

MINUTES OF MEETING

The Board of Directors of the Industrial Development Authority of Washington County met pursuant to notice on Wednesday, March 13, 2013, at 3:00 p.m. in the Board Meeting Room #2 of the Washington County Government Building located at 1 Government Center Place, Abingdon, Virginia for the regular monthly board meeting.

PRESENT:

Henry Snodgrass, *Chairman*
John Roberts, *Vice Chairman*
Pat Callebs, *Treasurer*
Saul Hernandez
Larry Hines
Mark Nelson
Randy Woodward

ABSENT:

ALSO PRESENT:

Chris Harman, *SPIG*
Tara Lowe, *SPIG*
Barry Yost, *CTE Supervisor, Washington County Schools*
Fred Parker, *Fiscal Agent for The Highlands*
Sam Kiser, *Thompson and Litton*
Christy Parker, *County Dept. of Economic Development & Community Relations* *Counted present at 3:17 p.m.*
Joe Lyle, *Hale, Lyle and Russell - IDA Legal Counsel*
Suzanne Lay, *IDA Secretary*
Neta Farmer, *IDA Recording Secretary*

CALL TO ORDER

Chairman Snodgrass called the regular March board meeting to order and determined that a quorum was present.

PRESENTATION BY SPIG

Chris Harman showed a video presentation to the IDA Board regarding the SPIG lawsuit. Mr. Harman also answered questions regarding the current operation of SPIG.

READING AND APPROVAL OF MINUTES

A motion was made by Larry Hines and seconded by John Roberts to approve the minutes of the regular meeting held on Wednesday, February 13, 2013, and the recessed meeting held on Saturday, March 2, 2013, as mailed. The vote on the above-mentioned motion was as follows:

(7-0-0)

Snodgrass	Aye	Roberts	Aye	Callebs	Aye
Woodward	Aye	Nelson	Aye	Hernandez	Aye
Hines	Aye				

The hand vote was unanimous.

REVIEW AND APPROVAL OF FINANCIAL REPORT/PAYMENT OF BILLS

• **Highlands Project Report – Fred Parker**

Fred Parker reviewed The Highlands Project report with the Board. Mr. Parker also answered questions regarding his report. A motion was made by Pat Callebs and seconded by John Roberts to accept The Highlands Project report as presented. The vote on the above-mentioned motion was as follows:

(7-0-0)

Snodgrass	Aye	Roberts	Aye	Callebs	Aye
Woodward	Aye	Nelson	Aye	Hernandez	Aye
Hines	Aye				

The hand vote was unanimous.

Mr. Parker also advised the Board of the status of a possible refinancing of the Highlands Project bonds.

• **Updated Financial Report**

Suzanne Lay reviewed the updated financial report with the Board. Mrs. Lay answered questions regarding the updated financial report. The Board discussed this item. A motion was made by Mark Nelson and seconded by Pat Callebs to approve the updated financial report subject to the staff discussing with Jim Fern (IDA CPA) an amendment to the IDA's financial statement setting up a separate true receivable account for the IDA's billed but unpaid invoices to the tenants at the Community Services Building and converting the existing Community Services Building account to a true expense account that would not be reimbursed and/or credited with tenant payments. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Roberts	Aye	Callebs	Aye
Woodward	Aye	Nelson	Aye	Hernandez	Aye
Hines	Aye				

The hand vote was unanimous.

A motion was made by Pat Callebs and seconded by Mark Nelson for the IDA to have Jim Fern set up a receivable account that reflected the activities regarding IDA pre-funded projects showing the true commitments. The vote on the above-mentioned motion was as follows:

(7-0-0)

Snodgrass	Aye	Roberts	Aye	Callebs	Aye
Woodward	Aye	Nelson	Aye	Hernandez	Aye
Hines	Aye				

The hand vote was unanimous.

• **Payment of Bills**

A motion was made by John Roberts and seconded by Larry Hines to pay the following invoices: Fred Parker (Fiscal Agent for The Highlands) - \$750.00; Hale, Lyle & Russell (Professional Services) - \$4,428.00 and Thompson and Litton (Engineering and prospect assistance) - \$1,080.29. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Roberts	Aye	Callebs	Aye
Woodward	Aye	Nelson	Aye	Hernandez	Aye
Hines	Aye				

The hand vote was unanimous.

Finance Committee Meeting

Chairman Snodgrass and Pat Callebs advised the Board of the discussions in the finance committee meeting that was held on Wednesday, March 6, 2013.

REQUEST FROM WASHINGTON COUNTY SCHOOL SYSTEM

Dr. Barry Yost appeared before the Board on behalf of the Washington County School System to discuss a new adult welding training program at the Neff Center and a funding request to the IDA per his March 6, 2013, Memorandum to the Board. Chairman Snodgrass thanked Dr. Yost for attending the IDA board meeting. Dr. Yost discussed the cost and training needs regarding retention and expansion of welding employees based on the pool of available welders in the county. He also discussed the funding needed to purchase equipment for the training program including a plasma cutter and a Mig Welder.

Dr. Yost advised that the School System would purchase the MIG Welder, and asked if the IDA would provide the funding for the School System's purchase of the plasma cutter. The Board discussed this item. A motion was made by Mark Nelson and seconded by Saul Hernandez for the IDA, in order to assist the Washington County School System and Virginia Highlands Community College in establishing a 40-hour welding program, appropriate the sum of \$2,400.00 to the School System for the purchase the plasma cutter. The vote on the above-mentioned motion was as follows: (6-0-1)

Snodgrass	Aye	Roberts	Aye	Callebs	Aye
Nelson	Aye	Hernandez	Aye	Hines	Aye

Randy Woodward abstained. The motion passed.

ATTORNEY'S REPORT – JOE LYLE

~PERFORMANCE AGREEMENTS~

• **INNOVATIVE TECHNOLOGIES**

Legal Counsel reported that the motion is still pending on the default judgment on Innovative Technologies. The Virginia Tobacco Commission has deferred any further action on the repayment of \$60,000.00 until May 2013.

• **COLUMBUS MCKINNON**

Chairman Snodgrass reported on the meeting with the plant manager of Columbus McKinnon. Chairman Snodgrass also stated that everyone that attended the meeting came back with a more positive outlook on the capital investment requirements that still needed to be resolved to meet the Virginia Tobacco Commission as well as confirmation of employee number requirements.

• **APPALACHIAN CAST PRODUCTS**

Legal counsel reported that the IDA had submitted the drawdown request to the Tobacco Commission for disbursement of the Tobacco Commission grant.

• **AGC FLAT GLASS**

Legal Counsel reported that the IDA was still waiting for AGC Flat Glass to submit to the Commissioner of Revenue the company's 2012 machinery and tools investment report.

• **CLEAN ENERGY R & D**

Legal Counsel discussed the proposed Clean Energy R&D performance agreement presented to the Board and advised that the agreement was being presented to the Board of Supervisors for approval. The facility is being built at Exit 7 behind Mellow Mushroom, and should be completed in the Fall of 2013. A motion was made by Saul Hernandez and seconded by Mark Nelson to approve the proposed performance agreement subject to the Board of Supervisors approving the agreement, and subsequent to Board of Supervisors approval to authorize Chairman Snodgrass to sign the performance agreement on behalf of the IDA. The vote on the above mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Roberts	Aye	Callebs	Aye
Woodward	Aye	Nelson	Aye	Hernandez	Aye
Hines	Aye				

The hand vote was unanimous.

OAK PARK SEWER AGREEMENT WITH WCSA

Legal counsel reported that he met with Robbie Cornett, WCSA General Manager, to discuss and review revisions to the proposed Oak Park Sewer Agreement, and advised that they are to schedule a meeting involving the chairmen and legal counsel of both boards to finalize the agreement for presentation to and approval by both boards.

COMMUNITY SERVICES BUILDING

• **Architectural Services**

Chairman Snodgrass reported that that the architectural services had been secured. Charlie Day is currently working on the project. The Board discussed this item.

• **Update on Janitorial Services**

Chairman Snodgrass reported that the County was working on a contract for a handyman/maintenance position for the Community Services Building.

• **Renaming CSB Building**

Chairman Snodgrass reported that he was still waiting on bids from Bristol Sign and Jerry's Signs for renaming CSB Building.

OAK PARK PHASE III & IV/ ACCESS ROAD PROJECT

• **SIGN FOR ENTRANCE AT OAK PARK**

The Board discussed the sign for the entrance at Oak Park. Christy Parker suggested that the Park Committee meet to discuss options for the sign and to obtain bids from sign companies.

• **TVA GRANT**

Chairman Snodgrass advised the Board that TVA, by letter dated March 4, 2013, had approved a grant in the amount of \$19,000.00 for construction of the Oak Park entrance sign. Chairman Snodgrass also advised that TVA found that the demolition of the abandoned house was not eligible for grant funding.

• **SINKHOLE REPORT**

Chairman Snodgrass reported that work had commenced on the sinkhole. Sam Kiser reported that the contractor finished the excavation but needed better weather to fill in and around the sinkhole with concrete.

• **PLANNING RETREAT - March 2, 2013**

Chairman Snodgrass commented that the Planning Retreat was very successful and that he was very pleased with what the Board accomplished. He thanked Christy Parker for making the

recommendation and arrangements for Liz Povar and Hugh Keogh to facilitate the Planning Retreat. He also stated the challenges would be moving forward with the recommendations and in select what the Board could use to move forward with the recommendations. The Board discussed this item.

UPDATE ON MOVING TO ELECTRONIC FORMAT

Randy Woodward gave a short screen presentation on the IDA's updated web pages. Mr. Woodward also showed the Board how to access their new IDA email addresses. More information will be uploaded on the site soon.

Christy Parker gave a short screen presentation on the Washington County's economic development web pages. Ms. Parker also discussed new and updated material that will be included on the website.

It was the consensus of the Board to invite Tom Elliott, Executive Director of the A-Corridor, to give a presentation at a future board meeting on how his organization works to help attract industrial prospects and assists with the County's economic development.

FTZ REPORT

Chairman Snodgrass reported on the meeting with the New River Foreign Trade Zone. The Board discussed this item. A motion was made by Larry Hines and seconded by Mark Nelson for the IDA to join the New River Foreign Trade Zone for a one-time fee of \$500.00. It was the consensus of the Board to follow-up with a letter to the Tri-Cities Foreign Trade Zone stating that the IDA had joined the New River Foreign Trade Zone and would consider being a member of the Tri-Cities Foreign Trade Zone after the IDA received pertinent information by May 30th.

The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Roberts	Aye	Callebs	Aye
Woodward	Aye	Nelson	Aye	Hernandez	Aye
Hines	Aye				

The hand vote was unanimous.

CHAIRMAN'S REPORT HENRY SNODGRASS

Chairman Snodgrass advised that he would be attending the next Board of Supervisors meeting to ask that they reconsider the IDA budget request of \$49,924.00. The Board discussed this item.

REQUEST FOR CLOSED MEETING

A motion was made by Randy Woodward and seconded by John Roberts to convene in closed session pursuant to Virginia Code §§ 2-2-3711(A)(5) and (A)(6) to discuss prospective businesses or industries interested in locating, and existing businesses or industries interested in expanding, in Washington County where no previous announcement has been made of the prospective and existing businesses' or industries' interest in locating or expanding in Washington County and to discuss and/or consider the investment of public funds associates

with the potential location or expansion of such businesses or industries where bargaining is involved, and where, if made public initially, the financial interest of the IDA would be adversely affected and also pursuant to Virginia Code § 2.2-3711(A)(7) of the Code of Virginia, for consultation with legal counsel pertaining to probable litigation relative to storm water discharge and to the drainage easement at Oak Park. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Roberts	Aye	Callebs	Aye
Woodward	Aye	Nelson	Aye	Hernandez	Aye
Hines	Aye				

The hand vote was unanimous.

Chairman Snodgrass asked the following persons to remain in closed session with the IDA Board members: IDA Counsel - Joe Lyle; Sam Kiser; and County Department of Economic Development & Community Relations - Christy Parker

Following the motion the Board convened in closed session, and following the closed session, a motion was made by Randy Woodward and seconded by Pat Callebs, to approve the following resolution,

WHEREAS, the Industrial Development Authority of Washington County has convened in closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Industrial Development Authority of Washington County that such closed meeting was conducted in conformity of Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Industrial Development Authority of Washington County hereby certifies that, to the best of each member's knowledge, (i) only public business matters were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion of convening the closed meeting were heard, discussed or considered by the Industrial Development Authority of Washington County.

The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Roberts	Aye	Callebs	Aye
Woodward	Aye	Nelson	Aye	Hernandez	Aye
Hines	Aye				

The hand vote was unanimous.

ADJOURNMENT

A motion was made by Mark Nelson and seconded by Saul Hernandez to adjourn the regular March board meeting. The meeting was adjourned at 7:25 p.m. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Roberts	Aye	Callebs	Aye
Woodward	Aye	Nelson	Aye	Hernandez	Aye
Hines	Aye				

The hand vote was unanimous.