approve the invoices from November 1, 2012 through December 13, 2012, as presented. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County Check Register For the Period From November 1, 2012 through December 13, 2012

Check #	Date	Payee	Amount
6720	11-26-12	Alan R. Hawthorne	\$ 3,384.62
6721	11-26-12	Kimberly B. Simmons	2,554.74
6722	11-26-12	Virginia M. Goodwin	1,707.76
6723	11-26-12	Appalachian Power	81.74
6724	11-26-12	Alan Hawthorne - Reimbursement	593.24
6725	11-26-12	Anthem Southeast Dental	93.21
6726	11-26-12	Anthem Blue Cross and Blue Shield	1,874.40
6727	11-26-12	Branch Highways, Inc.	578,238.19
6728	11-26-12	CenturyLink	137.77
6729	11-26-12	D&D Trophies	35.00
6730	11-26-12	Kimber Simmons - Reimbursements	66.05
6731	11-26-12	ACS/BNY Mellon HSA	842.00
6732	11-26-12	The Mount Rogers Dev Partnership	7,308.75
6733	11-26-12	Principal Life Insurance Co.	162.41
6734	11-26-12	Robert G. Moore	1,100.00
6735	11-26-12	Robinson, Farmers, Cox, Assoc.	3,298.00
6736	11-26-12	VA Economic Dev. Association	60.00
6737	11-26-12	Virginia Goodwin - Reimbursements	47.42
6738	11-26-12	Xerox	23.00
6739	12-13-12	Alan R. Hawthorne	2,692.74
6740	12-13-12	David L. Elmore	141.52
6741	12-13-12	Kimberly B. Simmons	3,027.87
6742	12-13-12	William M. Dixon	70.76

6743	12-13-12	Carolyn J. Dankowski	212.29
6744	12-13-12	Dana R. Pack	212.29
6745	12-13-12	Foy W. Patton	212.29
6746	12-13-12	Jennifer W. Atwell	212.29
6747	12-13-12	Linda DiYorio	212.29
6748	12-13-12	Tom Jones	212.29
6749	12-13-12	Virginia Goodwin	1,707.76
6750	12-13-12	Appalachian Power	137.37
6751	12-13-12	Alan Hawthorne - Reimbursements	347.54
6752	12-13-12	Anthem Southeast Dental	93.21
6753	12-13-12	Anthem Blue Cross and Blue Shield	1,874.40
6754	12-13-12	Branch Highways, Inc.	314,798.19
6755	12-13-12	ACS/BNY Mellon HSA	841.00
6756	12-13-12	Principal Life Insurance Co.	162.41
6757	12-13-12	Robert G. Moore	1,100.00
6758	12-13-12	Virginia Goodwin - Reimbursements	15.08
6759	12-13-12	Xerox	15.52

Total **\$929,904.41**

OLD BUSINESS

LOT 24 UPDATE AND LOT 30 UPDATE

Dr. Hawthorne updated the Board on the progress of Lots 24 and 30 in Progress Park. Since the Board's field trip to the Lot 24 site in October, major progress had been made on construction of the access road and railroad corridor. Dr. Hawthorne shared a slide presentation of photos taken since the Board's October visit showing the considerable work that had been accomplished in the past six to seven weeks. He added that Branch Highways would be doing an ariel photo shoot and topographic calculations toward the end of December.

CHAMBER DINNER SUMMARY

Chairman DiYorio mentioned that she was appreciative to all of the Board members for their presence at the Wytheville-Wythe-Bland Chamber of Commerce annual dinner. Dr. Hawthorne added that Mid-Atlantic Manufacturing appreciated the Board awarding them the Special Recognition Award for 2012 and that they were proud of the recognition and had shared it with various of their stakeholders. He also noted that the Joint IDA was especially proud of the recognition that Chairman DiYorio received during the dinner and stated that the award was well deserved.

DRAFT 2013 CALENDAR DISCUSSION/APPROVAL

Dr. Hawthorne mentioned that for the past several years the Joint IDA Board usually met in the council chamber of the Rural Retreat Town Hall twice a year, in April and November. Dr. Hawthorne spoke with Mr. Patton, who in turn discussed with Michael James, Rural Retreat

Town Manager, regarding not holding meetings in Rural Retreat in 2013. Mr. Patton stated that Mr. James felt that it would be fine for the Board to hold all of their meetings in Wytheville unless something special occurred that required the Board to meet in Rural Retreat. Chairman DiYorio explained to Mr. Dixon that the holidays on the calendar that shows, “open (partial staff),” means that it is a holiday that is observed and paid as such, but the Joint IDA office is open and partially staffed during those days. Chairman DiYorio asked if there were any further questions regarding the 2013 Calendar and asked if there was a motion to approve the calendar as presented. Mr. Pack made a motion, seconded by Mr. Jones, to approve the calendar as presented, with all regular board meetings being held in the Wytheville Town Council Chamber. With no further discussion, the motion passed unanimously.

OTHER

2011-2012 Annual Audit - Dr. Hawthorne noted that the Board received a letter from the auditors that was inadvertently not placed with the yearly audit booklet that each member received during the October meeting. He also stated that during the October meeting the Board chose to review the audit prior to accepting it during that meeting and stated that the Board would need to approve the audit today if they were finished with their review and had no questions. Chairman DiYorio asked if there were any questions regarding the letter or the audit and asked if there was a motion to approve the 2011-2012 audit as presented. Ms. Dankowski made a motion, seconded by Mr. Pack, to accept the audit as presented. With no further questions, the motion passed unanimously.

Lot in Rural Retreat beside Klöckner - Mr. Pack asked about the status of the property/lot beside Klöckner in Rural Retreat. Dr. Hawthorne stated that he had heard information that the parties investigating a wellness center on the site had determined that it was not practical to move forward with the project at this time. He mentioned that after the connection was made between Klöckner and the parties the Joint IDA was secondary and was now out of any negotiations.

NEW BUSINESS

EXISTING INDUSTRY UPDATE

Associate Director Kimber Simmons gave a presentation and updated the Board on the existing industry activity in the area. Items highlighted during the presentation were safety programs, high technology acknowledgment, hiring, new products, and future expansions. She added that Evatran was awarded the “Innovation and Entrepreneur of the Year” award from the Southwestern Virginia Technology Council during the group’s annual awards banquet in October. Kimber mentioned that Acrylife had also been nominated for the “High Tech in Green Technology” award by the same group.

Other items mentioned by Ms. Simmons were the challenges faced by the industries including uncertainty of the election and the fiscal cliff, as well as the fact that some are still recovering from the recession. She mentioned the fact that the Volvo layoffs and Merilatt’s closing would likely impact employment in Wythe and surrounding counties.

Ms. Simmons added that she has participated in several quarterly meetings of the Wythe Manufacturing Council (WMC) during her employment. The topics of the meetings attended were the Energy Audit and the E3 (Economy, Environment, and Energy) group manual; workforce incentives from the Workforce Investment Board, the Virginia Employment Commission, and the Department of Business Assistance with regards to on-the-job training, grants and how to apply for them, and how to contact each of the representatives of each individual group mentioned; the most recent WMC meeting was focused on drug use within the workforce with Kay Corvin from Klöckner Pentaplast and Dr. Kevin Fox from Wythe County Community Hospital discussing the problems and challenges of drug abuse, particularly prescription drugs, in the workplace in Southwest Virginia.

Also discussed during her presentation was workforce development grants offered by the Virginia Jobs Investment Program. Ms. Simmons noted that as a direct result of a visit that she and Dr. Hawthorne had with one of our local industrial employers, the company received one of the grants.

Ms. Simmons also mentioned that she had attended the Prescription Drug Summit sponsored by the U.S. Attorney's Office for the Western District of Virginia which was held on November 14, 2012, at the Wytheville Meeting Center. There were over 300 attendees at the Summit discussing the problems of prescription drug abuse. The issue was discussed from many perspectives such as law enforcement, education and treatment, and economic development impacts, as well as solutions to the problem. Ms. Atwell asked Ms. Simmons if she had been attending the local group meetings. She stated that she had not, but would like information on the group. Ms. Atwell told her that she would share the information with her.

Dr. Hawthorne mentioned that the Workforce Investment Board (WIB) has a vacancy for a representative from Wythe County and asked that the Board let him know of anyone who may be interested in serving on the Board. He added that the WIB meets bi-monthly in Wytheville.

Ms. Simmons added that an area of concern that she had responded to was a company's requests from their new human resource manager who was asking for information on local demographics, both externally and internally and what was available in Wythe County. She stated that she had been spending some time updating the Virginia Scan and the Joint IDA's website information and that she assisted with the annual Industry Appreciation Golf Tournament.

AEP TRANSMISSION LINE

Dr. Hawthorne stated that the Board received an executive summary package regarding American Electric Power's (AEP) new transmission line prior to the meeting. He noted that the transmission line is a large diameter, high capacity line with the ability to service more than 100 MW projects and that the transmission line project would be a \$100 million investment by AEP. He noted that the project would be a positive factor for Wythe County and Progress Park and that AEP has plans to bring the project online by 2015.

Mr. Dixon asked if AEP had the right-of-way or if there would be any problems with right-of-ways for the project. Dr. Hawthorne added that there would be no unusual problems with the right-of-ways for the project and that it would mostly follow the current natural gas pipe line. Mr.

Dalton, Wythe County Administrator, stated that this line has been recognized as a need on the national level because of the local transmission level for the area. He noted that the line is essential for transmission of power for the southwest and that the chosen route for the project effects the least amount of property owners than any proposed routes.

WIND ENERGY WORKSHOP AND FIELD TRIP

Dr. Hawthorne spoke briefly about the Wind Energy Workshop that he recently attended in Roanoke. He noted that the workshop focused on updated information for wind resources in the area. He mentioned that he also traveled to Beckly, West Virginia, for a field trip to a wind farm along with Celledal Dalton, Wythe County Administrator, Tim Reeves, Wythe County Board of Supervisors member, and Stephen Bear, Assistant Wythe County Administrator. Dr. Hawthorne stated that the wind farm currently has 67 wind turbines and will adding an additional 30 or so in 2013. He added that the project was a \$200 million investment with each turbine producing 1.5 MW of power. He mentioned that the project did not create a great amount of employment when operational, but was a major investment for the area. According to the developer, the wind turbines have the potential to be as cost effective as natural gas. Mr. Dalton stated that while Wythe County has ridge lines, 1,000 feet between each turbine was needed, which makes for expansive ridge lines, which are not available in Wythe County.

Dr. Hawthorne stated that the reason the conversations were started in Wythe County was because the Commonwealth of Virginia was encouraging local governments to put a wind ordinance in place to make the permitting process more predictable for potential developers. He also mentioned that Bland County has had a wind ordinance in place for two or three years and that no developer has expressed interest in that time period. Other counties exploring wind ordinances include Carroll and Grayson. Dr. Hawthorne added that James Madison University (JMU) was asked to pull resources together to help localities with ordinances regarding wind farms. JMU is working with both Tom Elliott, Executive Director of Virginia's aCorridor, and Aric Bopp with the New River Valley Economic Development Alliance to facilitate a meeting with area economic developers and local officials.

ECONOMIC DEVELOPMENT CONSULTANT VISIT

Dr. Hawthorne reported on his meeting with David Denny and Bob Leak, partners in Sanford Holshouser Economic Development Consulting firm with offices located in both Raleigh and Blacksburg.

Dr. Hawthorne took both gentlemen on a tour of Progress Park and Lot 24. They commented that Progress Park was a tremendous asset to the area and would be very successful in due time.

REPORT ON CCAM VISIT AND VA CHAMBER ECONOMIC SUMMIT

Dr. Hawthorne updated the Board on his Commonwealth Center for Advance Manufacturing (CCAM) visit, the Virginia Economic Developers Association (VEDA) Board of Director's meeting, and the Virginia Chamber Economic Summit meeting. Dr. Hawthorne described the CCAM facility and noted that it is located in Prince George County, just south of Richmond and

adjacent to Rolls-Royce's new manufacturing facility. Rolls-Royce is one of the major CCAM industry members. He added that CCAM research is already underway in labs at VSU, UVA, and Virginia Tech. He noted that, even though CCAM was outside the Tobacco Indemnification and Community Revitalization Commission (TICRC) region, the facility was still a good tool for students to gain knowledge, receive an education, and to do research, in surface engineering and advance manufacturing. He noted that the facility was impressive and that he enjoyed the educational visit.

During the Virginia Chamber of Commerce Summit Barry DuVal presented a program which aggressively focused on the economy and economic development. Dr. Hawthorne noted that 2012 would be his final year of serving on the VEDA Board. He has held the positions of Secretary, Treasurer, Vice President, President, and Immediate Past President during his tenure on the VEDA Board. Dr. Hawthorne thanked the Board for supporting him in his service to VEDA.

FALL 2012 NEWSLETTER

Dr. Hawthorne noted that a copy of the 2012 Fall Newsletter was distributed prior to the meeting to each Board member and that it was also available on the Joint IDA website.

FINANCIAL DISCLOSURE STATEMENTS—DUE JANUARY 15, 2013

Chairman DiYorio mentioned that the Board members have in their packet the Financial Disclosure statement for 2013. She asked that each member fill out their form and return it to the Joint IDA staff prior to the January 15, 2013, due date.

NEW TOWN OF WYTHEVILLE APPOINTEE—WILLIAM M. DIXON

Chairman DiYorio again introduced Mr. Dixon and welcomed him as the new appointee for the Town of Wytheville to the Joint IDA Board.

PROJECT UPDATES

There were no project updates at the meeting.

OTHER

Fairview sign - Ms. Atwell mentioned that the Joint IDA staff would need to contact Horizon Healthcare and Gateway to have their names changed on the Fairview Industrial Park sign.

Tenure awards luncheon - Dr. Hawthorne noted that the Tenure Awards Luncheon has been scheduled for Thursday, February 28, beginning at 12:00 noon. He asked for suggestions on a speaker for the luncheon. Dr. Hawthorne suggested that Mike Lemhkueler be invited and then have him do a presentation to the Joint IDA Board, as well as the Wythe County Board of Supervisors and town councils following the luncheon. Another suggestion was Tom Elliott, Executive Director of Virginia's aCorridor. Mr. Dixon asked what the tenure awards luncheon was. Dr. Hawthorne stated that the Tenure Awards started several years ago to recognize the number of years an industry has been in business in Wythe County, Wytheville, and Rural Retreat.

He noted that the awards are given in 5 year increments. The Joint IDA sponsors a luncheon and distributes a plaque to each company expressing the community's appreciation for their contributions. The luncheon and ceremony are usually held at the Wytheville Meeting Center prior to the January or February Board meeting.

Drug summit - Kimber Simmons reiterated and gave additional information on the Prescription Drug Summit sponsored by the U.S. Attorney's Office for the Western District of Virginia which was held on November 14, 2012, at the Wytheville Meeting Center.

Ivanhoe property - Dr. Hawthorne stated that he had received a telephone call from Stephen Bear, Wythe County Assistant Administrator, regarding the Ivanhoe property. He stated that apparently someone has been dumping tires and computer cases on the property. He noted that the Wythe County Sheriff's department is going to setup cameras and will be watching to see if they can find out and apprehend who is dumping the items on the property.

Joint IDA marketing - Dr. Hawthorne spoke briefly about the marketing strategies of the Joint IDA. He noted that most marketing efforts are handled through electronic media and meetings, but passed out a brochure for Progress Park for the Board members and guests to see. The brochure is a tri-fold layout that is available and would be printed on an as need basis.

Joint IDA working sessions - Dr. Hawthorne stated that in previous years the Joint IDA Board would occasionally meet to hold monthly working sessions between regular Board meetings to learn more about a specific topic. No formal action is taken at these working sessions, but recommendations are sometimes taken to the regular meetings for discussion and action. He noted that 2013 would be an opportune time to again conduct a series of working sessions. Chairman DiYorio commented that a conversation regarding working sessions began after a meeting between the Wythe County Joint IDA Board members and the Wythe County Board of Supervisors was held. She stated that questions arose that warranted some more in-depth review of Joint IDA organizational and governance documents. Chairman DiYorio suggested that the Board have monthly working sessions to familiarize themselves in greater detail with the Joint IDA, to learn more about the industrial parks, and to know more specifics about the organization. Mr. Pack stated that he would welcome the working sessions so that he could educate himself as to more specifics of the Joint IDA. Dr. Hawthorne suggested the following working session schedule: (1) January 10 – an informational meeting focusing on the origin and role of the Joint IDA and the history of the county industrial parks; (2) February 7 – a budget work session; (3) March 14 – to begin strategic planning; (4) April 11 – to continue with strategic planning including the Wythe County Board of Supervisors and the Wytheville and Rural Retreat Town Councils. *[Note: It was subsequently determined that the session on industrial parks history would be in March with the strategic planning sessions delayed by one month.]* The Board will re-evaluate the need and schedule for working sessions after these initially scheduled sessions. Ms. Atwell asked what time the meetings would be held. Dr. Hawthorne stated that the meetings would be held in the Joint IDA conference room at 3:00 p.m. Chairman DiYorio stated that she would like to have the best communication possible between the Joint IDA Board, Town of Rural Retreat, Town of Wytheville, and the Wythe County Board of Supervisors. There was no further discussion regarding the working sessions and the Board approved the meeting schedule as presented.

Virginia Department of Transportation (VDOT) 1st Annual Show - Mr. Dalton, Wythe County Administrator stated that VDOT held there 1st Annual Show with presentations done by various contractors around the area. He noted that Branch Highways, Inc., the contractor for Lot 24, gave a presentation and that the main focus of that presentation was Lot 24 in Progress Park. Mr. Dalton mentioned that in October of 2012 VDOT approved funding for improvements to Progress park. VDOT has granted Wythe County \$1 million to begin preliminary work for direct access to Progress Park.

Ex-officio member attendance at Joint IDA Board meetings - Mr. Dalton, Ex-Officio member and Wythe County Administrator stated that he had spoken with the other Ex-Officio members, Wayne Sutherland, Wytheville Town Manager, and Michael James, Rural Retreat Town Manager and they discussed and decided that they would make a more concerted effort to attend the Joint IDA Board meetings in the future.

ADJOURN

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

Linda DiYorio, Chairman

Attest:

Virginia M. Goodwin, Secretary