



New River Valley Commerce Park Participation Committee

6580 Valley Center Drive, Suite 124

Radford, VA 24141

Phone (540) 639-9313 FAX (540) 831-6093

Bland County

Lace M. (Nick) Asbury, IV

Craig County

Jay Polen

Giles County

Chris McKlarney

Montgomery County

Craig Meadows

Pulaski County

Andy McCready

Roanoke County

Jill Loope

City of Radford

Michael Turk

City of Roanoke

Brian Townsend

Town of Dublin

Doug Irvin

Town of Pearisburg

Kenneth F. Vittum

Town of Pulaski

Joseph K. Goodman

Executive Committee:

Basil Edwards, Chair

City of Radford

Chris McKlarney, Vice-Chair

Giles County

Shawn Utt,

Secretary-Treasurer

Town of Pulaski

Jay Polen

Craig County

Brian Hamilton

Montgomery County

NRV Commerce Park Participation Committee Meeting Agenda

June 17, 2015 at 12:00pm (Noon)

Location: New River Valley Business Center- Training Room (6580 Valley Center Drive, Radford, VA 24141)

1. Roll Call
2. Approval of Agenda
3. Public Comment
4. Approval of Previous Meeting Minutes
5. Consent Items/ Administrative Updates
 - a. CPPC Executive Committee Meeting
 - b. AEP QSP Update
 - c. International Boulevard Update
 - d. Red Sun Farms Above Ground Storage Tank
6. Old Business
 - a. VML-VACO Excess Dues and Share Valuation
7. New Business
 - a. Quarterly Financial Report
 - b. FY16 Budget
8. Closed Session
 - a. NRV Commerce Park Prospect Discussion
9. Other Business
10. Adjournment- Next Meeting: **September 9, 2015**

NRV Commerce Park Participation Committee

Meeting Staff Report

1. Roll Call

2. Approval of Agenda

3. Public Comment

4. Approval of Previous Meeting Minutes

Attached are the meeting minutes from the March 11, 2015 CPPC meeting and the May 4, 2015 CPPC Executive Committee Meeting (*Attachment #1 and Attachment 2*). Staff recommends approval of the minutes as written.

5. Consent Items/ Administrative Updates

5. a. CPPC Executive Committee Meeting Update

The CPPC Executive Committee met on May 4, 2015 to discuss the AEP QSP final submittal items and International Boulevard. Both items are discussed in more depth under 5.b. and 5.c of this report.

5.b. AEP QSP Update

Over the past 18-24 months, VFRIFA has been working with McCallum Sweeney and AEP to obtain the AEP Quality Site Certification designation for the NRV Commerce Park. VFRIFA has spent almost \$110,000 in professional services to obtain all of the required information for the AEP Quality Site Certification. After working through several issues and submitting additional documentation, the NRV Commerce Park was designated as an AEP Quality Site Certified Park.

The most prominent issue discovered during the process was a cultural resources area that may be eligible for the National Register of Historic Places, which impacts the ability to fully develop one of the lots, as can be seen on the attached plan (*Attachment #3*). Additional acreage was found to compensate for the 17 acre loss of development area by reviewing all easements, setbacks, and portions of the Park that were being certified to ensure all of the acreage was accurately depicted. The NRV Commerce Park is the first industrial park in the Appalachian Power region to receive this designation. There are several significant benefits of both going through the QSP process and being a certified site, as follows:

- Allows VFRIFA to be proactive by having AEP assist with marketing efforts
- Provides some assurances to prospects that due diligence has been done
- Helps speed up the development process
- Provides additional exposure of the NRV Commerce Park as being a AEP Quality certified site
- Provides significant time savings for staff when prospects request information, as all of the Park's due diligence information is in one place and readily available

Please find the approval letter attached to this report (*Attachment #4*).

5.c. International Boulevard Update

Staff met with VDOT to review the condition of International Boulevard and what steps needed to occur in order to incorporate it into the VDOT maintenance system. There are many items that need to be addressed before VDOT would consider taking over maintenance of International Boulevard. Staff is working on obtaining a cost estimate for all work that needs to be completed; however, the initial ballpark estimate to complete the work at this time is around \$425,000. The City of Radford looked at the work needed to be done to evaluate the difficulty/ cost of the work and has volunteered to replace the broken drainage structure later this summer. Attached is a letter from VDOT and photos of specific site conditions (*Attachment #5*).

5.d. Red Sun Farms Above Ground Storage Tank Update

Red Sun Farms applied for a Special Use Permit to install a 13,000 gallon above ground storage tank for carbon dioxide storage. The Pulaski County Board of Supervisors approved the Special Use Permit during their May 18, 2015 meeting. Attached, please find the approval letter for the Special Use Permit (*Attachment #6*). Information for site plan approval or a building permit has not been submitted to Pulaski County at this time; however, it is anticipated Red Sun Farms will submit that information within the next 30 days.

6. Old Business

6.a. VML-VACO Excess Dues and Shares Valuation

During the previous meeting in March, the Board made a motion acknowledging receipt of the attached report from VML-VACO and to have the report on the June meeting agenda for approval. VML-VACO reviewed VFRIFA and CPPC financial records to determine the amount of any excess VFRIFA dues and the

value of NRV Commerce Park shares. Attached, please find VML-VACO's findings regarding excess VFRIFA dues, the current value of CP Shares, and options for how to approach future share valuations (*Attachment #7*). The current value of CP Shares is low due to the amount of outstanding long-term debt counting against the share value. The share prices should consistently increase in value as the long-term debt is paid down. Staff recommends approval of the Report as it relates to the current value of CP Shares.

7. New Business

7.a. Quarterly Financial Report (former Treasurer's Report)

Attached, please find the Quarterly Financial Report detailing the financial transactions and information from the past quarter, which was between December 31, 2014 and March 31, 2015 (*Attachment #8*). Staff recommends approval of the Report.

7.b. Fiscal Year 2016 Budget

Attached, please find the draft Fiscal Year 2016 budget that runs from July 1, 2015 to June 30, 2016 (*Attachment #9*). Staff recommends approval of the budget.

8. Closed Session

8.a. NRV Commerce Park Prospect

To be discussed in closed session of the VFRIFA Board of Directors meeting

Virginia's First REGIONAL INDUSTRIAL FACILITY AUTHORITY
New River Valley Commerce Park Participation Committee

Meeting Minutes

March 11, 2015

NRV Business Center, Fairlawn, VA

1. Roll Call

A meeting of the New River Valley Commerce Park Participation Committee (CPPC) was held on Wednesday, March 11, 2015 at the New River Business Center in Fairlawn. Mr. Basil Edwards, Chairman, called the CPPC meeting to order at 12:15 pm.

Roll call by member jurisdiction was taken and a quorum determined with six of eleven member governments represented: Montgomery and Pulaski counties, City of Radford, and Dublin, Pearisburg and Pulaski towns. No representatives from Craig, Bland, Giles, and Roanoke County and City of Roanoke were present. Mr. Edwards introduced the new assistant county administrator with Pulaski County, Karen Thompson.

2. Public Comment

No public comment was made.

3. Approval of the November 12, 2014 Participation Committee Minutes

Meeting minutes from the November 12, 2014 meeting were included in the agenda packet.

Motion: Mr. Utt moved the committee approve minutes of the November 12, 2014 meeting. Mr. McCready seconded the motion.

Action: The motion passed unanimously, with 73.12% in the affirmative, 0.0% opposed, 0.0% abstaining and 26.88% absent (Craig, Bland, Giles and Roanoke Counties, City of Roanoke).

4. Consent Agenda/Administrative Updates

a. 2015 Meeting Calendar

In order to provide advanced notice of meeting dates, an annual meeting calendar was provided in the agenda packet. No conflicts were noted with the proposed meeting schedule, so staff will schedule meetings according to this calendar. A calendar with administrative items is also available; this includes items such as debt payment due dates and compliance reporting deadlines.

b. International Boulevard Right-of-Way Project Agreement

During the November 2014 meeting, the CPPC authorized the sale of 100 Commerce Park shares to the Town of Pulaski for \$40.00 per share. The Project Agreement for this sale has been fully executed and a copy is provided in the agenda packet. Staff has a meeting scheduled with VDOT this month to review International Boulevard before authorizing survey work.

Mr. Utt asked if it would be four or two lanes to be turned over to VDOT; Mr. Wilson stated this will depend on the outcomes of the site walk, but anticipates two lanes if the other two lanes can be added later when built.

Mr. Hamilton asked if there are concerns about the condition of the road. Mr. Wilson noted this will also be covered in the site visit to ensure the road meets VDOT's requirements in its current condition because as-built drawings are not available.

c. **Natural Gas Users**

As detailed in the Agreement for Extension of Distribution Main that extended the 6" steel natural gas main to the NRV Commerce Park, if any user other than Red Sun Farms taps onto the gas main, ATMOS will provide VFRIFA with a refund based on usage. It appears that several residences and one business (Appalachian Machine Shop) are connecting to the gas main. ATMOS provided a letter outlining the process to begin calculating refunds owed to VFRIFA.

d. **AEP QSP Status**

Staff is working through each item in the response letter from McCallum Sweeney regarding the Phase 3 QSP submittal and will have answers/ updated documentation to resubmit to McCallum Sweeney before the April 7, 2015 deadline.

5. **Old Business**

a. **FY2014 Audit Report**

Mr. Corbin Stone with Robinson, Farmer, Cox Associates reviewed some key items in the FY2014 Audit Report and answered questions from the committee. He noted the accounts payable lines are affected by timing of payments made and received, for example, Pulaski County paid the debt service payment for Virginia's First with repayment deferred to the next fiscal year. Mr. Hamilton asked how the agreement to take on that payment was documented; Mr. Stone noted no agreement was in place at the time of payment; Mr. Wilson noted the bond taken out by the IDA was for general debt and Red Sun Farms grading; Ms. Fontana noted VFRIFA issued resolutions in support of the bond issuance and its intention to contribute to the bond repayment. Findings are noted in the audit when the auditor makes adjustments to the bookkeeping as this is not usual activity. To avoid this annual finding, VFRIFA would need to hire another accountant to make the adjustments beforehand.

Ms. Edmonds referred to Note 12 in the audit and asked what these funds advanced by VFRIFA represent; Mr. Stone notes these are expenses covered for the Commerce Park participation committee such as legal bills and accounting services. Ms. Edmonds also asked who prepares the financial statements for auditor review; Mr. Stone noted the Commission prepares the cash basis statements and his firm makes recordkeeping adjustments as needed after their audit – this is allowable, but requires a finding recorded in the audit.

Motion: Ms. Edmonds moved the committee receive the audit report; Mr. Utt seconded the motion.

Action: The motion passed unanimously, with 73.12% in the affirmative, 0.0% opposed, 0.0% abstaining and 26.88% absent (Craig, Bland, Giles and Roanoke Counties, City of Roanoke).

b. Mebane Manor Lease and Five C Road Maintenance Agreement

Mebane Manor, LLC has signed a lease for 27.0 acres of property just north of the Five C Road right-of-way and south of the Red Sun Farms property, as well as a road maintenance agreement to maintain Five C Road to ensure all weather access is available to the Mebane House. Both of these items were discussed and authorized by the VFRIFA Board of Directors and the CPPC at previous meetings. These documents have been reviewed by the VFRIFA attorney.

Motion: Mr. McCready moved the committee approval of the lease and road maintenance agreement as presented; Mr. Vittum seconded the motion.

Action: The motion passed unanimously, with 73.12% in the affirmative, 0.0% opposed, 0.0% abstaining and 26.88% absent (Craig, Bland, Giles and Roanoke Counties, City of Roanoke).

6. New Business

a. VML-VACO Excess Dues and Shares Valuation

VML-VACO reviewed VFRIFA and CPPC financial records to determine the amount of any excess VFRIFA dues and the value of NRV Commerce Park shares. Bob Lauterberg with VML-VACO presented their findings regarding excess VFRIFA dues, the current value of CP Shares, and options for how to approach future share valuations.

Motion: Mr. McCready moved the committee receive the report on Commerce Park share valuation and consider the report for acceptance at the next meeting; Mr. Hamilton seconded the motion.

Action: The motion passed unanimously, with 73.12% in the affirmative, 0.0% opposed, 0.0% abstaining and 26.88% absent (Craig, Bland, Giles and Roanoke Counties, City of Roanoke).

b. Treasurer's Report

The Treasurer's Report was presented detailing the financial transactions and information from the past quarter (October 1, 2014 to December 31, 2014).

Motion: Mr. McCready moved the committee approve the treasurer's report; Mr. Parker seconded the motion.

Action: The motion passed unanimously, with 73.12% in the affirmative, 0.0% opposed, 0.0% abstaining and 26.88% absent (Craig, Bland, Giles and Roanoke Counties, City of Roanoke).

c. Agricultural Lease Updates

The current agricultural lease being used to lease NRV Commerce Park property contains very limited provisions regarding lease terms and almost no protection for VFRIFA/ CPPC. A proposed updated agricultural lease to use for leasing property in future years was provided in the agenda packet. This lease has been reviewed by the VFRIFA attorney.

Committee members asked about notice to terminate leases; what acceptable uses are listed in the lease; what is the process for collecting unpaid rents; and, with respect to the discharge of firearms for hunting purposes, the need to be clear on appropriate distances from occupied structures. These issues were discussed by the committee and staff.

A revised lease will be presented at the June meeting. No further action on leases was taken during the meeting.

d. Mid-Year Budget Review

A copy of the budget comparing year-to-date income and expenditures with the adopted budget was provided in the agenda packet. The CPPC expenses for FY15 appear to be coming in pretty close to the budget; however, some modifications of specific line item allocations are requested, as follows:

- Planning District Commission: Increase by \$10,875
- PSA Debt Service (w/s capacity): Increase by \$17,000
- Marketing: Increase by \$1,362
- Executive Director: Reduce by \$15,560
- Professional Services: Reduce by \$12,664
- Materials/ Supplies: Reduce by \$500

These modifications will allow the CP to potentially come in just slightly over budget by about \$500; however, revenues are higher than anticipated, even though all revenue for the year has not been received, resulting in a revenue increase of about \$3,000 to date. The overall result will be a savings of approximately \$2,500. Staff recommends approval of the modifications to the adopted FY2015 Budget as presented.

In addition, Staff would like concurrence from the CPPC and VFRIFA Board to begin working on a plan to save excess revenue in order to eventually catch up on debt service payments (about \$150,000 needed) and/or other expenditures that may require more funds than can be expected in any one fiscal year. A plan would be drafted for presentation to the CPPC and VFRIFA Board during the next regularly scheduled meetings (June 2015) for approval.

The Florys are past due on payment for the 2015 lease. Mr. Wilson proposed to send notice to pay the rent within 30 days or default on the lease. It was noted that the new lease will have a clause for notification and payment deadlines with penalties for late

payments. While the Melton/Gardner lease was transferred to Mebane House LLC, Mr. Wilson noted they failed to pay the last month's rent. Means of collecting the past due rent was discussed by the committee. The committee authorized Mr. Wilson to file a warrant in debt for the money owed from the Melton/ Gardner lease.

Motion: Mr. McCready moved the committee approve the budget modification for the proposed line items; Mr. Parker seconded the motion.

Action: The motion passed unanimously on a roll call vote, with 73.12% in the affirmative, 0.0% opposed, 0.0% abstaining and 26.88% absent (Craig, Bland, Giles and Roanoke Counties, City of Roanoke).

e. **Authorization for Check Approval**

Mr. Wilson proposed streamlining how invoices are paid and ensure proper procedures are being followed by authorizing the Executive Director to approve checks to be printed to pay invoices, with the condition that the invoice does not exceed the budgeted and contracted amount for that service. A list of checks that have been printed would be provided in the Treasurer's Report for each CPPC and VFRIFA Board of Directors meeting. In addition, each check requires two signatures before it is valid, so a VFRIFA officer will be reviewing each check. Discussion followed regarding the existing approval process and other methods committee members are familiar with.

Motion: Mr. McCready moved the committee approve the Executive Director be authorized to issue checks for invoices that do not exceed the budget and be payment allowed under an existing contract, once notification of payments is sent to Executive Committee members for opportunity to voice any objections; Mr. Utt seconded the motion.

Action: The motion passed unanimously, with 73.12% in the affirmative, 0.0% opposed, 0.0% abstaining and 26.88% absent (Craig, Bland, Giles and Roanoke Counties, City of Roanoke).

7. **Other Business**

No other business was brought before the committee.

8. **Adjournment**

Motion: Mr. McCready moved the committee adjourn. Mr. Edwards seconded the motion.

Action: The motion passed unanimously, with 73.12% in the affirmative, 0.0% opposed, 0.0% abstaining and 26.88% absent (Craig, Bland, Giles and Roanoke Counties, City of Roanoke).

The next scheduled regular CPPC meeting is June 10, 2015 at noon. Tentative dates and locations for called special meetings will be monthly on the second Wednesday at noon.

Respectfully Submitted,

Approved by,

Danny Wilson, Executive Director

Shawn Utt, Secretary / Treasurer

**New River Valley Commerce Park
Participation Committee**

Attendance
March 11, 2015
NRV Business Center, Fairlawn, 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 type="checkbox"/> Jay Polen	
Giles County	<input type="checkbox"/> Chris McKlarney <input type="checkbox"/> Paul Barker	
Montgomery	<input type="checkbox"/> Craig Meadows <input checked="" type="checkbox"/> Mary Biggs	<input checked="" type="checkbox"/> Carol Edmonds <input checked="" type="checkbox"/> Brian Hamilton
Pulaski County	<input checked="" type="checkbox"/> Andy McCready <input checked="" type="checkbox"/> Michael Solomon	<input checked="" type="checkbox"/> Joe Sheffey <input type="checkbox"/> Jared Linkous
Roanoke County	<input type="checkbox"/> Charlotte Moore <input checked="" type="checkbox"/> Jill Loope (by phone)	<input type="checkbox"/> Joseph "Butch" Church
City of Radford	<input type="checkbox"/> Michael Turk <input checked="" type="checkbox"/> Basil Edwards	
City of Roanoke	<input type="checkbox"/> Bill Bestpitch <input type="checkbox"/> Brian Townsend	<input type="checkbox"/> Anita Price
Town of Dublin	<input checked="" type="checkbox"/> Bill Parker <input checked="" type="checkbox"/> Doug Irvin (at 12:40)	
Town of Pearisburg	<input type="checkbox"/> Rick Tawney <input checked="" type="checkbox"/> Ken Vittum	
Town of Pulaski	<input checked="" type="checkbox"/> Joseph Goodman <input checked="" type="checkbox"/> Shawn Utt	<input checked="" type="checkbox"/> John White

Others Present: Theresa Fontana (Authority Counsel), Karen Thompson (Pulaski County), Deborah Flippo (Draper Aden), Corbin Stone (Robinson, Farmer, Cox), Bob Lauterberg and Steve Mulroy (VML/VACO Finance via phone)

Staff Present: Danny Wilson, Kevin Byrd, Christy Straight

Virginia's First REGIONAL INDUSTRIAL FACILITY AUTHORITY
New River Valley Commerce Park Participation Committee
Executive Committee
Meeting Minutes
May 4, 2015
NRV Business Center, Fairlawn, VA

1. Call to Order

A meeting of the New River Valley Commerce Park Participation Committee (CPPC) Executive Committee was held on Wednesday, May 4, 2015 at the New River Business Center in Fairlawn. Mr. Basil Edwards, chairman, called the meeting to order at 1:00 pm.

Mr. Vittum (Town of Pearisburg), Mr. Polen (Craig County), Mr. Utt (Town of Pulaski), and Mr. McCready (Pulaski County) were present. Staff present included Mr. Wilson and Miss Straight.

2. International Boulevard

Staff met with VDOT representatives on site to review the condition of International Boulevard and to discuss the process for including the road in the VDOT maintenance system. Mr. Wilson reviewed the photo log of the road and the checklist provided by VDOT outlining steps necessary to bring the road up to standards for inclusion.

The committee discussed how the repairs to be done could be accomplished with options such as work done by member localities as time and resources allow, an in-kind exchange with potential tenants, and applying to the VDOT Industrial Road Access for funds. Mr. Edwards stated he would do a site visit with his public works director to develop an estimate of work hours and equipment needed to complete the work required to meet VDOT road standards. He plans to have this estimate ready in time for the June NRVCP PC meeting.

3. AEP QSP Status

McCallum Sweeney sent a letter to further follow up on the QSP application. More information or clarification was requested on three points (title commitment, cultural resources, and master plan layout). Mr. Wilson noted the main issue is the impact of the cultural resources findings on the master plan. Due to timing constraints of tasks being contracted and the submission deadlines, the master plan was completed before the Phase I cultural resources survey. An archaeological site was identified in the northerly section of Lot C (and on a portion of the proposed access road). DHR has determined this site merits a Phase II investigation; The QSP certification requires any developable area be free of any regulatory clearance requirements or have a mitigation plan in place for development. To create a master plan without such restraints, 15 acres would be eliminated, removing the Commerce Park from Large Park certification eligibility.

The committee discussed options such as obtaining an extension to conduct a Phase II survey and report findings; discontinue the certification process; or reapply later. The value of continuing the process was discussed, particularly the committee's interest in the tangible benefits the certification would provide (access to otherwise unavailable funding and marketing resources, etc.).

The committee recommended Mr. Wilson seek an extension with McCallum Sweeney to address the issues identified in their letter. If an extension is not available, Mr. Wilson was advised to submit information as it is currently available (removing the area subject to further cultural resources investigation).

4. Other Business

Mr. Wilson requested direction on the right-of-way survey for International Boulevard. The Town of Pulaski authorized the purchase of additional shares to fund this work and the money is now available. The committee advised a contract with Anderson & Associates be executed and the survey work begin.

5. Adjournment

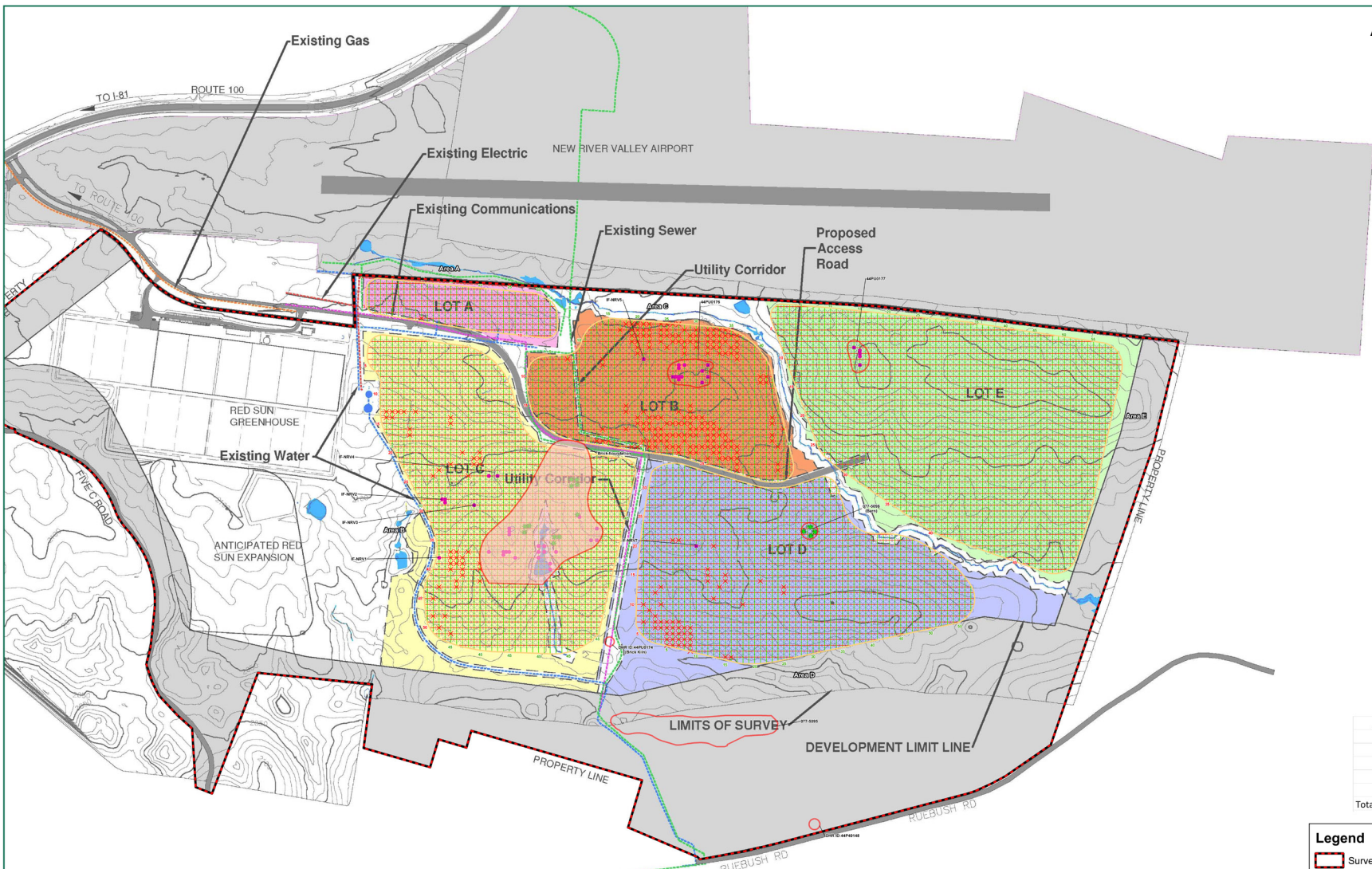
Mr. Edwards adjourned the meeting at 1:55 pm.

Respectfully Submitted,

Approved by,

Danny Wilson, Executive Director

Shawn Utt, Secretary / Treasurer



Draper Aden Associates
Engineering • Surveying • Environmental Services
Blacksburg, VA Blacksburg, VA Blacksburg, VA
Ridgeway, VA Ridgeway, VA Ridgeway, VA

TIMMONS GROUP
AN UPDATE
OF
NEW RIVER VALLEY COMMERCE PARK
PULASKI COUNTY, VIRGINIA

THIS DRAWING PREPARED AT THE
CORPORATE OFFICE
1001 Boulders Parkway, Suite 300 | Richmond, VA 23225
TEL: 804.200.6500 FAX: 804.660.1016 www.timmons.com

DATE	REVISION DESCRIPTION
12/04/2014	

DATE	REVISIONS
12/04/2014	

JOB NO.
35149
SHEET NO.
1 OF 1

Area	Acres
A	13
B	88
C	51
D	80
E	106
Total (Acres)	338

Legend

- Surveyed Project Limits
- 44PU0175
- Other Site Areas
- Test Areas
- x No Shovel Test Performed
- o Nothing Found
- o Artifacts Found
- o Surface Find
- o Shovel Test
- Transects

LEGEND

- LOT LINES (POTENTIAL)
- OVERHEAD POWERLINE
- UNDERGROUND COMMUNICATION LINE
- WATER MAIN
- SANITARY / FORCEMAIN
- GAS LINE
- WATERS OF THE U.S.

POTENTIAL DEVELOPMENT AREAS

Site	Total Area (Acres)	Developable Areas (Acres)	Est. Dev
LOT A	15	15	
LOT B	53	52	
LOT C	112	105	
LOT D	101	97	
LOT E	116		

AREA SURVEYED BASED UPON THE MASTER PLAN INFORMATION PROVIDED BY DRAPER ADEN ASSOCIATES.



June 2, 2015

Mark J. James
Vice President – Economic and Business Development
American Electric Power
1 Riverside Plaza
Columbus, OH 43215

Dear Mr. James:

The New River Valley Commerce Park, located in Pulaski County, Virginia, has completed the certification program for American Electric Power's (AEP) Quality Site Program. McCallum Sweeney Consulting has conducted a thorough analysis of the property, and based on the information provided by Danny Wilson with Virginia's First Regional Industrial Facility Authority and our evaluation of the property, we are certifying the **New River Valley Commerce Park** as a **Large Park**.

McCallum Sweeney Consulting has developed a program for AEP to certify industrial sites and industrial parks as ready for industrial development. We have certified the New River Valley Commerce Park as meeting the following criteria:

- **The park must be a minimum of 250 total acres, and contain at least one site that meets the criteria of the General Industrial Site category (100 total acres, of which at least 80% of the acreage is contiguous and developable).¹ At least 80% of the remaining park acreage must be developable.** The overall park is 420 total acres. The master plan shows the park divided into five lots ranging from 15.8 acres (Lot A) to 121.6 acres (Lot E) with the developable acres of the park totally 338 acres. The largest parcel is Lot E with 98.3 contiguous, developable acres out of 121.6 total acres.
- **The park must be available for sale or lease (with a documented price and terms) to prospective industrial investors. If the park is only available for lease, the lease term must be a minimum of 25 years.** Virginia's First Regional Industrial Facility Authority (Authority) owns the New River Valley Commerce Park. In a letter dated November 19, 2014, Danny Wilson, Executive Director of the Authority, states that it is the intent of the Authority to market the property as available for industrial development indefinitely until suitable development occurs for a price of \$40,000 per acre. The property is also available for lease. Title insurance effective October 28, 2014 showing fee simple interest vested in Virginia's First Regional Industrial Facility Authority was provided.

¹ "Developable" acres are those that have no impediments to development, or mitigation for any known impediments can be accomplished in less than 90 days. Environmental contamination issues must be remediated prior to certification.

- **The park must be zoned appropriately or be able to be rezoned for industrial use within 90 days (if applicable).** The park is zoned PID Planned Industrial District which is compatible with industrial uses. A zoning change should not be necessary.
- **The park must be free of any known rights-of-way, easements, judgments, liens, restrictive covenants, and any other items that might impact the park's developability.** Multiple impediments to development are located within the park's boundaries. There are utility lines and easements throughout the park as well as a 17.2 acres Cultural Resource area. A stream runs between Lots C and D and Lot E. A Master Development Plan has been created to take into consideration these impediments.
- **The proposed developable acreage must be located outside of the 100-year flood zone.** The entire park is located in FEMA Flood Zone X which is outside the 100-year flood zone.
- **The park's developable acreage must be free of recognized environmental conditions or have recognized environmental conditions remediated prior to certification.** A Phase I ESA was conducted in April 2014 on 420 acres. No evidence of Recognized Environmental Conditions were observed in association with the property. A leaking underground storage tank, deemed a Historical Recognized Environmental Concern (HREC) was located on the property; however, the site was listed as "closed" and open to the air therefore no vapor screening was needed.
- **The park's developable acreage must be free of wetlands or be able to be mitigated within 90 days. If the schedule for mitigation is longer than 90 days, mitigation must be completed prior to certification.** A wetlands delineation was completed in April 2014 on 573.3 acres. The delineation found 0.07 acres of palustrine forested wetlands, 0.16 acres of palustrine scrub-shrub wetlands, 1.81 acres of palustrine emergent wetlands, and 1.08 acres of palustrine open waters. In addition, 9,330 linear feet of perennial stream, and 790 linear feet of ephemeral stream were identified. A Preliminary Jurisdictional Determination dated June 25, 2014 on 573.7 acres found 3.11 acres of wetlands and 10,119 linear feet of stream at the park.
- **The park's developable acreage must be free of state and federal rare, threatened, and endangered species or be able to be mitigated within 90 days. If the schedule for mitigation is longer than 90 days, mitigation must be completed prior to certification.** A protected species study was conducted on the site on May 7, 2014 on 420 acres with a revision on August 20, 2014 upon completion of the smooth coneflower survey. A no effect determination was found for all threatened and endangered species known to occur in the project area. An email from Sumalee Hoskin with U.S. Fish and Wildlife Service dated August 21, 2014 states, "We concur with the determinations provided in the Species Conclusion Table dated August 20, 2014 and have no further comments." A letter dated May 14, 2014 from the Virginia Department of Game and Inland Fisheries notes that due to staffing limitations, they are unable to review and provide concurrence on state level species. *Note: A letter request was made to U.S. Fish and Wildlife, but they would only respond and document their concurrence via email.*

- **The park's developable acreage must be free of areas of archaeological or historical significance or be able to be mitigated within 90 days. If the schedule for mitigation is longer than 90 days, mitigation must be completed prior to certification.** A cultural resource survey was conducted in November 2014 and covered 338 acres. The survey resulted in the identification of seven isolated finds, three new archaeological sites, and three new architectural resources. Site 44PU0175 is recommended as eligible for the National Register of Historic Places under Criterion D. A letter dated January 7, 2015 from Roger W. Kirchen with the Virginia's Department of Historic Resources states "DHR concurs that the three architectural resources – DHR ID #077-5094, 077-5095, and 077-5096 – are not eligible for listing in the National Register of Historic Places... DHR concurs that archaeological site 44PU0175 is potentially eligible for National Register listing and that sites 44PU0176 and 44PU0177 are not eligible for listing. Site 44PU0175 should be avoided or subjected to Phase II archeological evaluation to determine National Register eligibility." The Master Development Plan indicates site 44PU0175 and the area around it as undevelopable.
- **The park's developable acreage must have soils compatible with industrial development.** A Geotechnical Evaluation was conducted in April 2014, consisting of eight borings to depths varying from 9.5 feet to 50.9 feet. Geotechnical factors that could influence development costs at the site include variable depths to rock that could affect the cost of site grading and the performance of facilities, the need for sinkhole mitigation, and the Seismic Site Class. Based on the geotechnical report, this site has a Seismic Site Classification of D. The engineering design of the site will need to incorporate prudent measures that reduce the risk through the site to a tolerable level as karst conditions are common. Known sinkholes in the development area, and any incipient sinkholes found during construction, will require remediation.
- **The park must be within 10 miles, via truck route, of an interstate or a four-lane highway. The park must be directly served or be able to be served within nine months by a road that is compatible with standards for tractor-trailer access (80,000 pounds / 20,000 pounds per axle).** The park is accessed from International Boulevard (two-lane) and less than one mile from Virginia Route 100 (four-lane highway) and 3.5 miles from I-81, the nearest interstate, via Virginia Route 100. The site is directly served by a road that is compatible with standards for tractor-trailer access.
- **To market the park as rail-served, the park must be served or be able to be served within 12 months by rail.** The park will not be served by rail.
- **The park must be served or be able to be served within nine months by transmission level electric service.** Appalachian Power is the electric service provider. Per a letter from David Bennett dated April 16, 2015, "The existing line has been reviewed and a new load of 10,000 kW or less can be provided from existing 34.5 kV distribution facilities within a short time 6-8 weeks, possibly less." For loads greater than 10 MW, there are a couple of options to provide service, 1) a new station under the existing 138 kV line with an 18 month timeframe or 2) extending the 138 kV transmission line to the park with a 12 month timeframe. The customer would take a transmission delivery and be responsible to provide a substation with option 2.

- **The park must be served or be able to be served within nine months by natural gas. Natural gas service must provide at least 25,000 mcf per month.** Atmos Energy is the natural gas provider. A six-inch steel line is located along International Boulevard at the northwest corner of the park. As of October 10, 2014, this line is able to serve 150 mcf per hour. Additional capacity can be made available with increasing the distribution pressure as needed.
- **The park must be served or be able to be served within nine months by water infrastructure and a water system with a minimum excess capacity of at least 750,000 gallons per day.** Pulaski County Public Service Authority (PSA) is the water service provider. As of September 16, 2013, PSA operates a 400,000 gallon elevated and a one million gallon ground water storage tank within the park boundary. The tanks are supplied by a combination of 8-inch and 12-inch water mains with a static pressure of approximately 80 psi. An agreement from April 13, 2010 reserves one million gallons per day of water capacity for the park. The nearest water treatment plants are the PSA Water Treatment Plant which is 12.6 miles from the park, and the City of Radford Water Treatment Plant which is 12.7 miles from the park. The PSA Water Treatment Plant has 4.2 million gallons per day of permitted capacity and a 3.2 million gallons per day pumping capacity. The Radford Water Treatment Plant has a permitted capacity of 7.2 million gallons per day with 3 million gallons per day available to PSA by an agreement from February 22, 2010. The total permitted capacity of PSA is 7.2 million gallons per day with 1 million gallons per day of allocated capacity and 1.6 million gallons per day of average utilization. An existing tenant in the park, Red Sun Farms, can utilize up to 500,000 gallons per day, but their usage can be as low as 50,000 gallons per day.
- **The park must be served or be able to be served within nine months by wastewater infrastructure and a wastewater treatment plant with a minimum excess capacity of 750,000 gallons per day.** Pulaski County Public Service Authority (PSA) is the wastewater service provider. As of September 16, 2013, the park has a pump station within its boundaries that is served by an 8-inch gravity sewer collector. The pump station leads to 8-inch and 12-inch wastewater force mains. The pump station has a pumping capacity of one million gallons per day all of which is available to prospects. Pepper's Ferry Regional Waste Water Treatment Authority plant serves the park and has a permitted capacity of 9 million gallons per day, average utilization of 4.5 million gallons per day, a peak treatment capacity of 18 million gallons per day, peak utilization of 17.29 million gallons per day, peak daily flow of 12.97 million gallons per day, and an excess capacity of 4.5 million gallons per day.
- **The park must be served or be able to be served within nine months by a minimum of DS-1 or T-1 telecommunications infrastructure.** Citizens Telephone Cooperative is the telecommunications service provider. Per a letter from Dennis Reece dated September 25, 2013, an open access fiber optic ring with 240 strands with a core network of 100 gigabytes, with not less than 10 megabytes of symmetrical speed is offered within the park. As of September 25, 2013, two of the core network route will be upgraded to 200 gigabytes in the near future.

- **A draft set of protective covenants that at a minimum address the following: building type, landscaping, parking, outdoor storage, setback specifications, and sign control.** A draft set of Restrictive Covenants for the New River Commerce Park were provided that take into consideration building type, landscaping, parking, and outdoor storage.
- **A Master Development Plan that shows the location of park access roads, rail, easements, utilities (existing and proposed), and proposed lot locations and sizes (total and developable acreage). The Master Development Plan should take into consideration and note the location of development limitations, such as wetlands, floodplains, and permanent easements.** A Master Development Plan has been developed to accommodate for development limitations. Five lots, ranging from 15.8 acres to 121.6 acres, have been proposed based on the roads, utilities, cultural resource, and streams on the property.

This certification will expire on **June 25, 2019**. Upon certification expiration, the property will need to submit for recertification. We congratulate the team at Virginia's First Regional Industrial Facility Authority for their hard work and congratulate them on achieving certification. If there are any questions regarding our analysis, please contact us.

Sincerely,



Lindsey M. Myers
Senior Consultant/Director, Site Readiness Programs

CC: Ray Kackley, AEP
John Smolak, Appalachian Power
Danny Wilson, Virginia's First Regional Industrial Facility Authority

AMERICAN ELECTRIC POWER QUALITY SITE PROGRAM SITE CERTIFICATION DELIVERABLE

STRENGTHS AND WEAKNESSES

Site Name: New River Valley Commerce Park

Site Location: Pulaski County, VA

Category: Large Park

Strengths:

- Park has a variety of site sizes ranging from 15.9 acres to 121.6 acres.
- Virginia's First Regional Industrial Facility Authority owns the park.
- There is an existing tenant, Red Sun Farms, in the park.
- All utilities are present in the park.
- The park is 3.5 miles from I-81 with access via VA Route 100, a four-lane highway.

Weaknesses:

- There are multiple impediments in the park that limit the developability of the park.
- An archeological site (44PU0175) is potentially eligible for the National Register.
- Karst topography with known sinkholes exist in the park.
- International Boulevard would have to cross the stream to access Lot E.

Recommendations:

- Conduct a Phase II archeological evaluation on Site 44PU0175 to determine if it is eligible for the National Register.
- Be prepared to present to prospects examples of remediating sinkholes including cost and schedule.
- Develop a cost and schedule to extend International Boulevard to Lot E.

POTENTIAL TARGET INDUSTRIES

Site Name: New River Valley Commerce Park

Site Location: Pulaski County, VA

Category: Large Park

Target Industry	Location Requirements	MSC Justification
<p>General Machinery</p>	<ul style="list-style-type: none"> • Good transportation infrastructure • Proximity to customers and end markets • Adequate manufacturing labor force • Existing skill sets in the workforce • Existing industry base • Competitive operating cost environment • Reliable electricity • Rail service required for some projects 	<ul style="list-style-type: none"> • Access to I-81 and I-77 • Centrally located on the East Coast • Adequate labor force in the area • Competitive operating costs <p><i>Note: Lack of direct rail access may limit some potential users.</i></p>
<p>Light Industrial / Assembly</p>	<ul style="list-style-type: none"> • Competitive operating cost environment • Variety of site sizes • Less impactful development • Proximity to end customers 	<ul style="list-style-type: none"> • Variety of site sizes in the park • Competitive operating costs • Proximity to Virginia Tech
<p>Logistics / Distribution</p>	<ul style="list-style-type: none"> • Variety of site sizes • Proximity to end customers • Access to appropriate transportation infrastructure 	<ul style="list-style-type: none"> • Access to I-81 with close proximity to I-77 • Variety of site sizes available in the park • Centralized location along the East Coast • Adequate labor force in the area



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

731 Harrison Ave., P.O. Box 3071
Salem, VA 24153-0560

CHARLES A. KILPATRICK, P.E.
COMMISSIONER

April 28, 2015

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

RE: New River Valley Commerce Park – Phase 1 (Project 0818-077-204, C501; UPC 68692)
International Boulevard adjacent to Laboratory Road (SR 790)
Pulaski County
Initial Site Review of International Boulevard

Dear Mr. Wilson:

Thank you for the opportunity to view the existing conditions at the referenced property in your continued endeavor for International Boulevard to enter the state maintenance system. The items listed below include general information and visual evidence noticed in the field on March 20, 2015. As certain items are addressed, additional comment may arise from review of submitted documents or review of remediated areas. With the road design prior to 2005, the standards of that time shall apply to the acceptance.

Background:

Under 24 VAC 30-91-50, certain public service requirements apply. For this development, item B. 5) “*serves at least 100 vehicles per day by a single industrial site or other non-residential land use in advance of the occupancy of three or more such units*” is applicable.

Based upon an agreement between the Commonwealth of Virginia and Pulaski County (dated 10/21/2004) the right-of-way is defined as 125 feet wide and should contain 0.76 miles of a new 24-foot wide asphalt road. A VDOT document (dated 11/2/2004) advised that satisfactory title to the right of way required for the project had been acquired at no cost to the Commonwealth.

The plans on file at this office include:

- Plan Sheets 1 thru 15 of 15, revised and dated 4/23/2001; and
- Plan Sheets 1, 14 of 16, and 17 thru 19 of 19, revised and dated 7/1/2002.

Mr. Danny Wilson
April 28, 2015
Page 2 of 4

- Please note that sheet 19 of 19 shows a portion of the road to be paved with sub-base and base courses only. Prior to road acceptance, the entire portion of road to enter the state maintenance system shall include a surface course per plan detail as well.

During the initial site review of March 20, 2015, discussions occurred to address the possibility to incorporate only a portion of the road as part of the state maintenance system. This is a viable option, provided the location of acceptance includes the ability to incorporate a “tee turnaround” prior to the end of state maintenance. Possible locations are described as:

- i) General Sta 12+00, beyond the connection with Laboratory Road (SR 790),
- ii) General Sta 23+70, beyond the 2nd connection with Laboratory Road (SR 790) where a single two lane pavement begins.
- iii) General Sta 39+86, beyond the access point to the industrial site, or
- iv) General Sta 49+86, the planned terminus of the roadway.

Prior to final acceptance, a full, paper set of plans with as-built information such as structure modifications and/or any grade modifications should be provided to this office along with an electronic set (pdf). A full list of required items is shown as an attachment to this document.

Initial Site Review:

During the initial site review of March 20, 2015, certain items were discussed in general terms to include:

1. Provide the required documentation for CBR results.
2. Provide the required documentation for depths of stone (sub-base course), pavement (base course and surface course), and compaction results of subgrade.
3. If entire road system is to enter the state maintenance system, please finalize the T-turnaround at Sta 49+86. Provide adequate shoulder from Tee and/or provide barrier as discussed in the field.
4. Provide a copy of the recorded right of way and required stormwater / drainage easements. While some easements were shown on the construction plans, please note that certain plan revisions include the extension of a 48-inch pipe system. The plans do not appear to include drainage easements for that system.
5. Provide any necessary Quitclaim of utility easements that existed prior to right of way creation, and provide In Place Permits (LUP-IPP) for each utility currently in place within the right of way. Examples include: electric, telephone, cable, natural gas, water, sanitary sewer, fiber optic, and a parallel gravity sanitary sewer system. Certain specific language is required in the documents, which can be found in the Land Use Permit Guidance Section, Appendix 10 – 13. VDOT can assist with the forms for this item.
6. For the entire road system, provide positive drainage to the planned drainage measure. In many areas, erosion control measures have silted to the measure that positive drainage is not currently provided.
7. Excess construction materials (such as pipe and stone piles) shall be removed from the right-of-way.
8. Prior to final acceptance, all storm pipe and structures shall be clean of debris. In addition, insure that inlet shaping “IS-1” is in place.

Mr. Danny Wilson
April 28, 2015
Page 3 of 4

9. Please provide permanent stabilization of denuded areas. It will be required that no shrubbery or brush be permitted within the right of way.
10. In the area of future roadway construction, please provide fine grading to provide positive drainage to planned storm collection points.
11. In the area of "Water Tank Road", the utility crossing and access connection point will be required pavement reconstruction / pavement overlay. Evidence of settling is noticeable. Please note that the access point should accommodate the future lane construction within the right-of-way, if acceptance to this location is desired.
12. Please have the plans reflect and verify the design speed applicable to this development.
13. In an area between "Water Tank Road" and a site access to "Red Sun", please provide positive drainage in the "median" area so that runoff reaches the designed collection point.
14. At site access to "Red Sun", culvert inlet protection "CIP" currently exists and has silted to the point that positive drainage does not exist. Please perform fine grading, stabilize grassed area as needed and remove "CIP" once stabilized.
15. If pavement at "Red Sun" access is planned as tee turn around, please validate that pavement section is adequate per plan pavement design.
16. At "Red Sun", please provide radial stabilization at the radial turning movement. It appears that lower layers were placed without the top layer and presents a significant drop off.
17. The median drainage structure with concrete flume work requires remediation (Structure 1-13). The concrete shall be removed and reconstructed. The structure may require replacement. Further investigation is warranted.
18. In area of Structure 1-13, the pavement lane shows signs of deterioration. At a minimum, two (2) cores are warranted to determine if subgrade is adequate. A specific area may require reconstruction and possibly underdrain.
19. In the area of "Red Sun" main entrance, a defined channel is required to collect and direct runoff. The general area is described as "future roadway"
20. In the area of Sta 20+00 to 22+00 a guardrail is installed. The area in close proximity has been filled. The guardrail shall be removed. Please note that along the entire roadway, guardrail end sections shall be evaluated to determine if they meet the current requirements.
21. Structure 1-10 appears to include a DI-7 grate that is not traffic rated. The grate top shall be corrected.
22. This project includes the cul-de-sac construction for Laboratory Road (SR 790). It appears that tractor trailers are parked in the right-of-way at the cul-de-sac.
23. In the area where a stormwater management area is in close proximity to the right of way, please verify the stormwater detention elevation/limit so that detention is not occurring within the right of way.

As mentioned above, this letter represents a majority of the concerns along the entire roadway. Once certain items are provided and or modified, additional comments may arise.

This letter does not specifically address the requirement for the Administrative Cost Recovery Fee, Maintenance Fee, or Surety amount. The fees are based in part to the length of road to be considered for state maintenance; the actual length has not been identified. The testing program

Mr. Danny Wilson
April 28, 2015
Page 4 of 4

associated with this development may affect the surety timeframe. In addition, this development appears to have utilized some state funding, which may affect the surety timeframe. Clarification on the state funding will be of assistance when finalizing the acceptance package.

If you should have any questions pertaining to this matter, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink that reads "Paul J. Brown". The signature is written in a cursive, flowing style.

Paul J. Brown, P.E.
VDOT, Christiansburg Area Land Use

Enclosure



Intersection spacing and culvert



No turnaround at end of road



Roadside swales unmaintained



No top coat



No swales



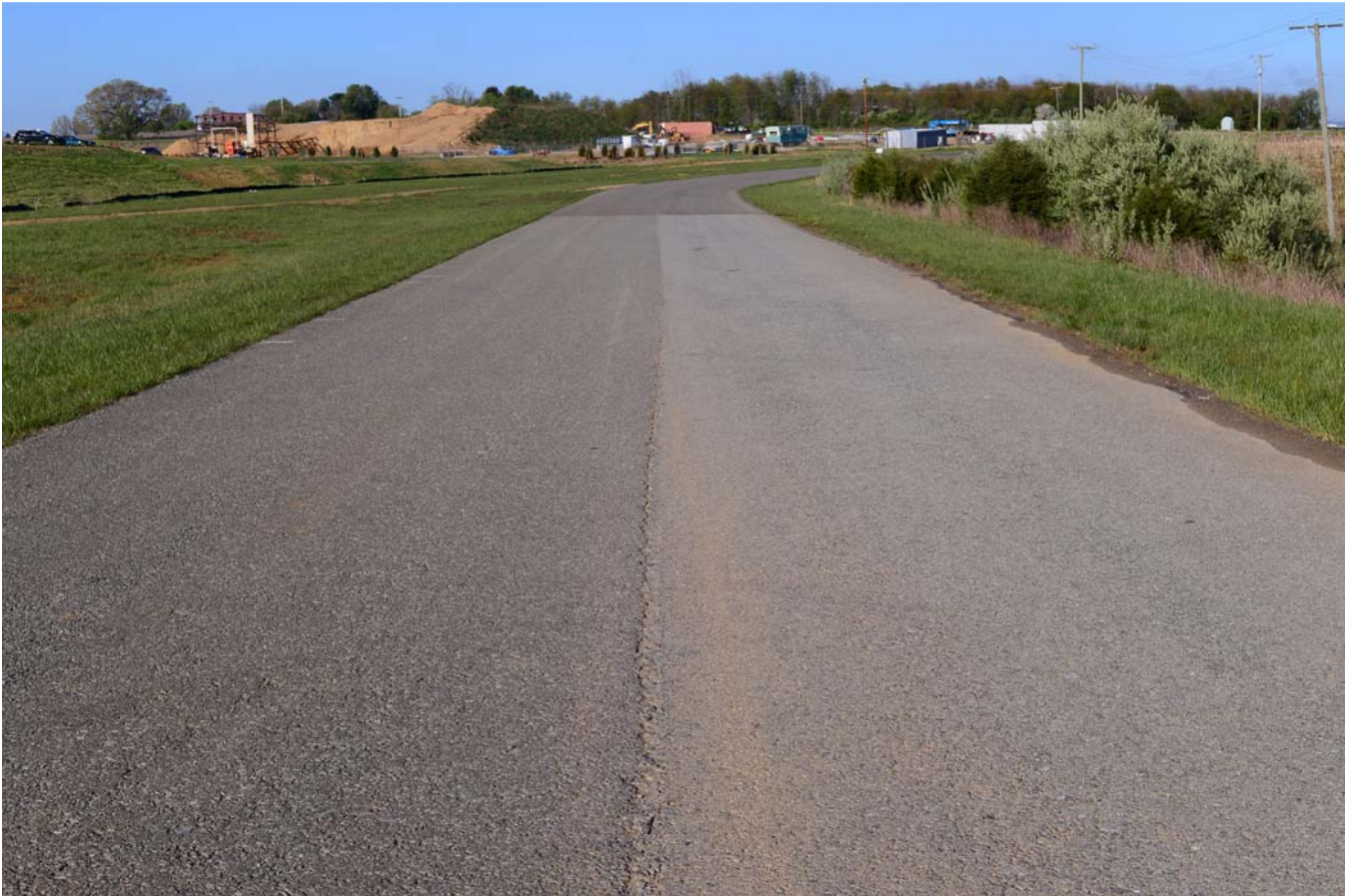
Lack of positive drainage in swales



Old temporary ENS measures were never removed



Lack of positive drainage in swales



Large patched area warrants compaction testing



Broken drainage structure



Broken drainage structure



Cracking asphalt



Lack of swale/ soft shoulders



Erosion issues



Old temporary ENS measures were never removed

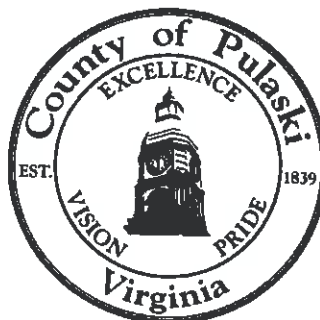


Missing culvert under entrance



Guard rail no longer needed- to be removed

Zoning Department
143 Third Street, NW, Suite 1
Pulaski, Virginia 24301
(540) 980-7710
fax: (540) 980-7717



*Room to Grow in
Virginia's New River Valley*

Jay Abbott
Red Sun Farms
5400 International Boulevard
Dublin, VA 24084

June 3, 2015

RE: Pulaski County Board of Supervisors Action - Petition #2015-14-04

Mr. Abbott,

The application for a Special Use Permit to build a 13,000 gallon above ground storage tank on property owned by VFRIFA and known as Tax Map #036-5-5 was **approved** by the Pulaski County Board of Supervisors during the May 18, 2015 meeting.

According to Section 15.2-2209.1 of the Code of Virginia, the Special Use Permit is valid until July 1, 2017. Once this deadline approaches, clear evidence will need to be provided to Pulaski County that you are working towards the utilization of the Special Use Permit in order to keep the permit active. Once the Special Use Permit is utilized, it is valid for as long as the use is in operation, as long as the use is not discontinued for a consecutive 12 month period.

According to Section 15.2-2285(F) of the Code of Virginia, any person who feels aggrieved by zoning action that was or was not made by the governing body and wishes to file an appeal with the circuit court has thirty days from the date of the decision in which to do so.

I look forward to working with you to finalize any site plans and building permits needed for you to begin operation. Please contact me if you have any questions about this project. I can be reached via phone at 540-980-7710 or email at dwilson@pulaskicounty.org.

Sincerely,

Danny Wilson, AICP, ISA
Planning & Zoning Administrator

CC: Joe Sheffey, Cloyd District Supervisor
Peter Huber, County Administrator
Sue Phillips, Commissioner of Revenue's Real Estate Office



919 E. Main Street, Suite 1100
Richmond, Virginia 23219
(804) 648-0635

Robert W. Lauterberg
Managing Director

February 6, 2015

MEMORANDUM

To: Board of Directors of Commerce Park &
Virginia's First Regional Industrial Facility Authority

From: Robert W. Lauterberg

Re: Distribution of Excess Dues – Virginia's First

We have concluded our assignment that the Board of Directors has tasked us with and are pleased to present our findings and analysis. The Board asked us to determine an equitable distribution of the remaining excess net dues paid since July 1, 2009 by members of Virginia's First RIFA.

Virginia's First RIFA – Excess Dues Distribution: It is our understanding that members of Virginia's First contribute \$5000 annually to cover operating expenses. Furthermore, in February 2011 there was a \$600,000 distribution to members, each receiving its pro rata share, based on the cumulative excess net dues as of June 30, 2009. (Excess Distribution Plan adopted by the Board on January 12, 2011.) The net balance after the distribution was \$150,000.

The attached schedule (Table 1) provides the following details regarding members' dues paid in each fiscal year from FY2010 to FY2014, inclusive:

- Member locality
- Date of payment
- Amount of payment

Table 2 provides the annual and cumulative excess revenues over expenses for FY2010 to FY2014. With a starting balance of \$150,000 as of July 1, 2009, the cumulative excess revenues over expenses as of June 30, 2014, totals \$45,105.66. The \$150,000 starting balance is the net amount of cumulative excess revenues over expenses less the \$600,000 distribution in February 2011 to Virginia's First members.

Virginia's First Dues Distribution
February 6, 2015
Page 2

To determine an equitable distribution of the net excess amount, we calculated the pro rata share of the total dues contributed by each member during the period in question. Based on this analysis, each member would be paid its pro rata share of the cumulative net excess dues as follows:

Member	Total Dues Paid 7/1/2009 – 6/30/2014	% of Total Dues Paid	Allocation of Excess*
Bland County	\$ 25,000	7.58%	\$ 3,417.10
Craig County	25,000	7.58%	3,417.10
Giles County	25,000	7.58%	3,417.10
Montgomery County	25,000	7.58%	3,417.10
Pulaski County	25,000	7.58%	3,417.10
Roanoke County	25,000	7.58%	3,417.10
Wythe County	5,000	1.52%	683.42
Radford, City of	25,000	7.58%	3,417.10
Roanoke, City of	25,000	7.58%	3,417.10
Salem, City of	15,000	4.55%	2,050.26
Christiansburg, Town of	25,000	7.58%	3,417.10
Dublin, Town of	25,000	7.58%	3,417.10
Narrows, Town of	10,000	3.03%	1,366.84
Pearisburg, Town of	25,000	7.58%	3,417.10
Pulaski, Town of	<u>25,000</u>	<u>7.58%</u>	<u>3,417.10</u>
Total	\$ 330,000	100.00%	\$45,105.72

* Additional 6 cents due to rounding.

If you have any questions or would like to discuss this analysis, please don't hesitate to let us know.

Thank you.

Attachments

Cc: Steven C. Mulroy, VML/VACo Finance
Ken Mulkey, VML/VACo Finance

TABLE 1

**Virginia's First Regional Industrial Facility Authority
Dues Paid by Members, FY2010 to FY2014**

	30-Jun-10		30-Jun-11		30-Jun-12		30-Jun-13		30-Jun-14		Total	%	Excess Payout
	Payment Date	Amt.	Payment Date	Amt.	Payment Date	Amt.	Payment Date	Amt.	Payment Date	Amt.			
Bland County	7/23/2009	5,000.00	7/30/2010	5,000.00	7/21/2011	5,000.00	8/1/2012	5,000.00	8/1/2013	5,000.00	25,000.00	7.58%	3,417.10
Craig County	7/8/2009	5,000.00	7/23/2010	5,000.00	8/2/2011	5,000.00	7/10/2012	5,000.00	8/19/2013	5,000.00	25,000.00	7.58%	3,417.10
Giles	8/10/2009	5,000.00	8/9/2010	5,000.00	6/6/2011	5,000.00	7/3/2012	5,000.00	7/22/2013	5,000.00	25,000.00	7.58%	3,417.10
Montgomery	7/16/2009	5,000.00	8/2/2010	5,000.00	8/2/2011	5,000.00	8/1/2012	5,000.00	7/22/2013	5,000.00	25,000.00	7.58%	3,417.10
Pulaski County	7/9/2009	5,000.00	7/30/2010	5,000.00	7/7/2011	5,000.00	7/10/2012	5,000.00	8/1/2013	5,000.00	25,000.00	7.58%	3,417.10
Roanoke County	12/11/2009	5,000.00	8/13/2010	5,000.00	8/15/2011	5,000.00	8/27/2012	5,000.00	7/22/2013	5,000.00	25,000.00	7.58%	3,417.10
Wythe County	7/28/2009	5,000.00	-	-	-	-	-	-	-	-	5,000.00	1.52%	683.42
Radford, City of	7/9/2009	5,000.00	7/19/2010	5,000.00	7/15/2011	5,000.00	7/10/2012	5,000.00	7/5/2013	5,000.00	25,000.00	7.58%	3,417.10
Roanoke, City of	7/9/2009	5,000.00	8/9/2010	5,000.00	5/9/2011	5,000.00	10/10/2012	5,000.00	6/25/2013	5,000.00	25,000.00	7.58%	3,417.10
Salem, City of	8/31/2009	5,000.00	2/25/2011	5,000.00	5/9/2011	5,000.00	-	-	-	-	15,000.00	4.55%	2,050.26
Christiansburg, Town of	8/11/2009	5,000.00	8/13/2010	5,000.00	7/6/2011	5,000.00	7/3/2012	5,000.00	8/13/2013	5,000.00	25,000.00	7.58%	3,417.10
Dublin, Town of	7/7/2009	5,000.00	7/19/2010	5,000.00	8/22/2011	5,000.00	7/2/2012	5,000.00	8/13/2013	5,000.00	25,000.00	7.58%	3,417.10
Narrows, Town of	7/1/2009	5,000.00	8/13/2010	5,000.00	-	-	-	-	-	-	10,000.00	3.03%	1,366.84
Pearisburg, Town of	7/23/2009	5,000.00	7/23/2010	5,000.00	7/21/2011	5,000.00	7/2/2012	5,000.00	7/22/2013	5,000.00	25,000.00	7.58%	3,417.10
Pulaski, Town of	7/9/2009	5,000.00	7/19/2010	5,000.00	7/11/2011	5,000.00	7/10/2012	5,000.00	7/11/2013	5,000.00	25,000.00	7.58%	3,417.10
Totals		75,000.00		70,000.00		65,000.00		60,000.00		60,000.00	330,000.00	100.00%	45,105.72

Cumulative Excess Revenues over Expenses (FY2010 - FY2014) 45,105.66

TABLE 2

Virginia's First Regional Industrial Facility Authority
Excess Revenues over Expenses, FY2010 to FY2014

	<u>30-Jun-10</u>	<u>30-Jun-11</u>	<u>30-Jun-12</u>	<u>30-Jun-13</u>	<u>30-Jun-14</u>
Member Dues	75,000.00	70,000.00	65,000.00	60,000.00	60,000.00
Operating Expenses	<u>18,738.89</u>	<u>19,823.89</u>	<u>24,060.54</u>	<u>93,778.95</u> (2)	<u>78,492.07</u>
Annual Excess / (Deficit)	56,261.11	50,176.11	40,939.46	(33,778.95)	(18,492.07)
Beginning Cumulative Excess	150,000.00 (1)	206,261.11	256,437.22	297,376.68	263,597.73
Ending Cumulative Excess	206,261.11	256,437.22	297,376.68	263,597.73	245,105.66
Repayment of Commerce Park Loan					<u>(200,000.00)</u>
Cumulative Net Excess Revenues over Expenses					45,105.66

(1) Net of \$600,000 of excess dues distributed in February 2011 (Excess Distribution Plan adopted 1/12/2011 based on 6/30/2009).

(2) Includes \$57,000 for Commerce Park website.



919 E. Main Street, Suite 1100
Richmond, Virginia 23219
(804) 648-0635

Robert W. Lauterberg
Managing Director

February 6, 2015

MEMORANDUM

To: Board of Directors of Commerce Park &
Virginia's First Regional Industrial Facility Authority

From: Robert W. Lauterberg

Re: Fair Market Value of Commerce Park Units

We have concluded our assignment that the Board of Directors has tasked us with and are pleased to present our findings and analysis. The Board asked us to determine the per share fair market value of the equity units held by the members in Commerce Park.

Commerce Park – Fair Market Value of Shares: A common approach to determining fair market value is to use a discounted cash flow model. In order to use this approach, the business being valued must be a going concern that generates free cash flow and profits. The concept behind the discounted cash flow model is to calculate the present value of future earnings at a discount rate. The discount rate generally is the rate of return required by an investor to purchase equity in a business. In essence, the investor is buying shares in a business today for the right to receive income in the future.

Commerce Park's FY2015 budget is as follows:

Total Expenses (including Deferred Debt Pymt.)	\$661,189.00
Sources of Funds/Revenues to cover expenses	
Member Contributions (@ \$2.75 per sh.)	\$412,500.00
Miscellaneous / Grants	35,000.00
Reserve Funds	22,822.60
Property Lease, Taxes, Water Surcharge	41,941.40
Total Sources / Revenues	\$512,264.00

CP Fair Market Value Calculation
February 6, 2015
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Plus Deferred Debt Service Payment	<u>\$148,925.00</u>
Total Funds to Cover Expenses	<u>\$661,189.00</u>

Commerce Park's FY2015 budget is as follows:

It is our understanding that tax revenues and water surcharges generated from the Greenhouse business in Commerce Park, which opened July 2014, will produce approximately \$140,000 per year over the next ten years. This represents an increase of approximately \$117,250 (\$140,000 less current revenues of \$22,750) over the FY2015 budget.

The FY2015 budget includes property lease revenues of \$19,191.40. It is our understanding that lease revenues going forward will be \$22,500 per year, an increase of about \$3,300. The lease revenues going forward are comprised of a private business club lease at \$2,500 per year and vacant farm land rental at \$20,000 per year.

An adjusted budget incorporating these additional revenues would be as follows:

Total Expenses (including Deferred Debt Pymt.)	\$661,189.00
FY 2015 Budgeted Revenues / Sources of Funds *	\$512,264.00
Plus Additional Revenues (\$117,250 + \$3,300)	<u>\$120,550.00</u>
Total Adjusted Revenues / Sources of Funds	<u>\$632,814.00</u>
Excess Revenues over Expenses (Before deferral of Debt Payment)	(\$28,375.00)

* Excludes Deferred Debt Payment.

As the adjusted budget indicates, Commerce Park's revenues are not yet sufficient to cover expenses, when including the debt payment that has been deferred. Commerce Park's anticipated shortfall of \$28,375 factors in Member contributions of \$412,500 and the use of reserve funds of \$23,000. Unless the members are reasonably confident that additional tax and lease revenues will be realized over the near to intermediate term, an appropriate valuation approach would be to assume liquidation. If the members are confident that Commerce Park will generate positive cash flows and income, without relying on member contributions and reserve funds, and the forgiveness of debt payments, then the discounted cash flow model described in greater detail in the attached memo would be an appropriate approach to value the shares in Commerce Park.

CP Fair Market Value Calculation
February 6, 2015
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That being said, the per share liquidation value of Commerce Park's units is calculated as follows:

Net Asset Value per Share, as of June 30, 2014

Net Asset Value as of 6/30/2014:	\$312,451
Shares Outstanding as of 6/30/2014:	166,408.98
Net Asset Value per Share	\$1.88

Please refer to Table 1 for a detail listing of the shareholders' ownership allocation.

If you have any questions or would like to discuss this analysis, please don't hesitate to let us know.

Thank you.

Attachments

Cc: Steven C. Mulroy, VML/VACo Finance
Ken Mulkey, VML/VACo Finance

TABLE 1

Commerce Park
Shareholder Ownership Register

A. As of June 30, 2014

	Original Issuances			Reallocate Wythe withdrawal			Excess Dues offering (2/2011)			RSF Grading Agreement			CP Ownership as of 6/30/2014	
	Shares	Price	\$	Shares	Price	\$	Shares	Price	\$	Shares	Price	\$	Shares	%
1 Bland County	2,000.00	2.75	5,500.00	145.53	2.75	400.21	681.82	40.00	27,272.80	-	40.00	-	2,827.35	1.70%
2 Craig County	2,000.00	2.75	5,500.00	125.00	2.75	343.75	-	40.00	-	-	40.00	-	2,125.00	1.28%
3 Giles County	18,932.00	2.75	52,063.00	1,377.60	2.75	3,788.40	999.96	40.00	39,998.40	-	40.00	-	21,309.56	12.81%
4 Montgomery County	18,932.00	2.75	52,063.00	1,377.60	2.75	3,788.40	-	40.00	-	-	40.00	-	20,309.60	12.20%
5 Pulaski County	60,907.00	2.75	167,494.25	4,609.80	2.75	12,676.95	999.96	40.00	39,998.40	10,000.00	40.00	400,000.00	76,516.76	45.98%
6 Roanoke County	10,000.00	2.75	27,500.00	638.30	2.75	1,755.33	-	40.00	-	-	40.00	-	10,638.30	6.39%
7 Wythe County	9,000.00	2.75	24,750.00	(9,000.00)	2.75	(24,750.00)	-	40.00	-	-	40.00	-	-	0.00%
8 City of Radford	7,950.00	2.75	21,862.50	507.44	2.75	1,395.46	681.82	40.00	27,272.80	-	40.00	-	9,139.26	5.49%
9 City of Roanoke	10,000.00	2.75	27,500.00	-	2.75	-	681.82	40.00	27,272.80	-	40.00	-	10,681.82	6.42%
10 Town of Dublin	1,006.00	2.75	2,766.50	73.20	2.75	201.30	999.96	40.00	39,998.40	-	40.00	-	2,079.16	1.25%
11 Town of Pearisburg	2,000.00	2.75	5,500.00	145.53	2.75	400.21	681.82	40.00	27,272.80	-	40.00	-	2,827.35	1.70%
12 Town of Pulaski	7,273.00	2.75	20,000.75	-	2.75	-	681.82	40.00	27,272.80	-	40.00	-	7,954.82	4.78%
Total	150,000.00		412,500.00	(0.00)		0.00	6,408.98		256,359.20	10,000.00		400,000.00	166,408.98	100.00%

B. After of June 30, 2014

	CP Ownership as of 6/30/2014		After 6/30/2014 Gas Line Extension			After 6/30/2014 International Blvd ROW Survey			CP Ownership after 6/30/2014	
	Shares	%	Shares	Price	\$	Shares	Price	\$	Shares	%
1 Bland County	2,827.35	1.70%	-	40.00	-	-	40.00	-	2,827.35	1.60%
2 Craig County	2,125.00	1.28%	-	40.00	-	-	40.00	-	2,125.00	1.20%
3 Giles County	21,309.56	12.81%	-	40.00	-	-	40.00	-	21,309.56	12.04%
4 Montgomery County	20,309.60	12.20%	-	40.00	-	-	40.00	-	20,309.60	11.47%
5 Pulaski County	76,516.76	45.98%	10,500.00	40.00	420,000.00	-	40.00	-	87,016.76	49.16%
6 Roanoke County	10,638.30	6.39%	-	40.00	-	-	40.00	-	10,638.30	6.01%
7 Wythe County	-	0.00%	-	40.00	-	-	40.00	-	-	0.00%
8 City of Radford	9,139.26	5.49%	-	40.00	-	-	40.00	-	9,139.26	5.16%
9 City of Roanoke	10,681.82	6.42%	-	40.00	-	-	40.00	-	10,681.82	6.03%
10 Town of Dublin	2,079.16	1.25%	-	40.00	-	-	40.00	-	2,079.16	1.17%
11 Town of Pearisburg	2,827.35	1.70%	-	40.00	-	-	40.00	-	2,827.35	1.60%
12 Town of Pulaski	7,954.82	4.78%	-	40.00	-	100.00	40.00	4,000.00	8,054.82	4.55%
Total	166,408.98	100.00%	10,500.00		420,000.00	100.00		4,000.00	177,008.98	100.00%

Note: The owners of the shares purchased at \$40 per share are not required to pay annual dues of \$2.75 per share, as the owners of the original shares issued are. Also, the owners of these shares are not responsible for additional debt and expenses.



919 E. Main Street, Suite 1100
Richmond, Virginia 23219
(804) 648-0635

Steven C. Mulroy
Deputy Director

February 6, 2015

MEMORANDUM

To: Virginia's First Regional Industrial Facility Authority
From: Steven C. Mulroy
Re: Fair Market Value Calculation

A common approach to determining the fair market value (FMV) of an entity is to use the discounted cash flow (DCF) model. A fundamental assumption of the DCF model is that the business / enterprise is a going concern and that it will either operate in perpetuity or will be sold at some point in the future. The assumption of a DCF model is that you are calculating the present value of future cash flows, or earnings, generated by the business. If the prospects of generating positive cash flows are not good, then using the DCF approach is not appropriate for obvious reasons. If a business is not generating free cash flow, or profits, then a more appropriate valuation method would be to use the current net asset value or stockholders' equity, which is essentially the liquidation value of the business.

The DCF model is, as its name suggests, a present value calculation of future cash flows generated by a business / enterprise plus the present value of a terminal value of the business, i.e., its value at the end of the forecast period. If a company has debt, then the present value figure represents an enterprise value. To arrive at the equity value, you would subtract the amount of the outstanding debt from the enterprise value.

Highlighted below are several key elements of the discounted cash flow FMV model.

- A. The forecast period. In deciding what forecast period to use, factors such as consistency of earnings, a company's market position, and barriers to entry should be considered. For companies in a highly competitive industry and that do not have consistent earnings, a shorter period, such as one year, is appropriate. For

companies in industries with high barriers to entry and with consistent and growing earnings, a longer period, such as ten years, is appropriate.

For businesses which are not on either extreme, five years is an appropriate and common forecast period. This is the forecast period used in the attached sample DCF analysis for Virginia's First.

B. Discount rate. The discount rate in a DCF model takes into account: 1) the time value of money; and, 2) the risk or uncertainty of future cash flows. The greater the risk or uncertainty, the higher the discount rate that should be used. There are many approaches to determining a discount rate. One such method is the weighted average cost of capital.

a. Weighted Average Cost of Capital (WACC). The weighted average cost of capital considers both debt and equity of a corporation / enterprise and is determined as follows:

i. Cost of Debt: Interest Rate (i) X (1 – Tax Rate)

ii. Cost of Equity as determined by the capital asset pricing model (CAPM), which uses the following formula:

Risk-Free Rate + Beta X (Risk Premium)

1. Risk-Free Rate: US Treasury Bond, typically the 10-year Treasury Bond
2. Beta: A measure of how much a company's share price moves vis-à-vis the market as a whole.
3. Risk Premium, which is the Market Rate – Risk-Free Rate. It is a measure of how much additional return an investor demands over and above the Risk-Free Rate for taking on the additional risk of investing in the company.

iii. $WACC = \% \text{ of Capital Structure as Debt} \times [\text{Interest Rate} \times (1 - \text{Tax Rate})] + \% \text{ of Capital Structure as Equity} \times [\text{Risk-Free Rate} + (\text{Beta} \times \text{Risk Premium})]$

C. Free Cash Flow. In determining future free cash flows, it is appropriate to use an historical average, unless information dictates otherwise (such as a new business line is started, or an existing business unit is shut down).

D. Terminal Value. In addition to the annual free cash flow used in determining the FMV, the value of an asset at the future valuation date, i.e., the end of the forecast period, is also used. The concept is that the asset will either continue to earn a profit in perpetuity, or the business will be sold for some multiple of the annual

income. If the business continues to generate income or free cash flow in perpetuity, it is reasonable to assign a terminal value for that potential, future income. If the business will be sold, a common approach to determining its terminal value, or sales price, is to use a multiple of the past 12 months' earnings.

- a. As a point of reference, the stock market, as measured by the S&P 500 index, generally trades at a price-to-earnings (P/E) ratio of roughly 15X the previous 12 months' earnings. This varies over time, of course, and has been as low as 5.3X (December 1917) to as high as 123.7X (May 2009). Many factors affect a company's PE ratio, for example, the company's growth rate, so the PE ratio may be higher, or lower, than this market average.
- b. There are two common approaches to determining termination value:

- i. Perpetuity Growth Model:

[Final projected year cash flow X (1 + Long-term cash flow growth rate)] / (Discount Rate – Growth Rate)

1. In considering what growth rate to use, it is useful to know that the U.S. economy (as measured by GDP) has grown an average of 2.2% over the last five years. The question, then, is whether the company is growing faster or slower than, or the same as, the U.S. economy.
 2. The formula assumes a constant growth rate over the forecast period.
 3. The Discount Rate is the rate that an investor would require to invest in the business. For example, an equity investor may require a 10% annual return in order to purchase shares of a company.

- ii. Exit Approach: Assumes the business is sold at the end of the forecast period for a multiple of earnings, such as 15 times.

Sample Fair Market Value Calculation: The attached FMV calculation uses the DCF model to estimate a per share value of Virginia's First. Key assumptions are as follows:

1. Five year forecast period;
2. Free cash flow for previous five years (2010 – 2014) is used to calculate an average annual free cash flow per share amount;
3. For purposes of this analysis, it is assumed that annual member contributions less operating expenses of Virginia's First represent free cash flow. It is assumed that Commerce Park's budget breaks even. However, net contributions from

current owners do not truly represent earnings or free cash flow;

4. For the perpetuity growth model used in calculating the terminal value, we assume
 - a. A Growth rate of 2%;
 - b. A Discount rate of 8.0%.
5. For the exit approach in calculating the Terminal Value, we assume a PE multiplier of 15.
6. Debt obligation of \$200,000 (\$1.13 per share) is subtracted from the Enterprise Value to determine the FMV of the shareholders' equity.
7. Total shares outstanding equal 177,009.

Attachment (Sample FMV Calculation)

VML/VACo Finance
Commerce Park / Virginia's First Regional Industrial Facility Authority
SAMPLE Fair Market Value Calculation

Historical, Average 5-Year Free Cash Flows (FCF) *

Year Ended	Contributions less Operating Exp.	Per Share	Avg FCF / 12/31/14 NAV
2010	\$ 56,261.11	0.34	
2011	\$ 50,176.11	0.30	
2012	\$ 40,939.46	0.25	
2013	\$ (33,778.95)	(0.20)	
2014	\$ (18,492.07)	(0.11)	
5-Year Average	\$ 19,021.13	0.11	2.58%

* For purposes of this sample FMV calculation, we have assumed that contributions to Virginia's First less operating expenses represents free cash flow. This also assumes that Commerce Park's budget breaks even. However, net contributions from current owners to cover expenses do not truly represent earnings.

A. Discounted Cash Flow Analysis - Assumes Perpetuity Growth Model in determining Terminal Value

Future 5-Year Free Cash Flow

Year Ended	Per Share	
2015	0.11	0.11
2016	0.11	0.11
2017	0.11	0.11
2018	0.11	0.11
2019	0.11	0.11
Terminal Value	\$ 343,956.74	1.94

a.	Year 5 Expected Cash Flow	\$	0.11
b.	Growth rate (+1)		1.02
c.	Discount Rate		8.00%
d.	Growth rate		2.00%
			[(a x b) / (c - d)]
	Terminal Value per Share	\$	1.94
	# of Shares		177,009
	Terminal Value	\$	343,956.74
	Current Debt Outstanding	\$	200,000.00

Enterprise Value: Net Present Value @ 8.00% **\$1.78**
Less current debt per share **(\$1.13)**
Equity Per Share **\$0.65**

B. Discounted Cash Flow Analysis - Assumes Exit Approach in determining Terminal Value

Future 5-Year Free Cash Flow

Year Ended	Per Share	
2015	0.11	0.11
2016	0.11	0.11
2017	0.11	0.11
2018	0.11	0.11
2019	0.11	0.11
Terminal Value	\$ 303,491.24	1.71

a.	Year 5 Expected Cash Flow	\$	0.11
b.	Sale - Multiplier		15
			[a x b]
	Terminal Value per Share	\$	1.71
	# of Shares		177,009
	Terminal Value	\$	303,491.24
	Current Debt Outstanding	\$	200,000.00

Enterprise Value: Net Present Value @ 8.00% **\$1.62**
Less current debt per share **(\$1.13)**
Equity Per Share **\$0.49**

VIRGINIA'S FIRST REGIONAL INDUSTRIAL FACILITY AUTHORITY
Quarter Ending March 31, 2015

Ledger Balance Forward December 31, 2014		541,298.52
Dues/Shares/Rents Received 1/1/2015 -3/31/2015	420,000.00	
Interest Earned October - December 2014		
Leases/Loan payments	15,647.75	
Mebane Sale		
Verizon Wireless Refund of overpayment	1.75	
Total Receivables (less fees)	435,649.50	435,649.50
January 2015 Payables		
New City	1,080.00	
NRV Planning District Commission	2,549.10	
Guyann, Memmer & Dillon	528.00	
Draper Aden Associates	920.00	
February 2015 Payables		
NRV Development Corporation	75.00	
NRV Planning District Commission	1,961.06	
March 2015 Payables		
Craig County (reimbursement of overpayment)	40.00	
NRV Development Corporation	25.00	
NRV Planning District Commission	2,215.90	
Guyann, Memmer & Dillon	3,755.59	
Robinson Farmer Cox	3,950.00	
VML VACO	3,910.00	
Total Accounts Payable	21,009.65	(21,009.65)
Ledger Balance March 31, 2015		955,938.37
Available Funds		
Virginia's First Designated Balance	56,111.24	
Virginia's First Deferred Excess Funds	(8,727.00)	
Virginia First Available Balance	47,384.24	47,384.24
Commerce Park Designated Balance	899,827.13	
Commerce Park Water/Sewer Expansion Reserve	(192,203.94)	
Commerce Park Available Balance	707,623.19	707,623.19
Total Available Funds		755,007.43
Long-term Obligations - principal balance as of June 30, 2013		
Pulaski County IDA June 2013 Bond Issue Average Interest 5.15% through 2028	\$ 1,660,000.00	
Pulaski County IDA June 2013 Bond Issue Average Interest 5.15% through 2039	\$ 4,950,000.00	
Pulaski County IDA June 2013 Bond Issue Original Issue Discount	\$ (10,133.00)	
VFRIFA Loan to Commerce Park for Site Improvements	\$ 200,000.00	
Pulaski County PSA April 2010 Loan Imputed Interest 2.375% through 2050	\$ 1,413,190.00	
Total Long Term Obligations	\$ 8,213,057.00	

<p>These financial statements have not been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are intended for internal use only</p>
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Virginia's First Regional Industrial Facility Authority
Inventory Schedule
Year Ended June 30, 2013

Value of Land Prior Audit Report	
	Commerce Park Value
Appraisal of 838,474 acres - See E-13b	5,200,00.00
Assessed value 35 acre surplus	662,500.00
Assessed value 55 acre surplus	330,600.00
Total	6,193,100.00

Value of Land June 30, 2013 Audit Report		
Parcel	Per County GIS (12/16/2013)	
	Acres	Assessed Value
036-005-0000-0003	410.62	3,284,900.00
037-001-0000-0001	340.90	1,374,600.00
037-001-0000-0021	55.00	330,600.00
047-048-0000-0006	34.59	220,600.00
	Acres prior to sale (31 after sale)	
047-048-0000-0010	65.22	652,200.00
036-005-0000-0001	8.97	671,100.00
	915.30	6,534,000.00

Total value per books (above)		6193100.00
Book value per acre		6,766.23
<hr/>		
Disposals	Acres	Value
Red Sun Farms	100	676,623.01
New Dublin Presbyterian Church	3.5855	24,260.32
Total Disposals		700,883.33
Sales Proceeds		16,134.75
Net		684,748.58
Land held for resale		5,508,351.42
Loan due from Church		16,041.17
Net Value of land held for resale		5,492,216.42

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	VA First	Commerce Park	Total Funds
12/31/2014 Designated Balance	\$ 67,333.46	\$ 473,965.06	\$ 541,298.52
Quarterly Income			
Dues/Shares		\$ 419,960.00	
Leases		\$ 15,647.75	
Misc - Grants/Easement Fees			
Add'l Shares - W/S Expansion			
an payments land sale - new Dublin Presbyterian church			
mebane house sale			
Total Income	\$ -	\$ 435,607.75	
Quarterly Expense			
Admin Contracted	\$ 2,950.38	\$ 3,180.40	
Admin Exp	\$ (1.75)	\$ 318.91	
Project Development		\$ 1,080.00	
Contractual Service			
Debt Service			
Participation Committee		\$ 376.37	
Professional	\$ 8,233.59	\$ 4,830.00	
Site Maintenance			
Revenue Refund			
Misc/reserve used for debt service			
Total Expense	\$ 11,182.22	\$ 9,785.68	
3/31/2015 Designated Balance	\$ 56,151.24	\$ 899,787.13	\$ 955,938.37
VA 1st includes deferred revenue @		12/31/14 ledger balance	\$ 955,938.37
\$8,727.00			\$ -
		\$ 899,787.13	Commerce Pk Qtr Balance
		\$ (192,203.94)	designated for W/S expansion
		\$ -	designated for RD Loan reserve
		\$ 707,583.19	

These financial statements have not been prepared in accordance with General Accepted Accounting Principles (GAAP) and are intended for internal use only

12:22 PM

04/01/15

Cash Basis

Virginia's First Regional Industrial Facility Authority
Combined Profit & Loss Budget vs. Actual

July 2014 through June 2015

	Jul '14 - Jun 15	Budget	% of Budget
Income			
Commerce Park Income			
Commerce Park - Use of Reserve Easement Fee	0.00	22,822.60	0.0%
Grants - Commerce Park	2.00	2.00	100.0%
LandSale- NewPresbyterianChurch	35,000.00	35,000.00	100.0%
Lease Income - Commerce Park	1,122.96	1,122.96	100.0%
Dalton	9,107.00	9,107.00	100.0%
Flory	2,065.80	2,065.80	100.0%
Guthrie	4,069.95	4,069.95	100.0%
Mebane Manor- 5 year lease	405.00	405.00	100.0%
Residence - Double Wide	1,848.90	1,848.90	100.0%
Total Lease Income - Commerce Park	17,496.65	17,496.65	100.0%
Mebane House Sale	10.00	10.00	100.0%
Pulaski Co share purchase 10500	420,000.00		
Pulaski Twn share purchase 100	4,000.00	4,000.00	100.0%
Red Sun Farms Income			
Real Estate Tax RSF	0.00	22,423.60	0.0%
Water Surcharge RSF	0.00	2,000.00	0.0%
Total Red Sun Farms Income	0.00	24,423.60	0.0%
Shares - Commerce Park			
Shares - Bland County	5,900.00	5,900.00	100.0%
Shares - City of Radford	23,258.00	23,258.00	100.0%
Shares - City of Roanoke	27,500.00	27,500.00	100.0%
Shares - Craig County	5,844.00	5,844.00	100.0%
Shares - Giles County	55,851.00	55,851.00	100.0%
Shares - Montgomery County	55,851.00	55,851.00	100.0%
Shares - Pulaski County	180,172.00	180,172.00	100.0%
Shares - Roanoke County	29,255.00	29,255.00	100.0%
Shares - Town of Dublin	2,968.00	2,968.00	100.0%
Shares - Town of Pearisburg	5,900.00	5,900.00	100.0%
Shares - Town of Pulaski	20,001.00	20,001.00	100.0%
Total Shares - Commerce Park	412,500.00	412,500.00	100.0%
Total Commerce Park Income	890,131.61	517,377.81	172.0%
Virginia First's Income			
Member Dues - VA First			
Dues - Bland County	5,000.00	5,000.00	100.0%
Dues - City of Radford	5,000.00	5,000.00	100.0%
Dues - City of Roanoke	5,000.00	5,000.00	100.0%
Dues - Craig County	5,000.00	5,000.00	100.0%
Dues - Giles County	5,000.00	5,000.00	100.0%
Dues - Montgomery County	5,000.00	5,000.00	100.0%
Dues - Pulaski County	5,000.00	5,000.00	100.0%
Dues - Roanoke County	5,000.00	5,000.00	100.0%
Dues - Town of Christiansburg	5,000.00	5,000.00	100.0%
Dues - Town of Dublin	5,000.00	5,000.00	100.0%
Dues - Town of Pearisburg	5,000.00	5,000.00	100.0%
Dues - Town of Pulaski	5,000.00	5,000.00	100.0%
Dues - Wythe County	0.00	5,000.00	0.0%
Total Member Dues - VA First	60,000.00	60,000.00	100.0%
VA 1st Use of Reserve	0.00	1,500.00	0.0%
Total Virginia First's Income	60,000.00	61,500.00	97.6%
Total Income	950,131.61	578,877.81	164.1%
Gross Profit	950,131.61	578,877.81	164.1%
Expense			
Commerce Park Expenses			
Administration Contracted - CP			
Contracted Management	940.00	940.00	100.0%
PDC Staff Services	7,974.33	13,000.00	61.3%
Total Administration Contracted - CP	8,914.33	13,940.00	63.9%
Administration Expenses			
Copies/Printing	135.00		
Office Supplies	149.45		
Postage	34.46		
Total Administration Expenses	318.91		
Debt Service-Commerce Park			
Pulaski Co PSA - 2050	38,000.00	55,000.00	69.1%
Debt Service-Commerce Park - Other	0.00	353,595.00	0.0%
Total Debt Service-Commerce Park	38,000.00	408,595.00	9.3%
Participation Committee-Comm Pk	1,134.11	1,500.00	75.6%
Professional Services-Comm Pk			
Engineering	41,788.75		
Other Professional Fees	41,430.00		
Professional Services-Comm Pk - Other	0.00	83,500.00	0.0%
Total Professional Services-Comm Pk	83,218.75	83,500.00	99.7%
Project Development-Commerce Pk			
Site Development/Marketing			
Website	2,862.00		
Site Development/Marketing - Other	0.00	2,862.00	0.0%

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Cash Basis

Virginia's First Regional Industrial Facility Authority
Combined Profit & Loss Budget vs. Actual

July 2014 through June 2015

	Jul '14 - Jun 15	Budget	% of Budget
Total Site Development/Marketing	2,862.00	2,862.00	100.0%
Project Development-Commerce Pk - Other	41.60		
Total Project Development-Commerce Pk	2,903.60	2,862.00	101.5%
Site Maintenance-Commerce Park			
Insurance			
Property	0.00	200.00	0.0%
Total Insurance	0.00	200.00	0.0%
Materials/Supplies	0.00	1,500.00	0.0%
Miscellaneous	0.00	150.00	0.0%
Rental Property Maintenance	0.00	500.00	0.0%
Utilities	20.04	30.00	66.8%
Total Site Maintenance-Commerce Park	20.04	2,380.00	0.8%
Total Commerce Park Expenses	134,509.74	512,777.00	26.2%
Virginia's First Expenses			
Administration Contracted -VF			
Contracted Management	2,060.00	12,060.00	17.1%
PDC Staff Services	9,726.52	12,000.00	81.1%
Total Administration Contracted -VF	11,786.52	24,060.00	49.0%
Administration Expenses - VA1st			
Insurance - Public Officials	0.00	1,400.00	0.0%
Miscellaneous			
Bank Fees	0.00	300.00	0.0%
Other	0.00	225.00	0.0%
Total Miscellaneous	0.00	525.00	0.0%
Telecommunications	497.09	533.08	93.2%
Total Administration Expenses - VA1st	497.09	2,458.08	20.2%
Professional Services- VA First			
Accounting	0.00	6,000.00	0.0%
Audit Fee	6,213.13	3,950.00	157.3%
Legal	15,075.21	17,000.00	88.7%
Total Professional Services- VA First	21,288.34	26,950.00	79.0%
Water & Sewer Capacity Debt	17,000.00		
Total Virginia's First Expenses	50,571.95	53,468.08	94.6%
Total Expense	185,081.69	566,245.08	32.7%
Net Income	765,049.92	12,632.73	6,056.1%

FY 2016 Commerce Park Income

CP Income

<u>Item</u>	<u>Budget</u>
Water Surcharge	
Red Sun Farms	\$ 500.00
Red Sun Taxes	
Real Estate	\$ 133,105.00
Machinery & Tools	\$ 6,166.15
Business Personal Property	\$ 6,923.10
Mebane Manor Taxes	
Real Estate	\$ 2,445.00
Machinery & Tools	\$ -
Business Personal Property	\$ -
Property Leases	
Mebane Manor	\$ 540.00
Flory	\$ 4,521.45
Guthrie	\$ 2,062.95
Dalton	\$ 9,107.00
Member Shares	
Bland County	\$ 5,900.00
Craig County	\$ 5,844.00
Giles County	\$ 55,851.00
Montgomery County	\$ 55,851.00
Pulaski County	\$ 180,172.00
Roanoke County	\$ 29,255.00
City of Radford	\$ 23,258.00
City of Roanoke	\$ 27,500.00
Town of Dublin	\$ 2,968.00
Town of Pearisburg	\$ 5,900.00
Town of Pulaski	\$ 20,001.00
New Pres Church Payment	\$ 1,122.96
Reserve Funds	\$ -
Total Revenue	\$ 578,993.61

FY 2016 Commerce Park Expenses

CP Expenses

<u>Item</u>	<u>Budget</u>
Debt Service	
PSA Debt Service	\$ 55,000.00
FY15 Deferred Financing	\$ 148,925.00
FY16 General Refinancing	\$ 357,291.34
FY16 Red Sun Grading Financing	\$ 147,934.16
Professional Services	\$ -
Site Marketing & Website	\$ 1,500.00
Property Maintenance	\$ 500.00
Property Insurance	\$ 275.00
Miscellaneous	
Materials/ Supplies	\$ 200.00
Other Misc.	\$ 150.00
Utilities	\$ 30.00
	\$ -
Deferred Debt Payment	\$ (147,934.16)
(until 7/2016)	
Total Expenses	\$ 563,871.34

Difference \$ 15,122.27