



New River Valley Commerce Park Participation Committee

6580 Valley Center Drive, Suite 124

Radford, VA 24141

DATE: November 2, 2011

Bland County

Lacy (Nick) Asbury

Craig County

Jay Polen

Giles County

Chris McKlarney

Montgomery County

Craig Meadows

Pulaski County

Peter M. Huber

Roanoke County

Jill Loope

City of Radford

Tim Cox

City of Roanoke

Brian Townsend

Town of Dublin

Doug Irvin

Town of Pearisburg

Kenneth F. Vittum

Town of Pulaski

Morgan Welker

Executive Committee:

Basil Edwards, Chair

City of Radford

Chris McKlarney, Vice-Chair

Giles County

Shawn Utt,

Secretary-Treasurer

Pulaski County

Jay Polen

Craig County

Brian Hamilton

Montgomery County

TO: NRV Commerce Park Participation Committee
FROM: Joe Morgan
SUBJECT: Wednesday, November 9, Noon, Meeting Agenda

A meeting of the New River Valley Commerce Park Participation Committee will be held on **Wednesday, November 9**, at **noon** in the New River Room, Competitiveness Center, 6580 Valley Center Drive, Radford, VA 24141 in the New River Industrial Park of Pulaski County. Lunch will be provided.

Please mark your calendar and contact us on your plans for attendance.

- 1. Roll Call and Approval of Agenda**
- 2. Public Comment**
- 3. Strategic Plan Presentation by Leak & Goforth consultants**
- 4. Approval of the April 13 and August 10, 2011 meetings minutes (attached pages 5 - 16)**
- 5. Administrative Staff Report (attached pages 2 - 4)**
 - a) Program of Work Update (attached pages 17 - 18)**
 - b) Water & Sewer Expansion Update from Regional Planner Christy Straight**
 - c) Building Collaborative Communities Grant Acceptance**
 - d) Timing Real Estate Broker & Transaction Manager Engagement**
 - e) Small Purchase Policy Adoption**
 - f) Financial Report for 1st Quarter FY 2011-12 (attached pages 19 -23)**
 - g) Update on Surplus Property Disposition (attached pages 24 - 27):**
 - i. MAI Appraisal Engagement for Any Parcel Title Transfer**
 - ii. Expanded Listing with Woltz and Associates**
 - iii. Land Swap Potential for Rail and Electric Transmission Right of Way**
 - iv. New Dublin Presbyterian Church Buffer Transfer Without Lender Deed of Trust Release (attached page 28)**
 - v. Connection of Rental Double-wide Home to Dublin Town Water**
 - vi. Repair or Demolition of Vacant Single Wide Mobile Home**
 - vii. Multi-Year Agricultural Lease**
 - viii. Boundary Fence Upgrade Cost Sharing with Neighboring Property Owner(s)**
- 6. Other Old Business**
 - h) Member Withdrawal or Passive Status Terms (attached pages 29 - 30):**
 - i) Other**
- 6. New Business**
 - a) NRV Economic Development Alliance Marketing Report**
 - b) other**
- 7. Closed Session (if needed)**
- 8. Other Business**
- 9. Adjournment – Immediately Followed by VA1st Authority Special Meeting for any Required Action Related to the Commerce Park**

Next scheduled Commerce Park meeting: Wed., February 8 or Wed., April 9, 2012

Next VA1st annual meeting: Wed., August 18, 2012



New River Valley Commerce Park Participation Committee

6580 Valley Center Drive, Suite 124

Radford, VA 24141

DATE: November 3, 2011

Bland County

Lacy (Nick) Asbury

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TO: NRV Commerce Park Participation Committee
FROM: Joe Morgan
SUBJECT: Wednesday, November 9, Noon, Meeting Staff Report

Information and recommendations on the agenda items are:

- 1. Roll Call and Approval of Agenda** - We will rely on each member government to designate its representative(s) for determining the quorum of six of the eleven members. Votes will be recorded by member shares.
- 2. Public Comment** – No opportunity for comment has been requested to date.
- 3. Strategic Plan Presentation by Leak & Goforth Consultants** – Bob Leak, Bob Goforth, Jim Bruce & David Denny will give a presentation of about 30 minutes on the final draft plan. Due to size, the draft final report is available on the NRV PDC website <ftp://ftp.nrvpdc.org/>. Enter the following user name and password whenever prompted: . username - pdcdropbox / password - NRVpdc-4 . Then follow the instructions on the screen. The file name is NRVC P Report Final Draft.zip . To download, click on the file. In the Windows Explorer, select and copy the files you want and paste them into your destination folder on your desktop. The plan recommendation for a focused marketing effort should complement the Building Collaborative Communities grant awarded by Governor McDonnell. It is recommended the Executive Committee members be authorized to initiate the strategic plan recommendation utilizing Commerce Park available funds, along with a reimbursement request to the full VA1st Authority for those portions of the plan that have a regional benefit for all VA1st members.
- 4. Approval of the April 13 and August 10, 2011 meetings minutes (attached pages 5 - 16)**
- 5. Administrative Staff Report**
 - a) Program of Work Update (attached pages 17 - 18)** The current status for those items from the program of work adopted for 2009-2011 which still need emphasis is attached. I plan to present a new program of work for 2012-2014 in conjunction with the current overall Commerce Park strategic planning.
 - b) Water & Sewer Expansion Update from Regional Planner Christy Straight** Christy can give an overview of the construction completion timing through 2012.
 - c) Building Collaborative Communities Grant Acceptance** – As you were notified in October, Governor McDonnell awarded \$30,000 for Commerce Park revitalization. A grant planning meeting with NRV Economic Development Alliance Prospect Committee members and other key parties is scheduled for 10:30 AM prior to the Participation Committee meeting. Chris Thompson, Virginia Department of Housing and Community Development plans to lead the meeting, accompanied by John Loftis, Virginia Economic Development Partnership, and a representative of the Virginia Community College System. I understand the \$30,000 grant will be targeted for Commerce Park marketing and re-branding, since the grant is less than the \$50,000 requested. The grant requires a match, that is available from Commerce Park undesignated funds, as well as in-kind match from both Norfolk Southern for rail access update and for grant administration by staff. Acceptance of the grant is requested, with authorization to coordinate grant activities with strategic planning recommendations from Leak & Goforth. I invited Mr. Thompson and Mr. Loftis to attend the strategic planning report scheduled earlier on this agenda.

- d) **Timing Real Estate Broker & Transaction Manager Engagement** - Proposals for real estate services were received in March from three offerors: Poe & Cronk, Thalhimer, and Waldvogel, all of Roanoke. Selection of a broker has been delayed pending outcome of the strategic planning
- e) **Small Purchase Policy Adoption** – Approval of a policy to allow small purchases at the maximum levels allowed by the Code of Virginia Section 2.2-4303 is requested.
- f) **Financial Report for 1st Quarter FY 2011-12 (attached pages 19 - 23):** The 2010-2011 fiscal year ended with a cash balance of just over \$1 million, of which about 30% were VA1st funds. Of the 70% Commerce Park funds, about one-half million dollars was in required and optional debt service reserves. After current year budgeted expenses, carrying over \$44,000 for strategic planning and acknowledging that the FY12 Giles County payment was received prior to the beginning of the current fiscal year, I understand about \$100,000 of Commerce Park funds were available and undesignated.
- g) **Update on Surplus Property Disposition (attached pages 24 - 27):** A general review of the current status of surplus property is presented in the attachment. Recommendations regarding surplus property are:
 - i. **MAI Appraisal Engagement for Any Parcel Title Transfer** – Engage an appraiser for ongoing service related to transfer of title and lot release from deed of trust restrictions for both surplus and industrial parcels.
 - ii. **Expanded Listing with Woltz and Associates** – The previously approved listing renewal should be expanded to include lease or purchase of additional land adjacent to the Mebane house.
 - iii. **Land Swap Potential for Rail and Electric Transmission Right of Way** – Alternatives that would be mutually beneficial to neighboring property should be developed.
 - iv. **New Dublin Presbyterian Church Buffer Transfer Without Lender Deed of Trust Release (attached page 28)**– At the request of the Church, the attorney for the Commerce Park has prepared documents that will allow transfer even though Rural Development has not responded to the title transfer request submitted October 26, 2011.
 - v. **Connection of Rental Double-Wide Home to Dublin Town Water** – Ratification of the municipal water connection underway is requested.
 - vi. **Repair or Demolition of Vacant Single-Wide Mobile Home** – Evaluation of repair versus demolition is recommended prior to attempting to seek a new tenant.
 - vii. **Multi-Year Agricultural Lease** – Pending confirmation of any additional lease or sale of property adjacent to the Mebane home, changing the agricultural leases from annual to renewal to a five year rolling renewal should be considered to allow farm renters to better plan investment in fertilization, fencing and other land stewardship improvements.
 - viii. **Boundary Fence Upgrade Cost Sharing with Neighboring Property Owner(s)** – Ratification of an offer to invest up to \$1,500 in the fence upgrade with neighbor Tom Compton is requested.

6. Other Old Business

- a) **Member Withdrawal or Passive Status Terms (attached pages 29 - 30):** – I have suggested members wishing to withdraw be permitted if they pay off their share of the current indebtedness for the Commerce Park. I have also suggested that withdrawing members retain their equity in the Commerce Park, in return for the advance payment of indebtedness increasing the available cash for current operations. At the April Commerce Park Participation Committee meeting, options were discussed for withdrawing members to have their equity reduced by the accumulated operating cost of the Commerce Park over time. Currently members pay \$2.75 per year per share for the Commerce Park. Debt service takes \$2.38 per share (86%), leaving \$0.37 per share for operation (14%). The future value of the current annual payment and the outstanding debt per share, based on 5% annual increase for 30 years, is \$183 and \$158, respectively. The debt per share as of the end of FY 2010 was \$35.06 per share. Options discussed for reduction in equity for withdrawing members, include: 86% of active members value per share; reduction to 50% over 30 years (1.67% reduction per year); or reduction by 14% per year to deplete equity value in seven years. **Attached page 29** shows calculations of the debt service total and annual payments for each of the eleven members. Also **attached page 30** shows buy-out costs and reduced equity calculation for each member under the three reduced equity options. Any

full membership withdrawal will require consent of the lenders. On August 18, Travis Jackson of RD recommended withdrawing members pay a substantial amount of the ongoing debt service expense, not just the outstanding principal. So, I understand he favors a buyout in the \$158 to \$183 per share that reflects the future value of the share expense. If lender consent is not forthcoming, an alternate could be passive status that would excuse passive members from meeting participation and holding the payout per share in reserve to be used in the interim, but replaced by the remaining members as needed to meet debt service obligations. All of this hypothetical analysis is presented to foster discussion and planning that will meet the varying needs and desires of the eleven Commerce Park member governments.

b) Other

6. New Business

a) NRV Economic Development Alliance Marketing Report

b) other

7. Closed Session (if needed)

8. Other Business

9. Adjournment – Immediately Followed by VA1st Authority Special Meeting for any Required Action Related to the Commerce Park (Small Purchase Policy, Church Buffer Title Transfer and Woltz Listing Expansion approvals anticipated)

Next scheduled Commerce Park meeting: Wed., February 8 or Wed., April 9, 2012

Next VA1st annual meeting: Wed., August 18, 2012

Virginia's FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
New River Valley Commerce Park Participation Committee
Meeting Minutes – April 13, 2010

1. Roll Call and Approval of Agenda

A meeting of the New River Valley Commerce Park Participation Committee was held on Wednesday, April 13 at 12:00 pm at the River Course in Fairlawn. Mr. Edwards, chairman, called the New River Valley Commerce Park Participation Committee meeting to order. Roll call by member jurisdiction was taken and a quorum determined with the following nine of the eleven member governments represented: Bland, Craig, Montgomery, Pulaski, and Roanoke counties, City of Radford, and Dublin, Pearisburg and Pulaski towns. Giles County and the City of Roanoke were not represented.

2. Public Comment

No comment was made.

3. Approval of the November 10, 2010 meeting minutes

Motion: Mr. Asbury moved the committee approve the minutes. Mr. Meadows seconded the motion.

Action: The motion passed unanimously, with 79.55% in the affirmative, 0.0% opposed, 0.0% abstaining and 20.45% absent (Giles County, City of Roanoke).

4. Administrative Staff Report

a. Commerce Park Update Slide Presentation

A slide presentation prepared for the March quarterly meeting of the NRV Economic Development Alliance was presented for information. Mr. Morgan reviewed the key next steps regarding the Commerce Park: strategic planning for the next decade; electric transmission extension; rail access feasibility; real estate broker procurement; and long term administration.

Mr. Morgan also touched on the development history of the New River Industrial Park/River Pointe/Heron's Landing. Mr. Huber stated the County is seeing a return on a \$1.2 million investment of \$600,000 in annual tax revenue. Mr. Morgan also reviewed the committee's annual investment in the NRV Commerce Park. The slide presentation will be made available on the Virginia's First website.

b. Quarterly Program of Work Update

Mr. Morgan submitted the Program of Work progress report which is included in the minutes of this meeting.

c. Water & Sewer Expansion Update from Regional Planner Christy Straight

Ms. Straight reported construction is underway and progressing on schedule. To date, the project is 20% complete with six of the nine contracts in construction.

d. Former Tenant Ronnie Lester Warrant in Debt Hearing, April 13

Ms. Straight attended the court session with counsel on April 13 and reported the outcome. Ronnie Lester did appear in court and judge awarded judgment in amount of back rent, penalty fees, and electric bills owing. Mr. Lester will be contacting Mr. Morgan to arrange a payment plan.

5. Other Old Business

a. Update on Surplus Property Disposition:

i. Additional Combined Hunting & Residential Lessee

Commonwealth Birding has shown an interest in future uses of both the buffer zone conservation acreage and the Mebane house. It may be possible to include this guided hunting service as a sub-lease of the agricultural leases of Guthrie Farms and Dalton Farms. Also, the Mebane house might be made available to Commonwealth Birding, in return for improvements needed to convert the Mebane house to a rustic lodge, with a first right of refusal pending sale to a long term owner, by either sales contract or auction. Aric Bopp hosted a visit with Demas Boudreaux who lives in Boones Mill. They also have operation in Amelia County similar in approach to what they are considering in Pulaski County. For more information on Commonwealth Birding see www.commonwealthbirding.com.

ii. Rural Development Perspective on Lot Release Requirements and Positive Appraised Value to Loan Principal Ratio

Mr. Morgan met with Rural Development (RD) Wytheville staff member Kathy Alley on February 23. The RD Letters of Conditions for the 2002 and 2005 bond issues required a positive market value to loan principal ration (above water) at closing. Kathy Alley has told him that RD understands that positive ratio (above water) requirement is ongoing. Since green-field industrial property has little market value without an industrial tenant and is often offered at low or no cost as an incentive to prospects, the “above water” requirement interpretation does not seem logical.

The following language from the October 24, 2001, RD Bond Issue Resolution seems to favor a less restrictive lot release approach: *“Neither the Project nor any integral part thereof shall be sold except in accordance with the Deed of Trust; provided, however, that the Authority may grant easements, rights of way, licenses or permits across, over or under parts of the Project for streets, roads and any utilities whatsoever as will not adversely affect the use of the Project, and may lease all or any portion of the Project on such terms as the Authority in its discretion may decide.”* The Deed of Trust language seems to allow sale if an acceptable fair market value appraisal is obtained, the lots are released within a year of the appraisal, and the appraisal value is applied to the outstanding principal.

Mr. Morgan also met with Webster Day and Sands Anderson, past bond issue counsel, and their opinion is the committee has the right to lease or sell any property (with appraisal price applied to principal). RD’s position states there is loan principal ratio on proceeds and that they have a say-so on any lease executed. Mr. Morgan suggested the Participation Committee take the case to the state RD office through an actual transaction -- the church sale would be an example issue to work out any issues before a major tenant is negotiated.

The next step appears to be to confer with RD officials at the Richmond and national level to obtain a workable lot release procedure.

Motion: Mr. Meadows moved the committee authorize staff to pursue, with counsel, relief from the current restrictive lot release requirements of RD to resolve lot release issue. Mr. Asbury seconded the motion.

Action: The motion passed unanimously, with 79.55% in the affirmative, 0.0% opposed, 0.0% abstaining and 20.45% absent (Giles County, City of Roanoke).

b. Additional Shares for Water & Sewer Expansion Reserve

The spreadsheets included in the minutes of this meeting shows the allocation of 6,409 additional Commerce Park shares, as well as the distribution or reserve status of the Virginia's First members excess dues approved on January 12, 2011. Confirmation of the additional shares allocation is requested.

Motion: Mr. Irvin moved the committee confirm additional shares allocation. Mr. Cox seconded the motion.

Action: The motion passed unanimously, with 79.55% in the affirmative, 0.0% opposed, 0.0% abstaining and 20.45% absent (Giles County, City of Roanoke).

c. Review of Strategic Planning Proposals

An informal review committee meeting was held on Tuesday, April 12 to make recommendations for a short list. The group reviewed and prepared a recommendation for the committee: a subcommittee consisting of, but not limited to, Mr. Chittum, Mr. Utt, Mr. Hamilton, Mr. Bopp, Mr. Edwards, and Mr. Morgan prepare a ranking and determine a shortlist. They anticipate awarding a contract for strategic planning in July with report completion in November. Funding will come from the current budget of \$30,000 and potentially some unspent funds. It's recommended authorizing engagement in this fiscal year and payment in the next. Mr. Welker expressed some concern with proceeding – what if the committee completes the plan and then a strong prospect comes up that doesn't fit? Mr. Edwards stated his view that there is value in doing the plan while funds are available as it will gives guideline to follow versus scatter-shot marketing. The plan will confirm park's position against competition, for next decade (or if the project needs to proceed) to address marketing and posture of the site. Mr. Morgan and Edwards each stated in turn that plan does not preclude any industry tenant, but provides a view of park's position in market.

Proposals received from four offerors have been sent to those who indicated a willingness to serve on a review committee. The offerors are Moran, Stahl & Boyer (Lakewood Ranch, Florida); Leak / Goforth, LLC (Raleigh, NC); Sanford / Holshouser (Raleigh, NC); and Urbanomics (Ponte Vedra Beach, Florida).

Mr. Morgan requested a committee be appointed to interview the top proposers and be authorized to negotiate terms of engagement with the top ranked proposer.

Motion: Mr. Irvin moved the committee to proceed with strategic planning and real estate procurement. Mr. Vittum seconded the motion.

Action: The motion passed unanimously, with 79.55% in the affirmative, 0.0% opposed, 0.0% abstaining and 20.45% absent (Giles County, City of Roanoke).

d. Review of Real Estate Broker & Transaction Manager Proposals

Proposals for real estate services were also received from three offerors and sent to the informal review committee. The offerors are Poe & Cronk, Thalhimer, and Waldvogel, all of Roanoke. Full copies of the proposals were made available online for committee members. These proposals were also scheduled for review at the times mentioned above. The real estate procurement may be dependent on the outcome of strategic planning.

e. Member Withdrawal or Passive Status Terms

Mr. Morgan suggested members wishing to withdraw be permitted if they pay off their share of the current indebtedness for the Commerce Park. He has also suggested that withdrawing members retain their equity in the Commerce Park, in return for the advance payment of indebtedness increasing the available cash for current operations. At the January VA1st meeting, it was suggested withdrawing members have their equity reduced by the accumulated operating cost of the Commerce Park over time.

Currently members pay \$2.75 per year per share for the Commerce Park. Debt service takes \$2.38 per share (86%), leaving \$0.37 per share for operation (14%). The future value of the current annual payment and the outstanding debt per share, based on 5% annual increase for 30 years, is \$183 and \$158, respectively. The debt per share at the end of FY 2010 was \$35.06 per share. Options for reduction in equity for withdrawing members, include: 86% of active members value per share; reduction to 50% over 30 years (1.67% reduction per year); or reduction by 14% per year to deplete equity value in seven years.

Any full membership withdrawal will require consent of the lenders. If lender consent is not forthcoming, an alternate could be passive status that would excuse passive members from meeting participation and holding the payout of \$35.06 per share in reserve to be used in the interim, but replaced by the remaining members as needed to meet debt service obligations.

Should the Commerce Park Participation Committee, as a whole, wish to set some withdrawal parameters, it may be helpful to those members, such as Craig and Roanoke counties, that have expressed interest in withdrawal. Members interested in withdrawal would bring their proposal forward to the board.

Mr. Flora asked to see the financial models describing the debt scenarios above for Craig's consideration in developing a proposal to withdraw. Mr. Edwards asked if this will be under consideration at the August meeting and Mr. Morgan suggested this would be a continuing item for discussion.

6. New Business

a. NRV Economic Development Alliance Marketing Report

Mr. Bopp did not attend. A prospect, a distribution facility, visited last week with the assistance of Ralph Williams (Thalhimer). One prospect visited both Commerce Park and Shae Dawn Park.

b. Commerce Park Administration

i. Memorandum of Understanding with Planning District

NRV Planning District Executive Director Kevin Byrd and Mr. Morgan reviewed the basic time and expense incurred by the PDC over the last two fiscal years in service to the Commerce Park. That analysis shows an average of \$6,500 per year for service to VA1st and \$15,000 for service to the Commerce Park. The Commerce Park service is about half of that budgeted.

Based on that review, Mr. Morgan and Mr. Byrd have submitted a memorandum of understanding for PDC services in the upcoming fiscal year for the committee to consider (included in the minutes of this meeting). The MOU provides for PDC support activities for most activities (but does not include all costs -- i.e., if prospect visits). The proposed fee is \$25,000 – \$18,000 for Commerce Park services and \$7,000 for Virginia’s First services.

Motion: Mr. Cox moved the committee accept the MOU with the PDC. Mr. Asbury seconded the motion.

Action: The motion passed unanimously, with 79.55% in the affirmative, 0.0% opposed, 0.0% abstaining and 20.45% absent (Giles County, City of Roanoke).

ii. Reduced Basic Executive Director Services

Mr. Morgan’s engagement as a consulting executive director ends in July 2011, as noted in the engagement agreement included in the minutes of this meeting. Mr. Morgan is available for continued service, but at a reduced level. He currently serves a minimum of 40 hours per month, but averages over 50 hours, with the excess time being at his expense. Compensation has not exceeded \$2,000 per month or \$24,000 per year. Commerce Park duties average 32.5 hours monthly, about two-thirds of total service to VA1st & the Commerce Park. If his continued consulting with the Commerce Park is desired, he suggests a minimum of 30 hours monthly, not to exceed \$1,500 per month or \$18,000 annually, with 20 hours monthly (240 hours annually at \$12,000) budgeted by the Commerce Park and 10 hours monthly (120 hours annually at \$6,000) budgeted by VA1st.

Motion: Mr. Meadows moved the committee confirm the proposal for reduced basic executive director services. Mr. Cox seconded the motion.

Action: The motion passed unanimously, with 79.55% in the affirmative, 0.0% opposed, 0.0% abstaining and 20.45% absent (Giles County, City of Roanoke).

c. FY 12 Budget Proposal and Adoption

Adoption of the proposed budget for FY 2012 (included in the minutes of this meeting) is recommended so it can be included with the VA1st budget due for adoption on July 13. Costs for water monitoring removed for next year, reduced insurance, reduced administrative costs.

Mr. Meadows asked why office space was removed from the budget. Mr. Morgan indicated this cost would now be part of the PDC’s lump sum fee in the MOU.

Motion: Mr. Irvin moved the committee adopt the FY2012 budget. Mr. Welker seconded the motion.

Action: The motion passed unanimously, with 79.55% in the affirmative, 0.0% opposed, 0.0% abstaining and 20.45% absent (Giles County, City of Roanoke).

d. Comprehensive Economic Development Strategy Projects

The PDC is now working on the updated CEDS and submitting to EDA in May. They accept new projects once a year. A letter describing two projects for US Department of Commerce Economic Development Administration (EDA) grant funding as part of the New River Valley Comprehensive Economic Development Strategy (CEDS) is included in the minutes of this meeting. One project would seek funding for electric transmission line extension to the Commerce Park. The second project would seek matching funding for New River Resource Authority landfill methane gas to energy conversion to be located at the Commerce Park.

Motion: Mr. Welker moved the committee submit the two projects for the regional CEDS plan. Mr. Huber seconded the motion.

Action: The motion passed unanimously, with 79.55% in the affirmative, 0.0% opposed, 0.0% abstaining and 20.45% absent (Giles County, City of Roanoke).

e. Insurance Renewal Acceptance

The renewal by VACORP for an annual premium of \$1,633 is slightly less than the current year. The premium has been split with \$500 charged to VA1st and \$1,133 charged to the Commerce Park. The renewal information is included in the minutes of this meeting.

Motion: Mr. Meadows moved the committee accept the insurance renewal. Mr. Asbury seconded the motion.

Action: The motion passed unanimously, with 77.77% in the affirmative, 0.0% opposed, 6.80% abstaining (Roanoke County) and 15.43% absent (Giles County, City of Roanoke). Mr. Flora abstained because he sits on the VACO RFP board.

f. Commerce Park Water Tank Bolting Ceremony – July 11 – August 5

The Pulaski County Public Service Authority has suggested the recognition of the water and sewer expansion for the Commerce Park focus on the new 1 million gallon water storage tank. The tank erection is planned for July 11 to August 5.

Suggestions on the best date for the ceremony are requested. A ceremony before or after the Wednesday, July 13 VA1st annual meeting, scheduled for 4:30 PM might be most convenient.

Mr. McCollum indicated the contractor has scheduled to begin constructing the tank on July 11 and finishing construction August 5. Mr. Morgan asked if contractor will be on time which Mr. McCollum said is likely but not certain. Mr. Morgan asked the committee if combining the committee meeting with the bolt ceremony would be the better option. Consensus was combining the meeting and ceremony would be best, holding the committee meeting at the airport. Mr. Morgan asked the engineers to ask the contractor if a bolting ceremony on August 10 will work for their construction schedule.

7. Closed Session

No closed session was held.

8. Other Business

No other business was brought before the committee.

9. Adjournment

With no further business to discuss the meeting was adjourned at 1:20 pm. The next meeting will be scheduled and announced after consultation with contractor on most likely date for tank bolting, likely August 3 or 10 in conjunction with a ground breaking ceremony for the water and sewer expansion construction.

The next VA1st semi-annual meeting will be Wednesday, July 13, 2011 at 4:30 PM.

Respectfully Submitted,

Approved by,

Joseph N. Morgan, Executive Director

Shawn Utt, Secretary / Treasurer

**New River Valley Commerce Park
Participation Committee
Attendance**

April 13, 2011
New River Valley Competitiveness Center
Radford, VA

Jurisdiction	Member	Alternate
Bland County	(x) Nick Asbury	() Eric Workman
Craig County	(x) Jay Polen	
Giles County	() Chris McKlarney	() Richard McCoy
Montgomery	(x) Craig Meadows	() Brian Hamilton
Pulaski County	(x) Peter Huber	() Shawn Utt
Roanoke County	() Douglas Chittum	(x) Richard Flora
City of Radford	(x) Tim Cox	(x) Basil Edwards
City of Roanoke	() Brian Townsend	() Bill Bestpitch
Town of Dublin	(x) Doug Irvin	() Bill Parker
Town of Pearisburg	(x) Ken Vittum	() Brad Jones
Town of Pulaski	(x) Morgan Welker	() John Hawley

Member is designated by locality representatives. Alternate is the other appointed member.

Others Present:

Rick DiSalvo, Gary McCollum, Janet Flory

Staff Present: Joe Morgan, Kevin Byrd, Christy Straight

Virginia=s FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
New River Valley Commerce Park Participation Committee
Meeting Minutes
August 10, 2011

1) Meeting Convened and Quorum Determined

A regular meeting of the New River Valley Commerce Park Participation Committee was held on Wednesday, August 10, 2011 at 12:30 PM following the Water Tank Bolting Ceremony at the Commerce Park water tank site off of Route 100 north of Dublin, in Pulaski County. Chair Basil Edwards called the meeting to order and a quorum was determined present, as indicated by the attendance listing at the end of these minutes.

2) Approval of Staff Report and Grant of Easement for Broadband Fiber Installation

The Committee received the staff report dated August 3, 2010 and was briefed on the need to grant an easement for the installation of broadband fiber as a part of the New River Valley Wireless initiative to improve regional broadband infrastructure.

Motion: Mr. Parker moved to request the Virginia’s First Regional Industrial Development Authority Board of Directors adopt the following easements, with the requirement that there be a minimum of three feet separation between the fiber optic cables installed in this easement and any other utility appurtenance installed in the overall easement corridor, as well as that the cable installed contain metallic components to aid with detecting location. Mr. McKlarney seconded the motion.

Action: The motion passed without objection, with 84.56% in the affirmative, 0% opposed, 0% abstaining and 15.44% absent, as noted in the following vote tally.

Locality	CP PC Representative	NRV Commerce Park PC shares	NRV Commerce Park PC % of shares	Yes	No	Abstain	Absent
Bland County	none	2,827	1.81%				1.81%
Craig County	Jay Polen	2,125	1.36%	1.36%			
Giles County	Chris McKlarney	21,310	13.62%	13.62%			
Montgomery County	Charles Jewell	20,310	12.98%	12.98%			
Pulaski County	Peter Huber	66,517	42.53%	42.53%			
Roanoke County	none	10,638	6.80%				6.80%
City of Radford	Basil Edwards	9,139	5.84%	5.84%			
City of Roanoke	none	10,682	6.83%				6.83%
Town of Dublin	Bill Parker	2,079	1.33%	1.33%			
Town of Pearisburg	Ken Vittum	2,827	1.81%	1.81%			
Town of Pulaski	Morgan Welker	7,955	5.09%	5.09%			
Total NRV CP shares		156,409	100%	84.56%	0.00%	0.00%	15.44%

Tax ID# 37-1-1

TO: EASEMENT

CITIZENS TELEPHONE CO-OPERATIVE, INC.

THIS EASEMENT is entered into this 10th day of August 2011 by and between **Virginia's First Regional Industrial Facilities Authority**, Hereinafter styled "Grantor(s)", and Citizens Telephone Co-operative, Inc., hereinafter styled Grantee.

WITNESSETH:

That for and in consideration of the sum of ONE DOLLAR (\$1.00) and other good valuable consideration, the receipt of which is hereby acknowledged, I/We hereby grant and convey unto Grantee, its successors and assigns, an easement and right to bury, place and/or maintain lines, equipment and/or systems, including necessary fixtures upon and over the property described herein in perpetuity, which Grantor(s) own(s) in the County of Pulaski, State of Virginia and more specifically described as follows:

Install buried fiber optic cable within and existing water line easement across that certain parcel herein identified and located in the New River Valley Commerce Park. The fiber facility will be placed with 3 feet separation from the other existing utilities with the easement corridor. Attached map (Exhibit "A") shows route detail.

Grantee, its successors and assigns, shall have the right to come onto the property to inspect and maintain its lines, systems and equipment.

Tax ID# 36-5-3

TO: EASEMENT

CITIZENS TELEPHONE CO-OPERATIVE, INC.

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3) **Adjournment - The next scheduled Commerce Park meeting is to be held on Wednesday, November 9, 2011, at noon at the New River Valley Competitiveness Center. Without objection the meeting was adjourned.**

Respectfully Submitted,

Approved by,

Joseph N. Morgan, Executive Director

Shawn Utt, Secretary / Treasurer

**New River Valley Commerce Park
Participation Committee
Attendance**

August 10, 2011
New River Valley Commerce Park
Dublin, VA

Jurisdiction	Member	Alternate
Bland County	<input type="checkbox"/> Nick Asbury <input type="checkbox"/> Henry M. Blessing	<input type="checkbox"/> Eric Workman
Craig County	<input checked="" type="checkbox"/> Jay Polen	
Giles County	<input checked="" type="checkbox"/> Chris McKlarney	<input type="checkbox"/> Richard McCoy
Montgomery	<input type="checkbox"/> Craig Meadows	<input type="checkbox"/> Brian Hamilton <input checked="" type="checkbox"/> Charles Jewell
Pulaski County	<input checked="" type="checkbox"/> Peter Huber	<input checked="" type="checkbox"/> Shawn Utt
Roanoke County	<input type="checkbox"/>	<input type="checkbox"/> Jill Loope
City of Radford	<input checked="" type="checkbox"/> Tim Cox	<input checked="" type="checkbox"/> Basil Edwards
City of Roanoke	<input type="checkbox"/> Brian Townsend	<input type="checkbox"/> Bill Bestpitch
Town of Dublin	<input checked="" type="checkbox"/> Doug Irvin	<input checked="" type="checkbox"/> Bill Parker
Town of Pearisburg	<input checked="" type="checkbox"/> Ken Vittum	<input type="checkbox"/> Brad Jones
Town of Pulaski	<input checked="" type="checkbox"/> Morgan Welker	<input type="checkbox"/> John Hawley <input checked="" type="checkbox"/> John White

Others Present: Various Attendees at the Commerce Park Water Tank Bolting Ceremony

Staff Present: Joe Morgan, Christy Straight

Virginia First Regional Industrial Facility Authority - Program of Work 2009-2011

Items Remaining from Plan
Adopted 4-08-09

		<u>TASK</u>	<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
PARTICIPATION COMMITTEES					
Commerce Park					
<u>PLANNING</u>					
Site Development Strategic Planning	Include overall site needs as part of VA 1st mission regional planning to serve all 15 member governments and Commerce Park specific enhancements within Commerce Park planning	Leak & Goforth, LLC engaged to present draft plan by November 2011, with possible review by other consultants and coordination with Building Collaborative Communities assistance from VA DHCD	Nov-11	Morgan	
Assessment of Rail Access Practicality	Study alternative of rail transfer options, including cooperation with RAAP Dublin site. High cost of rail access lowers credibility of marketing efforts if represented as a rail accessible site	Rail ROW acquisition being studied - Use of RAAP New River Works (Dublin) Site for rail trans-load dependent on securing major customer - NS agreed to update rail access feasibility and layout	2011	Morgan	
Inventory of large acreage sites in Virginia and the southeast	Develop data base for use in workforce and site strategic planning	Completed for Virginia - Southeast inventory incomplete and deferred to strategic planning study	2011	Morgan	
Frequency	Initial 2 year cycle of review and re-adoption	Coordinate with Site Development Strategic Planning & consider 10 year interval	2012	Morgan	
<u>FINANCE</u>					
Debt Restructuring	Water and sewer infrastructure upgrade financing and interest rate changes warrant refinancing consideration	Consider moving to municipal moral obligation status and/or self financing versus property secured	2012	Morgan	
Raising Capital	Seek new capital investment, from both public and private sources	Ongoing	2009-11	Morgan	
Surplus Land Disposal	List Mebane Home area with Woltz & Associates as approved in concept in July 2008 - Consider auction sale when second six months listing expires	Re-listing with Woltz & Associates approved, with New Dublin Church buffer reservation, alternatives for more acreage and future auction - dependent on lender endorsement	2012	Morgan	
<u>INVESTORS</u>					
Public Sector	Develop plan for optional additional investment by current or new member localities	For review in 2011 after membership changes confirmed	2011-12	Morgan	
Private Sector	Develop marketing plan for non-voting shares to finance further site development and infrastructure	For review in 2011 after membership changes confirmed	2011-12	Morgan	
<u>MARKETING</u>					
VEDP Right Now Sites	Follow up to determine if Commerce Park is feasible for listing as a Megasite, Heavy Industrial Site or Business Industrial Park Site	Updated VEDP Research and Marketing Leaders on 2/5/09 - Commerce Park confirmation as a mega-site needed	2011	Morgan	
Presentation Mapping	Coordinate update with engineering consultants	Updates may be needed to reflect current planning	2011	Morgan	
Targeted Industries Selection	Define targeted industries in coordination with strategic planning	Current recommendations include plastics, solar equipment production, major distribution centers, medical equipment, micro-electronics, public sector security and cyber-security equipment - Targets need updating with NRVED Alliance targets and with workforce compatibility plus site strategic planning	2011	Morgan	

Virginia First Regional Industrial Facility Authority - Program of Work 2009-2011

Items Remaining from Plan
Adopted 4-08-09

		<u>TASK</u>	<u>CURRENT STATUS</u>	<u>TIMING</u>	<u>STAFF ASSIGNED</u>
PARTICIPATION COMMITTEES					
Commerce Park (Continued)					
<u>SITE MAINTENANCE</u>					
Agricultural / Residential Leases	Renew under current terms due to uncertainty on infrastructure extension, surplus property disposal, Project Neemo siting and multiple site layouts	2 residential and 3 farm leases in place subject to annual renewal options, with multi-year renewal & crop loss adjustments recommended - Some in-kind services made in lieu of rent - assignment of farm leases to Mebane House purchaser considered		2009-2011	Morgan
Signage	Coordinate complimentary signage as park layout develops	New entranced signage installed in 2008 - hand trimming around signs need procuring		2011-12	Morgan
Beautification	Seek cooperation of neighboring properties on eyesore removal / screening, as well as coordination with NRV Airport and / or local governments	NRV Airport and Pulaski County are assisting - neighboring property owners to be contacted		2011-13	Morgan
<u>SITE DEVELOPMENT</u>					
Electric Service Upgrade / Substation Location	AEP completed transmission and service upgrade study in 2008 - Coordinate options for upgrade with City of Radford Electric Service and seek financing	option review underway - transmission line easement to be sought		2009-12	Morgan

	VA First	Commerce Park	Total	Total Funds (Inc. RD Reserve)
6/30/11 Available Balance	\$ 289,647.76	\$ 449,258.78	\$ 738,906.54	\$ 981,450.54
Income 1st Qtr				
Dues/Shares	\$ 50,000.00	\$ 356,649.00		
Leases		\$ 1,000.00		
Interest	\$ 1,517.71	\$ 1,517.69		
Misc		\$ -		
Add'l Shares - W/S Expansion		\$ -		
Total Income	\$ 51,517.71	\$ 359,166.69		
Expense 1st Qtr				
Admin Contracted	\$ 3,117.12	\$ 4,219.81		
Admin Exp	\$ 839.25	\$ 1,029.12		
Contractual Service		\$ 2,837.80		
Debt Service		\$ 30,774.00		
Participation Committee		\$ 1,131.26		
Professional	\$ 984.33	\$ 2,099.33		
Site Maintenance		\$ 1,405.64		
Revenue Refund	\$ -			
Total Expense	\$ 4,940.70	\$ 43,496.96		
9-30-11 Available Balance	\$ 336,224.77	\$ 764,928.51	\$ 1,101,153.28	\$ 1,343,697.28
			9/30/11 ledger balance	\$ 1,376,878.28

Difference is Rural Development Required Reserve of \$242,544

difference is deferred revenue \$ 33,181.00

	\$ 449,258.78	Prior Qtr AB
	\$ 764,928.51	1st Qtr AB
	\$ (256,365.00)	designated for W/S expansion
to date 9/30/11	✓ 508,563.51	1st Qtr AB
	\$ 192,893.78	Prior Qtr after W/S set aside
	\$ 315,669.73	QB Adjustment to AB

Virginia's First Regional Industrial Facility Authority
Balance Sheet
 As of September 30, 2011

	Sep 30, 11
ASSETS	
Current Assets	
Checking/Savings	
Money Market Sweep Account	
Commerce Pk Available Balance	508,563.51 ✓
RD Loan Reserve	242,544.00
Water/Sewer Expansion Reserve	256,365.00
Money Market Sweep Account - Other	369,405.77
Total Money Market Sweep Account	1,376,878.28
Total Checking/Savings	1,376,878.28
Total Current Assets	1,376,878.28
Fixed Assets	
Buildings/Structures-Commerce P	
Accum. Depreciation - Buildings	-185,125.00
Buildings/Structures-Commerce P - Other	410,000.00
Total Buildings/Structures-Commerce P	224,875.00
Equipment/Machinery-Commerce Pk	
Accum. Depreciation - Equipment	-30,345.00
Equipment/Machinery-Commerce Pk - Other	43,350.00
Total Equipment/Machinery-Commerce Pk	13,005.00
Total Fixed Assets	237,880.00
Other Assets	
Inventory Held for Resale-CP	8,282,671.00
Total Other Assets	8,282,671.00
TOTAL ASSETS	9,897,429.28
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Deferred Revenue	33,181.00
Interest Payable-Commerce Park	56,858.00
Total Other Current Liabilities	90,039.00
Total Current Liabilities	90,039.00
Long Term Liabilities	
Long Term Debt-Commerce Park	
Rural Development #1- 03/19/42	1,945,183.00
Rural Development #2 - 03/02/45	2,191,271.00
Stellar One - 02/01/24	1,123,030.00
Total Long Term Debt-Commerce Park	5,259,484.00
Total Long Term Liabilities	5,259,484.00
Total Liabilities	5,349,523.00
Equity	
Opening Balance Equity	0.02
Retained Earnings	4,185,659.52
Net Income	362,246.74
Total Equity	4,547,906.28
TOTAL LIABILITIES & EQUITY	9,897,429.28

VA 1st

Virginia's First Regional Industrial Facility Authority
Combined Profit & Loss Budget vs. Actual
 July 2011 through June 2012

This report includes activity through 10/13/11

	Jul '11 - Jun 12	Budget	\$ Over Budget
Income			
Commerce Park Income			
Interest Income - Commerce Park	1,517.69	5,000.00	-3,482.31
Lease Income - Commerce Park			
Dalton - 400 Acres	0.00	4,065.25	-4,065.25
Flory - 100 Acres	0.00	2,541.50	-2,541.50
Guthrie - 300 Acres	0.00	3,200.25	-3,200.25
Residence - Double Wide	1,000.00	6,000.00	-5,000.00
Total Lease Income - Commerce Park	1,000.00	15,807.00	-14,807.00
Shares - Commerce Park			
Shares - Bland County	5,900.00	5,900.00	0.00
Shares - City of Radford	23,258.00	23,258.00	0.00
Shares - City of Roanoke	27,500.00	27,500.00	0.00
Shares - Craig County	5,844.00	5,844.00	0.00
Shares - Giles County	0.00	55,851.00	-55,851.00
Shares - Montgomery County	55,851.00	55,851.00	0.00
Shares - Pulaski County	180,172.00	180,172.00	0.00
Shares - Roanoke County	29,255.00	29,255.00	0.00
Shares - Town of Dublin	2,968.00	2,968.00	0.00
Shares - Town of Pearisburg	5,900.00	5,900.00	0.00
Shares - Town of Pulaski	20,001.00	20,001.00	0.00
Total Shares - Commerce Park	356,649.00	412,500.00	-55,851.00
Total Commerce Park Income	359,166.69	433,307.00	-74,140.31
Virginia First's Income			
Interest Income - VA First	1,517.71	5,000.00	-3,482.29
Member Dues - VA First			
Dues - Bland County	5,000.00	5,000.00	0.00
Dues - City of Radford	0.00	5,000.00	0.00
Dues - City of Roanoke	0.00	5,000.00	-5,000.00
Dues - City of Salem	0.00	5,000.00	-5,000.00
Dues - Craig County	5,000.00	5,000.00	0.00
Dues - Giles County	0.00	5,000.00	-5,000.00
Dues - Montgomery County	5,000.00	5,000.00	0.00
Dues - Pulaski County	5,000.00	5,000.00	0.00
Dues - Roanoke County	5,000.00	5,000.00	0.00
Dues - Town of Christiansburg	5,000.00	5,000.00	0.00
Dues - Town of Dublin	5,000.00	5,000.00	0.00
Dues - Town of Narrows	0.00	5,000.00	-5,000.00
Dues - Town of Pearisburg	5,000.00	5,000.00	0.00
Dues - Town of Pulaski	5,000.00	5,000.00	0.00
Dues - Wythe County	0.00	5,000.00	-5,000.00
Total Member Dues - VA First	50,000.00	75,000.00	-25,000.00

Paid in June

Paid from Excess Funds

Paid on Withdrawal

Paid in June

Paid on Withdrawal

Virginia's First Regional Industrial Facility Authority
Combined Profit & Loss Budget vs. Actual
 July 2011 through June 2012

This report includes activity through 10/13/11

	Jul '11 - Jun 12	Budget	\$ Over Budget
Total Virginia First's Income	51,517.71	80,000.00	-28,482.29
Total Income	410,684.40	513,307.00	-102,622.60
Gross Profit	410,684.40	513,307.00	-102,622.60
Expense			
Commerce Park Expenses			
Administration Contracted - CP			
Contracted Management	1,000.00	12,000.00	-11,000.00
PDC Staff Services	3,219.81	18,000.00	-14,780.19
Total Administration Contracted - CP	4,219.81	30,000.00	-25,780.19
Administration Expenses			
Advertising/Media	0.00	500.00	-500.00
Copies/Printing	17.72	400.00	-382.28
Miscellaneous			
Bank Fees	261.87		
Miscellaneous - Other	25.87		
Total Miscellaneous	287.74		
Office Space	220.00		
Office Supplies	173.32	400.00	-226.68
Postage	4.28	352.00	-347.72
Telecommunications	266.54	2,400.00	-2,133.46
Transportation/Travel Per Diem	172.73	2,400.00	-2,227.27
Total Administration Expenses	1,142.33	6,452.00	-5,309.67
Contractual Service-Commerce Pk	2,837.80		
Debt Service-Commerce Park			
Rural Development #1 - 03/19/42	0.00	119,448.00	-119,448.00
Rural Development #2 - 03/02/45	41,032.00	123,096.00	-82,064.00
Stellar One - 02/01/24	0.00	113,764.00	-113,764.00
Total Debt Service-Commerce Park	41,032.00	356,308.00	-315,276.00
Participation Committee-Comm Pk	1,131.26	1,500.00	-368.74
Professional Services-Comm Pk			
Audit Fee	0.00	1,600.00	-1,600.00
Engineering	1,500.00		
Legal	599.33	2,000.00	-1,400.67
Other Professional Fees	0.00	1,000.00	-1,000.00
Total Professional Services-Comm Pk	2,099.33	4,600.00	-2,500.67
Site Maintenance-Commerce Park			
Environmental	385.00		
Equipment Maintenance	0.00	1,000.00	-1,000.00
Insurance			

12:57 PM
 10/13/11
 Cash Basis

Virginia's First Regional Industrial Facility Authority
Combined Profit & Loss Budget vs. Actual
 July 2011 through June 2012

This report includes
 activity through 10/13/11

	Jul '11 - Jun 12	Budget	\$ Over Budget
Equipment/Machinery	0.00	275.00	-275.00
Liability	0.00	175.00	-175.00
Property	0.00	750.00	-750.00
Total Insurance	0.00	1,200.00	-1,200.00
Materials/Supplies	895.71	1,000.00	-104.29
Miscellaneous	0.00	3,000.00	-3,000.00
Utilities	124.93	600.00	-475.07
Total Site Maintenance-Commerce Park	1,405.64	6,800.00	-5,394.36
Total Commerce Park Expenses	53,868.17	405,660.00	-351,791.83
Virginia's First Expenses			
Administration Contracted -VF			
Contracted Management	2,000.00	6,000.00	-4,000.00
PDC Staff Services	1,117.12	7,000.00	-5,882.88
Total Administration Contracted -VF	3,117.12	13,000.00	-9,882.88
Administration Expenses - VA1st			
Copies/Printing	0.72	400.00	-399.28
Insurance - Public Officials	0.00	550.00	-550.00
Miscellaneous			
Bank Fees	261.88		
Other	60.86		
Miscellaneous - Other	0.00	500.00	-500.00
Total Miscellaneous	322.74	500.00	-177.26
Office Space	55.00		
Office Supplies	173.31	100.00	73.31
Postage	1.02	352.00	-350.98
Telecommunications	279.62	50.00	229.62
Transportation/Travel Per Diem	120.05	2,400.00	-2,279.95
Total Administration Expenses - VA1st	952.46	4,352.00	-3,399.54
Professional Services- VA First			
Audit Fee	0.00	2,100.00	-2,100.00
Legal	984.33	4,000.00	-3,015.67
Total Professional Services- VA First	984.33	6,100.00	-5,115.67
Total Virginia's First Expenses	5,053.91	23,452.00	-18,398.09
Total Expense	58,922.08	429,112.00	-370,189.92
Net Income	351,762.32	84,195.00	267,567.32

Current Status of Commerce Park Surplus Property Disposal:

On August 18, 2011, Rural Development Regional Director Travis Jackson confirmed that the Commerce Park parcels may be sold, as long as the current appraised value is paid to the lenders toward reducing the outstanding loans' principal.

The appraised value is to be determined by an appraiser with MAI credentials. The appraisal must be completed no earlier than a year prior to the sale. There is no current appraisal of the surplus property. The main undeveloped acreage of the Commerce Park was appraised in 2009 by Miller, Long & Associates, Inc.

Mr. Jackson confirmed that if auctioned, the surplus property appraised value would be due to the lenders, regardless of whether the auction yielded less than the appraised value.

Mr. Jackson also confirmed that parcels from the Commerce Park acreage may be leased. Rural Development (RD) must consent to the lease, but the consent is expected to be routinely approved.

We understand that Stellar One Bank will concur with any lot release or lease decisions of Rural Development, as long as they do not jeopardize the 90% loan guaranty from RD for the Stellar One loan, which has a current principal of about \$1 million.

To compare sale versus lease benefits, the following general estimates are:

- \$100,000 of principal reduction reduces the loans' term by about:
 - RD – 2002 Revenue Bond – 16 months to 30 years
 - RD – 2005 Revenue Bond – 18 months to 32 years
 - Stellar One – 2002 Loan – 5 months to 12 years
- \$100,000 of leased value could equal \$5,480 annual revenue for as many as 35 years, with title to the property transferring after the existing loans are paid off. This assumption is based on an average interest rate of 4.5% per year, which matches that paid to the current lenders.

Surplus Residential Property Status:

- Historic Mebane House – The large dwelling has been vacant for seven years and is deteriorating.
- Single Wide Manufactured Home – The single-wide to be vacated by Steve Crocket this fall. The home is expected to need extensive renovation before it is viable as more than a caretaker's dwelling for the Mebane house in lieu of rent.
- Double Wide Manufactured Home – The double wide is currently rented for \$500 per month. Bacteria present in the water system may cause the current tenant to vacate and

limits the home rental potential. Remedies to the bacteria will offset any near term rental revenue. Renewal of the current lease for 2012 is not recommended, except on a month to month basis to allow flexibility for selling. The double wide current rent of \$500 per month can probably be expected to yield \$4,000 per year, after allowing \$2,000 per year for ongoing maintenance.

Status of Other Property Adjacent to Mebane House:

It may improve the sale prospects of the Mebane house if other surrounding property can be available. Guthrie Farms leases 300 acres adjacent, so shown on the ***attached*** rental property map. Approximately 100 acres of that rented is not suitable for industrial development and will remain in a conservation buffer. All or a portion of that buffer might be leased or sold, as long as the required 300 foot buffer is maintained around the developed Commerce Park core. Mr. Tom Pifer owns about 40 acres due south of the Mebane house. A mobile home is located on the Pifer land directly in front of the Mebane house. The mobile home is owned and occupied by a retired employee of Mr. Pifer. Mr. Pifer has allowed the mobile home to be located on an informal life time rights basis. Mr. Pifer has indicated a willingness to discuss sale or swap of his parcel.

Potential Swap of Other Surplus Property within Buffer:

Excess buffer acreage beyond the minimum 300 feet buffer of the developable industrial land within the Commerce Park might be used to obtain needed right of way for rail and electric transmission line extension from Route 11 north to the Commerce Park. Areas with potential for swapping may be:

- adjacent to the Skyview subdivision along the New Dublin Church Road,
- north of Jewel Avenue outside the Town of Dublin along the extension of Jewell Avenue to 5C Road,
- north west of Rhuebush Road, and
- adjacent to the Highland Park subdivision.

Spring Fed Water System Status:

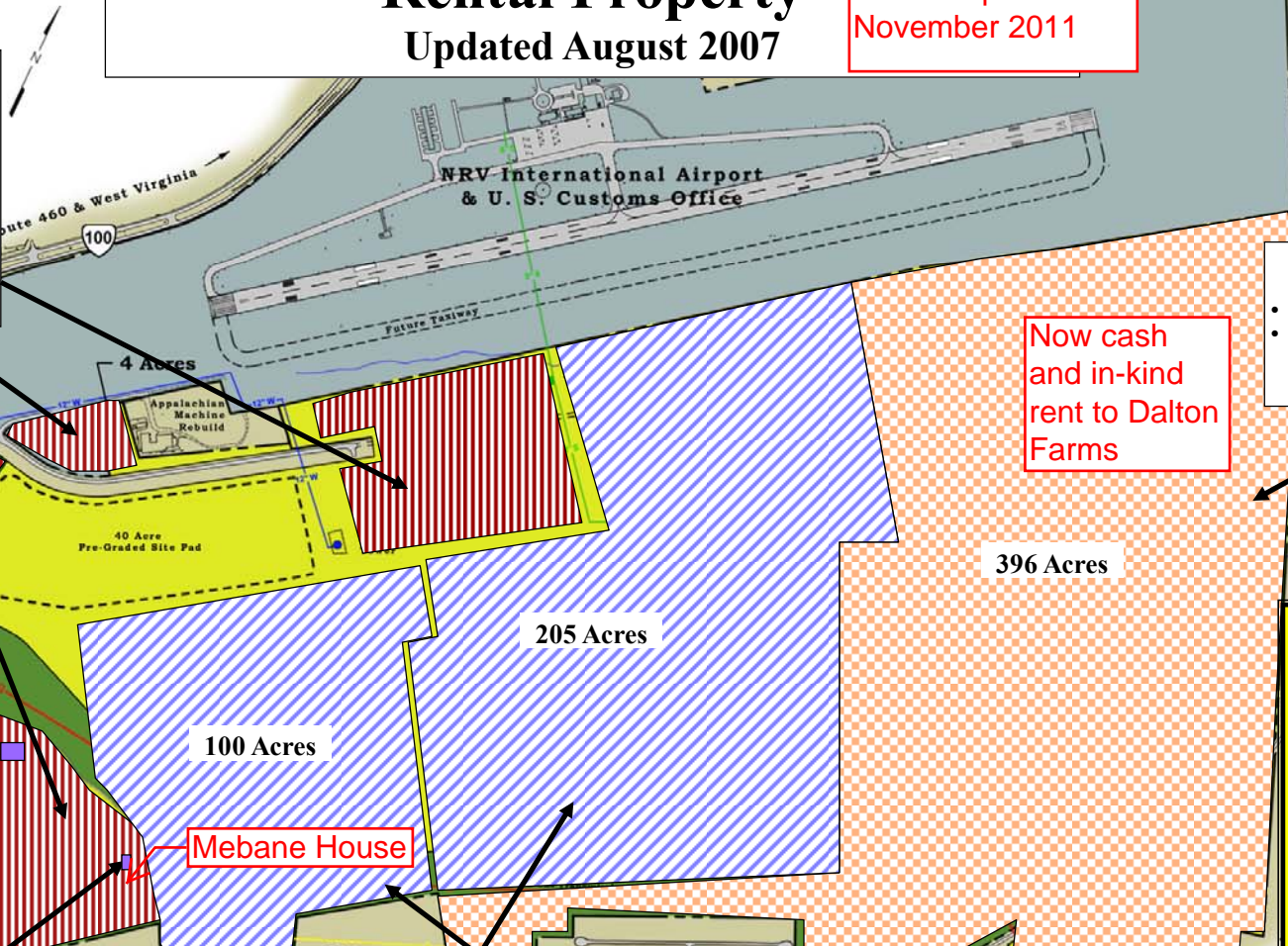
Long term, consideration should be given to the value of the spring system to either the sale or continued rental of the three dwellings. The system is described in a separate document, titled Description of Spring System for the 5395 5C Road, Dublin, VA 24084 Location. The spring system has some bacteria contamination, which will require disinfection. An alternative to the disinfection is extension of water service from the Town of Dublin water main located on the Commerce Park property near the adjacent New Dublin Presbyterian Church property. That extension of about 1,000 feet is underway, as noted on the ***attached*** sketch.



New River Valley Commerce Park Rental Property Updated August 2007

Further updated -
November 2011

- Approximate 100 Acres Total**
- 43 Acres previously owned by Pulaski County Industrial Development Authority
 - 30 Acres behind the Mebane House
 - 5 Acres adjacent to Appalachian Machine Rebuild
 - 22 Acres of green space adjacent to 40-acre pad
 - Presently leased to Dale Flory
 - \$2,500 per year.
 - 3.2% escalation clause in lease



- 396 Acres**
- Leased to Edwina Dalton
 - No charge till March 2010 as part of original purchase agreement.

Now cash and in-kind rent to Dalton Farms

396 Acres

- 1994 Double Wide:**
- 3 bedroom, 2.5 bathrooms
 - 1904 square feet
 - Rented to Ronnie Lester
 - \$415 per month
 - 3.2% escalation clause in lease
 - Provision in lease to keep an eye on the property and report anything suspicious

- Late 1960's early 1970's Mobile Home:**
- Rented to Steven Crockett
 - \$210 per month
 - 3.2% escalation clause in lease
 - Provision in lease to keep an eye on the property and report anything suspicious
- Vacant**

- 100 Acre & 205 Acre**
- Bids were accepted October 2003 for leases
 - Current lease with Joe Guthrie
 - 100 acres leased annually at \$4,500—\$3,000 cash and up to \$1,500 can be credited towards property improvements (ex. Herbicides, fertilizers, lime) not including those required for farming.
 - 205 acres leased annually at \$3,000—\$1,500 cash and up to \$1,500 can be credited with in-kind work and investment in the property.
 - 3.2% escalation clause in lease
 - Lessee gets two cuts on the 40-acre graded pad and adjacent 20-acres at no cost.

Adjacent Pifer Property

Rents have increased based on inflation

- Rental Property Summary**
- Four separate leases
 - Annual leases
 - Lease terms end June 30, 2008
 - Each lease has a 30-day notice clause should property be needed for industrial development.
 - Lessee provide proof of insurance coverage.
 - Total value of all leases is \$17,500 annually
 - Up to \$4,720 annually may be credited from lessees maintenance and improvements to the property (receipts and verification required.)

VIRGINIA STATE PLANE
COORDINATE SYSTEM
SOUTH ZONE
GRID NORTH

One, 1 inch line to be connected to existing water line from spring system serving double wide home. Remaining two, one inch lines to be reserved for future use.

Approximate route of three, one inch water lines to serve Commerce Park residences - one line to be active and two in reserve for future use
line length estimated at 750 feet

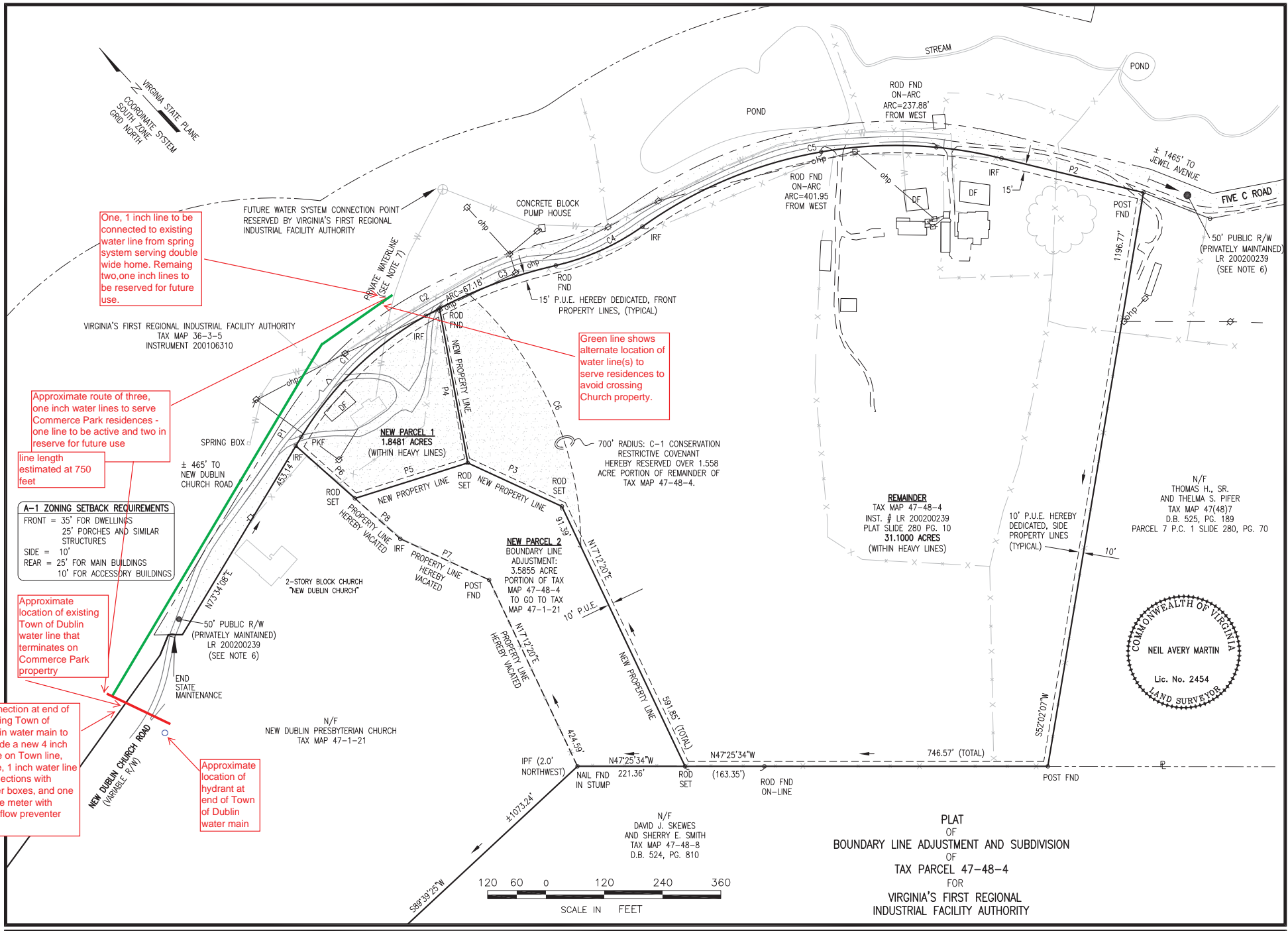
A-1 ZONING SETBACK REQUIREMENTS
FRONT = 35' FOR DWELLINGS
25' PORCHES AND SIMILAR STRUCTURES
SIDE = 10'
REAR = 25' FOR MAIN BUILDINGS
10' FOR ACCESSORY BUILDINGS

Approximate location of existing Town of Dublin water line that terminates on Commerce Park property

Connection at end of existing Town of Dublin water main to include a new 4 inch valve on Town line, three, 1 inch water line connections with meter boxes, and one active meter with backflow preventer

Approximate location of hydrant at end of Town of Dublin water main

Green line shows alternate location of water line(s) to serve residences to avoid crossing Church property.



REMAINDER
TAX MAP 47-48-4
INST. # LR 200200239
PLAT SLIDE 280 PG. 10
31.1000 ACRES
(WITHIN HEAVY LINES)



PLAT
OF
BOUNDARY LINE ADJUSTMENT AND SUBDIVISION
OF
TAX PARCEL 47-48-4
FOR
VIRGINIA'S FIRST REGIONAL
INDUSTRIAL FACILITY AUTHORITY

ANDERSON & ASSOCIATES, INC.
Professional Design Services
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Blacksburg, Va. 24060
540-652-5592

DATE : 19 JUL 10	REVISIONS:
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QA / QC : CBK	

CLOYD MAGISTERIAL DISTRICT
PULASKI COUNTY, VIRGINIA

DOCUMENT NO. 27838004
SHEET 2
OF 2

Bowman, Lowell / 7/19/2010 6:02 PM / u:\27\278338\27838_survey\drawings\27838_01_subdivision_and_bldg\27838004.dwg

RECEIVED
OCT 13 2011
NRVPDC

**NEW DUBLIN PRESBYTERIAN CHURCH
5331 NEW DUBLIN CHURCH ROAD
DUBLIN, VA 24084
540-674-4167**

October 11, 2011

Mr. Joe Morgan, Executive Director
Virginia's First Regional Industrial Facility
6580 Valley Center Drive, Suite 124
Radford, VA 24141

Dear Joe :

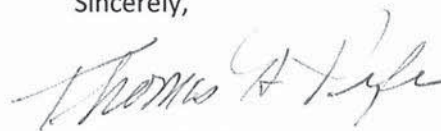
This is in response to your letter dated September 23, 2011 wherein you proposed an option to buy the property. An option had been previously discussed and the church's position was and still is to conclude the purchase of this property at the terms listed in your letter of December 1, 2009.

The Church is willing to conclude this purchase without the release of the USDA/Stellar one debt lien that is on the whole Commerce Park property. A deed with no lien on the property is preferred; however, the church is confident that Virginia's First Regional Industrial Facility Authority will pay this lien off with no problems to our church.

The closing attorney for the church is: Ms. Diane L. Bibb
132 Broad Street
PO Box 1216
Dublin, VA 24084
540-674-9500

Let's get this land purchase concluded, which should require only a few days. Then, we will proceed for congregational approval of your water line easement.

Sincerely,



Thomas H. Pifer
Building and Grounds Committeeman
thomaspifer0327@gmail.com
PO Box 1147
Dublin, VA 24084

cc: David Dobyns
Jeff Reeves
Janet Flory

Virginia's First Regional Industrial Facility Authority

Commerce Park Participation Committee

Allocation of Total Outstanding Debt and Annual Debt Service Per Share

<u>MEMBER</u>	<u>Total Shares</u>	<u>Commerce Park Annual Investment</u>	<u>Current Percent Owned</u>	<u>Original Shares Owned</u>	<u>Original Percent Owned</u>	<u>Share of</u>	
						<u>Debt (FY10) @\$35.06 per share</u>	<u>Share of Annual Debt Service @ \$2.38 per share</u>
Bland County	2,827	\$5,900.00	1.81%	2,146	1.43%	\$ 75,222	\$ 5,106
Craig County	2,125	\$5,844.00	1.36%	2,125	1.42%	\$ 74,503	\$ 5,058
Giles County	21,310	\$55,851.00	13.62%	20,310	13.54%	\$ 712,055	\$ 48,337
Montgomery County	20,310	\$55,851.00	12.98%	20,310	13.54%	\$ 712,055	\$ 48,337
Pulaski County	66,517	\$180,172.00	42.53%	65,517	43.68%	\$ 2,297,019	\$ 155,930
Roanoke County	10,638	\$29,255.00	6.80%	10,638	7.09%	\$ 372,979	\$ 25,319
City of Radford	9,139	\$23,258.00	5.84%	8,457	5.64%	\$ 296,518	\$ 20,129
City of Roanoke	10,682	\$27,500.00	6.83%	10,000	6.67%	\$ 350,600	\$ 23,800
Town of Dublin	2,079	\$2,968.00	1.33%	1,079	0.72%	\$ 37,837	\$ 2,568
Town of Pearisburg	2,827	\$5,900.00	1.81%	2,146	1.43%	\$ 75,222	\$ 5,106
Town of Pulaski	7,955	\$20,001.00	5.09%	7,273	4.85%	\$ 254,991	\$ 17,310
TOTALS	156,409	\$412,500.00	100.00%	150,000	100.00%	\$ 5,259,000	\$ 357,000

Currently members pay \$2.75 per year per share for the Commerce Park. Debt service takes \$2.38 per share (86%), leaving \$0.37 per share for operation (14%). The debt per share as of the end of FY 2010 was \$35.06 per share.

Commerce Park Participation Committee

Buy Out Options

MEMBER	Total Current Shares	Original Shares Owned	Buy Out @\$35.06 per share	86% of Full Equity of original shares Plus new shares from water and sewer expansion reserve			50% of Full Equity of original shares Plus new shares from water and sewer expansion reserve			Equity in shares after 14% depletion per year for 7 years Plus new shares from water and sewer expansion reserve		
				86% of Full Equity of original shares	Adjusted Shares	Adjusted Shares	50% of Full Equity of original shares after 30 years	Adjusted Shares	Adjusted Shares	Elimination of Equity after 7 Years	Adjusted Shares	Adjusted Shares
Bland County	2,827	2,146	\$ 75,222	1,845	682	2,527	1,073	682	1,755	-	682	682
Craig County	2,125	2,125	\$ 74,503	1,828	-	1,828	1,063	-	1,063	-	-	-
Giles County	21,310	20,310	\$ 712,055	17,466	1,000	18,466	10,155	1,000	11,155	-	1,000	1,000
Montgomery County	20,310	20,310	\$ 712,055	17,466	-	17,466	10,155	-	10,155	-	-	-
Pulaski County	66,517	65,517	\$ 2,297,019	56,344	1,000	57,344	32,758	1,000	33,758	-	1,000	1,000
Roanoke County	10,638	10,638	\$ 372,979	9,149	-	9,149	5,319	-	5,319	-	-	-
City of Radford	9,139	8,457	\$ 296,518	7,273	682	7,955	4,229	682	4,911	-	682	682
City of Roanoke	10,682	10,000	\$ 350,600	8,600	682	9,282	5,000	682	5,682	-	682	682
Town of Dublin	2,079	1,079	\$ 37,837	928	1,000	1,928	540	1,000	1,540	-	1,000	1,000
Town of Pearisburg	2,827	2,146	\$ 75,222	1,845	682	2,527	1,073	682	1,755	-	682	682
Town of Pulaski	7,955	7,273	\$ 254,991	6,255	682	6,937	3,637	682	4,318	-	682	682
TOTALS	156,409	150,000	\$ 5,259,000	129,000	6,409	135,409	75,000	6,409	81,409	-	6,409	6,409

Currently members pay \$2.75 per year per share for the Commerce Park. Debt service takes \$2.38 per share (86%), leaving \$0.37 per share for operation (14%). The future value of the current annual payment and the outstanding debt per share, based on 5% annual increase for 30 years, is \$183 and \$158, respectively. The debt per share as of the end of FY 2010 was \$35.06 per share. Options for reduction in equity for withdrawing members, include: 86% of active members value per share; reduction to 50% over 30 years (1.67% reduction per year); or reduction by 14% per year to deplete equity value in seven years.